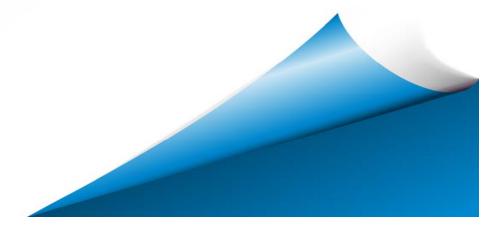






Community Benefit in Procurement Network

24th Sept 2014



Agenda

- Introduction
- Sustainable Procurement
- Innovative Approaches to Community Benefit
- CITB Employability and Skills Support
- CBCs contractor's Perspective
- Update on recent developments
- Roundtable

Phil Duddell Siân Morris Vanessa Gallant Amey Robin Fallas & Pauline Graham

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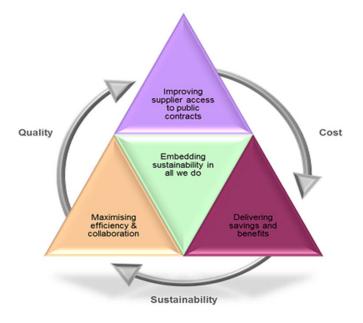
Sustainable Procurement from 'the Act' → to embedding

Philip Duddell Director, Sustainable Procurement Limited philip@sustainableprocurement.eu.com 07796 070228 www.sustainableprocurement.eu.com

Community Benefits in Procurement Champions Network

The Scottish Model of Procurement

- In April 2014, the Scottish Procurement reform agenda entered its third phase, moving from a 'government-led, public sector owned' approach to a truly collaborative partnership approach with the business, third and public sectors.
- The Scottish Model of Procurement supports the Government's National Purpose of sustainable economic growth – a simple concept looking at sustainable outcomes; *it recognises the strategic importance of procurement as a key enabler*, seeking to deliver the maximum economic benefit from every public pound we spend.







Procurement Reform (Scotland) Act 2014

8 General duties

(2) A contracting authority must also comply with the sustainable procurement duty.

9 Sustainable procurement duty

(1) For the purposes of this Act, the sustainable procurement duty is the duty of a contracting authority

(a) before carrying out a regulated procurement, to consider how in conducting the procurement process it can

(i) improve the economic, social, and environmental wellbeing of the authority's area,

(ii) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and (iii) promote innovation, and

(b) in carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a)(i).

(2) The contracting authority must consider under subsection (1) only matters that are relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take those matters into account.

(3) In this section-

"small and medium enterprises" means businesses with not more than 250 employees,

"third sector bodies" means organisations (other than bodies established under an enactment) that exist wholly or mainly to provide benefits for society or the environment.

Requirement to produce a Corporate Procurement Strategy, that includes environmental and socio-economic outcomes, and report on delivery against this annually





NATIONAL PERFORMANCE FRAMEWORK

THE GOVERNMENT'S PURPOSE To focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth HIGH LEVEL TARGETS RELATING TO THE PURPOSE

		STR	ATEGIC OBJECTIV	/ES		
	& FAIRER	SMARTER	HEALTHIER	SAFER & STRONGER	GREENER	
	We live in a	a Scotland that is the m	ost attractive place f	or doing business in Eur	rope	
	We realise for our peo		ntial with more and b	etter employment oppo	ortunities	
	We are bet and innova		led and more success	ful, renowned for our r	esearch	
		people are successful le sible citizens	earners, confident ind	dividuals, effective cont	ributors	
	Our childre	en have the best start in	life and are ready to	succeed		
	We live lon	nger, healthier lives				
OME	We have ta	ackled the significant in	equalities in Scottish	society		
NATIONAL OUTCOMES	We have in	nproved the life chance	s for children, young	people and families at	risk	
NAL	We live ou	r lives safe from crime,	disorder and danger			
IATIO	We live in and service		ble places where we	are able to access the a	menities	
~		trong, resilient and sup wn actions and how the		where people take resp	onsibility	
	We value a future gene		natural environment	and protect it and enha	nce it for	
	We take pr	ide in a strong, fair and	inclusive national id	entity		
	We reduce	the local and global en	vironmental impact o	of our consumption and	production	
		are able to maintain the support when they ne		they get older and are a	able to access	

