



Business Services Association
130 Fleet Street,
London.
EC4A 2BH

BSA - The Business Services Association

Response to the review of the Balanced Scorecard that support the Plan for Public Procurement: Food and Catering Services

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The BSA - the Business Services Association - is a policy and research organisation. It brings together all those who are interested in delivering efficient, flexible and cost-effective service and infrastructure projects across the private and public sectors. The business services sector accounts for over 9 per cent of gross value added to the economy and supports 3.3 million jobs, equivalent to 10 per cent of all UK workforce jobs.¹ A full list of members is included as an appendix.

BSA members deliver a wide range of services across the private and public sectors. This includes contract catering and food services in a range of different settings, from business premises and large event venues to schools, hospitals and military bases. Our membership includes major contract catering companies in the UK, serving millions of meals every day at over 10,000 sites.

The BSA supports the principles behind the Plan for Public Procurement and the Balanced Scorecard. The BSA has, for a long time, urged public procurers to consider a wide range of factors, including quality and social and environmental factors, when awarding contracts, balanced against cost. We fed into the British Food Plan stakeholder review and now sit on the Plan for Public Procurement's Food Business Working Group.

The BSA is pleased to have the opportunity to respond to this review. We have structured our response to look at the questions most relevant to the business services sector.

Current Award Criteria in the Balanced Scorecard

1. Which, if any, of the existing standards making up the award criteria in the balanced scorecard are no longer relevant?

We would suggest the award criteria remain relevant. The majority of the award criteria are linked to best practice outlined in the Government Buying Standards, which are not currently under review.

We reiterate a point made in our previous submission that, in some cases, the award criteria may be outside the control of the caterer. For example, energy, water and waste may come under a separate contract, with the caterer having little or no control. This would mean that procurers would need to adapt the Balanced Scorecard weightings to fairly assess bids against their specific requirements.

It is also important that procurers and end users have a greater understanding of what the Government Buying Standards include, what they should be looking for in tenders as a minimum and what constitutes best practice. In some cases, the experience of service providers is that wide variation exists in understanding the Government Buying Standards and, across the wider public sector, the Balanced Scorecard, and what application of the standards means in practice.

¹ Oxford Economics - The UK market for business services, The national, regional and constituency picture in 2013 - January 2015 - http://bsa-org.com/uploads/publication/file/162/OE_BSA_report.pdf
T: 020 7822 7420 W: www.bsa-org.com



2. Which, if any, comparable standards could be added to those making up the award criteria in the balanced scorecard?

It would be useful to keep the Balanced Scorecard up-to-date with legislative changes and other guidance issued. For example, the new EU Food Information for Consumers Regulations came into force in December 2014 requiring food business to provide allergen information on unpackaged food. It may be useful to link these regulations and associated best practice to the Balanced Scorecard.

3. What, if any, experience have you had of competing award standards when using the balanced scorecard?

It is difficult to comment on experience of competing award standards as members report they have not seen the Balanced Scorecard being widely used. One example where at least one member has had experience of the award standard being used is the Royal Liverpool and Broadgreen Hospital bid.

Members have reported difficulty in using the online portal. For example, questions on the portal are not in the same format as the document setting out the criteria. We would welcome further work to modify the online portal, in conjunction with all parts of the food industry, to improve its utilisation.

Apprenticeships

4. Should the balanced scorecard include a separate set of award criterion for recognising apprenticeship opportunities?

As of April 2014, BSA full members employed 11,500 apprentices and are looking to increase this number. The business services sector considers apprentices to be a key part of their workforce and provides schemes across a wide range of services and skills areas. Many BSA members have been involved in apprenticeship trailblazer schemes, helping to shape high quality apprenticeship standards that equip apprentices with the skills employers are looking for and to address skills gaps.

The BSA supports the government's policy to increase the number of apprenticeships being offered by businesses and to empower employers to develop apprenticeship standards which reflect their commercial needs and skills shortages in the market. It is important to recognise that apprenticeship schemes will vary between organisations and there is not a one-size-fits-all solution. Schemes can be structured across multiple disciplines, offering apprentices experience and training across a range of areas and the opportunity to work on different contracts. Alternatively, schemes can specialise in a particular skill which is in demand across the sector or be linked to a specific contract or sector.

In terms of the balanced scorecard, it would be good to further highlight apprenticeship opportunities within the award criteria to recognise the good progress contractors are already making in this area and encourage further focus on this area as a cross-government priority. This could be achieved by encouraging a higher weighting to be given under the employment and skills award criteria, where apprenticeship opportunities currently sits, or through separate award criteria.

