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**Greening the Realm:  
Sustainable Food Chains and the  
Public Plate**

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## About the BRASS Centre

In 2001, Cardiff University won £3.1 million in research funds from the Economic and Social Research Council to develop a Research Centre for Business Relationships, Accountability, Sustainability and Society (BRASS). The Centre is a joint venture between the University's Schools of Business, City & Regional Planning and Law. It brings together the three Schools' existing research expertise on issues of sustainability, business ethics, company law, corporate reporting and business communication.

The Centre started work in October 2001 under the leadership of Professor Ken Peattie of the Business School, Professor Terry Marsden of the Department of City and Regional Planning and Professor Bob Lee of the Law School. The funding of the Centre covers an initial five-year period, but this should just mark the beginning of BRASS' contribution to creating more sustainable and responsible businesses locally, nationally and globally.

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## 1. Introduction

Recent debates on the state in urban and regional studies have paid too much attention to spatial scale and too little to organisational capacity. With an increasingly complex multi-level polity emerging in the European Union, embracing sub-national as well as national and supra-national political scales, it is hardly surprising that the spatial structure of the state has commanded so much attention of late (Brenner, 2004). However, in this article I want to suggest that the state's *organisational capacity* - its capacity to regulate the economy, deliver public services and procure goods and services - needs to be better understood if we are to arrive at a finer appreciation of the scope for, and the limits to sustainable development in advanced capitalist countries.

Sustainable development, it is always worth stressing, needs to be understood in a multiple sense to include the social, economic and environmental dimensions of development because all too often it is reduced to the third of these dimensions. As we will see later, this narrow and emasculated conception of sustainable development is becoming all too apparent in the UK, where it is justified by the claim that the environmental dimension is easier to measure and manage compared to the social and economic dimensions. It is also the case, however, that the environmental side is perceived, by governments and corporations alike, as less threatening and more easily contained than the social and economic dimensions, which open up questions of social justice and economic democracy that constitute more of a challenge to the status quo.

In other words 'greening the realm' can be understood in one of two ways. In a minimalist sense it refers to the narrow environmentalist interpretation of sustainability identified above. On a broader interpretation, it also refers to the political project of creating a 'green state', which has been defined in generic terms as 'a democratic state whose regulatory ideals and democratic procedures are informed by *ecological* democracy rather than *liberal* democracy' (Eckersley, 2004: 2). In substantive terms, this means a state that accords parity of esteem to all three

dimensions of sustainable development, a state that seeks to implement sustainable practices not merely in the public sector but also, through the powers at its disposal, in the private sector as well.

The very possibility of a 'green state' under capitalist conditions is, of course, open to question; indeed, it is the subject of a lively debate between ecologically-minded Marxists (Hay, 1996; O'Connor, 1998) and ecological modernisers (Hajer, 1995; Eckersley, 2004). While the former tend to argue that 'sustainable capitalism' is something of an oxymoron, the latter contend that the prospects for 'green growth' under capitalism may be better than the critics allow, even if some of them concede that a *deeply* green democratic state would be tantamount to 'a post capitalist state' (Eckersley, 2004:84).

The prospects for sustainable development under capitalism will clearly also vary from one country to another, depending on the strength of the ecological coalition in the nation-state. Where there is a strong ecological coalition, it is more likely that the state will be pressured to exercise its powers in favour of sustainable development. The key powers of the state - particularly its power to levy differential taxes, its power to regulate and its power to deploy its procurement budget - can be used to favour some activities over others. Potentially, this amounts to a powerful set of incentives and sanctions to change the behaviour of the public, private and third sectors, as well as the behaviour of individuals and households.

Of all the powers at the disposal of the UK state, I shall argue that none has been as neglected as the power of public procurement. This is more surprising than it may seem because the public procurement budget amounts to some £150 billion per annum, and this constitutes an incredibly powerful mechanism for the state to promote sustainable practices throughout the national economy. As we will see, however, this power is more apparent than real because it is fragmented across hundreds of functionally distinct bodies which have little or no incentive to collaborate for common ends. The state's organisational capacity to engage in green or sustainable public procurement is further compromised by a lack of skills, which means that procurement managers have neither the competence nor the confidence to play a catalytic role in greening the realm - certainly not in the stronger sense discussed above.

There are exceptions to this generalisation of course, and the case of public food provisioning may be one of them. The public provision of food - in schools, hospitals, care homes, prisons and so forth - is arguably a litmus test of the state's commitment to sustainable development in the fullest sense of the term because, depending on the nature of the provisioning, it can address social justice, human health, economic development and environmental goals, the main domains of sustainable development. Food is an especially good prism through which to explore these domains because agri-food has a unique status. Although it is invariably treated as one 'sector' or 'industry' among others, food is actually unlike any other for the simple reason that we ingest its output.