Our public services are high quality, continually improving, efficient and responsive

HOW ARE WE DOING? Visit www.scotlandperforms.com to track latest progress December 2011

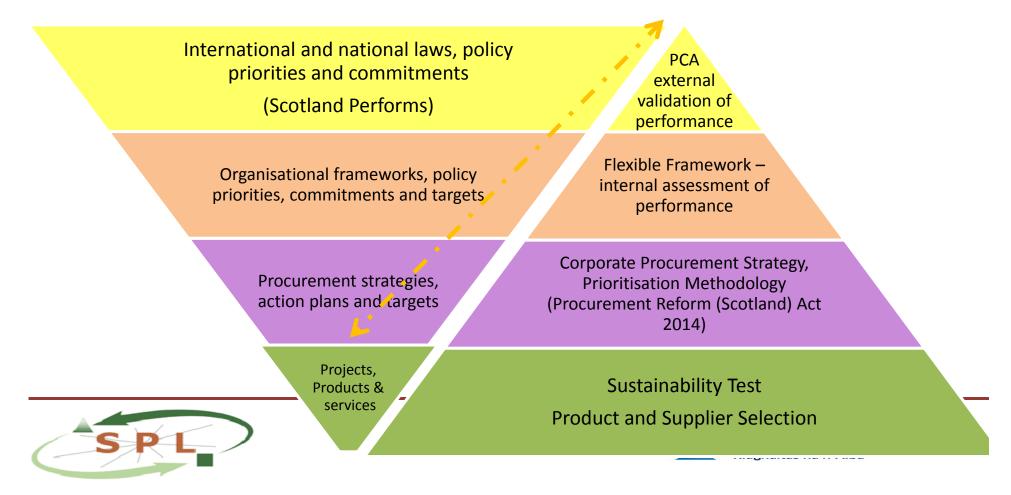


Risks and Opportunities and National Outcomes

- Link to Single Outcome Agreements / Service Level Agreements
- Links to reporting requirements of all public sector bodies in Scotland
- Reflect the reporting requirements of the Procurement Reform (Scotland) Act 2014
- Scotland Strategic Objectives \rightarrow National Outcomes and Indicators \rightarrow Organisational Policy Objectives \rightarrow **Procurement Issues**



Delivering the sustainable procurement 'Golden Thread'



Testing, testing.....

- A. Flexible Framework
- **B**. Prioritisation Methodology
- C. Sustainability Test
- Statutory Guidance
- Beta testing of Tools







Beta Testing of Tools

- Testing to ensure that tools are 'fit for purpose'
- Across all sectors of the public sector in Scotland:
- Scottish Government
- Local Government
- Higher Education / Further Education
- Health
- NDPBs
- Suppliers
- Feedback to fine tune the tools
- Supporting implementation of the Procurement Reform (Scotland) Act 2014





A. Flexible Framework

Develop a Scottish version of the Flexible Framework with supporting guidance to assist organisations progress through the stages taking into account:

			1	
]	
Completed				
In Progress				
Not completed				
FOUNDATION	COMPLIANCE	EMBEDDED	PROGRESSIVE	LEADER
	In Progress Not completed	In Progress Not completed	In Progress Not completed	In Progress Not completed

- how each statement in the matrix should be interpreted for a cross section of public sector organisations;
- revisions to the statements within the matrix to reflect national policy;
- guidance on what organisations are expecting to have achieved to demonstrate meeting a particular level; and
- support guidance to encourage continuous improvement through the Procurement Capability Assessment (Performance).

