Research Report

Background
Taking the Curry Report (2002) and the House of Commons Obesity Report (2004) as points of departure, along with the findings of our previous ESRC-funded study on local food chains, the project aimed to explore the concept of creative public procurement as a theoretical and practical device for re-integrating production and consumption in the agri-food sector. To meet this goal, the research focused on school meals, an institution that has been propelled to the forefront of current debates about health and wellbeing and is a litmus test of government’s commitment to sustainable development. Through a comparative analysis of the school meal service in the UK, Italy and the US, the research aimed to enhance our understanding of the potential of the public sector in fostering more sustainable food chains. To assess the roles of spatial scale and regional context, we examined small rural sites (Piombino in Italy; Carmarthenshire in Wales; South Gloucestershire in England; and East Ayrshire in Scotland) and large cities (Rome; and, following an extension from ESRC, London and New York).

Objectives
To analyze the scope for, and the limits to, the creative procurement of school food, we identified three research themes, each posing different research questions.

1. The new regulatory regime. Does the reform of EU public procurement legislation facilitate ‘greener’ policies, and how does it affect the prospects for purchasing local and “quality” food in schools? How does the tension between competitive and sustainability criteria play out in practice?

2. National diversity in a single market. How do we explain national diversity in a supposedly uniform EU regulatory regime? What room for manoeuver do national differences in food culture and political strategies create for local authorities responsible for the procurement of school meals?

3. Creative procurement in practice. What are the constraints on the creation of sustainable school meal systems, and how do local authorities overcome them? What is the nature of producer-caterer-consumer relationships in the case study areas? To what extent are local producers and consumers encouraged to participate in the school meal system?

Theme 1 has been addressed through in-depth interviews with key-policy makers and stakeholders in Brussels and through the documentary analysis of official and “grey” literature generated by the reform of EU public procurement directives and by growing concerns about children’s diet and food habits. The results have shed new light on the evolving macro-regulatory context of public procurement in the EU and the “legality” of local and green sourcing (see results).

Theme 2 has been addressed through formal and informal interviews with actors involved in the design of policies on public procurement and healthy food. The analysis has

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1 East Ayrshire was substituted for Aberdeen because it was widely deemed to be the most innovative school meal service in Scotland. In London and New York, we focused on procurement and production because it was too time-consuming to get approval for interviewing children.
highlighted significant differences in political and food cultures and in the national interpretations of the EU regulations on public procurement, which affect the design and delivery of school meals in our case study areas (see results).

Theme 3 has been addressed through the analysis of the case studies. In each local authority, we addressed four key issues: the motivations for designing sustainable school meals systems; the nature and scale of local production; the links between producers and consumers; children’s food habits and the level of parents’ involvement. The outcome of the research is a methodologically and conceptually innovative piece of multi-level comparative analysis of the scope for, and the limits to, sustainable food procurement (see results and dissemination).

Methods
To meet our goals, we have collected and analyzed official and grey literature and conducted 85 formal and informal interviews with policy and supply-chain actors at three spatial scales: EU, member state and local authorities. In each local authority, we also selected a primary and a junior-high school and organized two focus groups in each— one with children and one with parents. The discussions (which were audio-taped) were based on food diaries written by the children participating in the focus groups. The preliminary analysis of the focus groups’ content has been conducted using the software package QSR NVivo to store and explore data and ideas.

Results

The New Regulatory Regime
Our analysis shows that the reform of public procurement regulations facilitates ‘greener’ policies by reconciling sustainability and competitive criteria. Specifically, Recital 46, one of the key parts of the new legal guidance, makes it clear that contract award criteria must comply with the pro-competitive principles of the Single Market – namely, transparency, non-discrimination and equal treatment of all tenderers. However:

- Public authorities are not obliged to choose “the lowest price” tender. Rather, they have the option of awarding the contract to “the most economically advantageous tender”, in which case they have to use criteria linked to the subject-matter of the contract in question (such as quality, price, technical merit, aesthetic and functional features, delivery date and completion date), all of which must be weighted in descending order of importance.

