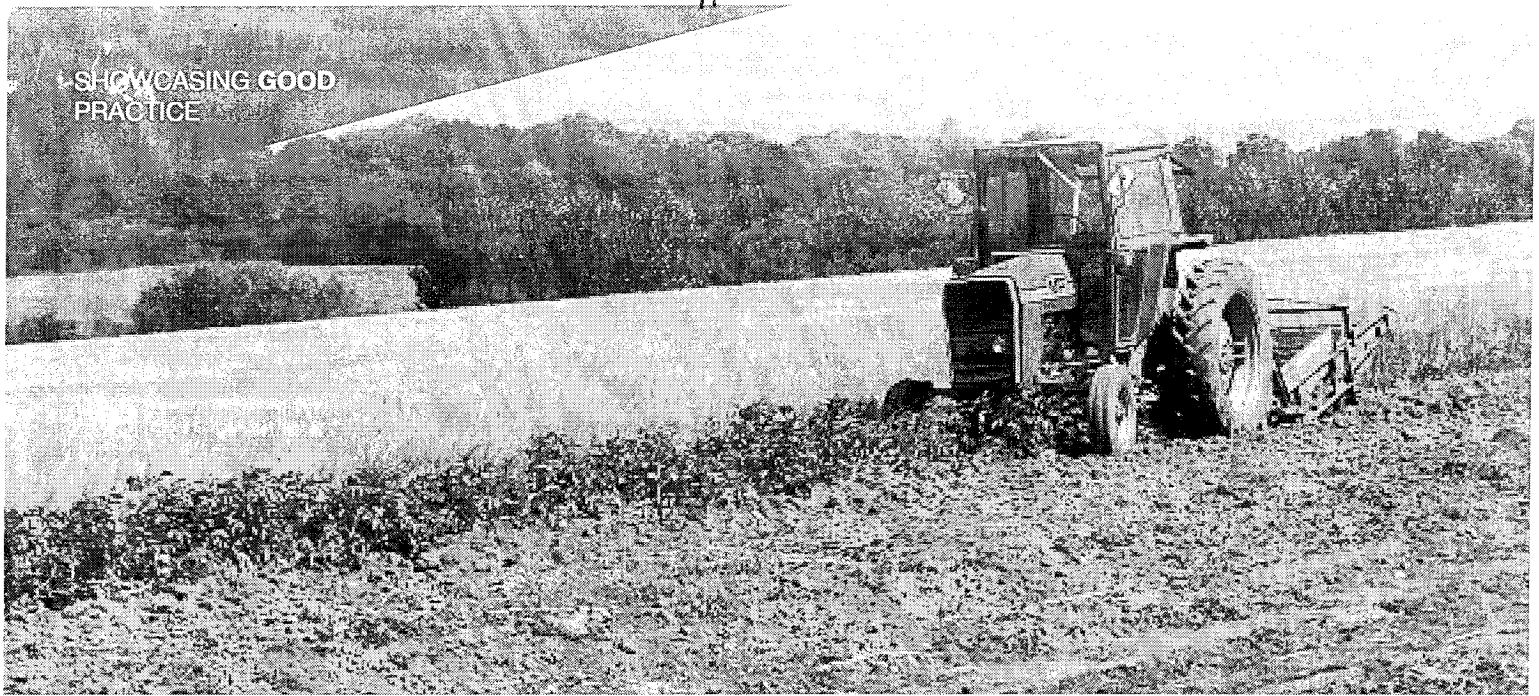


SHOWCASING GOOD PRACTICE



Shropshire County Council Increasing Efficiency From Grower to Eater

Summary

Shropshire County Council has carried out a feasibility study to look at increasing efficiencies in food supply to the Public Sector and the potential of local producers working together to meet the public demand. The main objectives of this study are:

- **To carry out an efficiency review of the Council's current methods of food procurement:** Examining processes and tender mechanisms used and the extent of information sharing throughout the supply chain, based on whole life costs of food procurement
- **Examining the possibility of remodelling service delivery:** The feasibility of local producers meeting Public Sector requirements through forming their own wholesale consortia or similar body able to supply the public sector
- **Determining possible improvements within the supply chain:** To develop a more transparent and efficient process within the supply chain, and to foster a greater understanding within the farming community of the processes involved in selling to public authorities

“Parents can have greater confidence in where the food comes from, cooks get greater job satisfaction working with fresh or local products to produce quality meals, which in turn improves the service we provide, leading to increased meal take up, and at the same time using produce which has a lower environmental impact and is helping to keep money within the local economy.”

