

Scotland Excel

To: Joint Committee

On: 10 December 2021

**Report by:
Chief Executive of 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 of 1 April 2021 to 30 September 2021, as a result of 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 Benefit commitments has been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. 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 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 2021, Community Benefits have been sought from suppliers and providers who have received in excess of £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 on March 2021.

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	Apr – Sep 21	Total
No of Apprentices	9	92	49	18	52	34	37	26	25	342
No of New Jobs	78	43	29	53	146	280	249	340	213	1,431
No of Work Placements	0	5	6	17	30	107	43	47	29	284
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	427	7,649
Hours of Work Experience	5305	28214	16734	7852	2541	667	10,360	19	668	72,360
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£240,486	£2,902,456

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

The number of new jobs for the current return period have seen further growth, with South Lanarkshire being of particular note. These are a result of the business associated with various providers across multiple frameworks, which has resulted in 16 new full-time / part-time employees from The Furnishing Service taking on additional staff to cope with demand of the framework. In relation to 'hours of volunteering and mentoring', Edinburgh, Glasgow City, North Lanarkshire and South Lanarkshire received 56 hours each of volunteering predominately through the Bell Group to assist vulnerable members of the respective communities.

As shown in Appendix 1, supplier returns illustrate that South Ayrshire received a substantial amount of 'Other Community Benefits'. This is largely made up of provision of premises for use by local organisations, sponsorships, donation of equipment and Christmas gifts.

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 1138 suppliers appointed since formal consideration, 981 (86.2%) notified that they pay the Living Wage. This is broken down within the first four columns below:

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

Accredited	Progress towards accreditation	Committed to gaining accreditation over the first 2 years of the framework	Not accredited but paying the Living Wage	Not accredited or paying the Living Wage but committed to doing so within 2 years	Neither accredited nor paying Living Wage
225 (19.8%)	55 (4.8%)	96 (8.4%)	605 (53.2%)	31 (2.7%)	126 (11.1%)

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.

On 15th October 2021 we received a general communication from Nick Ford, Director, Procurement & Property, The Scottish Government informing us that Scottish Government believe 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;
- 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

In light of this communication Scotland Excel are reviewing its approach to Fair Work and will report on this in early 2022.

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 2022. 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 practice to monitor delivery of Community Benefits for the 2021/22 financial year.

Appendix 1 Community Benefits by Council Apr to Sep 21

	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	6	0.4	5	64	£6,009
Aberdeenshire	0	11	0	0	24	£12,054
Angus	0	0	0	0	0	£2,508
Argyll & Bute	0	0	0	0	0	£2,856
Clackmannanshire	0	3.9	0	0	0	£2,075
Dumfries & Galloway	0	6	0	0	0	£1,964
Dundee	0	4	0	24	0	£2,587
East Ayrshire	0	0.5	0	0	0	£6,126
East Dunbartonshire	0	1.2	0	20	0	£7,306
East Lothian	1.3	4.2	0	0	60	£5,534
East Renfrewshire	0	0	0	0	0	£3,947
Edinburgh	2	9.7	1	110	126	£18,032
Falkirk	2	17.4	0	4	0	£5,472
Fife	1	11.3	2	0	360	£15,158
Glasgow City	4.4	89	9	117.5	34	£16,482
Highland	1.4	2.5	0	0	0	£9,753
Inverclyde	0	0	0	0	0	£7,795
Midlothian	1	1.1	0	0	0	£5,856
Moray	0	0	0	0	0	£1,891
North Ayrshire	2.5	1	15.6	0	0	£16,227
North Lanarkshire	1	2	1	56	0	£7,120

Orkney Islands	0	0	0	0	0	£418
Perth & Kinross	0	1	0	10	0	£9,078
Renfrewshire	2	2.5	0	8	0	£6,892
Scottish Borders	0	0.2	0	0	0	£2,272
Shetland Islands	0	0	0	0	0	£1,624
South Ayrshire	0.1	0.7	0	0	0	£26,221
South Lanarkshire	5.3	25.4	0	72	0	£11,111
Stirling	0.2	2.8	0	0	0	£2,650
West Dunbartonshire	0	0.3	0	0	0	£2,940
West Lothian	1	9.5	0	0	0	£14,445
Western Isles	0	0	0	0	0	£1,011
Blank	0	0	0	0	0	£5,072
Total	25	213	29	426.50	668	£240,486