- Reference to case law (especially the Helsinki bus case) has driven new provisions on award criteria, especially the use of social and environmental criteria. The regulatory regime was also radically changed by the Gothenburg European Council in 2001, when the EU formally committed itself to sustainable development. This created a new context for public procurement managers, who were officially required to consider social and environmental factors when assessing tenders for goods and services. Following this historic commitment, the EU was obliged to pursue sustainable and not merely green public procurement, a distinction that the Commission clarified in the following way:

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2 The pilot focus groups revealed tensions between parents and teachers. This persuaded us to engage with them separately (i.e., we held interviews with teachers and convened focus groups with parents).

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To cite this output:
Green public procurement means that contracting authorities take into account environmental elements when procuring goods, services and works at all stages of the process and within the entire life-cycle of procured goods.

Sustainable public procurement means that contracting authorities take into account all economic, social and environmental objectives of sustainable development when procuring goods, services and works at all stages of the process.

These findings had two major implications for our research. First, they confirmed that the barriers to local food procurement in Europe have been more apparent than real. In most cases, environmental requirements related to the production process, or the product itself, are relevant to characterize a product and can hence be used to describe it in the public tender documents. Although it is indeed illegal to specify local products that can only be supplied by local producers (a stance that falls foul of the EU principle of non-discrimination), it is possible to specify such qualities as fresh, seasonal, organic and certified produce. As a commissioner from DG Internal Market explained: “If it is set out in a non-discriminatory way, […] it is legitimate to say ‘we want foodstuff that is no older than’, it’s a legitimate idea. If that means in practice that it will have to be locally-grown, so be it! It remains a legitimate criterion, but it is not a legitimate criterion if you say that it has to be produced within 10 kilometres from the school”.

Second, the distinction between green and sustainable procurement helped us to refine our conceptualization of sustainable school meal systems. Contrary to what we originally assumed, a sustainable school meal system must deliver social and economic benefits that are not necessarily reducible to local sourcing. This dimension has significant implications for wider agri-food debates on “local and green” vs. “global and fair”.

National Diversity in a Single Market
The national interplay between culture and politics is the most important reason as to why member states interpret EU regulations differently. Culturally, Italy and the UK have contrasting views of the school meal system. In the UK, the government claims that “efficiency” and “sustainability” enjoy parity of esteem in the drive to secure value for money, but our research suggests the school meal system is still confronting the cultural legacy of the neo-liberal era of the 1980s. Although school food is receiving more recognition and new investment, the transition to a more sustainable service is stymied by the fact that school caterers are expected to deliver a welfare service while they are still treated as a commercial service. Amongst other things, the UK government has failed to implement whole-life costing of products and services, which is the most important pre-requisite of creative public procurement since it tries to factor sustainability criteria into the purchasing equation – a practice that would help to distinguish low cost from best value.

In contrast, Italy never turned school meals into a commercial service. In the Italian legal context, school meals are assigned the function of educating children to the values of territoriality. As a result, Italian contractors interpret the notion of “best value” by assessing not just economic issues, but also the socio-environmental aspects of the service. This alternative metric has been codified in a very innovative piece of national legislation (Finance Law 488/1999) that encourages public institutions that operate school and hospital canteens to “provide in the daily diet the use of organic, typical and traditional products as well as those from denominated areas”.

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These cultural differences have major implications for the transposition of the EU directives into national law. In contrast with Italy, the British government has decided to transpose only the Articles (and not the Recitals) into its national regulations. As a British procurement expert explained, this tends to devalue the “spirit” of the reform in the UK.

As a result of these cultural and political differences, sustainable school meals in the UK often develop *despite* government’s action, through the commitment of pioneering caterers who work against the grain of their national food system to deliver a high quality service. In a values-based catering culture like the Italian, by contrast, sustainable school meal systems emerge *because of* government’s action, through the financial and political initiatives of national and local authorities and the collective mobilization of key food chain actors.

