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National Procurement Service

# Nutrition and Health In Public Procurement

Mark Grant

Category Manager - Food



# Introduction to the National Procurement Service (NPS)

- NPS is a major public service innovation, which aims to reduce expenditure, eliminate duplication and increase efficiency.
- NPS arose following the McClelland Review into Public Sector Procurement in Wales, and has significant Ministerial backing (launched by Jane Hutt and Lesley Griffiths).
- NPS will deliver All Wales contracts and frameworks for Common and Repetitive Spend (CaRS), and make these available to Welsh public sector organisations.
- NPS will enable the Welsh public sector to collaborate more closely in procuring goods and services.
- 73 organisations have signed up – Local Authorities, National Health Service, Welsh Government, Police, Fire, Higher and Further Education.
- Whilst savings are a priority for the NPS overall, promoting local economic regeneration, driving sustainable procurement, improving food safety, nutrition and health, creating community benefits, and supporting local SME's are all key areas for the NPS Food Category.
- NPS to be self funding via levy model.

# Overview Of Public Sector Food And Drink



# Total Public Sector Food And Drink Spend

Total Public Sector Food & Drink Spend is estimated at £74.4m, with purchases from Welsh companies including producers and distributors accounting for 63% which amounts to £47.1m.

Total spend by sector:

Sectors	Total Food & Drink Purchases	Purchases From Welsh Companies*	Percentage From Welsh Companies
Local Authorities	£41.3m	£28.1m	68%
National Health Service	£18.4m	£14.1m	77%
Higher & Further Education	£10.3m	£3.7m	36%
Military & Blue Light Services	£1.9m	£0.4m	22%
Central Govt & Public Bodies	£2.5m	£0.8m	33%
<b>All Organisations</b>	<b>£74.4m</b>	<b>£47.1m</b>	<b>63%</b>

Source : Public Sector Food Purchasing in Wales Final Report / Welsh Government Food & Marketing Development Division – May 2013

\* Purchases from Welsh companies includes all product of Welsh Origin (i.e. Welsh Milk, Lamb) and Welsh Supplied which is all product sourced from suppliers/wholesalers based in Wales (i.e. with a Welsh Post Code).