Accessing the products of the agri-food 'sector' is therefore essential to human health and well being in a way that access to other products is not, which is why the moral economy aspects of food are so important (Morgan et al, 2006). The concept of the moral economy has re-emerged in recent years, partly as a response to the excessive utilitarianism of mainstream economics and partly as a vehicle for academics and activists to address the normative issues that they consider to be *intrinsically* significant (such as health, education and well being), rather than merely instrumentally significant (such as income). According to Andrew Sayer, one of the leading social theorists in this field, the moral economy:

*'embodies norms and sentiments regarding the responsibilities and rights of individuals and institutions with respect to others. These norms and sentiments go beyond matters of justice and equality, to conceptions of the good, for example regarding needs and the ends of economic activity. They might also be extended further to include the treatment of the environment' (Sayer, 2000).*

The moral economy of food is nowhere more apparent than in the case of food provisioning through public canteens, or what I call the 'public plate' for short, because it is in these prosaic settings that we find the most vulnerable consumers of all - namely pupils, patients, pensioners and prisoners. The nutritional quality of public food, its organoleptic properties (smell, taste, texture) and its provenance (how and where it is produced) can be used as an indicator of the moral economy of food as well as of the sustainability of the food chain itself. To explore these issues of moral economy and sustainability I shall focus on the recent reform of the school food

service in the UK. The barriers to the sustainable procurement of school food are similar in many ways to the barriers facing green procurement more generally in the UK, therefore it is necessary to have some understanding as to why this function of the British state has been so poorly deployed for so long.

## 2. The Fallible Client: The Paradox of UK Public Procurement

One of the puzzling paradoxes of economic policy in the UK is that successive governments have shown an avid interest in areas (like money markets) where they have little or no control, but have virtually ignored other areas (like public procurement) where they enjoy almost complete control. Perhaps not surprisingly, therefore, the history of public procurement in the UK is littered with costly and embarrassing delays, especially in the defence, information technology and civil engineering sectors. Far from being a recent phenomenon, the fallibility of the British state in the public procurement arena predates iconic failures like the Millennium Dome, raising deeper questions about the competence of the state to act as an intelligent customer. Long forgotten examples of problematic public procurement projects would include the System X digital exchange and the Advanced Passenger Train, both of which were commercial disappointments despite their innovative technical qualities. In contrast to France, where public procurement power was successfully deployed to modernise key sectors of the economy, particularly mass transit, energy and telecommunications, the history of public procurement in the UK is a story of untapped potential (Cawson and Morgan et al, 1990).

The fallibility of the British state as a customer is nowhere more evident than in the defence sector, where the Ministry of Defence (MoD) is ostensibly in charge of the procurement process. The scale of the problems in this sector is without precedent in the UK, even if smaller fiascos like the Dome continue to haunt the popular imagination. In its latest progress report, the National Audit Office disclosed that the largest twenty weapons projects are currently overspent by almost £3 billion and, taken together, they have been delayed by a total of 36 years. Such are the delays and cost overruns on the notorious Eurofighter aircraft (now called Typhoon), that the current cost is no longer even published because it is deemed to be 'commercially sensitive' (NAO, 2006).

There is no easy explanation for this lamentable public procurement performance, though the main reasons would have to be sought in some combination of the following: the lack of project management skills at the highest levels of the civil service; a bureaucratic culture which extolled policy design over project delivery; the silo-based structure in Whitehall, which stymied the dissemination of good practice; and the fact that this lack of technical competence is both cause and consequence of a lack of political confidence, rendering civil servants and their masters reluctant to assert public sector priorities over private sector interests (Cawson and Morgan et al, 1990; House of Commons, 2001; Craig, 2006; Page, 2006).

Although it created more problems than it solved, the Thatcherite offensive against the state was partly an attempt to import private sector business skills into the heart of the public sector, a trend that actually intensified under New Labour. Between 1997 and 2005 for example, the Blair governments are estimated to have spent some £10 billion on management consultancy fees. New Labour's modernisation of government agenda is such a bonanza for private consultants that it amounts, in the words of a whistleblower, to the 'plundering' of the public sector in which civil servants have ceded too much control to external private sector suppliers on the advice of their internal private sector consultants (Craig, 2006). According to this analysis New Labour convinced itself that it needed private sector skills to deliver more effective public services, a skill set that was beyond the ken of the traditional civil service. Here it was merely echoing the words of a senior partner at Ernst and Young, who said 'the public sector must have access to the skills needed to perform successfully in this more competitive regime: skills more commonly found in the private sector than in public service' (Craig, 2006).

A new era in the history of public procurement began in 2000, when the Office of Government Commerce (OGC) was formed to modernise public purchasing and to secure better value for money from government contracts. The creation of the OGC as an office of the Treasury was the main outcome of a major review of civil procurement in central government conducted by Peter Gershon, the first chief executive of the OGC. The Gershon Review of civil procurement exposed a woefully inadequate if not shocking picture:

- No one really knew how much was being spent by the government on a whole range of products and services
- The government was not utilising effectively its position in the market place, for example through leveraging its relationship with suppliers
- The fragmented approach to procurement meant that there was enormous variations in performance
- Public procurement was not regarded as a core competence and its professional status within government suffered as a result
- There was plenty of scope for government to become a more intelligent and professional customer, but this potential was not being tapped
- There were major value for money improvements to be gained simply by doing things better (Gershon, 1999)

The modernisation programme that followed this catalytic review begged an important question that has never been resolved – should procurement be modernised within an old, cost-cutting business model (*doing things better*) or does modernisation embrace a new, more sustainable value-adding business model (*doing better things*)? According to Gershon, the modernisation and greening of public procurement went hand in hand, as he told a *Greening Government Procurement* conference:

*'Our attention is firmly focused on value for money - not simply the lowest price. This means looking at quality and whole life costs, including disposal and packaging, which are areas where environmentally friendly products tend to score well...Your task is to work out how to procure environmentally friendly goods while retaining value for money. We should not accept a 'green premium' as an inevitable consequence of greening Government procurement' (Gershon, 2001).*

As we will see later, the notion that the 'green line' is synonymous with the 'bottom line' in public purchasing decisions has proved to be a profoundly difficult claim to substantiate, despite repeated assurances from Whitehall that there is no conflict between them. What threw this issue into sharper relief was the second Gershon

review, which claimed to have identified £21.5 billion in 'efficiency savings' that could be made over a three year period, all of which could be re-invested in front line services (HM Treasury, 2004). This was doubly attractive to New Labour ministers because it promised to increase investment in public services by cutting civil service bureaucracy and public sector inefficiencies. More than a third of the £21.5 billion 'efficiency savings' was scheduled to come from public procurement as a result of buying goods and services more cheaply. One of the main mechanisms for realising cost savings, according to the review, was through the economies of scale that would be achieved by aggregating demand by cutting local government purchasing centres from some 400 separate local centres to perhaps 10 regional centres or even four national centres. Regional purchasing consortia, along with new 'toolkits' to help public sector managers to design value for money procurement policies, heralded 'nothing less than a revolution in the way government does business' (N. Timmins, 2004).

Taken together the Gershon reviews constitute a tipping point, signalling the formative moment when the state ceased to be the naïve and fallible client it had been for much of the post-war period. Belatedly, the strategic potential of procurement was beginning to be recognised at the highest levels of government, an epiphany that occurred in the private sector at least a decade earlier, when firms in the auto and electronics sectors woke up to the fact that strategic sourcing was one of the 'secrets' behind the success of Toyota and Nissan (Cooke and Morgan, 1996).

Although the Gershon reviews acknowledged that value for money should not be confused with low cost, the pressure to realise 'efficiency savings' often means that, in practice, these can easily become one and the same thing. What constitutes 'value for money' has emerged as the central question in the new politics of public procurement because the challenge of *sustainable development* is first and foremost a challenge to the conventional ways in which we view and value things.

### 3. The Ecological Client: The Challenge of Green Procurement

The political commitment to sustainable development in the UK began with the 1992 Earth Summit, when the UK government signed up to the UN-sponsored Rio Declaration. The first formal sustainable development strategy appeared in 1994,

followed by another in 1997 and a third in 2005, underlining the growing significance of sustainability issues in mainstream British politics. Although there were some ad hoc initiatives in the late 1990s, green public procurement emerged in a systemic way in the UK in 2001 with the formation of the Sustainable Procurement Group in Whitehall, an inter-departmental group created to consider how central government procurement could support sustainable development. DEFRA and the OGC took the lead in this process and, in 2003, they jointly announced the first minimum environmental standards for all new central government contracts, covering such aspects as energy efficiency, recycled content and biodegradability. This was said to be 'a vital first step' in putting in place the structures and strategies to support and encourage sustainable procurement (DEFRA, 2003b).

Like charity, ecological behaviour begins at home and therefore one of the key tests of the political commitment to sustainable development is the sustainability of the Government Estate, the collective term for all government departments and their executive agencies. The Framework for Sustainable Development on the Government Estate began to set targets for central government departments in 2002, though it was not until 2004 that public procurement targets were included. Progress in meeting these targets used to be reported annually in the Sustainable Development in Government (SDiG) report, which was originally compiled by government itself. This may help to explain the fact that the 2004 SDiG report was charged with exaggerating the progress that the Government Estate was making with its sustainable development targets (NAO, 2005). To overcome this conflict of interest, where government was effectively assessing itself, the SDiG report is now compiled and analysed independently by the Sustainable Development Commission (SDC), which has been given a watchdog role in this area. In its first report the SDC used a 'traffic lights' analysis to rate progress and it concluded by giving government red marks against performance on waste, water and commitment to sustainable development, and amber warnings against performance on energy, travel, estate management, biodiversity and public procurement (SDC, 2005).

Central government's green procurement efforts began by focusing on a small number of products, in particular paper, timber, electrical products and food, where it was believed that some 'early wins' could be secured. Of these products, public sector food purchasing has received the most attention, largely because of the unexpected political

salience of school food, an issue addressed in section four. In reality central government had begun to focus on public sector food catering long before school food became a *cause celebre* in 2005. An official inquiry into the future of farming and food, held in the wake of the foot and mouth crisis, concluded by saying that 'local food' offered untapped opportunities for hard pressed primary producers to re-connect with their consumers, and it identified public procurement as one of the means to this end (Policy Commission, 2002). It was against this political background that the Public Sector Food Procurement Initiative (PSFPI) was launched by DEFRA in 2003.

The main aim of the PSFPI is to encourage public sector purchasers to work in concert with farmers, growers and suppliers to ensure that *sustainable food* is consumed in public canteens. It has five broad objectives:

- To raise production and process standards
- To increase tenders from small and local producers
- To increase consumption of healthy and nutritious food
- To reduce adverse environmental impacts of production and supply
- To increase the capacity of small and local suppliers to meet more exacting demand standards (DEFRA, 2003a)

In addition to these broad objectives, the PSFPI aims to promote the demand for organic food; to improve choice for minority ethnic communities; to enhance working conditions for public sector catering staff; to reduce food waste; and to improve the standard of data collection and monitoring. Despite its modest resources, the PSFPI is an innovative and inclusive programme embracing a wide array of very different actors, including central government and local government, public sector purchasing bodies, farmers, food service companies, NGOs and universities. As we will see, there are major barriers to the design and delivery of sustainable food throughout the food chain, from farm to fork. To help overcome these barriers, the PSFPI offers purchasers and suppliers a one-stop shop of guidance, advice and inspiration through a dedicated web site, which includes practical projects, model specifications, training, professional contacts and case studies of sustainable food chains.

