
ADDING VALUE TO COMMUNITIES THROUGH PROCUREMENT POLICY UPDATE

**Joint Report by Chief Financial Officer and
Service Director Strategy & Policy**

SCOTTISH BORDERS COUNCIL

25 JUNE 2015

1 PURPOSE AND SUMMARY

1.1 This report seeks approval to fully adopt the Adding Value to Communities through Procurement Policy (the Policy).

1.2 A report "Maximising the Benefits of Procurement in the Scottish Borders" was presented to Council in December 2013. This report updated Council on progress relating to the procurement reform underway supporting local priorities and local businesses. A follow-up report 'Adding Value to Communities through Procurement Policy' was presented to Council in March 2014. The report sought Council approval for the implementation of the Policy for a 12 month pilot period.

1.3 The Scottish Borders Community Planning Partnership Single Outcome Agreement and the Scottish Borders Council Corporate Plan provide clear strategic direction for driving added value considerations. To fully maximise the specific outcomes, benefits and expectations for the Scottish Borders a cross departmental Community Benefit Policy Group (CBPG) has directed the successful implementation of the policy.

1.4 The policy has already added value to a number of contracts and case studies have been developed to highlight particular achievements delivered during the pilot period. Three case studies are attached as appendices to this report.

2 RECOMMENDATIONS

2.1 It is recommended that Council:

- a) endorses the progress to date achieving Added Value through Procurement;**
- b) agrees the permanent adoption of the Adding Value to Communities through Procurement Policy;**
- c) note the post status of the Community Benefit Coordinator will move from temporary to permanent.**

d) agrees that performance is monitored at Executive on at least an annual basis, as part of the Corporate Performance report.

3 BACKGROUND

- 3.1 Scottish Borders Council is committed to adding value to communities and maximising benefits from its procurement and contracting activities. This is being achieved through the insertion of specific clauses to contracts, known as Community Benefit Clauses (CBCs). CBCs are contractual requirements which allow the delivery of wider social, economic and environmental benefit in addition to the core purpose of the contract. The most common aim of CBCs is targeted recruitment and training, supply chain, education and environmental opportunities.
- 3.2 The purpose of the policy is to provide a corporate approach to the promotion of CBCs in appropriate procurement and contract opportunities with the purpose of maximising best value for money.
- 3.3 Council approved the introduction of the Policy for a pilot period of 12 months. It was agreed the Policy and associated Community Benefit Coordinator post would be adopted as a pilot during 2014/15.
- 3.4 A Community Benefit Co-ordinator was appointed in October 2014 to develop and implement a strategy designed to embed community benefit across the organisation and the Community Planning Partnership. A key role of the coordinator is the provision of support, guidance and direction to all internal and external stakeholders and ensuring the delivery and monitoring of CBCs.

4 POLICY DEVELOPMENT AND DELIVERY

- 4.1 A Scottish Borders Council Community Benefit Policy Group (CBPG), chaired by the Service Director Strategy and Policy, has been established and is being positively supported by service departments across the Council. This group approves the strategic direction of the policy and considers the contract opportunities available for consideration.
- 4.2 The Community Benefit Coordinator (appointed on a temporary contract for 12 months) is responsible for:
 - the development of the Community Benefit Delivery Strategy;
 - the coordination of internal & external stakeholders;
 - raising awareness with Service Departments;
 - delivering a standard approach to the inclusion of CBCs;
 - providing support to our Community Planning Partners;
 - raising awareness to SMEs, Third Sector and Social Enterprise;
 - delivering a robust monitoring and performance framework; and
 - the development of a communications plan.
- 4.3 Additionally a Community Benefit Stakeholder Group (CBSG) has been established to support suppliers to deliver community benefits. This group provides a single point of contact ensuring the Scottish Borders maximises community benefit opportunities from each third party contract. Members of the group include:
 - Economic Development;
 - Skills Development Scotland;
 - Job Centre Plus;

- Employment Support Service;
- Borders College;
- Children and Young Peoples services;
- Community Engagement; and
- Criminal Justice

4.4 A short life working group has been established by the Community Planning Partnership Future Services Reform Group to consider Procurement and Community Benefit. This sub group is tasked with identifying collaborative opportunities that may enable enhanced collective added value for money including a CPP wide approach to community benefits.

5 COMMUNITY BENEFIT ACHIEVEMENTS TO DATE

5.1 Since the appointment of the Community Benefit Coordinator each contract with a value in excess of £50,000 has been considered for potential opportunity. The current portfolio includes contracts from around £50,000 to circa £18million and these are delivering a range of additional benefits including apprenticeships, work experience and support to communities and schools.

5.2 As well as the current portfolio, there are a number of pipeline projects with the potential to deliver 15 apprenticeships, 15 new employment opportunities and 50 work experience opportunities.