5. What should an award criterion for apprenticeships include? E.g. length, level and quality.

It may be useful to base award criterion on existing guidance. The Crown Commercial Service has recently published a Procurement Policy Note on supporting apprenticeships and skills through public procurement which includes guidance on linking apprenticeships to contracts and evaluation weightings and sets out actions for procurers to take. It applies to all central government departments including executive agencies and non-departmental public bodies. It would be useful to follow this guidance and link to this PPN in the Balanced Scorecard.²

² Crown Commercial Service - Procurement Policy Note - Supporting Apprenticeships and Skills Through Public Procurement - August 2015



In terms of the considerations suggested in the question, the focus of business and government has been, and continues to be, on the delivery of high quality apprenticeships at all levels. This includes apprenticeships that lead to a recognised accreditation/qualification on completion and the opportunity for permanent employment where possible. We therefore suggest quality should also be focus of any award criteria within the Balanced Scorecard. Of course, progression through apprenticeship levels is also an important part of the apprenticeships landscape and should also be encouraged.

Provenance reporting

6. Should provenance reporting be made a mandatory criterion?

To a certain extent, some provenance reporting is already mandatory as country of origin information is embedded in the Government Buying Standards, linked to the voluntary industry principles of which the BSA was one of the original signatories. We are currently working with Defra and the other signatories to reaffirm the principles on country of origin information.

In terms of wider provenance reporting, many contract caterers already do this, largely as part of efforts to meet best practice and driven by consumer and client demand. BSA members report that provenance reporting and sourcing locally are key objectives for some contracting authorities, and it can make commercial sense to source locally, as well as being a responsible practice in supporting the local economy and British producers.

However, there can be some difficulties in sourcing locally. Produce that clients and customers want including on menus may be seasonal in the UK and therefore not available all year round. Whilst this can be overcome by introducing seasonal menus, for example, it risks not meeting customer expectations of what food should be available to them through a catering service, especially when seasonal foods are available from supermarkets at all times. Additionally, some foods may not be produced in the UK in sufficient quantities to meet demand.

If provenance reporting is made a mandatory criterion, it would be important to make clear the intention behind doing so to allow public sector procurers and suppliers help government to achieve its goals. Purchasing food to British standards of production does not necessarily mean sourcing from British producers or sourcing locally. The costs of reporting should also be proportionate.

Minimum/Living Wage

7. How suitable would accreditation from the Living Wage Foundation be as an award criterion?

The BSA has welcomed the new mandatory National Living Wage, introduced by the Chancellor in the Summer Budget, as it will provide necessary clarity and consistency. In terms of the voluntary Living Wage, there needs to be clarity from contracting authorities who should assess for themselves whether it, and the associated cost, is appropriate for a particular contract. It is of course for individual providers to decide whether to seek accreditation from the Living Wage Foundation as it is a voluntary scheme.

Raising performance

10. What more can be done to incentivise the mandatory standards to be exceeded?

Early engagement with the market helps to inform potential bidders what objectives and outcomes the contracting authority is seeking to achieve through the contract and what delivery expectations it had. Bidders can then ensure their tenders are shaped to best meet these requirements, leading to higher quality and choice of bids and, ultimately, a service that can achieve the desired of the contract.



Furthermore, public sector procurers using the Balanced Scorecard should be open and transparent about the weightings they have assigned to each award criterion. Again, this will help potential suppliers to ensure they concentrate on the criteria of most importance to the contracting authority and will encourage the mandatory standards to be exceeded in these areas.

11. How best could aspirations to improve performance against the award criteria be recognised?

To recognise aspirations to improve performance, examples of best practice and case studies could be collated and shared. This applies to recognising public sector procurement teams who have run processes that sought to improve performance against the reward criteria, which would demonstrate to other procurement teams how it can be done, as well as to suppliers where this does not breach confidentiality of commercial information.

Weighting - Cost v Quality

12. Do you think permitting procurers to decide weighting of quality against cost is the best approach?

13. What do you consider to be the most suitable approach to balancing cost and quality?

14. What weighting for cost versus quality represents the best balance?

Yes, it is imperative that procurers are able to flex the weightings of the Balanced Scorecard to meet their specific requirements. Each procurement team will have slightly different objectives and the needs of service users may vary depending on the setting. For example, the requirements for a catering service in a department's headquarters will be different from catering on a military base, and nutritional needs may differ in the health sector.

However, there also needs to be some consistency across public procurement processes, particularly where objectives apply across government. For example, increasing apprenticeships and government spend with SMEs are cross-government objectives that should, therefore, be applied consistently across public procurement processes. Applying this to the Balanced Scorecard means the weightings assigned to these award criteria should be consistent.

The optimum weighting between cost and quality may also differ between contracting authorities depending on the objectives behind contracting out the service and wider policy objectives of the department or public body. However, it is important that contracts are awarded on the basis of overall value money, rather than on cost alone, as has sometimes been the case. The BSA has welcomed the introduction of the Balanced Scorecard as it provides a framework against which procurers can assess bids against a range of criteria. With this in mind, one option could be to introduce a maximum weighting that can be applied to cost and/or to suggest a minimum proportion of scores for quality.