What constitutes a 'sustainable food chain' is of course open to debate, but the key feature would surely be the internalisation of the costs that are externalised in conventional food chains by, for example, factoring into the equation the effects on human health and the environment of the entire agri-food cycle from farm to fork. This is clearly what DEFRA had in mind when it launched the initiative by highlighting the multi-dimensional nature of public sector food procurement:

*'If we are what we eat, then public sector food purchasers help shape the lives of millions of people. In hospitals, schools, prisons, and canteens around the country, good food helps maintain good health, promote healing rates and improve concentration and behaviour. But sustainable food procurement isn't just about better nutrition. It's about where the food comes from, how it's produced and transported, and where it ends up. It's about food quality, safety and choice. Most of all, it's about defining best value in its broadest sense' (DEFRA, 2003a).*

For the worlds of policy and practice, this statement succinctly captures the multiple benefits of sustainable food chains. However, at the same time it also identifies two of the biggest challenges to their development, when it says that sustainable food chains are about 'where the food comes from' and most of all about 'defining best value in its broadest sense'. The following section examines these two issues - value and provenance - in the highly charged political context of school food.

#### 4. Sustainable School Food Chains: The Potential of the Public Plate

Having been marginalised in Westminster and Whitehall for more than twenty years, school food was unexpectedly propelled to the top of the political agenda in the UK in 2005, where it became a litmus test of New Labour's avowed commitment to public health, social justice and sustainable development. In this section I use the school meal service as a prism through which to explore two key issues in the burgeoning debate about sustainable food chains - namely value for money and the geographical provenance of the food. To understand these issues in the context of the school meal service, one needs to appreciate the regulatory worlds in which the service evolved (Morgan, 2006).

## The Regulatory Worlds of School Food

*The Welfare World of Collective Provision.* Given the low political prominence of the school food issue in the 1980s and 1990s one would never know that the school food service was once considered to be one of the foundation stones of the British welfare state. But the origins of school food as a national system owe as much to warfare as welfare because it was the Boer War, when the poor physical condition of recruits impaired the campaign, that effectively triggered the Education (Provision of Meals) Act of 1906, which gave all local education authorities the power to provide meals free for children who needed them (Passmore and Harris, 2004). Although the origins of the welfare era can be traced back to local initiatives in the 1880s, it was the Education Act of 1944 that inaugurated the welfare era of collective provision in the UK as a whole. Among other things the 1944 Act laid a duty on all LEAs to provide school meals and milk in primary and secondary schools; it specified that the price of meals could not exceed the cost of the food; and it established that the school lunch had to be suitable as the main meal of the day and meet mandatory nutritional standards (Sharp, 1992). Whatever the limitations of the welfare era, the fact that it would later appear as a 'golden era' spoke volumes for what followed it.

*The Neo-Liberal World of Choice.* The neo-liberal era was introduced in stages by successive Conservative governments after 1979 and it was predicated on two totemic Tory values - less public spending and more private choice. The neo-liberal era was enshrined in two radical pieces of legislation. The first was the 1980 Education Act, which transformed the school meals service from a compulsory national, subsidised service for all children, to a discretionary local service. The 1980 Act introduced four fundamental changes: it removed the obligation on LEAs to provide school lunches, except for children entitled to free school meals; it removed the obligation for meals to be sold at a fixed price; it eliminated the requirements for the lunches to meet nutritional standards; and it abolished the entitlement to free school milk. These changes, it was claimed, would help to reduce public expenditure. The second piece of neo-liberal legislation was the 1988 Local Government Act, which introduced compulsory competitive tendering (CCT) into public sector catering and other local services. Under the CCT regime, local authorities were obliged to subject their school meals services to outside competition – a requirement that led to a dramatic reduction in costs (Davies, 2005).

Lower costs carried a cost of their own because CCT triggered a series of profoundly negative changes in the school meals service, notably a lower skilled workforce, a loss of kitchens in schools, and a service ethos deemed to be inimical to healthy eating. Of all the changes wrought by CCT, however, by far the most important was the debasement of the food itself, which was colourfully described by one leading dinner lady as 'cheap processed muck' (Orrey, 2003). The net effect of this neo-liberal revolution was a consumer-led school meals service where the menu was based on a simple calculation, namely 'if a food sold well and was profitable, it was provided. If it did not sell, or was not profitable, it was not provided' (Passmore and Harris, 2004). From today's vantage point, when there is a moral panic about childhood obesity, the neo-liberal era of food policy appears to be a monstrously myopic mistake. In its desire to make short-term public expenditure savings, it actually contributed to the problem of unhealthy eating, which now costs the public purse many times what was saved by trimming the school meals budget (Morgan, 2006).

