

The critical role of **Public Sector Dynamic Food Procurement** & Bath & North East Somerset Council Pilot overview

Rich Osborn



Chrissie Storry



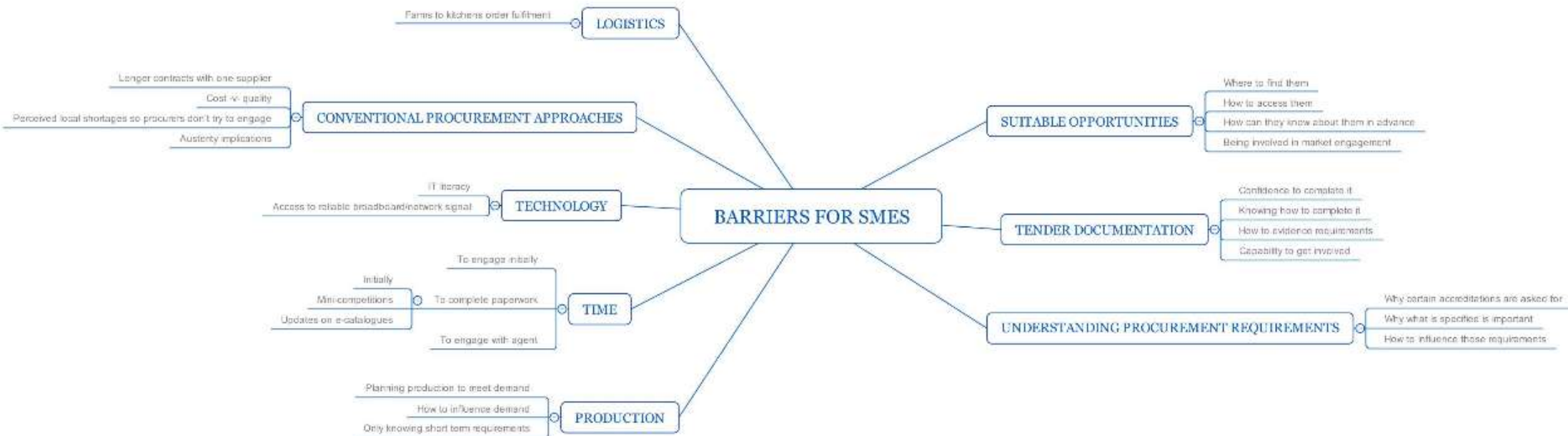
WHY

Public Sector Food Procurement must **be the change**

- **1 in 4 people** eat a public sector meal each day
- **Halo impact:** Create waves across other sectors
- **Level of complexity** requires government policy coherence



Barriers to entry faced by SME Food Producers



HOW

The Dynamic Food Procurement pilot broke the status quo

**Bath & North East
Somerset Council**



How it all started – Bath & North East Somerset

- Requirement for a contract for food
- 'Think Local' and the Local Food Strategy
- Something had to be done differently
- 7,000 meals per day / 42 kitchens
- Supplier input
- Food for Life Served Here Silver



Why it worked

- Innovative procurement approach
- Cost neutral / cost savings
- Supplier engagement
- Co-creation of the solution
- Upskilling school chefs
- Single tech platform
- Increased visibility



Successful?

- Local suppliers supplying local schools
- Visibility of the supply chain
- Cost reduction (on previous contract)
- Higher welfare product
- Menu redesign
- CO₂ reduction
- Digital upskilling of school chefs





Procures & manages supply chain from farm via logistics provider to kitchen



Short, sustainable, transparent
food supply chains



LOCAL, ORGANIC, FRESHLY PICKED

Farrington's Farm Carrots, Somerset
In our school lunch today

Bath & North East
Somerset Council

Improving People's Lives



GROWN & HARVESTED LOCALLY

Mitchell's Potatoes, Somerset
In our school lunch today

Bath & North East
Somerset Council

Improving People's Lives

A close-up photograph of a person's hands picking green leafy vegetables, likely lettuce, in a field. The person is wearing a grey t-shirt and blue work gloves. The background is a blurred green field.

SOWN, GROWN & PICKED LOCALLY

Severn Project Leaves, Somerset
In our school lunch today

Bath & North East
Somerset Council

Improving People's Lives



LOCAL, ORGANIC 100% GRASS FED

Heron's Green Farm Beef, Somerset
In our school lunch today

Bath & North East
Somerset Council

Improving People's Lives

A group of white piglets are gathered in a straw-covered outdoor enclosure. The piglets are of various sizes, some looking towards the camera. In the background, there are wooden structures and a fence. The lighting is bright, suggesting a sunny day.