**Creative Procurement in Practice**

*a) Constraints on the creation of sustainable school meal systems and solutions to overcome them*

Our research has identified a much wider range of constraints to the creation of sustainable school meal systems than we initially hypothesized. These include:

1. **Legal uncertainty** as to what can be done under the existing regulations. This constraint exists not just in the UK but also in the US, where the Department of Agriculture maintains that federal procurement regulations prohibit the use of state or local geographic preferences. However, drawing on section 4303 of the 2002 Farm Bill, other legal experts claim that local food procurement is legal because it is “not disallowed”. Our analysis shows that this regulatory confusion is the single biggest barrier to the use of local food in American schools.

2. **Consumer culture.** In the UK and the US, the emphasis on children’s right to “choice” creates a competition between healthy school food and junk food, which is widely available at fast-food outlets strategically located around the schools. In the US, this competition is especially uneven due to the stigmatization of school food as “welfare” food. In Italy, where children do not have a choice, there is however a distrust of organic produce. Rome’s Councillor for Education explained that the city had to face numerous complaints from parents arguing that organic produce look “rotten”.

3. **Low-cost catering culture.** In the UK, the “neo-liberal era of choice” installed a cost-cutting culture at the heart of catering services. This makes it very difficult for public bodies to harness the power of purchase to the cause of sustainable development, knowing that they are audited and evaluated on the basis of a narrow commercial metric –as happened in Carmarthenshire, whose quality-based service was evaluated by auditors on the basis of the “cheap food” catering culture of neighboring local authorities. This constraint exists also in New York, where a city procurement law requires acceptance of the lowest bid.

4. **Organizational issues.** In the UK and the US, the dramatic reduction in costs occurred in the 1980s resulted in a generalized lower skilled workforce and a loss of kitchen infrastructure, making it difficult to cook with fresh ingredients. Rome and London had to confront a different organizational problem: the lack of...
control over the service. Under Rome’s traditional “negotiated procedure” procurement approach, a small number of catering companies were invited to bid for the contract. As the director of the service explained, this resulted in “very high costs, no rules and no control over the number of staff needed to guarantee a quality service”. London, in turn, faces a disjunction between control and influence: although the Mayor has identified school food reform as a priority action, in reality he has little power to realize this ambition, as the service is controlled by the boroughs.

5. **Nature and scale of local production.** Most research sites had to confront problems at the supply end of the food chain. Local sourcing was extremely difficult in New York, given the short growing season of fresh produce in the area, the insufficient supply capacity of individual farmers and the limited packing and distribution capacity in the region. Rome and Piombino had to confront problems with the organic market, which, at the onset of the reform, had not yet reached the size needed to supply all schools. In South Gloucestershire, organic products were available but too expensive. The inadequacy of the local productive system allowed Carmarthenshire to implement local procurement (i.e., to incorporate local suppliers into the school meal system) but not necessarily to procure locally (i.e., to source locally-produced foods). The only local authority that did not have capacity problems was East Ayrshire, where, however, only 26 schools and 7 suppliers are involved in the reform – producing a multiplier effect of ca. £320,000 on the local economy. In the other local authorities, no figures are yet available to assess the impact of local procurement on the local productive system. However, our work suggests that in all case study areas new constituencies are emerging that value the sustainability benefits of local food.

In general, the main motivation for re-designing the school meal system is a new awareness of the contributions that school food can make to children’s health. In the UK, the Scottish Report *Hungry for Success* (2002) for the first time re-imagined school meals as a health and well being (rather than commercial) service. Community health was also the paramount concern of school food reformers in Carmarthenshire, which politically committed itself, through its community strategy, to “tackling the causes of ill health by looking at life in the round”. In New York, public authorities see the provision of nutritious food in schools as part of their “social mission” to deal with the twin problems of obesity and hunger.

In addition to health concerns, two other goals have motivated local authorities to design sustainable school meal systems: *social justice*, which in South Gloucestershire and Rome highlighted the dignity of public sector labour, and *local economic development*, which was actively pursued in Piombino and East Ayrshire.