*The Ecological World of Sustainable Provision.* The fact that a radically new school food policy did not appear (in England) until 2006, nine years after New Labour came to power, illustrates the fallacy of thinking that regulatory eras change when governments change. Although the revolution in British school food policy is generally attributed to a celebrity chef's popular television series in 2005, the real breakthrough came three years earlier in Scotland, where the Scottish Parliament commissioned an expert panel to design a radically new school meals strategy called *Hungry for Success* (Scottish Executive, 2002). Three of the panel's recommendations would eventually resonate throughout the UK, namely: (i) the need for a whole school approach to school meal reform to ensure that the message of the classroom was echoed in the dining room; (ii) the need for better quality food to be served in schools, and for this to be underwritten by new nutrient-based standards; and (iii) a plea for the school meals service to be seen more as a health service than a commercial service (Scottish Executive, 2002). The ripple effect of this Scottish social policy innovation stimulated the campaign for similar reforms in England and Wales, which took place in 2005 and 2006 respectively (SMRP, 2005; WAG, 2006).

Far from being concerned simply with the environment, the ecological world seeks to address one of the core principles of sustainable development - the need to render visible the costs neglected by conventional cost-benefit analysis, where many of the

negative costs of the industrial agri-food system have been externalised (Morgan et al, 2006). Because it appeared so much later than its Scottish counterpart, the English report, *Turning the Tables*, went further in embracing the ecological approach in the sense that it also included the food procurement process, which it said should be 'consistent with sustainable development principles and schools and caterers should look to local farmers and suppliers for their produce where possible' (SMRP, 2005). The government accepted the main thrust of these recommendations when it made its seminal announcement that a new regulatory regime would come into effect in September 2006 to ensure that:

- School lunches are free from low quality meat products, fizzy drinks, crisps and chocolate or other confectionary
- High quality meat, poultry or oily fish is available on a regular basis
- Pupils are served a minimum of two portions of fruit and vegetables with every meal
- Deep-fried items are restricted to no more than two portions in a week
- Schools and vending providers are required to promote sales of healthy snacks and drinks such as water, milk and fruit juices
- Schools will be required to raise the bar even higher when more stringent nutrient-based standards - stipulating essential nutrients, vitamins and minerals - are introduced in primary schools by September 2008 and in secondary schools by September 2009 (DfES, 2006).

In political terms, *Turning the Tables* is arguably the most radical school food policy statement since the founding of the welfare state, not least because it makes the case for a high quality food system in terms of health, educational and behavioural benefits, in contrast to the narrow commercial values of the neo-liberal world. In setting new and more exacting regulatory standards the state was in effect fashioning new markets in the public sector for more sustainable products by creating opportunities for local farmers and growers to supply locally-produced fresh produce. Under pressure from health and environmental NGOs, public bodies throughout the

world are coming to similar conclusions about the need for more sustainable food chains. However, such chains face a number of significant barriers, not least the higher costs of better quality food and EU regulations which forbid the explicit purchasing of local food.

*Accounting for Sustainability: From Low Cost to Best Value*

A 'cheap' food' culture was, as we have seen, systematically introduced into the school meal service in the 1980s, when local authorities were exposed to CCT regulations that spawned a radically new cost-cutting mindset. Although New Labour jettisoned some of the cruder, more debilitating features of the CCT regime when it introduced its own Best Value regime, the 'cheap food' culture lingered on, leaving local authorities unsure about how to make the transition from low cost to best value. To illustrate this conundrum it is worth considering the case of Carmarthenshire County Council (CCC), where a Best Value inspection was conducted in 2001 with the aim of improving the quality of the school catering service.

On a four point scale embracing poor, fair, good and excellent, the CCC catering service was said to be 'a good level of service' because primary school pupils receive healthy and nutritionally balanced food; secondary schools provide a range of food that most pupils considered to be good quality; paid meal uptake was the highest in the country and free school meal uptake was in the upper quartile for all schools; and front line staff had a common sense of purpose and a commitment to quality provision. On the negative side the inspectors were concerned that pupils paid more for a meal (£1.35 in 2000/01) than in other local authorities and, concluded that if 'productivity' and 'competitiveness' could not be achieved, CCC should engage the private sector to deliver the service. Overall the inspectors found that the catering service was 'a high quality, high cost service', the implication being that it should be a high quality and lower cost service (Audit Commission, 2001).

This Best Value review is not above criticism itself because it takes as resolved what actually needs to be explained. Such terms as 'high cost' and 'low productivity', for example, may be appropriate to an industrial context, but what validity do they have here? The metric used by the inspectors - meals produced per staff hour - would seem to be more attuned to a widget-making factory than a health-promoting school. Had

the council meekly accepted the Best Value recommendations it might have found itself in the absurd position of seeking higher productivity at the expense of the children's well being (Morgan, 2004).

Fortunately, CCC decided to defend its 'high quality, high cost service' by accounting for it in terms of a community health metric, which was radically removed from the industrial-like metric used in the Best Value review. However, without the resolve of senior officers who were committed to maintaining a health-promoting school meal service, and local politicians who were able to defend the service in terms of the council's 'joined-up' community strategy, the CCC catering service might have been forced to emulate the lower cost services of other local authorities, where lower costs had been achieved at the expense of lower quality school food provision. Even in Carmarthenshire, however, there is a perennial struggle to justify the costs associated with high quality provision because, like local authorities throughout the UK, it is difficult to quantify the benefits of good food and healthy eating, many of which are long term in nature. This raises the question of *whole life costing*, one of the most important ingredients in the recipe for sustainable food chains.

