Community Benefit in Procurement Network

25th June 2014
Agenda

• Introduction
• Review of Current Attitudes to CBCs  Rick Rijsdijk
• TR&T national support  Marion Beattie
• Scottish Future Trust approach  Morag Wallace
• Update on recent developments  Robin Fallas / Roddy Stewart
• Roundtable
Commissioners Survey

- Survey of 214 public sector staff
- Commissioning and procurement
- Sustainable Procurement and Enterprising Third Sector agendas
- Follow up from 2012 survey
- Final survey 2016
Increased understanding of Sustainable Procurement

- 72% has a reasonable or in-depth understanding (up from 48%)
- Only 10% limited or no understanding

Figure 2.3: Reported level of understanding of sustainable procurement

- In-depth knowledge: 14%
- Reasonably well informed: 58%
- Basic understanding: 10%
- Limited understanding: 7%
- No understanding: 3%
Sustainable Procurement

High awareness of the implications of the Bill

- 96% consider social value (up from 93%)
- 74% (very) clear on use of CBCs
- 61% (very) clear on enabling opportunities for Third sector
- 49% (very) clear on measuring social value
Third Sector Suppliers

Increased understanding of the Third Sector

- 68% good understanding (up from 44%)
  - Better understanding of user/community needs (79% → 88%)
  - Easier to commission high quality services (72% → 79%)
  - Useful source of innovation in service design (63% → 71%)
  - Capable to deliver high quality services (59% → 73%)
  - Skills and capacity to bid for contracts (38% → 46%)
## Third Sector Suppliers

Growing input throughout the commissioning cycle

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<tr>
<th>Stage</th>
<th>10%</th>
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## Third Sector Suppliers

### Barriers to contracting with the Third Sector

<table>
<thead>
<tr>
<th>Barrier</th>
<th>% of Respondents 2014</th>
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<tbody>
<tr>
<td>A lack of scale/capacity in the sector to deliver</td>
<td>47%</td>
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<td>Poor quality tenders from the Third Sector</td>
<td>41%</td>
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<td>Difficulties with the Third Sector complying with requirements</td>
<td>39%</td>
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<td>Lack of knowledge of Third Sector suppliers</td>
<td>35%</td>
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<td>A lack of professionalism on the part of the sector</td>
<td>26%</td>
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<td>Difficulty engaging with the sector</td>
<td>24%</td>
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<td>Negative perceptions about what the sector has to offer</td>
<td>20%</td>
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<td>Sector tends not to be competitive on price</td>
<td>16%</td>
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<td>Can't see the direct relevance of the Third Sector</td>
<td>9%</td>
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<tr>
<td>No difficulties evident</td>
<td>9%</td>
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Public Social Partnerships
Increasing level of interest in and understanding of PSP model

- 79% awareness (up from 68%)
- 15% involved in PSP
- 62% (very) easy
- 94% helpful (up from 41%)

Figure 5.3: Reported ease of use of the PSP approach

<table>
<thead>
<tr>
<th>% of respondents 2014</th>
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<tbody>
<tr>
<td>Very easy</td>
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<tr>
<td>Easy</td>
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<tr>
<td>Difficult</td>
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<tr>
<td>Very difficult</td>
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</tbody>
</table>

- Very easy: 8%
- Easy: 54%
- Difficult: 30%
- Very difficult: 8%

% of respondents 2014

- Very helpful: 69%
- Fairly helpful: 25%
- Neither helpful nor unhelpful: 6%
- Fairly unhelpful: 0%
- Very unhelpful: 0%
Community Benefit Clauses

Growing use of CBCs

- 99% understanding of CBCs (up from 93%)
- 42% could identify CB Champion (up from 36%)
- 65% applied CBCs (up from 37%)
- More widespread coverage

<table>
<thead>
<tr>
<th>Category</th>
<th>% of respondents 2014</th>
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<tbody>
<tr>
<td>Building construction, maintenance and supplies</td>
<td>63%</td>
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<tr>
<td>Facilities management</td>
<td>27%</td>
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<tr>
<td>Environmental services</td>
<td>26%</td>
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<tr>
<td>Corporate services</td>
<td>21%</td>
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<td>Roads</td>
<td>20%</td>
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<tr>
<td>Professional services</td>
<td>16%</td>
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<tr>
<td>Care and Social Work</td>
<td>16%</td>
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<tr>
<td>Education</td>
<td>11%</td>
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<td>Medical services and supplies</td>
<td>9%</td>
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<td>Vehicles and transport</td>
<td>7%</td>
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<tr>
<td>Other</td>
<td>6%</td>
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</table>
Community Benefit Clauses
Growing interest in identifying and valuing outcomes