The capacity to re-imagine school meals as a welfare, health and educational service has helped local authorities to devise a much wider range of solutions that we originally envisaged. As we assumed, creative procurement strategies help to overcome legal uncertainties and solve problems related to the nature and scale of local production. To re-localize its school food chain, East Ayrshire divided the contract into 9 lots, thereby allowing small local producers to participate in the competition. To facilitate the organic conversion of school food, Rome and Piombino chose an “incremental” procurement approach that stimulated the market by gradually adding organic products to school meals. Rome also introduced requirements for “guaranteed freshness” and for “bio-dedicated” food.
products that have been produced, processed, transported and distributed exclusively by companies that operate in the organic sector (i.e., small, local companies). South Gloucestershire overcame the constraint of high prices by purchasing organic produce that are not attractive to supermarkets. New York authorities wrote a specification for fresh apples that identified a variety only grown in the State and used a “public interest broker” to negotiate between local growers and packers and the 4 school distributors -- a move that in 2006 brought 130,000 pounds of fresh fruit into the summer meals, for a total value of almost $ 50,000.

In addition to creative procurement, other initiatives have been adopted to overcome the constraints identified. Specifically:

- **Embedding school food reform into wider strategies for sustainability and community wellbeing has helped local authorities to counteract the forces of a low-cost catering culture.** Carmarthenshire’s Council enlisted cross-party political support around a broader metric of health, regeneration and sustainable development that informs the county’s Community and Corporate Strategy and School Meals Strategy. As part of its 2003 “Children First” initiative, New York introduced new nutritional standards for all food sold on school campuses and then used the power of its $ 123 million/year budget for school food to convince manufacturers to create healthier products.

- **Three different strategies have been adopted to overcome problems associated with the consumer culture:**
  - **Choice control**, implemented in Carmarthenshire and recently endorsed in England.
  - **Enhancement of the dining experience.** In New York, school cafeterias have been re-organized to appeal visually to students; blue and green logos have been used to create a “brand identity”; healthy school meals are disguised as fast food to make them more attractive to students. In the London borough of Greenwich, initiatives are in place to create areas on the playgrounds where students can eat outside with their friends, much like they would in a fast food environment.
  - **Active involvement of consumers in the reform.** All sites have adopted a “whole school approach” to promote food education for children -- see section b).

- **Two main solutions have been devised to address organizational problems:**
  - **Staff training initiatives.** In South Gloucestershire, kitchen staff underwent an intensive training program on nutrition and customer care to signal, as the Head of Catering explained, that “this wasn’t a fast food service. This was a service that needed cooks, needed chefs, needed innovation”. New York’s school food office assisted the cooks in implementing the new menus and formed a partnership with the Institute for Culinary Education, which every year holds training session to teach school cooks to treat students as “customers” and to view the dining hall as a franchise restaurant, rather than as an institutional feeding center.
  - **Reforming the procurement system.** At the onset of the reform, Rome shifted from the “negotiated procedure” approach to one “open procedure” that

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allows any catering company to respond to the call for tender. This move proved crucial to stimulate the market and gain access to less expensive quality food products and services. New York made its school meal system more financially viable and accountable by giving the regional coordinators responsibility for their own “profit and loss” statements. In London, public procurement reform is uneven. Generally, the most notable exceptions to the organizational inertia of the system are represented by boroughs, such as Greenwich, which survived the decimation of local authority catering in the 1980s and have retained their in-house catering service, cooking skills and kitchen facilities.

b) Producer-caterer-consumer relationships

The links between producers and consumers turned out to be far more complex than we originally assumed. Indeed, with the only exception of New York and London, school food reformers are designing new quality-based food systems that emphasize “localness” alongside of other quality attributes: organic (in Rome, Piombino, East Ayrshire and South Gloucestershire); Fair Trade (in Rome, East Ayrshire and Carmarthenshire); and “locality” (i.e., PDO/PGI products, which are especially promoted in Italy). While integrating different quality conventions associated with food provenance, these food systems also take into account the effects on health and the environment of the entire agri-food cycle. Award criteria based on caterers’ environmental certifications and the environmental friendliness of their transportation system (used in Rome) and on suppliers’ contribution to biodiversity (utilized in East Ayrshire) are examples of a broadened notion of quality that extends beyond the materiality of food and transcends spatial fetishism to design a new “ethical foodscape”.

