

## COMMUNITY WEALTH BUILDING PRACTICE

# Orkney Islands Council – Joint Procurement of Local Food Between the Council and NHS



## Context

Orkney Islands Council and NHS Orkney have a long-standing collaboration on food procurement, driven by a strong local food production and distribution sector. This approach aligns with the principles of Community Wealth Building and climate action, aiming to retain economic value locally and reduce environmental impact through the supply chain.

The region benefits from having a great source of local producers (e.g. milk, eggs, meat, vegetables), a collaborative food and drink business forum and a shared commitment to 'supporting local'.

## Details of the Joint Procurement Exercise

The Council and the NHS jointly procure food for schools, care homes, and other services through a collaborative approach designed to support efficiency and inclusivity. The



contract structure typically involves one supplier per product category, such as milk, meat, or fruit and vegetables. This provides security and clarity for suppliers – they know they will have a long-term customer purchasing a large quantity of produce. To enable small producers to participate, a local distribution model is used, allowing them to supply locally produced goods through regional distributors.

This approach has removed the barriers for very small locally based producers, who may not have the capacity to meet public sector procurement requirements, the Council and NHS Orkney do this by working with local distributors. These distributors can include products from small local producers in their broader supply offerings, making it easier for those producers to access public contracts indirectly.

Engagement with local suppliers is further strengthened through “Meet the Buyer” events, which help explain the procurement process and encourage participation.

## Outcomes and Impacts

The joint procurement initiative has delivered several tangible benefits:

- **Economic impact:** Increased spend with local suppliers has helped sustain rural livelihoods and small businesses.
- **Environmental benefits:** Reduced food miles and packaging waste contribute to Orkney’s climate goals.
- **Social value:** Stronger relationships between public bodies and local producers



“It’s our day-to-day spending that we can use to have an impact on the communities.”

## Learning

The joint procurement initiative between Orkney Islands Council and NHS Orkney has provided several valuable insights. One of the key lessons is the importance of accessibility for small, local producers. While many of these producers are eager to participate in public contracts, they often face barriers due to the scale and complexity of procurement processes. A practical solution has been to encourage these producers to work through local distributors, who can aggregate products and manage the logistics of fulfilling larger contracts. This approach has enabled smaller suppliers to benefit from public sector procurement without needing to navigate the full process independently.

Another important learning point is the need for thorough preparation and coordination when undertaking joint procurement. Aligning product lists, nutritional standards, and operational requirements between the Council and NHS added complexity to the process. However, this has fostered a close partnership, and if there are any contract management issues, they are tackled collaboratively.



The Council has also learned that procurement models need to be flexible and tailored to the context. While Dynamic Purchasing Systems (DPS) offer greater accessibility for new market entrants, they are not always suitable. For food contracts, where continuity and security of supply are essential, traditional contracts with a single supplier per product category have proven more effective.

A challenge with procurement work is the balance between financial value with social value. While cost remains a factor, if the price difference between a local and national supplier is marginal, the local economic and social impact should be considered. The impact of local economic and social benefits of local supply may be more visible and broadly better understood in an island setting, contributing to the broader endorsement of this approach.

## Sustainability and Next Steps

The sustainability of the joint procurement approach in Orkney is evidenced by the many years it has been operating so far. The close collaboration between Orkney Islands Council and NHS Orkney, as well as the active involvement of local suppliers and distributors has made the approach a continued success. The approach is not a one-off project but a well-established practice that has become embedded in the way procurement is carried out across both organisations.

**“We are really committed to making sure that the local market has access to contracts where they can.”**

One of the key factors contributing to its sustainability is the scale and structure of the local economy. Orkney’s relatively small and well-connected community allows for strong local knowledge and relationships, which in turn support ongoing engagement with suppliers and responsiveness to local market conditions. The Council’s procurement team has developed a deep understanding of the local supply base, enabling them to design tenders that are accessible and relevant to local businesses.

Looking ahead, the Council is exploring opportunities to expand the positive social and economic impact which can be achieved through procurement. This includes the potential for broader use of community benefit wish lists (in another possible collaboration with the NHS) and the application of similar principles to major infrastructure projects. These developments suggest a continued commitment to evolving and strengthening the impact of procurement as part of their broader Community Wealth Building approach.



Read [Orkney Community Planning Partnership’s Community Wealth Building Action Plan](#)