- 54% follow external CBC guidance
- 47% has in-house CBC guidance
- 29% has standing orders for CBC
- 85% find CBCs (very) helpful (up from 81%)
Community Benefit Clauses

Systems in place to implement CBCs

- Deciding if CBCs are appropriate for a particular contract: 79%
- Defining the outcomes that clauses are expected to deliver: 78%
- Enforcing the implementation of contractual clauses by contractors: 77%
- Monitoring and measuring the impacts eventually secured: 72%
- Consulting communities on the benefits they would wish to see: 52%
Developing Markets for Third Sector Providers 2014-16

Next Steps

• Engagement and Events
• Partners for Change
• Up-skilling: Workshops and Training
• Consultancy
• Knowledge transfer and Learning
Questions?
SDS Employer Services Offer

<Marion Beattie
Head of Employer Services
Employer / Employee Skills Cycle

1. Future Workforce / Talent Attraction
2. Induction / Entry level training
3. Restructuring / Developing / Downsizing
4. Succession Planning
5. Vocational Workforce Development
6. School / Youth Activity

Employer
Our Skillsforce

- Developed by Skills Development Scotland (SDS) and partners to support Scotland’s employers and launched in November 2012

- Provides employers with information on the skills support available from public sector organisations in Scotland, enabling them to quickly access the services they need

- Our Skillsforce was a response to what employers had been asking for:
  - a simple way to find out about the skills support available
  - a way to inform future skills services so that they are more effectively linked with the demands of business
Our Skillsforce

• Information all in one place
  – Employers can find information on developing the skills of their workforce all in one place
  – It draws together information from national and local skills related organisations, including Jobcentre Plus and Scotland’s 32 local authorities
  – Access national and local funding - covering recruitment, training and development of staff

• Helpful and easy to access
  – Skills Support Requests feature - employers can flag their specific skills needs and be assisted to the best package of support available via our EET

• A partnership approach
  – developed by SDS and partners to provide a full and clear picture of the skills support we (the partners) offer
  – Creates a more joined up skills pipeline to help equip Scotland with the skilled workforce it needs to compete in the global marketplace
Our Skillsforce – Funding for Skills

Funding for skills

We’ll help you find the funding and support that’s available both locally and nationally for your business.

National support
Check out some of our national initiatives helping you get to grips with the funding and support available for businesses in Scotland.

Flexible Training Opportunities
- Scottish businesses with 100 employees or less can apply for up to £5,000 towards employee training costs.

Low Carbon Skills Fund
- Scottish businesses with up to 250 employees can apply for up to £12,500 towards employee costs.

Certificate of Work Readiness
- Could you offer a young jobseeker work experience? Help

PACE
- The Scottish Government initiative dedicated to helping individuals and employers with

Employer Recruitment Incentive
- Scottish businesses with fewer than 150 employees who wish to recruit a modern apprentice can get a £1,500 incentive.

Modern Apprenticeships
- Scotland’s unique Modern Apprentice programme is hard to
Our Skillsforce

- Site was refreshed and went live on 1 April 2014
- Receives on average 6,000 – 7,000 visitors per month
- Information on national and local funding
- A dedicated Modern Apprenticeship section – procurement framework recently added
- Attracting new talent section – information on work experience/graduate internships
- Information on skills planning and HR support – including content for employers about the new national qualifications
- Industry hubs – pulls together a range of information for food and drink, tourism and energy industries as well as Skills Investment Plans
- News and events section
Skills Development Scotland

Our Skillsforce – Skills Planning & HR Support

Skills planning & HR support

Planning your skills
Identify the training and skills your workforce needs to achieve your business goals.

Recruiting new employees
Advice and support on the best way to recruit new people.

Creating the right culture
Create the right environment for the job and get the best from your people.

Succession Planning
Find out why succession planning is the key to your business growth.

Restructuring and downsizing
Making changes can be challenging. Get advice and support on how to handle the transition.

Skills Pulse Survey
We're taking Scotland's business pulse to highlight the challenges facing employers.

Skills planning for new businesses
Find out how Business Gateway can help you with starting up a

Working with education
Helping you access the expertise, knowledge and
Our Skillsforce – Modern Apprenticeships

Modern Apprenticeships

What is a Modern Apprenticeship?
It's nationally recognised, work-based training with funding support from Skills Development Scotland.

Funding a Modern Apprenticeship
Discover how funding works, and how to get other financial support.

How to employ or enrol a Modern Apprentice
It's simple, and we'll support you all the way.

Benefits to your business
A modern, skilled workforce, Energy and enthusiasm. And lots more.