### *Re-localising the School Food Chain*

Sustainable food chains are generally thought to be synonymous with local food chains, though a more robust definition would include fairly-traded global food chains as well. Recent efforts to re-localise the food chain have encountered a whole series of barriers, one of which is the fact that under EU procurement rules it is illegal to specify 'local' food in public catering contracts. Although this is less of a barrier than was originally thought, many public procurement managers in the UK believe they are unable to purchase locally-produced food by EU directives that forbade it on the grounds that this would violate the free trade principles of transparency and non-discrimination.

While EU procurement rules do indeed outlaw explicit 'buy local' policies on the part of public bodies, our research shows that some member states have been far more creative than the UK in how they chose to interpret these EU rules. Public bodies in Italy and France, for example, design contracts that specify certain product qualities - like freshness, seasonality, organic and so forth - which enabled their municipalities to

privilege local food because such specifications favoured local producers. Through such creative procurement policies, public bodies in Italy and France are able to purchase local food without specifying it as such (Morgan and Morley, 2002; Morgan and Sonnino, 2007).

What constitutes 'local food' is a debate that will never be fully resolved because there is no consensus as to what is meant by 'local'. At one extreme there is the National Farmers Union, which equates local food with British food, at the other there is the Council for the Protection of Rural England, which defines local food as food that is grown and processed within 30 miles of its point of sale (Morgan and Morley, 2002). Rural areas would have less of a problem meeting the 30 mile radius than urban areas, so one needs to avoid hard and fast rules as to what constitutes the 'local' when designing re-localisation strategies. Specifying the radius of local food is perhaps more art than science and the least of the difficulties involved in creating sustainable food chains. Far more difficult is the problem of calibrating demand and supply.

Stimulating *demand* for local food is a long term endeavour and, to be effective, it needs to be part of a wider process of consumer education, and the latter has to be more imaginative than the conventional injunctions from the health promotion industry. Here the UK has much to learn from Italy, where local food products are used as learning materials for teachers and pupils in a programme called *Cultura che Nutre* - culture that feeds. Aside from learning about the links between products and places, the key aim of this educational programme is to create knowledgeable consumers who have an awareness of, and a commitment to, locally-produced nutritious food. Discerning and demanding consumers are ultimately the most important factor in the process of creating sustainable food chains (Morgan and Sonnino, 2007).

However, if more locally-produced food was demanded in school meals tomorrow it could not be delivered because farmers have neither the skills nor the distributional infrastructure to get it from farm to fork. The dangers of creating a new market, by stimulating demand, and doing nothing to create a local source of *supply* would provoke a flood of imports, which is precisely what happened with the rapid growth of the organic food market in the UK. Farmers and growers have found it difficult if not impossible to break into the public sector catering market, where the barriers to entry include an exacting and time-consuming tendering process and the caterers'

preference for dealing with large food service companies that offer lower transaction costs and sponsorship deals which feature the 'brands' to which children are drawn.

Equally debilitating is the lack of a localised infrastructure to get local produce from farm to fork. The lack of local processing capacity for fresh meat is an especially acute problem, which has been exacerbated by the inadvertent effects of EU hygiene regulations that are rendering small abattoirs uneconomic. This implies that locally-reared livestock have to travel long journeys to be processed, creating animal welfare problems as well as unnecessary food miles. Farmers and growers will need to collaborate to a much greater extent if they are ever to overcome the supply-side barriers that continue to keep locally-produced food out of local public sector markets.

If sustainable school food chains are to become the norm rather than the exception a more concerted effort will have to be made to calibrate demand and supply because, according to one public procurement director:

*'The food supply chain from farmer, through distributors to schools (and other public sector customers) is complex, fragmented, inefficient, distorts markets, under-utilises UK producers, has no planning or coordination, and is far from supporting the need for local fresh food cooked on site' (Taylor, 2006)*

While it is probably true overall, this bleak assessment understates two aspects of the school food chain. Firstly, while there is no *public* planning of demand and supply, there is certainly a good deal of *private* planning on the part of food service companies like Brakes and 3663 for example, and there is mounting evidence to suggest that these companies are no longer impervious to local food offers where the latter are available. Secondly, it fails to acknowledge the innovative role of NGOs in calibrating demand and supply at a local level. East Anglia Food Link, Sustain and the Soil Association have taken the lead in nurturing locally-integrated school food chains. Especially significant is the Soil Association's *Food for Life* programme, which is widely perceived to be the gold standard in sustainable school food chains in the UK (Melchett, 2005).

The main problem with the *Food for Life* programme, however, is that it remains a localised phenomenon, confined as it is to the islands of good practice. Although the PSFPI aims to provide a supportive national framework for sustainable food chains,

good practice is a notoriously bad traveller because, for whatever reason, it is slow to disseminate from one local authority area to another (Morgan and Morley, 2006). Belatedly, mainstreaming good practice has been recognised as one of the key challenges facing the government in its avowed aim of making the UK a leader in sustainable procurement.