Contrary to our expectations, consumers do not play a central role in initiating school food reform. They can influence procurement choices, as happened in Rome when local authorities decided to replace organic with PGI meat following children’s complaints. However, sustainable school meal systems emerge and develop mostly through the initiatives of highly-committed caterers, politically supported by their local Council. Theoretically, this process highlights the pioneering role of local governments in “greening the State”, a process whereby localities become laboratories of sustainable development.

In this context, the higher costs of quality school food are not passed on to consumers. Access to quality food is provided through public funding: Rome invested € 700 million to subsidize its school meal system between 2007 and 2012; the Scottish Executive allocated £ 70 million to support school food reform between 2006 and 2009; £ 80 million/year were invested by the English government to improve the system between 2007 and 2010.

If the alliance between enlightened caterers and far-sighted Councils is the most important factor behind the design of sustainable school meal systems, their delivery depends on the involvement of food chain actors. To this end, local authorities take initiatives to create links between producers and consumers and reconnect children with their food. In East Ayrshire, suppliers regularly visit the schools to explain to children where their food comes from. In Italy, tenders require catering companies to propose training courses for teachers, children and parents. In Piombino, for example, the supplying company organized “sensorial workshops” to introduce children to unpopular
foods and “label workshops” to teach them how to read food labels; in New York, the Kellogg Foundation sponsored “CookShop Classroom” activities to teach children how to cook; in Greenwich (London), schools are introducing vegetable gardens. Through the adoption of this “whole school approach”, school food reformers ensure that the landscape and mindscape of the school become mutually reinforcing.

c) Producers’ and consumers’ participation in the school meal system

Our data show that local authorities have found it difficult to secure the involvement of producers in school food reform. In fact, the school food market raises major challenges for suppliers – ranging from low profit margins to the widespread perception (particularly in the UK) that quality is not adequately assessed; from issues related to the seasonality of the market to the difficulties of finding products that suit children’s taste. In some cases, formal mechanisms have been used to overcome this problem. For example, Rome established a round table where institutions and suppliers regularly meet “to foster a shared willingness to go in a certain direction”, as one caterer said. East Ayrshire and Carmarthenshire held a series of formal meetings with local producers to explain the aims of the reform and provide guidance on tendering. In other cases, relationships of trust are established informally, as happened in New York, where authorities use their enormous buying power to convince food manufacturers to source healthy products, and in South Gloucestershire, where the Council nominates farmers as “chosen suppliers” and tenders only for the delivery of the food.

On the consumption side, children’s participation in school food reform is very low everywhere. With the exception of the Children’s School Meals Commission in Piombino (which provides feedback to the catering company on the quality of its food), in all three countries there is a striking paucity of systemic mechanisms to include children in the design of healthy menus. However, the whole school approach provides some opportunities for children to be involved in the theory and practice of healthy eating (e.g., cooking classes). This is especially true in Italy, where teachers eat with the children and take responsibility for teaching them “good eating habits” and for voicing their concerns with school authorities.

What really differs in the case study areas is the level of parental involvement in the school meal system. In New York, the School Food Partnership provides an arena for parents, students, administrators and NGOs to discuss concerns about school food and educate the community at large about nutrition. In Italy, even more formal governance mechanisms are available for parental participation in the shape of the Canteen Commissions (formed by parents), which provide feedback on children’s reaction to the food and play a role in the monitoring of the system (e.g., they verify schools’ compliance with the menus, check labels and expiration dates of the products). Parental involvement in the reform has been instrumental in helping children to accept novelties (like organic food) that were not initially well received, effectively creating a synergy between home and school that has a positive impact on children’s food habits.