Scottish Apprenticeship Week 2014
Find out how you can get involved this year.

Types of Modern Apprenticeships
Which Modern Apprenticeship is best for your business?

Modern Apprenticeship training providers
Find an approved training provider near your business.
Procurement @ SDS – the facts!

- £160m spend per annum
- Circa 3000 IPRs / orders placed FY 2012/13
- 6.8 staff directly involved in procurement (prior to 2013, only 3.8 members of staff)
- 86% of suppliers to SDS are Scottish SMEs
- 94% score achieved in 2012 Procurement Capability Assessment (retained Superior ranking)
- Intern graduate – Emma Drysdale started 1st July
- MA in procurement – starts Tuesday 22 July
- CPT Priorities:
  - move from transactional to strategic procurement
  - review of procurement processes & procedures
  - Customer / stakeholder engagement
Procurement People of Tomorrow – A variety of routes into the profession

The new Modern Apprenticeship framework IN Procurement and Supply Chain (SVQ 3) IS NOW AVAILABLE:

- The training provider is the City of Glasgow College
- E-Learning is available for CIPS Level 2 through the Modern Apprenticeship in Procurement & Supply Chain
- SNHS National Procurement Office are optimising resources and avoiding THE duplication of effort through a national programme for MAs in Procurement and Supply Chain - £200k committed to the SNHS Programme
- SDS start their MA in Procurement & Supply Chain – Tuesday 22 July 2014
- The Chartered Institute of Purchasing and Supply are providing free student membership to the MAs in Procurement & Supply Chain
- MAs are vocational EARN and LEARN

It is best to have a sustainable Procurement Team to mentor and develop the MA
## Procurement Qualifications Ready Reckoner based on SCQF

<table>
<thead>
<tr>
<th>SCQF Levels</th>
<th>MA in Procurement / Scottish Vocational Qualifications (SVQs)</th>
<th>Educational Institution Qualifications</th>
<th>Professional Membership Chartered Institute of Purchasing &amp; Supply (CIPS)</th>
<th>SCQF Levels</th>
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<tr>
<td>12</td>
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<td>Doctorate (PHD)</td>
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<tr>
<td>11</td>
<td>SVQ Level 5</td>
<td>Masters Degree (MBA/MSC)</td>
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<td>Honours Degree</td>
<td>CIPS Level 6</td>
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<td>9</td>
<td>SVQ Level 4</td>
<td>Ordinary Degree</td>
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<td>HND in Procurement</td>
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<td>SVQ Level 3</td>
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Community Benefits in the Hub Initiative

Morag Wallace

25th June 2014
Agenda

• Hub structure
• Hub Objectives
• Value for Money
• Hub Initiative Outcomes
• Key Performance Indicators
• Benefits Achieved
hub Structure

Private Sector Development Partner (60%)

Public Sector Participants (30%)

Scottish Futures Trust (10%)

Shareholders Agreement

Public Sector Participants (TPB)

Territory Partnering Agreement

hubco

Supply chain (designers & builders etc)
Hub Objectives

• The sustained and efficient design and delivery of facilities, executed with service user requirements taken fully into account, which achieves value for money and results in efficient use of assets
• an increasing number of services provided locally in communities through collaborative working from single sites (wherever possible and appropriate) leading to better outcomes for service users
• Reinforces joint strategic planning, investment, asset management and service delivery
• Delivers demonstrably better value for money on a stable, long-term basis than alternative procurement arrangements
Hub Objectives

• Is flexible in its ability to respond to evolving service strategies, and in being able to support delivery through different contractual/funding routes
• Engenders joint learning and continuous improvement in both public sector client procurement teams and their private sector partners and enables the sharing of innovation and best practice and the generation of economies of scale across Scotland
• Supports the delivery of national and local sustainability targets
• Increases opportunities for local employment & training
• Increases opportunities for the delivery of community benefits, including the provision of opportunities for SMEs and local companies
Value for Money

SCOTTISH FUTURES TRUST

Economic Gains

- Funding
- Risk Management
- Capped / Market Costs
- Service Improvement

VALUE FOR MONEY

- Sustainable Solutions
- Environmental Stewardship
- Flexibility

- Continuous Improvement
- Open Supply Chain

Social/Community Benefits

- Opportunities for SMEs & Local Co
- Local Training & Employment

Community Interaction
Regeneration
Hub Initiative Outcomes

- Improved Community Services Buildings
  - Cost efficiency from co-located services, reduced procurement times and cost and better risk management

- Service Improvements for Users
  - Employment and Training Opportunities

- Sustainable Developments
  - Economic Well-Being
    - Social and Community Improvements