Janet Norton,
Manager Shropshire School Meals Service

West Midlands Regional Improvement & Efficiency Partnership

West Midlands **LGA**
local government association

Centre of
Excellence
West Midlands

Project Background

The procurement of food is a complex regional, national and global supply chain which is difficult to understand. The benefits of exploring the localisation of this supply chain are potentially great, as a wide variety of produce currently grown within the region is exported at a cost. If this cost can be internalised within the region, not only will Shropshire benefit from improved service delivery, but businesses within the region will also benefit from a healthier local economy.

- The drive for this work came:
- Internally from the Council's Portfolio Holder for Sustainability
- The Governments' National Procurement Strategy
- The Public Sector Food Procurement Initiative (PSFPI)

This latter strategy highlighted the need for the public sector to reduce environmental impacts, and provide the opportunity for more small and medium sized businesses (SMEs) and organic food within its contracts. It also highlighted the need to identify and work with producers to overcome supply-side difficulties.

Shropshire realised that the supply chain is a long and complex area, and to make effective changes the involvement of partners was essential. Partnerships have included the West Midlands Food and Farming Team, RuralScapes, the Soil Association, the NFU, Heart of England Fine Foods, Family Food Team (PCT), Shropshire Rural Hub as well as Shropshire County Council representatives from Education, Sustainability and the School Meals Service. Initial contact has also been made with the developing National Food Procurement Network.

Role of the Regional Centre of Excellence

The West Midlands Regional Improvement and Efficiency Partnership (WM RIEP) provided £38,500 of the total project cost of £43,500. The learning and outcomes realised from the project will be published by the West Midlands Centre of Excellence and shared with other Authorities and organisations as appropriate.



Benefits Achieved

Improved Efficiencies in the Supply Chain

Improvements are starting to be implemented into the supply chain which has led to the following benefits:

- Barriers are being broken down between suppliers and the Council, through the provision of information and knowledge enabling more SME's to engage with the Council
- Knowledge of the requirements SME's have and how to make contracts more attractive to them by breaking delivery areas into lots
- Increased interest in Council food contracts as they are renewed has allowed for more competition from local businesses, providing a more localised service

Improved Knowledge about Public Sector Service Provision

Undertaking usage reviews for both fresh meat and fruit and vegetables has allowed us to give more accurate information about the quantities of products we require to potential suppliers, enabling a wider range of suppliers to know if they are able to meet the Councils demands.

Efficiency Savings

Efficiency savings through the use of local food can be categorised within four areas:

- The economic savings for the Public Sector which should come with a shorter supply chain (due to changes in how the services are being delivered and quality specifications these savings may take time to be measurable)
- The environmental improvements, lower carbon emissions and food miles, increased use of less intensive farming methods – less chemical use
- The health benefits that come from using fresh food – more nutritious, less use of chemicals and nutrients
- The community benefits which come from supporting local businesses and the local economies

Improvement through efficiency

Critical Success Factors and Lessons Learnt

It has been essential to work with suppliers in an open and honest way and to be available to answer questions at all stages of the remodelling of supply chains. Holding events to demystify the procurement process and to allow suppliers to meet key people such as the procurement officer and the catering manager have been very successful.

In Shropshire there are a number of established businesses which have the potential to act as hub locations, and it has been seen beneficial to work with these existing establishments rather than setting up new businesses which may be seen as negative competition.

The ability to provide accurate information about the service required, especially usage figures and delivery information has proved critical in allowing SME's to understand their ability to meet the demand.

Problems encountered have been few and for the most part we have received a positive response from both suppliers who were keen to supply the Public Sector and support from the customer, particularly School Meals who were willing to make changes to allow a more sustainable service provision. Due to the current set up of Community Services there have been more difficulties in the remodelling of service delivery, for example the Meals on Wheels service require a specific product of which there are limited suppliers, and the majority of Care Homes are serviced under contract. However during dissemination catering managers from the care homes are being invited to share the knowledge we have learnt.

Perseverance with suppliers who have had negative experiences or poor perceptions of public procurement previously has enabled a more positive outlook and has encouraged more potential suppliers to take an interest.

Risks

Key risks with this project were that SME's would not be interested in Public Sector business. However, through communication and continuing relationships with the Rural Hub and other rural networks a high level of interest has been attained, and through further events and information sharing more suppliers are becoming interested.

Principles that can be Transferred to other Projects

In addition to dissemination via the RCEs, regionally, the outcomes from this project are being carried forward through the Farming and Food West Midlands Delivery Plan (AWM/DEFRA March 2004) which further identifies the need for:

- Promoting Regional and Local Food
- Developing infrastructure to support the farming, food and drink industry
- Promoting sustainable public food procurement and healthy eating

Shropshire County Council has been open throughout the project as to the methods used and the types of information required and are happy to share. Links Shropshire has made with the rural community have been essential to the success of the project and would be essential for any other project to succeed.

The theory behind collecting current data and then working through the supply chain to find a different model of service delivery is one that may be able to be transferred to other provisions.

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