

Heart of the South West Local Enterprise Partnership

LEP Board Paper item 9

Report title: Public Sector Food Procurement Declaration of Intent

Date: 27 January 2023

Purpose: This paper is for **decision**.

Link to LIS: Indicate by **bolding** which area the paper links to.

Inclusive Growth		Clean growth		
Energy		Engineering	Digital	
Ideas/ Innovation	People/Skills	Infrastructure	Bus. Environment	Places

Timing: Ongoing

Financial Impact: None

Decisions requested: To endorse the Heart of the South West's Public Sector Food Declaration of Intent

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Summary

This paper presents the revised Public Sector Food Procurement Declaration of Intent and asks for the Board to endorse it.

1) Background

- 1.1 During 2022, the Board endorsed the University of Exeter's research recommendations from the South West Food Supply Chain Mapping Study and agreed the following action plan:
- 1) Drive culture change, within and between, public organisations in the South West by developing a South West Food Procurement Declaration and securing buy-in from CEO and senior decision makers.
 - 2) Make public procurement more accessible to regional producers and suppliers in the South West by using pre-market engagement to improve the quality of tenders and reassessing procurement criteria so as not to exclude regional producers.

- 3) Support farmer focussed supply chains in the South West by increasing regional capacity for food processing, distribution and freezing, and testing options for the procurement of food produced in the region through a trial of a Dynamic Procurement System.
- 4) Continue to develop the South West as a test bed for national change by agreeing the metrics for measuring the impact of public food procurement in the South West, calling for increased clarity from government on the criteria that can be specified for procurement of local food in public sector tenders together with re-evaluation and simplification of Defra's Balanced Scorecard.
- 5) Supporting and leveraging the delivery objectives set out in the Government's Food Strategy published in June 2022, namely:
 - A prosperous agri-food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country
 - A sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home-grown diets for all
 - Trade that provides export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported.

1.2 Our initial focus has been on developing the public sector food procurement declaration.

2) Declaration of Intent

2.1 A draft public sector food procurement declaration was presented to the Board at its November meeting. Several useful comments were received and we have followed this up over the last two months with a number of one to one meetings, led by Mel Squires. Where possible, the comments have been taken on board and a revised Declaration of Intent is attached.

2.2 There are two specific changes to highlight to the Board:

- The aim to source 75% of food from the UK has been removed, reflecting some concerns that this might not be achievable given only 60% of the value of all food we need is currently produced in the UK and there are inevitably seasonal fluctuations in food that is grown here.
- The commitment to review procurement policies within 12 months has been removed, reflecting concerns that more time would be required to complete this action.

2.3 The Board is asked to endorse this Declaration of Intent.

3) Next Steps

3.1 The intention is to secure signatories to this Declaration of Intent and launch it at a Food Summit, where examples of good practice can be showcased and barriers to local food production and sourcing can be discussed. This may be done in conjunction with the Great South West Partnership.

Local Food Procurement in the Heart of the South West

Public Sector Declaration of Intent

This Declaration has been prepared by partners across the Heart of the South West in response to the UK Government's Food Strategy published by Defra (June 2022) and research published by the University of Exeter into Public Procurement of Food in the South West (March 2022).

1. We will endeavour to source, and guide our local providers to source, more seasonally and domestically available locally produced food. We aim for at least 50% of all food spend to be procured from growers/ producers/ manufacturers within the South West local region* by 2028, and aspire to increase this proportion further over time.
2. We recognise that by more local sourcing we will contribute positively to the climate change emergency and net zero objectives. Moreover, improving food security and resilience in supply chains supports our SMEs and local economy, contributes towards rural levelling up and underpins healthy eating in our communities.
3. We will seek to review our procurement policies and build pre-market engagement into our process to streamline it to enable local food producers and processors to supply into our organisation. We will encourage others related to our food sourcing supply chain, both direct and indirect, to do the same.
4. Wherever possible we will work with partners and funders to seek opportunity to champion and cascade best practice, supporting new ideas, training, knowledge and innovation.
5. We will publicly report on our progress against these objectives through existing corporate reporting arrangements to enable the impact of this Declaration to be monitored.

We encourage every public sector organisation, and those who supply them, to call on the Government to work with us to deliver this Declaration. Through collective action, innovation and influence we will be able to create a mutually supportive regional food supply chain economy that maintains high standards of people and animal welfare, delivering local, sustainable food in the public sector across the South West region.

* Locally produced food is defined as ingredients produced/grown/caught within the same region as it is consumed, or a neighbouring county (for counties at regional boundaries), as set out in Defra's consultation on the Public Sector Food and Catering Policy. Multi-ingredient foods may qualify as 'locally produced' if at least 50% quantity (Kg or L) of their ingredients are produced/grown/caught in the local region.

Context

Domestic food production is a vital contributor to national resilience and food security, it plays a critical role in meeting our carbon and environmental targets, and it reduces the offshoring of food production to countries that do not meet our high environmental and animal welfare standards. The food and drink industry also has an important role to play in levelling up as it is the UK's largest manufacturing industry, bigger than the aerospace and automotive industries combined. In 2019, there were over 1,100 food manufacturing businesses across the South West (13% of the England total) employing over 24,300 people with a turnover of £4 billion. Between 2010 and 2019, the GVA for food manufacturing in the South West increased by 16%.

Nationally, it has been estimated that public sector organisations spent £2.4 billion annually on food products in 2014. While big players dominate some sectors, a large proportion are smaller businesses. In the food and drink manufacturing sector (excluding beverages) for instance, 96% of business are SMEs and account for 25% of employment and total turnover of the sector. In the South West, many agricultural enterprises are small family farms that contribute to the rural economy, local communities and to landscape quality.

The UK Food Security report published by the government (December 2021) concluded there is a high degree of food security in the UK, with about 54% of food on plates produced in the UK including the majority of grains, meat, dairy and eggs. Self-sufficiency is about 54% in fresh vegetables and 16% in fruit. In 2020, 71% of the UK's land, or 17 million hectares, was used for agricultural production and, of the 9.2 million hectares of farmland in England, we have some of the best performing farms in the world such that 57% of agricultural output comes from just 33% of the farmed land area. The consumption of fish in the UK is dominated by non-native species such as cod, haddock and tuna so the UK is actually a net importer of fish (721,000 tonnes), with much of the UK's catch being exported (452,000 tonnes).

The government's Food Strategy (June 2022) aims for farmers to broadly maintain the current level of food we produce domestically whilst also aspiring for at least 50% of public sector spend on food to be on food produced locally or certified to higher environmental production standards. They have committed to support the sector to work with more small and local suppliers and to improve accountability by requiring public organisations to report on the food they buy, serve and waste. The government believes this could be an exemplar for wider society, delivering positive health, animal welfare, environmental and socio-economic impacts.

The University of Exeter's research into Public Procurement of Food in the South West (March 2022) showed a growing interest among all stakeholders regarding the opportunities and benefits of shortened supply chains, including increasing competitiveness and productivity. Building on this research and the government's consultation during the summer on the Public Sector Food and Catering Policy, South West public sector organisations have made this declaration.