

Scotland Excel

To: Joint Committee

On: 07 December 2018

**Report
by
Director Scotland Excel**

Community Benefits and Fair Work Practices Update

1 Introduction

In line with legislative requirements and Scotland Excel's sustainable procurement duty this report will highlight the community benefits delivered in the period April 2018 to September 2018, as a result of the Scotland Excel framework portfolio. Additionally, an update will be provided with respect to Fair Work Practices which will give an analysis of suppliers and providers' Living Wage status.

Scotland Excel continually strive to be innovative in its approach to community benefits. We recognise that community benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard. Our approach to community benefit commitments at point of tender has been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. The newly developed community benefit menu 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 as a result of 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 2018, community benefits have been sought from suppliers and providers who have received in excess of £25,000 spend via a Scotland Excel framework.

Table 1 shows a summary of the social value added across the Scotland Excel procurement portfolio since 2013. The figures are complete for the six month period through to the end of September 2018.

	2013/14	2014/15	2015/16	2016/17	2017/18	Apr -Sep 2018	Total
No of Apprentices	9	92	49	18	52	22	242
No of New Jobs	78	43	29	53	146	125	474
No of Work Placements	0	5	6	17	30	30	88
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	675	5633
Hours of Work Experience	5305	28214	16734	7852	2541	407	61053
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£206,321	£670,848

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

Community benefits delivered via Scotland Excel frameworks continue to be incremental. Figures in terms of ‘number of new jobs’ for the current return period have seen exponential growth with Dundee being of particular note. As a result of the business associated with Scotland’s first design museum, the V&A, one supplier alone required to recruit 15 new full-time employees. This business was awarded through the Scotland Excel Security Services framework. In addition, a total of 5 new apprentices have been recruited within Dundee, 90% of which are from priority groups. Angus has also seen an influx in recruitment largely as a result of the Scotland Excel Secure Care and Children’s Residential Care frameworks.

As shown in Appendix 1, returns illustrate that Fife received the most substantial amount of ‘Other Community Benefits’. This is largely made up of donations to various charities and sponsorships of local clubs.

With regard to Fair Work Practices (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. From a review of the data available since 2015 the overall position across Scotland Excel’s portfolio is:

Of the 855 suppliers appointed since formal consideration:

690 (80.7%) notified that they pay the Living Wage

- Living Wage Accredited – 123 (14.4%)
- Progress towards accreditation – 33 (3.8%)
- Committed to gaining accreditation over the first 2 years of the framework – 99(11.6%)
- Not accredited but paying the Living Wage – 435 (50.9%)
- Not accredited or paying the Living Wage but committed to doing so within 2 years – 31(3.6%)
- Neither accredited nor paying Living Wage – 134 (15.7%)

Scotland Excel continue to ensure transparency within the tender process and focus on aspects of fair work practices deemed relevant for each framework. Scotland Excel continue to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area.

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 2019. 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 measures proposed to monitor delivery of community benefits for the 2018/19 financial year.

Appendix 1 Community Benefits by Council Apr-Sep 18

	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		2	2.2			£9,150
Aberdeenshire	1	7.4	0.5	26	17.5	£4,296
Angus	2	14.3	1.1	11.7	11.7	£2,521
Argyll & Bute						£1,754
Clackmannanshire		1.9			1.1	£1,751
Dumfries & Galloway		4.8				£3562
Dundee	5	17.1	1		19.5	£6430
East Ayrshire	2	7				£2921
East Dunbartonshire		0.3		8		£581
East Lothian						£912
East Renfrewshire		0.5			34	£380
Edinburgh	1.5	8	3			£4,913
Falkirk	2.2	3	0.2			£8,300
Fife	0.5	10.4	4.7			£57,266
Glasgow	1.8	6.1	4.2	104	52.5	£8,558
Highland			0.5			£7,405
Inverclyde				468	52.5	£5,563
Midlothian						£961
Moray	1	2				£10,005
North Ayrshire	1.5	2	1			£300
North Lanarkshire	1	3	7.6	44	117.5	£15,918
Orkney						£2,620
Perth & Kinross	1				40	£5,132
Renfrewshire	0.5	4				£243
Scottish Borders		3.7				£1,467
Shetland						£2,995
South Ayrshire	0.2	1				£7,447
South Lanarkshire		6.8			4.8	£6
Stirling	1	13.9	0.5	13.5	40	£16,400
West Dunbartonshire						£6,941
West Lothian		5.7				£4,021
Western Isles						£4,374
Blanks			3.4		16	£1,228
Total	22.2	124.9	29.9	675.2	407.1	£206,321