

Adding Value to Communities through Procurement Policy

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1 Aim & Opportunity of the Policy

1.1 Aim of Policy

Adding Value to Communities through Community Benefits or ‘social’ requirements in public sector procurement is intended to ensure that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. This delivery of additional benefit beyond the core purpose of a contract opportunity can help to maximise the impact of public sector spending on local communities. This is achieved through the inclusion of specific clauses within contracts known as community benefit clauses (CBCs).

It is intended that this policy provides a corporate approach on how to meet this aim and promote the wider use of CBCs across all areas of Scottish Borders Council.

1.2 Opportunities

Maximising the added value to communities that Procurement and other contracting opportunities offer can be used as a lever to address specific Council priorities and by doing so extend the value from public sector spend. There are many potential areas of opportunity, such as:

- Targeted Training and Recruitment – promote skills and labour/offer apprenticeships;
- Business Supply Chain Initiatives – supplier engagement/supply chain opportunities;
- Working with the Third Sector – support for voluntary groups;
- Community Engagement – volunteering days/supporting community groups;
- Education – work/school placements/career path support;
- Support for Community Initiatives – environmental improvements/grant schemes.

2 Scope, Influence and Application of the Policy

2.1 Scope

This policy does not aim to prescribe any specific value based threshold as each contract opportunity should be considered by the budget holder/contract owner on a case by case basis. In every case where added value is considered, it must be proportionate and avoid creating an unnecessary burden on the supply chain.

Note: This policy does require due consideration of the use of the approach laid out in Appendix 1 for those construction works contracts with an estimated value of £1 million or more.

In any event, all appropriate procurement activity should be considered for added value where a clear link can be evidenced to further support strategic policy and the continuing achievement of best value. The main strategic policies driving those considerations are:

- Scottish Borders Single Outcome Agreement and its three strategic priorities:
 - Grow our economy;
 - Reduce inequalities; and
 - Maximise the impact from the low carbon agenda.
- Scottish Borders Council Corporate Plan, particularly the priorities relating to:
 - Encouraging sustainable economic growth;
 - Improving attainment and achievement levels for all our children and young people, both within and out with the formal curriculum;

- Providing high quality support, care and protection to children, young people, adults, families, and older people;
 - Building the capacity and resilience of our communities and voluntary sector; and
 - Maintaining and improving our high quality environment.
- Scottish Borders Council Revenue and Capital Plan

2.2 External Influence

There is significant opportunity for the Council to champion and extend the application of CBCs beyond direct Council contracts. The Council enters into partnership arrangements, funding agreements, and other shared interest relationships with external organisations. This policy may therefore be extended to apply (as appropriate) on a voluntary basis and in a proportionate manner where those type of agreements or relationships exist. It should also be possible to consider the adoption of the appropriate elements of this policy across the Community Planning Partnership.

2.3 Internal Application

The policy should be applied by all Scottish Borders Council employees, across all services, who in the course of their duties:

- Specify goods, services or works;
- Make or authorise purchases;
- Develop or evaluate tenders;
- Manage Contracts/Engage with Suppliers; and/ or
- Provide support to others to carry out any of the above activities.

The individual with responsibility for a Council contract, should, with support from the proposed Community Benefit Co-ordinator and the Community Benefit Policy Group, identify potential added value opportunities. Appendix 2 contains some non specific examples of those opportunities.

Guidance materials will be produced for operational use in order to support application of this policy.

3 Target Setting, Management and Performance Monitoring

3.1 Target Setting

Following the pilot period during 2014/15, the information gathered during this period will support the future setting of specific targets. These are likely to include:

- Strategic application of targeted recruitment and training benefit to achieve specific economic priorities;
- Increased number of sub contractor opportunities and associated level of spend in supply chain;
- Increased opportunities for the community to learn and develop;
- Increased opportunities for young people to gain experience and skills for life and work.

3.2 Management

Management, monitoring and performance reporting will be required at a number of levels and at varying frequencies, dependant of the specific nature of each opportunity. If these elements are not in place then the benefit may not be delivered. Each contract will require the delivery of CBCs to be

added to the contract management approach, with the final outputs being recorded and reported at both service and corporate levels.

Management of agreed CBCs will be carried out by the relevant contract owner, alongside the regular contract management activities such as cost control, programme management and broader quality issues. Through the specific contract clause developed to ensure the benefit offered is realised, the main/principal contractor/supplier will be obliged to provide regular information in a format to be determined by the Council, this will include data for any sub contractors/consultants involved in delivery of the benefits.

