

Scotland Excel

To: Joint Committee

On: 8 December 2023

**Report by:
Chief Executive of Scotland Excel**

Community Benefits and Fair Work Practices Update

1. Introduction

Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 as a contractual requirement imposed by a contracting authority, relating to training and recruitment, or sub-contracting opportunities. Since the introduction of community benefits within the public procurement landscape, this has expanded to improve the economic, social, or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

This report will highlight the community benefits delivered in the period of 1 April 2023 to 30 September 2023, aligned with the Scotland Excel framework portfolio. Additionally, an update will be provided regarding Fair Work Practices which will give an analysis of suppliers and providers' Living Wage status.

Scotland Excel continually strives to be innovative in its approach to community benefits. Scotland Excel recognises that community benefits have a considerable social, environmental, and economic impact within local communities, and will continue to encourage and grow awareness in this regard. Scotland Excel's approach to community commitments has been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. A revised collection process was developed and rolled out across Scotland Excel to simplify the process and ensure wider transparency of available benefits to all members.

Scotland Excel utilises the community benefit menu that has been favoured by procurement specialists when embarking on new procurement exercises and offers a focused approach across the Scotland Excel procurement portfolio. Furthermore, it aims to encourage suppliers and providers to deliver community benefits within the awarding local authority area.

2. Summary

Twice yearly, suppliers and providers are requested to complete a comprehensive community benefits template. This information is collated to illustrate the variety and extent of community benefits delivered through Scotland Excel frameworks. This method of collection together with ongoing contract management aims to

support the delivery of the commitments made by suppliers and providers at point of tender. For the return through to 30 September 2023, community benefits have been sought from suppliers and providers who have received more than £50,000 spend over the preceding two quarters via Scotland Excel frameworks.

Table 1 shows a summary of the social value added across the Scotland Excel procurement portfolio since 2013. The figures are complete for the year ending March 2023.

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	April 2023 to Sept 2023	Total
No of Apprentices	9	92	49	18	52	34	37	26	40	49	45	451
No of New Jobs	78	43	29	53	146	280	249	340	370	296	236	2120
No of Work Placements	0	5	6	17	30	107	43	47	39	34	209	537
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	616	3815	569	12,222
Hours of Work Experience	5305	28214	16734	7852	2541	667	10,360	19	1,292	15,411	3515	91,910
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£733,572	£783,214	£551,135	£4,729,891

Table 1: Summary of social value added across the collaborative portfolio

Suppliers with over £50k of spend in the previous six months were contacted with a request to report their community benefits delivery for the period 1st April to 30th September 2023.

A total of 401 community benefits can be reported for this period. A total of 28 local authorities have received community benefits, as well as associate members. The scale of return is based upon contract utilisation; the more spend generated, the better the benefits return into the local authority area. These community benefits include:

- Total Number of Employees Recruited to Deliver Contract: 236
- Total Number of Apprenticeships Recruited to Deliver Contract: 45
- Total Number of Hours of Work Experience for School Pupils, College, and University Students: 3515
- Total Number of Volunteering Hours: 569
- Total Monetary Value of Other Community Benefits: £551,135

The reported community benefits for this period are delivered across the classification listed above as well as across local authority regions.

An example under the Apprentice classification has been delivered under the current Asbestos Related Works and Services framework. A supplier recently took on two trainee asbestos operatives who are under 25 and have been long term unemployed. The employees were given full training and have already gained several qualifications.

A further example is linked to the Scotland Excel Education and Office Furniture framework. One of the suppliers supplied bespoke furniture for a complete primary school building refurbishment, including classrooms, a staff room, a canteen, a library, and breakout rooms for individual learning. This furniture has significantly enhanced the learning experience for local children. By designing collaborative spaces, they enabled children to learn according to their individual needs, fostering a neurodiverse-friendly environment that allows all students to excel in their academic experiences.

The accrued community benefits value per local authority area is noted within Appendix 1.

In relation to Fair Work First (including the Living Wage) Scotland Excel commenced formal consideration within tenders in early 2015. Since this time the respective position on bidders' work practices has been outlined within Executive Sub Committee Contracts for Approval Reports.

Scotland Excel continues to ensure transparency within the tender process and focus on aspects of fair work practices deemed relevant for each framework.

Scotland Excel continues to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area. It is possible to mandate the real Living Wage in public contracts where: Fair Work First practices, including payment of the real Living Wage is relevant to how the contract will be delivered, and:

- it does not discriminate amongst potential bidders.
- it is proportionate to do so, and
- the contract will be delivered by workers based in the UK

Within the last six months reporting period, the living wage status including those suppliers with accredited living wage status is shown within Table 2.