## Food & Drink – Origins Of Product (£m)

### Total spend by sub category area (ranked):

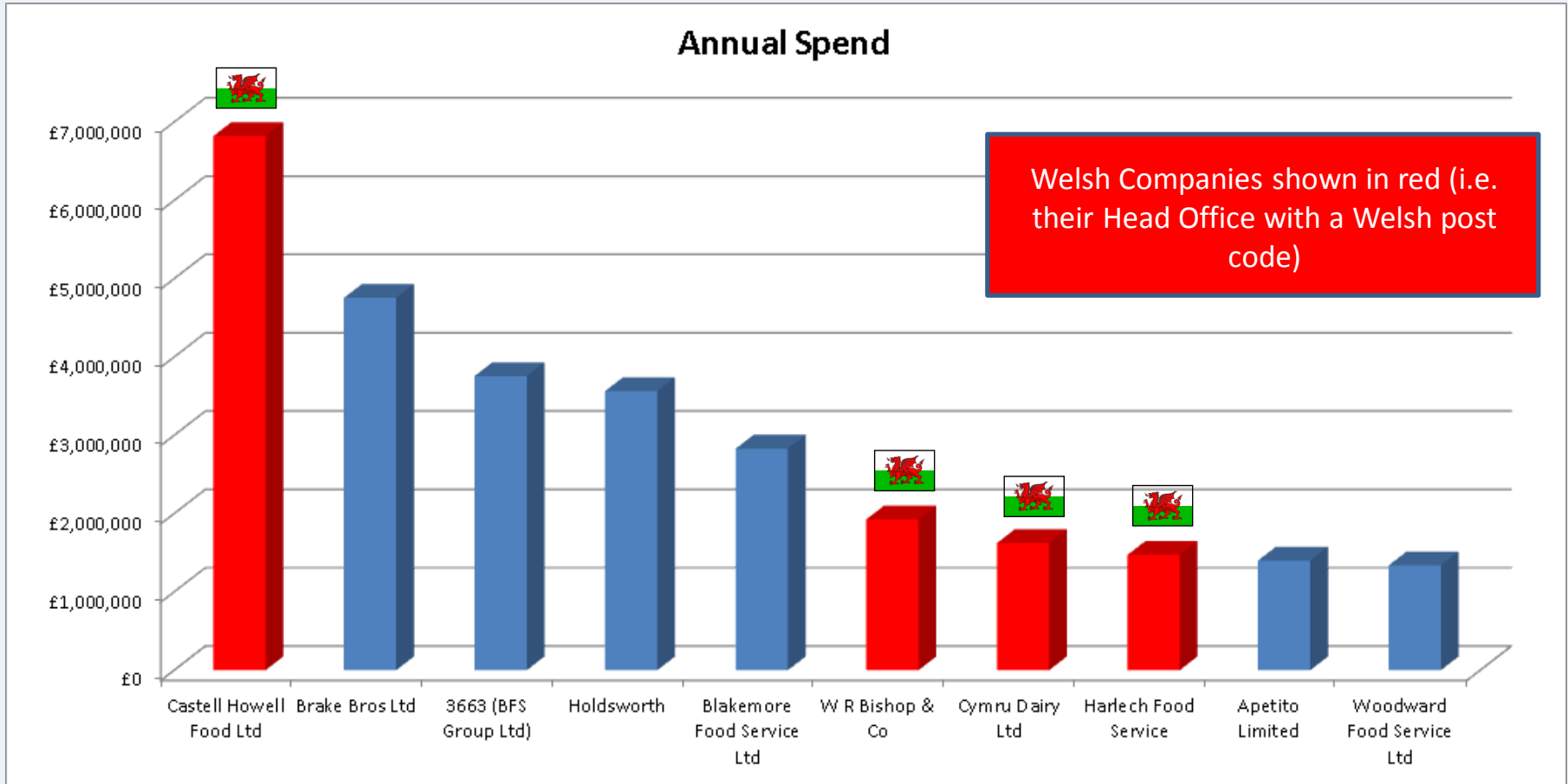
Product Category	Total Purchases (£m)	Welsh Origin (£m)*	%	Welsh Supplied (£m)*	%
Ambient & Frozen	£32.40m	-	-	£18.20m	56%
Meat	£11.00m	£4.36m	40%	£4.86m	44%
Milk - Fresh	£7.26m	£4.78m	66%	£1.43m	20%
Vegetables	£5.07m	£0.62m	12%	£3.00m	59%
Confectionery	£4.16m	£0.03m	1%	£2.27m	55%
Soft Drinks	£4.01m	£0.27m	7%	£0.59m	15%
Bread	£2.94m	£1.99m	68%	£0.37m	13%
Dairy Products (excluding Milk)	£2.58m	£0.87m	34%	£0.87m	34%
Fruit	£2.32m	£0.31m	13%	£1.42m	61%
Ready Meals	£1.01m	£0.03m	3%	£0.09m	9%
Other Bakery Products	£0.84m	£0.15m	17%	£0.09m	11%
Water	£0.75m	£0.34m	45%	£0.16m	22%
Milk - UHT	£0.08m	-	-	£0.03m	36%
<b>Total</b>	<b>£74.40m</b>	<b>£13.75m</b>	<b>18%</b>	<b>£33.38m</b>	<b>45%</b>

Source : Public Sector Food Purchasing in Wales Final Report / Welsh Government Food & Marketing Development Division – May 2013

\* Welsh Origin data includes areas such as Welsh Milk, Beef, Lamb etc.

\* Welsh Supplied includes all product sourced from suppliers/wholesalers based in Wales (i.e. with a Welsh Post Code).