5.3 Positive engagement with a wide range of internal and external stakeholders is ongoing. These include internal service departments such as Major Projects, Social Care & Health and Children & Young People along with local and national groups including ;

- Ready for Business;
- National Community Benefit in Procurement Champions Network;
- Community Planning Partners;
- Community Councils;
- Scottish Borders Social Enterprise;
- Third Sector Interface;
- Regional Disability Forum;
- Community Learning Partnerships; and
- Local SMEs.

5.4 Scottish Borders Councils involvement in national community benefit forums allows us to be at the forefront of shaping the way public bodies across Scotland deliver social, economic and environmental benefits through procurement.

6 CASE STUDIES

- 6.1 A number of case studies have been developed to reflect the variety of community benefits already realised from the policy and related procurement activity.
- 6.2 Redpath Tyres Ltd (based in Duns) currently provide Tyre Management Services to the Council. This contract was awarded during April 2014 and as a consequence through the associated contract clause Redpath Tyres have recruited two apprentices to their Kelso depot.
- 6.3 The Selkirk Flood Protection Scheme main works contract has a value in the region of £18million and was awarded to RJ McLeod in December 2014. The Construction Industry Training Board employment and skills benchmarks were used to set minimum targets. These include employment and training opportunities, work experience and curriculum support activities. At this early stage in the contract, one apprentice, thirteen local jobs, and a number of community and school based support activities have been delivered. Further benefits are expected to be achieved throughout the duration of the contract.
- 6.4 The Fruit, Vegetables and Bakery contract is delivering a healthy eating initiative through a competition where every primary school in the Scottish Borders has been given a bag of seed potatoes to plant on a specific date. The crops will be harvested on 31st August. The school with the heaviest crop of potatoes will be offered a trip to Greenvale Potatoes in Duns to witness first-hand how the company pick and pack their produce.

7 MONITORING PROGRESS

- 7.1 Part of the Community Benefits Co-ordinator's role is to provide a robust monitoring and performance framework, ensuring that suppliers are held to account for what is agreed through CBCs and that benefits are delivered for communities in the Scottish Borders. For this purpose, a performance framework is in development and will be presented at the Community Benefit Policy Group on a regular basis. Further, a range of performance information (from the framework) will be presented at Corporate Management Team. It is also proposed that, on at least an annual basis, the high level measures relating to the strategy themes will be presented as part of the Corporate Performance report (under Corporate Priority 7: Develop our assets and resources).

8 IMPLICATIONS

8.1 Financial

- (a) Generally, sustainable procurement is already factored into discussions with contact owners and project managers. Any cost implications would continue to be met from within budget.
- (b) The permanent establishment of a Community Benefits Co-ordinator will be funded from the Chief Executives Department budget.
- (c) The members of the policy group are from internal resources and so met from existing budget.

8.2 Risk and Mitigations

The Council aims (through the policy as proposed in this report) to take the opportunity to maximise community benefits from its procurement and contracting activities whilst adhering to relevant legislation. The actions

associated with this report are intended to continue the successful implementation of this policy to positive effect for the Council and the Scottish Borders community.

8.3 **Equalities**

An Equalities Impact Assessment has been carried out on this proposal and no adverse equality implications have been identified. This is due to the positive nature of community benefits along with the fundamentals of Procurement – the EU Treaty principles (transparency, equal treatment, non-discrimination, proportionality and mutual recognition) against which all activity is carried out underpins this policy. As a new policy and in line with SBC procedures a review of this policy will be undertaken annually.

8.3 **Acting Sustainably**

The actions of the public sector have a huge impact on society, the economy and the environment and in no area is this more obvious than how we spend public funds. The impact of implementing this policy is a key means of delivering national and local government priorities and underpins the achievement of social, economic and environmental benefits that sustainable growth demands.

8.4 **Carbon Management**

There are no direct effects on carbon emissions as a result of this paper; however, by considering community benefits, the approach outlined in this paper may support carbon management.

8.5 **Rural Proofing**

A major objective of sustainable procurement in a rural area like Scottish Borders must be to ensure that local business has a level playing field when competing for contracts. This policy will ensure that this approach is a key aspect of the Council's corporate and social responsibility to the Borders area.

8.6 **Changes to Scheme of Administration or Scheme of Delegation**

No changes required.

9 **CONSULTATION**

- 9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council will be consulted and any comments received will be incorporated into the final report.

Approved by

David Robertson

Chief financial Officer

Signature

David Cressey

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Background Papers: Report - Adding Value to Communities through Procurement Policy 27 March 2014
Policy - Adding Value to Communities through Procurement

Previous Minute Reference: MEETING of the SCOTTISH BORDERS COUNCIL 27 March 2014.

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Kathryn Dickson can also give information on other language translations as well as providing additional copies.

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