	May 2023	November 2023	Change since May 2023
Accredited	262	291	29
Progressing towards accreditation	53	51	-2
Committed to gaining accreditation over the first 2 years of the framework	84	89	5
Not accredited but paying the Living Wage	498	534	36
Not accredited or paying the Living Wage but committed to doing so within 2 years	38	38	0
Neither accredited nor paying Living Wage	96	94	-2
TOTAL APPLICABLE SUPPLIERS WHERE STATUS IS KNOWN	1031	1097	66
TOTAL PAYING	897	965	68
% PAYING	87.00%	87.97%	0.97%

Table 2 Living Wage Status

3. Next Steps

The next community benefits data collection, analysis and review cycle will be completed in line with the Management Information process to cover the period through to the end of 31 March 2024. The results will be reviewed with the supply base and where appropriate will be incorporated into supplier performance objectives.

4. Conclusion

Committee members are requested to note the content of this report and support the on-going practices in place to monitor delivery of community benefits and the application on Fair Work practices for the 2023/24 financial year.

Appendix 1 Community Benefits by Council Apr to Sep 23

	Number of new apprentices	Number of new employees	Number of work placements	Hours of volunteering	Hours of work experience	Monetary value of Other Community Benefits
Aberdeen City Council	1.05	6.70	0.00	0.00	0.00	£479
Aberdeenshire Council	0.00	2.50	0.00	0.00	0.00	£6,749
Angus Council	0.00	0.00	0.00	0.00	0.00	£2,582
Argyll & Bute Council	0.00	1.00	0.00	0.00	450.00	£3,250
Associate Member	1.00	8.75	0.00	78.00	351.00	£108,371
City Of Edinburgh Council	1.05	4.50	137.00	9.75	18.75	£84,191
Clackmannanshire Council	0.00	0.00	0.00	0.00	0.00	£0
Comhairle nan Eilean Siar	0.00	0.00	0.00	0.00	0.00	£0
Dumfries & Galloway Council	0.10	0.00	0.00	0.00	150.00	£6,000
Dundee City Council	0.25	0.80	0.00	0.00	0.00	£2,520
East Ayrshire Council	0.00	2.00	0.00	0.00	0.00	£13,699
East Dunbartonshire Council	0.00	0.10	0.00	0.00	0.00	£13,192
East Lothian Council	0.05	2.90	0.00	0.00	0.00	£2,122
East Renfrewshire Council	0.00	2.00	0.00	0.00	0.00	£8,445
Falkirk Council	3.00	1.20	0.00	0.00	0.00	£17,029
Fife Council	1.00	19.10	0.00	0.00	1784.50	£41,085
Glasgow City Council	17.20	59.69	0.00	44.04	9.60	£62,585
Highland Council	1.20	2.50	0.00	0.00	326.00	£21,895
Inverclyde Council	0.00	1.00	0.00	0.00	0.00	£600
Midlothian Council	0.00	0.80	0.00	0.00	0.00	£9,014
North Ayrshire Council	0.20	4.09	0.00	56.00	0.00	£15,212
North Lanarkshire Council	4.00	10.10	0.00	0.00	105.90	£19,364

	Number of new apprentices	Number of new employees	Number of work placements	Hours of volunteering	Hours of work experience	Monetary value of Other Community Benefits
Orkney Islands Council	0.00	0.00	0.00	0.00	0.00	£0
Perth & Kinross Council	0.00	8.00	0.00	0.00	0.00	£10,647
Renfrewshire Council	12.10	54.70	72.00	70.20	10.75	£27,987
Scottish Borders Council	0.05	2.00	0.00	0.00	0.00	£3,200
Shetland Islands Council	1.00	1.00	0.00	0.00	0.00	£0
South Ayrshire Council	0.00	0.10	0.00	305.00	0.00	£11,377
South Lanarkshire Council	1.00	20.20	0.00	6.00	309.00	£36,862
Stirling Council	0.00	2.90	0.00	0.00	0.00	£2,790
The Moray Council	1.20	0.00	0.00	0.00	0.00	£10,458
West Dunbartonshire Council	0.00	0.00	0.00	0.00	0.00	£3,009
West Lothian Council	0.00	17.80	0.00	0.00	0.00	£6,423
Total	45	236	209	567	3515	£551,135