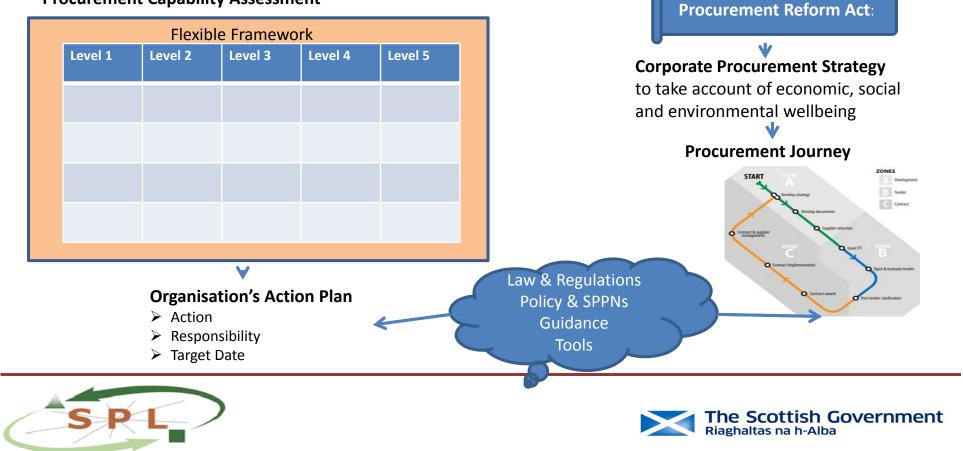
Testing – views on structure, questions, guidance, whether participants can add any relevant guidance/ examples of good practice





Flexible Framework and 'the Cloud'

Procurement Capability Assessment



B. Prioritisation

- Procurement Reform (Scotland) Act 2014
 - New requirements
 - Development of new prioritisation tool to reflect links to National Performance Framework - National Outcomes & Indicators
- Changes to procurement landscape local government / health and social care
- Climate Change Act The toolkit and supporting guidance are also in line with guidance on legislation and regulation, such as the Climate Change Act 2009, in that it "....also has regard to proportionality: what is expected of public bodies should be a reflection of their impact and influence, as well as the nature of what they do, in order to balance proportionality and flexibility with effectiveness and delivery."
- Links to PCA process

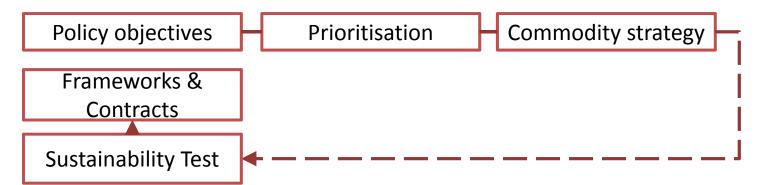




Prioritisation

- Links between Prioritisation and:
 - Flexible Framework
 - Effectively using its Results
 - Development of Frameworks & Contracts





Informs: Category/Commodity Strategy/Market engagement Informs: Organisational procurement priorities e.g. Community Benefits Enables: early engagement and consideration with key stakeholders – not just procurers





Prioritisation

- Reflects:
 - Spend
 - Environmental and socio-economic risks and opportunities
 - Scope to do more to mitigate risks and capture opportunities
 - Influence over the market
- Level:
 - High Commodity Level
 - Sub-commodity
- Informs:
 - Commodity Strategy
 - Market engagement
 - Organisational priorities
 - Subsequent development of contracts & frameworks
- Format:
 - Excel, macro enabled
 - Flow process
 - Graphical and summary outputs

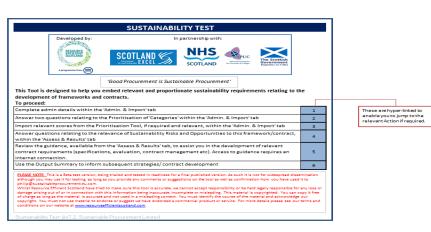


Environmental	Socio-economic
CO ₂ and other Greenhouse Gases	Employment, skills and training
Materials	Health and wellbeing
Waste	Communities
Hazardous materials	Security and crime
Biodiversity	Fairly and ethically traded
Heritage	Equalities
Water	