West End Farm Pork, Wiltshire
In our school lunch today

Bath & North East
Somerset Council

Improving People's Lives

LOCAL, RSPCA ASSURED,
OUTDOOR BRED

Producer-Centric Fulfilment

How it's done

One reason why sourcing locally is so difficult for households, chefs and food procurers

The screenshot shows a web form titled "Default fulfilment details". It includes the following fields and options:

- Producer will deliver to us?
- Collection Zone: Bristol
- Minimum Lead Time (default): 1 days
- Maximum pre-ship hold days: 0 days
- Fulfilment Days: Mon Tue Wed Thu Fri Sat Sun (with checkboxes)
- Fulfilment Check-in Day (ideally 0 or 1): On the delivery day (0) (highlighted), The Day before delivery (1), 2 days before delivery (2), 3 days before delivery (3)
- Minimum Order Value
- Pack per Customer

A grey callout box next to the form contains the text: **400,000** combinations to handle for each individual local producers' order management & fulfilment



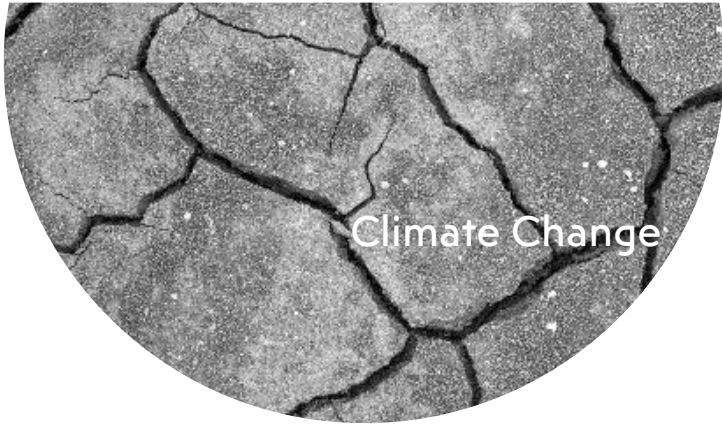
Farms can pick to order before consolidation and delivery to customer

Agile Fulfilment flexes to producer needs

Tech enabled food logistics processors can integrate short food supply chains into their mix.



Real time digital dashboard for producers and suppliers to manage their fulfilment, billing, pricing and product listings



Climate Change



Biodiversity



Animal Welfare



SME Producers,
Local Economy &
Food Security



Nutrition

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Dynamic Food Procurement: Benefits to your Local Area and Funding Opportunities



» Dynamic Food Procurement: **Benefits**

Dynamic Food Procurement enables **shorter, more transparent food supply chains** which are crucial to enable local anchor institutions to take control of food supply chains and lead the way for community benefit.



**Better
Food Security**



**Addresses the
Climate and
Biodiversity
Crisis**



**Improves Health
and Nutrition**



**Drives more
money into the
local economy**

» Expected Ongoing Costs – By User

Price of food incorporates supply chain costs

(producer, logistics provider, tech & managing agent, framework)

| Buyers (Chefs/Cooks) | Food Logistics Providers | Procurers | For Producers and Suppliers |
|---|--|---|---|
| <ul style="list-style-type: none">» No set up fees*» No ongoing fees | <ul style="list-style-type: none">» No set up fees*» SaaS fee of around £2k per month** | <ul style="list-style-type: none">» No set up fees» No ongoing fee» Free standard reports suite | <ul style="list-style-type: none">» No set up fees» No ongoing fee» Product collection fees apply |

As category supply chains are shortened with fewer intermediaries over time, food price has been shown to fall below products being fulfilled along longer supply chains.