##### 5. The Barriers to Sustainable Procurement: Skills and Whole Life Costing

It is not too much of an exaggeration to say that the British public sector - central government, local government and a wide array of other public bodies - is only now beginning to appreciate the potential of public procurement. As we have seen, the modernisation of the public procurement process did not begin until 2000, when the OGC was created to act on the shocking findings of the Gershon review of civil procurement in central government. Although the UK public procurement budget amounts to £150 billion per annum, equivalent to 13% of GDP, the power of this budget is more apparent than real because it is chronically fragmented over hundreds of different public sector bodies, few of whom cooperate to achieve economies of scale or share good practice, though this is beginning to change. The UK government may have announced its intention of being one of the European leaders in sustainable procurement by 2009, but it has a long way to go before it catches up with leading countries like Denmark and Sweden, where green procurement strategies were launched in the 1990s (Erdmenger, 2003). Furthermore, central government's actions to date have been almost entirely focused on the environmental dimension of sustainability, to the exclusion of the social and economic dimensions, which means sustainable procurement in the narrowest sense of the term (NAO, 2005).

Food is one of the sectors where all three dimensions of *sustainable* procurement are being pioneered in the UK, thanks to the popular outcry that transformed school food into a serious political issue. The public catering sector in the UK spends some £2 billion per annum and this budget has enormous potential to raise the nutritional quality of food provisioning, especially in deprived areas, where poor nutrition is one of the most insidious and least visible signs of multiple deprivation (Dowler and Turner, 2001; Lang and Heasman, 2004). Over the past decade there has been a revolution in the quality of British food, with the re-discovery of local and regional

products and a new cachet attached to fresh ingredients (Illbery and Kneafsey, 2002). However, the customers of public canteens - in schools, hospitals, care homes and the like - have yet to enjoy the benefits of this quality food revolution, unlike their counterparts in other European countries (Peckham and Petts, 2003).

The barriers to the sustainable procurement of school food are similar in nature to the barriers in other sectors, which are shown in Figure 1.

*Figure 1: Commonly Cited Barriers to Sustainable Procurement*

- **Cost:** Perception of increased costs associated with sustainable procurement. Value for money is perceived to be inconsistent with paying a premium to achieve sustainability objectives.
- **Knowledge:** Lack of awareness of the need for and processes required to conduct procurement more sustainably.
- **Awareness and information:** Lack of information about the most sustainable option; lack of awareness of products; lack of monitoring of supplies; perceptions of inferior quality.
- **Risk:** Risk-averse buyers prefer to purchase from suppliers with a good track record. Organisations fear criticism from the media and are therefore less keen to take innovative approaches.
- **Legal issues:** Uncertainty as to what can, and cannot be done, under existing rules (both UK and EC) on public procurement.
- **Leadership:** A lack of leadership - both organisational and political - leading to a lack of ownership and accountability at all levels.
- **Inertia:** Lack of appetite for change. Lack of personal or organisational incentives to drive change.

Source: National Audit Office (2005)

Many of these barriers surfaced again in the most comprehensive study of sustainable procurement ever conducted in the UK, the product of a task force chaired by Sir Neville Simms (SPTF, 2006). Of all the barriers identified in the Simms report, two deserve special attention - namely the failure to apply *whole life costing* and the lack of *sustainable procurement skills*.

As regards the first barrier - whole life costing - the report put it very succinctly when it said that 'the efficiency message was being interpreted throughout the public sector in ways which drowned out sustainability considerations' (SPTF, 2006: 52). The 'efficiency message' is shorthand for the Gershon Efficiency Review that we

encountered earlier, which aimed to squeeze savings of £21.5 billion from the public sector, over a third of it from procurement savings. To address this problem the Simms report said there needed to be 'a clear message from the top that value for money must be assessed on a whole life basis' (SPTF, 2006:53).

The second barrier - the lack of sustainable procurement skills - helps to explain why the public sector systematically fails to apply whole life costing to its purchasing decisions. The Simms inquiry argued that 'many parts of the public sector currently lack professional procurement expertise and that people are routinely allowed to spend money without being appropriately trained' (SPTF, 2006:47). This knowledge deficit chimes with an earlier inquiry which found that less than a quarter of all procurement staff was fully qualified (NAO, 2005). A poorly qualified public sector workforce also helps to explain why 'examples of good practice are presently not being shared fast enough or widely enough to encourage the dissemination of smarter procurement throughout the public sector' (SPTF, 2006:60).

What all the barriers to sustainable procurement seem to have in common is a conspicuous lack of political leadership. The Simms report freely acknowledged this problem when it said that the 'lack of leadership from the top is then reflected down the organisation in lack of accountability for sustainable procurement' (SPTF, 2006: 29). These barriers - the failure to apply whole life costing, the knowledge deficit and the lack of political leadership - help to explain why sustainable procurement continues to be more an aspiration than a reality in large swathes of the public sector today.

## 6. Conclusions and Implications: Towards the Green State?

The British public sector currently finds itself torn between two very different political pressures. At the rhetorical level there is a growing official commitment to sustainable procurement, so much so that the government has formally committed itself to becoming one of the leading European practitioners by 2009, a policy that is rationalised in value for money terms. However, the public sector is also being subjected to the 'efficiency message' and this is a much more powerful pressure because it is easier to understand, easier to implement and its results are easier to measure. Although Whitehall insists that 'efficiency gains' are not to be confused with

budget cuts, the latter are invariably interpreted to be synonymous with the former, and this false equation constitutes the biggest single impediment to the development of sustainable public procurement. While public procurement is belatedly being modernised, then, this is occurring within a cost-cutting, rather than a value-adding, business model.