C. Sustainability Test

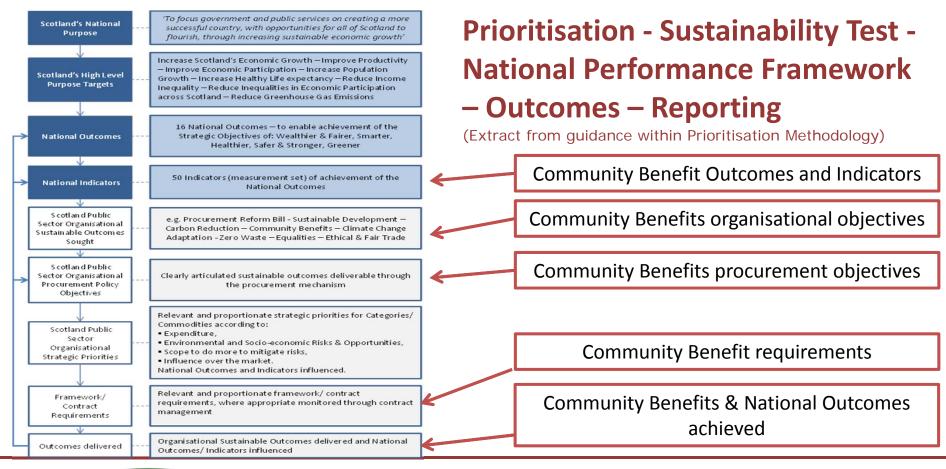
- Use:
 - Development of contracts and frameworks
- Reference:
 - Prioritisation results
 - Commodity Strategy
- Guidance:



- Embedded guidance on how to embed relevant and proportionate requirements
- Format:
 - Excel, no macros
 - Flow process
 - Summary of relevant risks and opps for contract and guidance on how to apply















Thank you

Philip Duddell, Sustainable Procurement Limited <u>Philip@sustainableprocurement.eu.com</u> 077 9607 0228

Community Benefits in Procurement Champions Network

East Lothian Council – Innovative Approaches to CBC

Siân Morris







Client-Based Approach

Presentation by Vanessa Gallant– Strategic Partnership Adviser







What is the Client-Based Approach?

• Guidance to assist public sector procuring bodies to embed employment & skills outcomes contractually in procurement

Where did it come from?

- National Skills Academy for Construction (NSAfC) is an employer-led initiative which funds projects to help meet the future demands of the industry
- Project becomes a live training academy that benefits industry and the local community
- Data reported from these projects have informed the client-based approach benchmarks







What's in it for Me?

Client

- Able to meet increasing requirements from Government to deliver jobs and training through procurement
- Template clauses, benchmarks & evidence requirements to simplify the process of embedding community benefits in procurement
- Greater accountability for public spending with good PR opportunities
- Better trained workforce improves efficiency and saves time and money
- Economic development for the local community to help create sustainability



What's in it for me continued.....?

CITB-ConstructionSkills

- Fulfils our remit as a sector skills council
- Attracts new talent into the industry
- Workers and managers are up-skilled to meet the future needs of the industry

Contractor

- Confidence outcomes set are realistic & achievable for the size/type of project being procured
- Creates a level playing field no blind bidding as all are factoring in the same outcomes
- Recognition for delivery of wider employment and skills activities not just new entrants
- Early engagement of supply chain to ensure their support with delivery
- Good PR
- Evidence to support future tendering opportunities © CITB







Employment & Skills Areas Employment 08. Jobs Created on Construction Projects **New Entrants** 1. Work placements 14-16 years 2. Work placements 16 + years 3. Construction Curriculum Support Activities **Existing Workforce** 4. Graduates 09. S/NVQ Starts for Subcontractors 5. Apprentices – existing 11. Training Plans for Subcontractors 6. Apprentices - project initiated 10. S/NVQ Completions for Subcontractors 7. Apprentices - completions 12. Supervisor Training for Subcontractors 13. Leadership and Management Training for Subcontractors 14. Advanced Health and Safety Training for Subcontractors © CITB