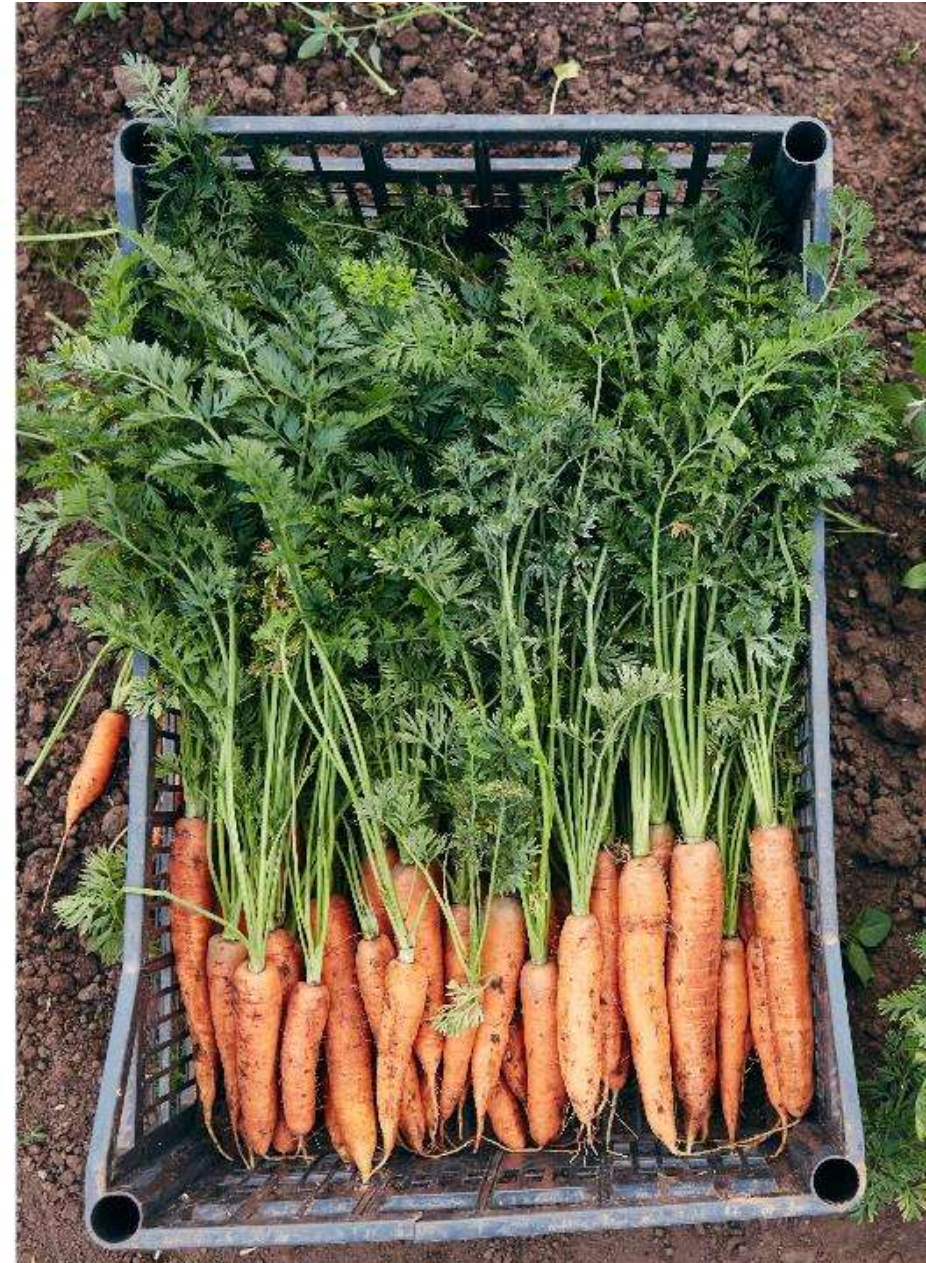
*Excludes software integration work – not a requirement to integrate so costs only apply if required

**Market estimate - cost is dependant on software chosen

» Cost Effectiveness Benefits

Dynamic Food Procurement and Short Food Supply Chains

- » Fewer intermediaries
- » Marketplace competition
- » Greater supply chain efficiencies
- » Combined spending power across sectors
- » Drop size discounting



» Overview

The National Food Strategy calls for £3 million government funding for Dynamic Food Procurement over three years

- » Wales + Scotland + Northern Ireland + nine regions in England
- » Regional funding for regional benefit
- » Enduring cost advantages to buyers when implemented at scale



» Set up Funding Requirement

» 12 founder members - one per region

- £200k loan*

» One time initial set up fee within each county of UK

- £150k/county - split between anchor institutions
- Founder member counties pay £100k

» Use of funds to establish framework:

- One Food Hub per region
- One Managing Agent for UK
- County level data and integration set up

*(perpetual loan interest at base rate +3% payable annually from year three)



» Match Funding Opportunity for Early Adopters

» The Dixon Foundation's 'Dynamic Food Procurement County Challenge' opened for applications on 17 January 2022

- Three levels of funding available
- DPUK is supporting coordinating county applications for match funding
- Limited opportunity, act fast before the funding window closes

- To find out more visit

www.thedixonfoundation.org.uk/challenges



the dixon
foundation

How can we **shorten and improve the transparency** of supply chains used by public sector anchor institution food procurers in the UK?

