



Scotland Excel

To: Joint Committee

On: 29 June 2018

Report by Director Scotland Excel

Community Benefits & Fair Work Practices Update

1 Introduction

The purpose of this report is to provide an update on the Community Benefits facilitated and delivered from the Scotland Excel portfolio of framework agreements, together with an update regarding Fair Work Practices.

The requirement to include Community Benefits in the delivery of goods and services is an integral element within Scotland Excel frameworks. Community Benefits are reviewed with suppliers at contract management review meetings and reported to local authority procurement managers at their business review meetings. Additionally, the system used to capture and record Community Benefits has been reviewed and fully addresses the requirements of the statutory guidance made under the Procurement Reform (Scotland) Act 2014, and supports the ongoing drive to deliver sustainable procurement.

This report updates members on the Community Benefits and Fair Work Practices return for the period to 30 March 2018.

2 Summary

Twice yearly in conjunction with the standard Management Information gathering process suppliers now complete a comprehensive Community Benefits template. This provides a clear picture of the type (Employment, Apprenticeship, Training etc), and classification (Social, Economic, Environmental) of Community Benefits delivered. It also allows suppliers, where necessary, to apportion the extent to which any Community Benefits shared across different public sector contracts is derived from Scotland Excel Frameworks.

Table 1 shows a summary of the social value added across the portfolio since 2013. The figures are complete to the end of 30 March 2018.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
No of Apprentices	9	92	49	18	52	220
No of New Jobs	78	43	29	53	146	349
No of Work Placements	0	5	6	17	30	58
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	4958
Hours of Works Experience	5305	28214	16734	7852	2541	60,646
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£464,527

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

The overall position regarding the social benefits being returned is extremely positive. For the latest period through to end of March 2018 Community Benefits were recorded from 106 suppliers and importantly 32 of these suppliers recorded new jobs. Community benefit returns are sought from suppliers and providers who receive, in excess of £10,000 spend via a Scotland Excel framework. The most recent return has encompassed a range of suppliers many from small spend suppliers receiving just £20,000 and larger suppliers.

The results for 2017/18 note a significant increase in community benefits. Where community benefits are applicable to a framework this is driven and monitored through our suppliers and providers' contractual obligations. The area which presents compelling growth is the 'number of new jobs'. Analysis has indicated that in the Highland local authority area alone 23 jobs have been created and 20 are directly attributable to Scotland Excel's Recyclable and Residual Waste framework.

The value attributable to 'Other Community Benefits' largely relates to charitable donations and sponsorships. For example, as shown in appendix 1, returns illustrate that South Ayrshire received a significant amount of 'Other Community Benefits' where a key supplier apportioned a substantial £34,128 in respect of their contribution to the Scottish Landfill Communities Fund. Operators of landfill sites in Scotland are liable for Scottish Landfill Tax. South Ayrshire Waste and Environment Trust (SAWET) is an Approved Body set up to give out money through the Scottish Landfill Communities Fund to help organisations, groups and communities to make practical improvements to their environment. It is estimated that this contribution supported approximately 7 South Ayrshire based projects.

Additionally, it should be noted that a number of suppliers have indicated that they now set aside specific funds for contracting authorities to invest appropriately in community related projects.

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 531 suppliers appointed since formal consideration

- 437 (82.3%) notified that that they pay the Living Wage
 - Living Wage Accredited – 70 (13.2%)
 - Progress towards accreditation – 18 (3.4%)
 - Committed to gaining accreditation over the first 2 years of the framework – 81 (15.3%)
 - Not accredited but paying the Living Wage – 268 (50.4%)
- Not accredited or paying the Living Wage but committed to doing so within 2 years – 18 (3.4%)
- Neither accredited nor paying Living Wage – 76 (14.3%)

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 Management Information process to cover the period through to the end of 30 September 2018. 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 2017/18

	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	0.5	5.3	0.3		177	£3,475
Aberdeenshire	2.5	5.8	1.6	0.5	35	£14,986
Angus	1		1.4	0.3		£4,772
Argyll & Bute						£1,202
Clackmannanshire		1				£314
Dumfries & Galloway	1			8		£3,626
Dundee	1	2.8	2.3		8	£8,582
East Ayrshire	1	3		18		£1,737
East Dunbartonshire						£903
East Lothian	0.5	0.4				£665
East Renfrewshire		2				£1,130
Edinburgh	7.3	7.5	4.8	24		£14,986
Falkirk	4.5	4.5		168	78	£1,677
Fife	1	4	1.5		299.5	£12,791
Glasgow	7.4	27.8	5	249.2	12	£23,025
Highland	1.3	23		38		£2,230
Inverclyde	2					£205
Midlothian	5.5	0.4				£916
Moray	0.5					£1,622
North Ayrshire	1	6	5	203	171	£7,038
North Lanarkshire	2.1	2.6		446	735.9	£38,660
Orkney						£258
Perth & Kinross	3	1.4	2	32		£4,253
Renfrewshire	0.3	3		234	85	£9,232
Scottish Borders	0.5					£400
Shetland						£1,997
South Ayrshire		1		216	174	£39,926
South Lanarkshire	4	7			646	£16,719
Stirling	2	0	1.5			£13,927
Tayside Contracts						£1,860

West Dunbartonshire						£5,826
West Lothian		11.5	1			£14,771
Riverclyde Homes		0.1				
Various		24.7				£27,530
Unassigned	2.4	1.6	4		120	£30,308
TOTAL	52.3	146.4	30.4	1637	2541.4	£311,549