3.3 Performance Monitoring

To monitor and measure the impact of benefits, the Scottish Government has produced guidance supporting the monitoring of the impact. It is recommended this guidance is used to support the collection of consistent and comparable data. [Monitoring the Impact of Community Benefits](#)

Extensive guidance is available to support CBC's and the associated management and monitoring through the Scottish Government funded Ready for Business programme website www.readyforbusiness.org.

CBCs have the potential to support the Council's Acting Sustainably policy. Evidence showing consideration of the opportunity to add value should be detailed in the Sustainable Development Checklist. Committee reports can then make reference to the potential benefits to be included in any related procurement activity.

4. Ownership of Policy

The Service Director Strategy and policy will have ownership of this policy, and will support the promotion and facilitation of added value opportunities across the Council. The proposed Community Benefits Co-ordinator will provide support, training and guidance to internal and external stakeholders to support the achievement of the aims of this policy.

5. Legal Landscape

EU and National Procurement legislation govern the approach to CBCs. The Local Government in Scotland Act 2003, the Public Contracts (Scotland) Regulations 2012 and European Procurement Directives enable public bodies to include CBCs in certain circumstances. It is important to remember that to comply with legislation the inclusion of CBCs must be relevant to the subject matter of the contract, must be proportionate, deliver value for money, and not unfairly discriminate against any potential suppliers.

The Procurement Reform (Scotland) Bill, introduced in the Scottish Parliament on 3rd October 2013, is programmed to receive Royal Assent in the autumn of 2014. The aim of the Bill is to establish a framework for sustainable public procurement and, amongst other duties, it intends to regulate for the consideration of Community Benefits in construction projects where the estimated value of the contract exceeds a financial threshold. The threshold value currently being considered is £4million, although this value may yet be amended during the review stages of the Bill.

Appendix 1 – Detailed example of Construction Contract including Community Benefits
(For use in high value Construction contracts suggested > £1 million)

Construction Value (£m) (Prime Cost, Prelims, Overheads & Profit)	3.9m	
	Project Type	
Value Banding	£3.5m - £6m	
	Expected Provision	Contractor Proposal
Work Placements (16 - 19 yrs) - persons	6	
Work Placements (14 - 16 yrs) - persons	1	
Curriculum Support Activities - Individual engagement	2	
Graduates - persons	0	
Apprentice Starts - persons	1	
Existing apprentices - person	2	
Apprentice Completions - persons	0	
Jobs advertised through local employment vehicles	4	
N/SVQ starts for subcontractors - persons	2	
N/SVQ Completions for subcontractors - persons	2	
Training plans for Subcontractors	3	
Supervisor training for subcontractors	3	
Leadership and Management Training for Subcontractors - persons	1	
Advanced Health and Safety Training for subcontractors - persons	3	
Case Studies	2	
Education Provided Agreements	1	
Supply Chain Briefings	15	
Individual Skills Profile	15	
Business Skills Diagnosis Support & Advice for subcontractors	2	

Note.

This is a typical spreadsheet for tracking employment based opportunities across individual construction projects. The central column includes client expectations, and the right hand column is completed with the contractor's proposals - which as a minimum should be equal to or greater than those in the expected provision column. This document is part of the contract documentation in the procurement process, and will include full definition of each requirement, and the evidence required for monitoring purposes.

Appendix 2

High Level Benefits Examples

Community Benefit Opportunity Areas	Added Value Examples
Training & Employment	Apprenticeship opportunities to new entrants
	General or specific employment or work experience opportunities
	Training opportunities/ plan for sub contractors
Supply Chain Initiatives	Promoting and advertising supply chain opportunities
	Providing mentoring for staff in the supply chain
	Holding 'Meet the Buyer' events
Working with Third Sector/Social Enterprise	An existing third sector/ social enterprise used or a new one established to service a contract or support delivery of part of a larger contract
	Provision of mentoring, support and guidance
	Provision of resources to the volunteer groups
Community Engagement/Environmental	Organising volunteering days/ provision of community newsletters advising on impact of works
	Providing a workshop in a community group with a view to introducing/ developing employability skills
	Provide professional advice and support resources to repair of community buildings
	Members of the community involved in the operations of the contract
	Wildlife conservation support – creating natural habitats
Education	Reuse of recycled materials
	Providing presentations or arranging school visits to projects
	Programme of career talks
	Provide work experience placements

NB These are included for information only, and are not intended to be prescriptive. While targeted recruitment and training remain the key benefits that the Council is eager to encourage and clearly have scope for use on high value public sector contracts, there are many wider benefits that may be achieved. Flexibility, relevance, along with proportionality is crucial to determine at contract level the most appropriate benefits.