- Sustained Improvement in Community Services
Key Performance Indicators

- Significant Performance Failure
- Track Record Test
- Continuous Improvement Test
- Cost/VFM
- Quality
- Partnering & collaboration
- Community Engagement
- Community Benefit

SCOTTISH FUTURES TRUST

Health & Safety
Mgt Systems
Programme

Overall Performance of New Project Delivery
Supply Chain Mgt
Sustainability
Benefits Achieved

Building better local services together
June 2014

PROPORTION OF CONTRACTS AWARDED TO SMEs 81%

147 NEW JOBS CREATED

VALUE OF HUB PROJECTS ACROSS SCOTLAND

£1.14bn

IN DEVELOPMENT £760m
IN CONSTRUCTION £287m
OPEN AND OPERATIONAL £94m

TO DATE:
VALUE SPLIT ACROSS FIVE HUB TERRITORIES

£278m hub
hubnorthscotland.co.uk

£288m hub
hubeastcentralscotland.co.uk

£162m
hubnorthwestscotland.co.uk

£174m
hubeastcentralscotland.co.uk

EDUCATIONAL SUPPORT

14,020 PERSONS
Site, School and FE visits

530 DAYS
School and FE work placements

GRADUATE AND TRAINING

34 NEW GRADUATE PLACES

69 NEW APPRENTICESHIPS AND TRAINEE PLACES

Recent Developments

Robin Fallas & Roddy Stewart
Research and Guidance Update

- Tackling Poverty through Public Procurement - JRF
- Community Benefits in Construction - CE Wales
- Public Services (Social Value) Act 2012: One Year On
- TR&T national support - Anthony Collins
- Assessing the Impacts & Value of CBCs in Procurement - TERU
Joseph Rowntree Foundation:

• Contractors delivering TR&T recognise the business benefits of getting a more skilled and committed workforce

• Social enterprises are good at delivering social and community benefits but both they and SME face barriers when competing for larger contracts

• Significant impacts on poverty and social mobility could be achieved if the UK public sector committed to generating a year’s work for a disadvantaged person for each £1M of contract value.
Construction Excellence: The key messages from suppliers were:

- Already delivering community benefits – albeit in their own way
- Need a level of consistency in community benefit requirements
- Greater continuity if they are to deliver sustainable benefits.
- Rigid application of targets does not guarantee delivery of sustainable employment benefits.
- Strategic view of community benefits rather than merely passing on short-term, unrealistic targets
- Coordination of employment/training support agencies by the client will improve the delivery of community benefits by the supply chain.
- Wider industry needs greater awareness of community benefits
EA is one of several public bodies preparing to commission river management services from Skill Mill Ltd, a social enterprise that provides employment & training for young offenders.

EA worked with Newcastle Youth Offending team for 2 years to prove the concept and learn from parallel work in Sheffield & Manchester. By considering the wider social value that the provider generates, this approach allows commissioners to realise cost-effective river management, whilst improving rehabilitation outcomes for young offenders. The pilot reduced recidivism, with reoffending rates of 36% compared to a national average of 52%.
GC worked with the local third sector to co-design the service and ran an event to engage with prospective suppliers, before going to market. Contract was “lotted” and awarded to several charities via assessment criteria considering better outcomes for families and social value. Successful providers committed to increasing the number of third sector organisations involved in service delivery. Contract also included a commitment to establish a sustainable family mentor volunteering programme, which includes opportunities for volunteers to progress into paid employment.
Oldham Council – Banking Services Education initiative

Council’s assessment of bids was weighted in favour of quality, with 60% of the assessment criteria based on quality, and 40% to price. Winning bid from Barclays Bank enabled the council to net an annual saving of 26% on the previous contract, whilst securing additional social value outcomes proposed by the bidder. Proposals included work with local schools and colleges to develop students’ employability and money management skills, the creation of new apprenticeships within Greater Manchester and partnership working with local stakeholders, to improve employment and social inclusion outcomes.
Anthony Collins:
Award criteria relating to social value may only be used if they:

- are being used to assess MEAT in achieving value for money;
- are linked to the subject matter of the contract;
- do not confer an unrestricted freedom of choice on a contracting authority;
- comply with EU Treaty obligations, and specifically are not directly or indirectly discriminatory;
- are compatible, generally, with EU law;
- can be compared and / or assessed objectively and;
- are properly advertised in the contract notice and / or contract documents.
Key Themes

• Increased understanding and adoption across public bodies
• Supplier community increasingly open CBCs
• Gradual widening of range of CB being considered & delivered
CBiPS

Final Q&A
CBiPS

Next Meeting

24th Sept