

Scotland Excel

To: Joint Committee

On: 9 December 2022

**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 2022 to 30 September 2022, 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. 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 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 our 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 2022, 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 2022.

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	April – September 2022	Total
No of Apprentices	9	92	49	18	52	34	37	26	40	27	384
No of New Jobs	78	43	29	53	146	280	249	340	370	111	1699
No of Work Placements	0	5	6	17	30	107	43	47	39	1	295
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	616	294	8,132
Hours of Work Experience	5305	28214	16734	7852	2541	667	10,360	19	1,292	1217	74,201
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£733,572	£419,137	£3,814,679

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 2022.

A total of 428 community benefits can be reported for this period. All 32 local authorities have received community benefits, as well as our associate partners. 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: 111
- Total Number of Apprenticeships Recruited to Deliver Contract: 27

- Total Number of Hours of Work Experience for School Pupils, College, and University Students: 1217
- Total Number of Volunteering Hours: 294
- Total Monetary Value of Other Community Benefits: £419,937.

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. Three unemployed apprentices were placed through the Department of Work and Pensions (DWP) as trainee asbestos surveyors. These appointments were made at the living wage rate, with opportunities to shadow and assist trained asbestos surveyors. The community benefit was created through the employment of the individuals and the provision of training in asbestos surveying, an important aspect of building maintenance services. Two of the placements were for people based in South Ayrshire and one in Glasgow.

A further example is linked to the Scotland Excel Domestic Furniture and Furnishings framework. One of the suppliers redistributed 550 hospital beds that had originally been bought for the Louisa Jordan Hospital but never used. These items had an original cost of £900 each and were donated to many charitable organisations in Scotland. A number also sent to support the effort in the Ukraine.

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.

	JUNE 2022	NOVEMBER 2022	CHANGE SINCE JUNE 2022
Accredited	211	262	+51
Progressing towards accreditation	56	51	-5
Committed to gaining accreditation over the first 2 years of the framework	89	88	-1
Not accredited but paying the Living Wage	467	494	+27
Not accredited or paying the Living Wage but committed to doing so within 2 years	38	44	+6
Neither accredited nor paying Living Wage	97	93	-4
TOTAL APPLICABLE SUPPLIERS WHERE STATUS IS KNOWN	958	1032	+74
TOTAL PAYING	823	895	+72
% PAYING	85.90%	86.70%	+0.8%

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 2023. 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 2022/23 financial year.

Appendix 1 Community Benefits by Council Apr to Sep 22

	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	0.20	6.50	0.00	0.00	0.00	£31,968
Aberdeenshire Council	9.20	1.00	0.00	0.00	88.00	£4,034
Angus Council	0.50	0.00	0.00	0.00	0.00	£6,855
Argyll & Bute Council	0.00	0.00	0.00	0.00	0.00	£6,590
Associate Member	0.00	5.00	0.14	36.75	0.00	£59,064
City Of Edinburgh Council	1.55	0.00	0.00	115.00	240.25	£31,662
Clackmannanshire Council	0.00	1.00	0.00	0.00	50.00	£250
Comhairle nan Eilean Siar	0.00	0.00	0.00	0.00	0.00	£250
Dumfries & Galloway Council	0.00	0.00	0.00	0.00	0.00	£5,813
Dundee City Council	0.00	0.00	0.00	0.00	0.00	£11,180
East Ayrshire Council	4.00	0.00	0.00	0.00	0.00	£26,850
East Dunbartonshire Council	0.00	4.40	0.00	0.00	0.00	£950
East Lothian Council	1.00	2.10	0.00	0.00	0.00	£10,440
East Renfrewshire Council	0.00	0.00	0.00	0.00	0.00	£2,250
Falkirk Council	2.50	12.00	0.00	2.40	5.40	£27,550
Fife Council	1.00	14.20	0.00	0.00	0.00	£12,326
Glasgow City Council	3.79	11.07	0.00	96.00	65.89	£40,597
Highland Council	0.00	5.80	0.00	0.00	0.00	£16,691
Inverclyde Council	0.00	0.00	0.00	0.00	0.00	£1,250
Midlothian Council	0.00	0.20	0.00	0.00	0.00	£1,364
North Ayrshire Council	0.00	5.10	0.00	0.00	0.00	£10,722

North Lanarkshire Council	0.10	6.09	0.00	39.39	192.00	£16,853
Orkney Islands Council	0.00	8.00	0.00	0.00	0.00	£250
Perth & Kinross Council	0.20	4.60	0.00	0.00	0.00	£32,330
Renfrewshire Council	0.00	5.80	0.00	0.00	0.00	£10,835
Scottish Borders Council	1.00	0.00	0.00	0.00	0.00	£1,250
Shetland Islands Council	0.00	0.00	0.00	0.00	0.00	£2,250
South Ayrshire Council	2.25	0.00	0.00	0.00	0.00	£3,395
South Lanarkshire Council	0.00	2.10	0.00	0.00	525.00	£24,721
Stirling Council	0.10	3.00	0.00	0.00	50.00	£2,111
The Moray Council	0.00	0.00	0.00	0.00	0.00	£1,900
West Dunbartonshire Council	0.00	3.40	0.00	0.00	0.00	£2,150
West Lothian Council	0.00	10.00	0.00	4.00	0.00	£12,435
Total	27.40	111.36	0.14	293.54	1216.54	£419,137