In the UK, where no formal mechanism is in place to involve parents, there is evidence that children are more willing to try new foods (especially fruit and vegetables) at school due to peer pressure, but overall this does not have a major effect on their food habits. Our data show that the healthy eating message received at school is counteracted by many parents’ negative views of the changes introduced – particularly in relation to the higher
costs of the meal, smaller portion sizes, lack of variety and, most significantly, the idea that school food reform is depriving children of their freedom of choice. These views are associated with a widespread decrease in take-up rates in the UK. Combined with the pressure of increasing costs, this trend is the major concern of local institutions since it undermines the viability of the catering service. Analytically, this highlights the need to understand healthy eating as a socially negotiated process, rather than as a technically conceived event.

More generally, six main practical and theoretical lessons can be distilled from this research:

- **The value of values.** Real “value for money” needs to be buttressed by a broader and more sustainable metric that reflects a range of socio-cultural values, rather than a narrowly defined economic value.
- **The power of purchase.** Creative procurement is easier to implement when there is a politically supportive milieu and where public sector managers have the skills to factor in the costs (on health and the environment) that are externalized in conventional accounting systems. Theoretically, this highlights the complex nature of the “green state” and its role in delivering sustainability through public procurement.
- **Calibrating demand and supply.** Creative procurement can play an innovative role in helping to calibrate demand and supply. However, this requires skills (as well as new commercial opportunities and the prospects for producer collaboration) which are seldom found inside the traditional public sector.
- **Disseminating good practice.** If good practice is to become the norm rather than the exception, the public sector will need to devise more effective diffusion mechanisms of horizontal peer-to-peer social learning, rather than vertical command-and-control systems.
- **Spatial fetishism.** School food reform raises the need to transcend the binary thinking that tends to attach benign attributes to the “local” scale and malign attributes to the “global” scale. Indeed, a purchasing decision based on the life-cycle of a product can favor a “global” food product (such as Fair Trade) over a “local” food choice – a fact that highlights the complexity of the meanings of creative procurement and sustainability.
- **An ethic of care.** Growing disquiet about food and health problems raises the need for a new ethic of care in the public realm to fashion new generations of knowledgeable food citizens.

**Activities**

- We have been invited to present our research to 48 conferences (straddling policy, practice and academic themes) in 13 countries, including the UN. We have held 5 press conferences in the UK, Italy, Czech Republic, Finland and Canada. Our project has received extensive media coverage, including Italian national TV, radio and press; BBC TV, radio and online; The London Times; New York Times. Professor Morgan was invited to be a member of the Welsh Assembly Government’s Appetite for Life working group; Dr Sonnino advised the City of Rome’s Director of Education. Both of the aforementioned were consultants to the Soil Association’s Food for Life healthy school food programme.
Outputs
Among our outputs we highlight the following:

Publications
- 1 book with Earthscan
- 3 refereed journal articles
- 3 book chapters
- 1 chapter for the UK Sustainable Development Commission.

Dissemination
In addition to the 48 conference presentations, we have organized/participated in 4 dissemination events:
- Workshop on Public Sector Food Procurement in conjunction with Carmarthenshire County Council (May 2006)
- Workshop on Sustainable School Meals Policy with the ESRC BRASS Centre (October 2006)
- HRH's Highgrove Conference on Sustainable Food and Farming in South Gloucestershire (July 2007)
- School Food Policy and Local Development with East Ayrshire Council and the World Food Programme (September 2007).

Datasets
- We have emailed the data submission form to the Data Archive.

Impacts
Our project has informed school food policy in the UK (especially Welsh Assembly Government, East Ayrshire Council and the Soil Association); Italy (City of Rome); Scandinavia (Healthy Catering Network and Finnish Parliament); USA (Community Food Security Coalition and Farm-to-School Program); United Nations (Sustainable Development Commission website and World Food Programme).

Future Research Priorities
Three new research priorities have emerged from this project:
- New models of school feeding in developing countries, following a pilot project commissioned by the WFP
- Fair Trade and public procurement policy, which has already attracted an ESRC-sponsored PhD student
- Community food planning in the context of urban food security and sustainable development.

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3 Dissemination events were fewer than promised due to the fact that we received an extraordinary number of high-profile invitations to address academic, policy and practice-related conferences and seminars. As some of these were organised by our target audiences, we decided to disseminate through these events instead.