# Top 10 Suppliers

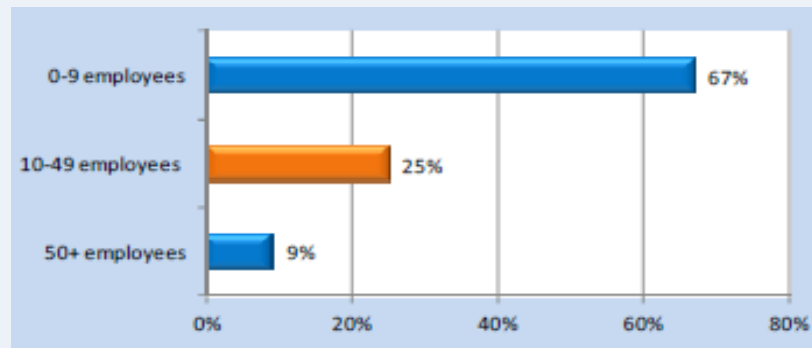


Source : Refined £2.8bn spend data 2010/11

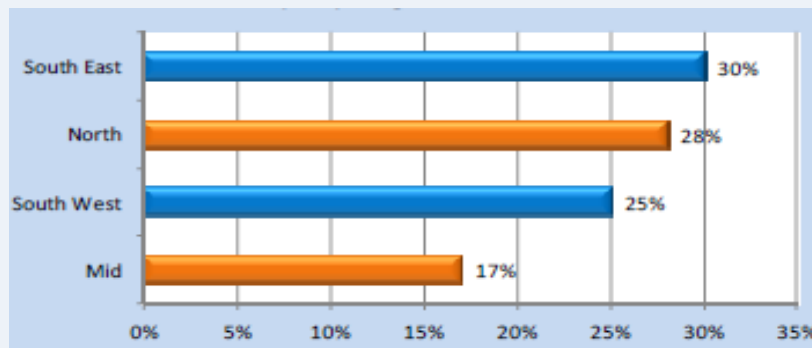
# Supplier Size, Turnover and Location

The charts below summarise suppliers based in Wales supplying the Public Sector:

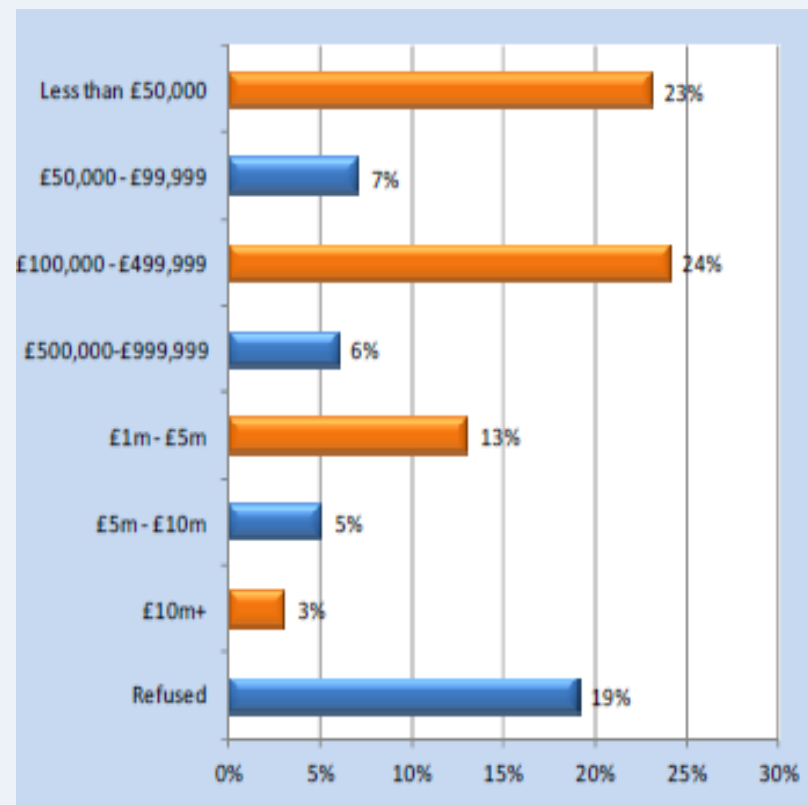
## Company Size



## Region Of Wales



## Company Turnover



# Food Category Forum

- A Food Category Forum has been established with representatives nominated from public sector organisations to develop the food strategy.
- Keir Warner (NHS) is the current chair of the Food Category Forum, with Stuart Wiggins (Merthyr County Borough Council), elected as the Vice-Chair.
- Numerous Food Category Forum's have taken place to date with good cross sector representation in each session, which have helped to shape the NPS Food Strategy.
- The Food Category Forum has identified a proposed Food Structure ahead of Food moving across to the NPS.
- Three key work streams have been identified:
  - Food Safety and Nutrition.
  - Sustainable Procurement.
  - Innovation, Automation and Management Information.



# Food Safety & Nutrition

## Key Objectives

The following key objectives were agreed by the Food Category Forum for Food Safety & Nutrition:

1. Align food safety & nutritional requirements across the whole public sector incorporating the Government's future health strategies and priorities.
2. Evaluate having a single public sector food safety accreditation standard and systems to manage and support this.
3. Evaluate an automated complaints system and product/supplier monitoring system to be used across all public sector organisations and suppliers.
4. Understand exactly where the public sector source from now and assess the total risks across the current supply chain.

## SCOPE & OBJECTIVES

Provide a comprehensive range of Food, accessible to all sectors

Deliver a Strategy that encompasses all areas of Food and is open to SME's with the capability and capacity

Align Food Safety & Nutritional Requirements across the whole public sector incorporating the Government's future health strategies and priorities

Capture spend, savings and KPI data, including Welsh tiered supplier spend, thus maximising benefit potential

Consider future Food strategies and align procurement to deliver automation and improved supply chain infrastructure



Increased spend, savings and levy channelled through a flexible framework

Frameworks influence health, the environment and the economy of Wales

Ensure framework performance aligned to WPPS

Ensure framework aligns to WPPS and moves in line with technological advances and industry standards

# Nutrition and Health In Public Procurement



# Public Sector Nutrition and Health Current Landscape

- NHS have really driven the nutritional agenda and clearly lead in this area within the public sector in Wales with each meal served to patients nutritionally balanced and tailored to each patients needs.
- Local Authorities schools menu's are nutritionally balanced across the 5 day week.
- Procurement of food in line with improving nutritional requirements is difficult and complex to manage as each public sector body has quite varied requirements.
  - Healthier meals for school children
  - Catering for elderly malnourished patients in hospitals
  - Serving young adults in College's and Universities
- Standardisation of nutritional requirements will benefit all of the public sector in Wales and procurement and the suppliers have a massive role to play in this.

## Key Areas Of Focus For Public Procurement

- Food and Drink should not be considered as just another commodity to procure by the public sector, as it has great potential to influence health, the environment and the Welsh Economy.
- Use the aggregation of spend and volume to influence suppliers to deliver better more nutritionally balanced foods more quickly in to the market.
- Standardise the specifications of products across the public sector to increase supplier efficiency and to streamline requirements.
- Look at the total value derived from product and suppliers (nutritional, dietetic and food safety) with a more balanced approach to product pricing.

## Summary

- NPS will enable the Welsh public sector to collaborate more closely in procuring goods and services.
- The Public Sector in Wales is a significant contributor to the Food & Drink Spend at an estimated at £74.4m.
- A Food Category Forum has been established and three key work streams have been identified:
  - Food Safety and Nutrition.
  - Sustainable Procurement.
  - Innovation, Automation and Management Information.
- The Public Sector in Wales has already made significant strides on improving health and nutrition across all organisations and the NPS will continue to build on this good work.
- Better procurement and aggregation of spend will enable the NPS to work with the supply base and to drive improved nutritional standards and consistency.
- Shorter supply chains, working more closely with suppliers and sourcing more product direct from source will help develop suitable product ranges for the market place and will remove barriers for suppliers to service the public sector.