														_			
1.0	Residential	band 1	band 2	band 3	band 4	band 5	band 6	band 7	band 8	band 9	band 10	band 11	band 12	band 13	band 14	band 15	band 16
		£1k- 100k	£100k - 500k	£500k – 1m	E1- 3.5m	£3.5 – 6m	£6 - 10m	£10 - £15m	£15 £20m	£20 – 30m	£30 - 40m	£40 – 50m	£50 – 60m	£60 - £70m	£70 – 80m	£80 – 90m	£90 - £100m
1.	Work Placement (16 plus years) - persons	0	1	2	3	5	7	9	11	13	16	18	19	20	20	21	21
2.	Work Placement (14-16 years) - persons	0	0	0	0	1	1	2	3	3	4	4	4	5	5	5	5
3.	Construction Curriculum Support Activities - individual engagement	0	0	0	1	2	4	5	6	7	9	10	11	12	12	13	14
4.	Graduates - persons	0	0	0	0	0	0	1	1	1	1	1	2	2	2	2	2
5.	Apprentice Starts - persons	0	0	0	0	2	4	6	7	8	9	10	11	12	13	14	15
6.	Existing apprentices - persons	0	1	1	2	3	4	5	6	7	8	9	10	11	12	13	14
7.	Apprentice Completions - persons	0	0	0	0	0	2	3	4	5	5	6	6	6	7	7	7
8.	Jobs created on construction projects - number	0	0	0	1	2	3	5	6	7	8	8	9	9	10	10	11
9.	S/NVQ Starts for Subcontractors – person s	0	0	0	1	2	3	6	8	10	13	15	17	19	21	23	24
10.	S/NVQ Completions for Subcontractors – persons	0	0	0	1	2	3	5	7	8	11	12	14	16	17	19	20
11.	Training Plans for Subcontractors – persons	1	2	3	4	4	5	5	5	6	6	6	7	7	7	8	8
12.	Supervisor Training for Subcontractors - persons	0	0	0	2	3	4	5	5	6	6	6	7	7	7	8	8
13.	Leadership and Management Training for Subcontractors- persons	0	0	о	1	1	2	3	3	4	4	5	5	6	6	7	7
14.	Advanced Health and Safety Training for Subcontractors- persons	1	1	1	2	3	4	4	5	6	6	7	7	8	8	9	9

CUR





Em	ployment and Skills areas	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Summ . No
1.	Work Placement (16 plus years) - persons													
2.	Work Placement (14-16 years) - persons													
3.	Construction Curriculum Support Activities - individual engagement													
4.	Graduates - persons													
5.	Apprentice Starts - persons													
6.	Existing apprentices - persons													
7.	Apprentice Completions - persons													
8.	Jobs created on construction projects - number													
9.	S/NVQ Starts for Subcontractors - persons													
10.	S/NVQ Completions for Subcontractors - persons													
11.	Training Plans for Subcontractors – number													
12.	Supervisor Training for Subcontractors - persons													
13.	Leadership and Management Training for Subcontractors - persons													
14.	Advanced Health and Safety Training for Subcontractors - persons													

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	Employment and Skills areas	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Summ
		1	2	3	4	5	6	7	8	9	10	11	12	no
1	Work Placement (16 plus years) - persons				1	1	1	1	1					5
2							1							1
3	Curriculum Support Activities - individual engagement					1		1						2
-	Graduates - persons							1						0
5	Apprentice Starts - persons										1	1		2
6					1			1			1			3
7	Apprentice Completions - persons													0
8	Jobs Created on Construction Projects - number		1		1									2
	S/NVQ Starts for Subcontractors - persons				1						1			2
	S/NVQ Completions for Subcontractors - number													
10	Training Plans for Subcontractors - number						1						ī	1 2
11	Supervisor Training for Subcontractors - persons	1				1			1			1		4
12				1										3
	Leadership and Management Training for Subcontractors - persons													1
	Advanced Health and Safety Training for Subcontractors - persons	1												1
14			1	1			1							3

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Example Method Statement Selection

- Method statements should include a description demonstrating how you intend to deliver the KPIs listed.
- It's important to list all partners involved in the delivery to demonstrate your ability to fulfil the commitments

