

Procurement Sub group 7th September 2009

Present

Chair Ian Platt (Baxter Storey)
Tony Goodger (BPEX)
Chris Ling (Compass)
[REDACTED] (Defra)
[REDACTED] (DCSF)
Barry Lock (Vion)
(LACA)
[REDACTED] (Defra)

Apologies:

Duncan Prior (Task Force Secretary)
Rob McFarlane (Prime
meats/Brakes)
Sylvie Baybout (Local Authorities
Caterers Association)

Meeting Highlight (to go in highlight report to Minister)

1. The Minister wrote to all Government Departments in August to highlight the importance of demonstrating the Government's commitment to supporting British producers where they provide sustainable, good value produce. In particular, the letter encouraged all Departments to procure pigmeat that meets UK minimum legal standards and to achieve the targets set by the Task Force i.e. 100% of pork to meet UK minimum standards and at least 50% of their bacon or to increase the amount of bacon meeting the standards currently procured by 50%.
2. Cost and Proportionality are the major issues. Proportionality is being addressed through the development, with OGC, of guidance on contract award criteria. The guidance will recommend that meeting UK minimum welfare standards or equivalent should receive appropriate weighting (between 10-15%) during the contract award process. The guidance will be signed off by the Pigmeat Task Force in December and in use by January 2010. The cost differential between buying UK pigmeat vs non UK pigmeat is being calculated for the next SG meeting.

Agenda item 1: Introductions, minutes and matters arising

3. The sub group would like to send their condolences to Duncan on the death of his father last week.
4. **Tony Goodger** will provide written criteria to determine the "UK minimum standard" more specifically in the next week or so. Building on the figures provided on the volume of pigmeat procured by the major public sector buyers, **Tony Goodger** will also calculate the cost to government of departments switching to a product with UK equivalent welfare standards. This will be presented to UK Equivalent analysis to the Sub group at the next meeting.
5. The minutes were agreed. Remaining matters arising are dealt with in the subsequent agenda items.

Agenda item 2: Workplan progress review

Development of revised public procurement guidance

6. This is in hand. Ministers have agreed to the development of guidance on contract award criteria that would recommend that meeting UK minimum welfare standards or equivalent should receive appropriate weighting (between 10-15%) during the

contract award process. This was being taken forward jointly by Defra and OGC. The guidance would be cleared by the Task Force. The timetable agreed for the production of the guidance was for a final draft to be prepared by end of October, cleared by the Task Force at its December meeting and published in January. OGC are also redrafting their food standards to reflect the latest position and will be issued to Government procurers with the contract award criteria guidance.

Ensuring central Government procurers understand the policy goal – Minister's correspondence

7. A letter was sent out on 4 August. Copy attached.

Use of data request for PSFPI report to obtain information on barriers and constraints to procurement policy

8. An additional question has been added to the trawl for data for the PSFPI report on the proportion of domestically produced food used by Government Departments asking for information on barriers and constraints. The deadline for receipt of the information is 2 October.

9. Relevant changes are reflected in attached work plan.

Issues for Task Force Discussion

10. Demand for bacon from the public sector is declining. The SG suggested this is because some providers have moved to more-continental style breakfasts and offering 'healthier' options. Other providers have switched away from pork products to address a growing number of people with religious/ cultural preferences. MOD continue to supply relatively high volumes. [REDACTED] reported that MOD had changed their bacon specification (reducing the thickness from 5mm to 3mm), and as a result they use less gas cooking the same number of rashers and so achieve energy and cost savings.

11. The legislative change in the EU in 2013 will bring the EU closer to the UK welfare regime but there will still be some differential. Finished pig price relates most to feed costs, rather than the differential caused by the different welfare legislation relating to sows.

12. The issues of cost and proportionality were discussed. The guidance to be produced on addressing proportionality will recommend weighting of between 10 and 15%. This is designed to reflect Government's desire to procure more pigmeat meeting UK welfare standards but without imposing an undue disadvantage on suppliers not meeting this criteria

13. Under the discussion on what the supply chain can do the following issues were identified:

- Having a common specification e.g. all have same cut of bacon etc..although it was recognised that suppliers had to meet different customer needs;
- A key issue for public sector procurement appears to be a lack of specialism; e.g. no meat buyer in the MOD, just a food buyer. Similarly in Local Authorities food buyer also buys all other items. Food is rarely a priority item for them to spend any time/ effort on.

14. Possible issues/ Solutions for consideration.

- A means of influencing Local authorities could be through the Society of Purchasing Officers (SOPO)
- Local authorities and public sector procurers are cautious about benchmarking, although it has been used and found helpful in the private sector.
- Clear guidance is needed from the top down – guidance from the OGC will aid this, as long as it's the same message, and that Government doesn't 'change its mind'.
- Engaging the supply chain to understand there are opportunities to engage with government departments; use industry to train public procurers?

Communications/publicity

15. There were no objections to SG Members' companies being named in any public relations/communications activity relating to the Pigmear Task Force.

Sub group documentation

Risks

16. Risk number RSG(c) 002 - The risk of SG resources was considered closed, as this has not been an issue and is not considered to be any threat going forward.
17. Risk number RSG(c)003 and RSG(c)004 – Procurers budgetary constraints was considered to be reduced to low, as part of the counter measures, a letter to Government Departments has been sent and considerable Ministerial involvement has reduced the threat of Departments ignoring the work of the PTF, and enabled greater consideration of backing UK (and equivalent) welfare considerations.

Issues

18. Issue number ISC(c)002 – is considered closed the definition of pork has been agreed:

“For this purpose pork is defined as prime cuts of pork, either chilled or frozen or minced pork. Any other processed pork such as sausages or pies is not included.”

19. Issue number ISC(c)003 – is considered closed due to the letters from the Minister having been sent.
20. Issue number ISC(c)004 – is considered almost closed due to the letters from the Minister having been sent, once the cost differential between UK equivalent and normal EU welfare standards price of purchase has been calculated, this will be closed.

Next steps

21. Next Sub group Meeting [17th] November 10am.

Action: [REDACTED] to book room and confirm details.