Notwithstanding these barriers, some genuine progress has been made in certain areas, most notably with school food. Although government ministers are wont to give the impression that much has been achieved here, the truth is that the UK is merely on the cusp of an ecological school food service in the sense that new services have been designed but not yet delivered on a systemic basis throughout the country. In other words, the creation of sustainable school food chains is a *process* not an event and the UK is merely at the beginning of this process because the implementation of the new service - which crucially depends on financially-strapped local authorities having the wherewithal to deliver - is by no means assured.

Yet it is here, in the prosaic realm of the school food service, that the UK government's avowed commitment to sustainable public procurement will be tested more profoundly than anywhere else because, if 'greening the realm' means anything, it must surely mean the provision of fresh, locally-produced nutritious food in schools, where children ought to be able to eat healthy food and learn about the links between food, diet and well being. If the UK cannot ensure an ecological school food service, then it cannot hope to meet the grander visions of its sustainable development strategy.

Through an empirical analysis of public procurement, this article has argued that the *organisational capacity* of the state needs to be given far more prominence if we want to explore the scope for more radical forms of sustainable development. In the case of public procurement, for example, the state's capacity for action has been stymied by a chronic lack of internal skills to design and deliver sustainable procurement contracts. Significant as it is, however, this knowledge deficit reflects a larger, and much more important drag on the state's capacity for action, and the source of this problem is the subjugation of the public realm to the marketised norms of the private sector, one of the many consequences of a fashionable but flawed neo-liberal ideology (Marquand, 2004; Harvey, 2007). Under the guise of 'modernisation' the public procurement process in the UK is being reformed through an infusion of marketised knowledge

and business models from private management consultants, a sector that is highly adept at persuading state bodies that the latter can overcome their internal knowledge deficit by ‘outsourcing’ their requirements to the private sector (Craig, 2006).

The public sector urgently needs to redress its internal knowledge deficit, principally by investing in new skill sets and by developing business models that are informed by whole life costing methodologies, thereby ensuring that low cost can no longer masquerade as best value. Reforming public procurement is a challenge that central government must share with the nations, regions and localities of the UK because the public sector straddles all these spatial scales. In terms of the food economy, for example, local government in cities, towns and rural municipalities could play an enormously important role in re-localising the supply-side if they acquired the competence and the confidence to mobilise the power of the public plate.

Under the auspices of the CARPE (Cities as Responsible Purchasers in Europe) project, 12 cities have already begun to explore the potential of green and ethical procurement (Eurocities, 2005). With more than 50% of public procurement expenditure deployed at the sub-national level in EU member states, cities could secure multiple dividends by including the food economy as one of their early priorities for promoting sustainable development. As well as helping to tackle the epidemic of diet-related diseases, and making a major contribution to human health and well being, a sustainable food economy can be a prism through which to address the burgeoning planning problems associated with food-related *waste*, food-related *transport* and food-related *retail* disputes, especially the growing asymmetry between supermarkets and farmers’ markets. A more sustainable, low carbon food economy also creates new incentives for cities to re-engage with their regional hinterlands, allowing city-regionalism to assume a collaborative rather than a competitive form.

Urban planners in the US appear to be ahead of their European counterparts in recognising the need for what they call *food system planning*. As they put it recently:

*‘As a discipline, planning marks its distinctiveness by a strong claim to be comprehensive in scope and attentive to the spatial interconnections among important facets of community life. Yet among the basic necessities of life – air, food, shelter, water – only food has been given short shrift by the planning community. Given the increasing support among planners for creating more sustainable communities, it’s time for the food vacuum in planning to be filled in’ (Born et al, 2006)*

Greening the realm through sustainable public procurement policies carries threats as well as opportunities, with the biggest threat being a pious and self-referential localism in which the local is always extolled over the global. A sustainable food strategy, by contrast, would involve a judicious combination of ‘local and green’ and ‘global and fair’, the former to reduce the ecological damage of the food system, the latter to improve the prospects of desperately poor commodity producers in developing countries (Morgan, 2007).

Public sector canteens – in schools, universities, hospitals, care homes, prisons and the like – represent a significant part of the food economy in every country. What happens in these prosaic institutions ought to be at the centre of food system planning because, day in and day out, they constitute a source of demand that is stable and predictable over time, in contrast to the hyper-mobile branch factories that come and go in peripheral regions. To design and deliver more sustainable public procurement strategies, local municipalities need regulatory environments that positively foster food system planning, and national and supra-national regulatory reform ought to facilitate this process at the sub-national level.

Even with a more benign regulatory environment, however, the evidence suggests that good practice is a bad traveller, in the sense that it does not diffuse as freely as neo-classical economic theory would have us believe. If good practice is to become the norm rather than the exception as regards green procurement, the public realm will need to devise more creative and more effective diffusion mechanisms. These will take different forms in different countries. In the UK, for example, the diffusion mechanisms would include professional associations of public sector managers, the local authority catering association for school cooks, regional centres of excellence in procurement and networks of cities like the Eurocities network. Although the mechanisms will vary from place to place, the goal ought to be the same everywhere – to tap the power of the public plate to deliver the intrinsically significant benefits of human health and sustainable communities.

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