Level
1**SETTING UP REGIONAL FOOD NETWORK**

- Up to £10k grant per region in order to establish a regional food hub that is made up of existing county food networks

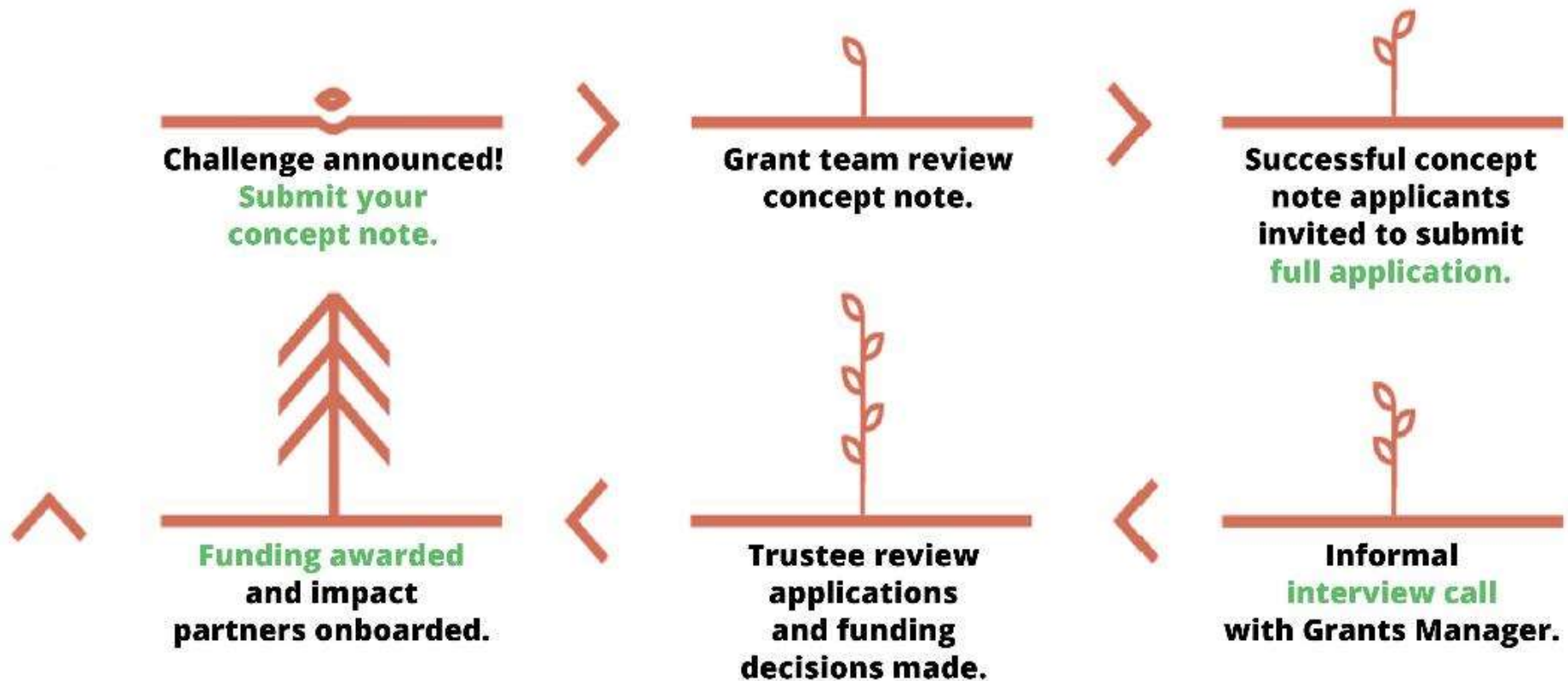
Level
2**CREATING REGIONAL INFRASTRUCTURE FOR DYNAMIC FOOD PROCUREMENT**

- Up to £100k loan per region
- Expected to be matched by anchor institutions wanting to implement dynamic food procurement
- *Loan will be perpetual debt that pay +2% interest above base rate from year 3 following the loan issue*

Level
3**IMPLEMENTING DYNAMIC FOOD PROCUREMENT AT COUNTY LEVEL**

- Up to £50k grant (in up to 3 counties within a region)
- Expected to be match funded by anchor institutions ready to implement dynamic food procurement

2 STEP APPLICATION PROCESS



WHAT WE LOOK FOR



**Potential
to become
sustainable**



**Scalable
and/or
replicable**



**Systems
change
approach**



**Local
communities
at the heart
of design**



Collaborative



**Measurable
impact**



CONCEPT NOTE (BRIEF)

- Your region of interest.
- Why are you right for the challenge?
- How do you plan on spending funds

FULL APPLICATION - LEVEL 1 (DETAILED)

- Your understanding of the role of regional food networks.
- Your experience in the sustainable food sector.

FULL APPLICATION - LEVELS 2/3 (DETAILED)

- How many conversations you have had with anchor institutions and how committed they are to implementing Dynamic Food Procurement.
- Outline of anchor institution(s) willingness and capability to match fund dynamic food procurement.
- Your engagement with any food producers, suppliers and logistics providers.



www.DPUKFood.co.uk