Overview

As Major Contractors we are committed to the delivery of the outcomes and will engage with our supply chain to assist us in the delivery of the KPIs. We will brief our supply chain on the proposed delivery and monitoring methods as set out below both at project outset and at regular intervals during the build, their commitment to delivery will also be made contractual via supply chain agreements. We will engage with partners who are able to support delivery prior to the project commencing and these include

• List all of the local partners involved who you will engage with to support the project

Apprentice Starts

We are keen to recruit redundant apprentices to allow completion of apprenticeships for individuals unfortunate enough to be made redundant part way through their training. We will request that any contractor on site who has an apprentice vacancy considers redundant apprentices as part of their recruitment process. We will signpost any contractors with apprentice vacancies to both CITB (for advice on any funding that may be available and assistance with locating redundant trainees in relevant trades if required) and the identified local employment vehicle (name here). We will also make sub-contractors aware of the current Skills Development Scotland funding for 'Adopting' an Apprentice as well local initiatives who are able to support with recruitment such as (list the partners and initiatives who you will engage with here)

• Numbers of new start apprentices and evidence will be gathered through the monthly monitoring form.





Monitoring

• SPONSA – 'Skills Plan of the National Skills Academy' online performance monitoring tool

-	n me Start Date: 01/01/2011 £13.00m	Duration: 37	lonths							
		Programme	Programme Y1 Y2		Y	3	Y	4		
		Target	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Client Ba	sed Approach (2011)									
Target	3									
1.0.0	Work Experience Placement (16-19 years)	2	1 18	0	6	0	0	0	0	(
2.0.0	Work Experience 14-16 years (persons)	22	2 184	0	34	0	10	0	0	(
3.0.0	CBE Diploma Consortia Membership		9 3	0	3	0	3	0	0	(
4.0.0	CBE Diploma Curriculum Development	1	5 5	0	5	0	5	0	0	
6.0.0	Graduates - persons	2	1 6	0	7	0	8	0	0	

- Able to break reports down into individual projects as well as overall programme
- Reports in a variety of formats including figures and bar charts
- Nominated client coordinator is responsible for updating SPONSA
- Free to use once approved

© CITB





CITB employer support post contract award

- Area Delivery Manager Coordinate a package of support available to employers to meet individual project needs
- **Apprenticeship Officer** Assist with the recruitment of new & redundant apprentices, identify college classes who would benefit from site visits & curriculum support activities
- **Company Development Adviser** Support the development of training plans, provide advice on training courses and grants available to support the cost
- Careers Adviser Help make links with local schools for curriculum support activities, site visits and work placements
- Work Placement Coordinator engage the CITB pre-vocational project for those aged 16+ to gain work experience (funding is available to employers who participate in the initiative)
- Grants are available to help all construction employers who are registered with CITB whether they're working on CBA projects or not.
- Support available for community benefit briefings, meet the buyer events and supply chain briefings as and when required by client.

© CITB





Commitment Required from CITB

- Submit an application for approval to National Construction Skills Academy Group (NCSAG) Group
- Complete website template to include client and programme details
- Submit quarterly performance figures for programme to Strategic Partnership Adviser
- Attend biannual face to face reviews with Strategic Partnership Adviser (client premises)
- Complete one case study per year to appear on the website





Thank you

Vanessa Gallant– Strategic Partnership Adviser

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vanessa.gallant@citb.co.uk



CBCs – A Contractor's Perspective

Amey





Community Benefits – Past, Present & Future

Duncan Moncrieff – Principal Bid Manager

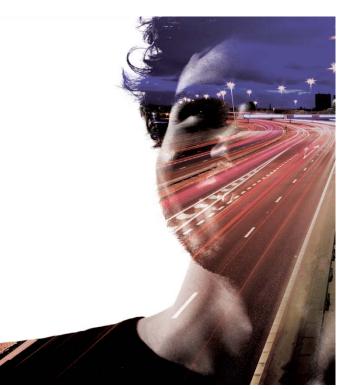
Overview of Amey

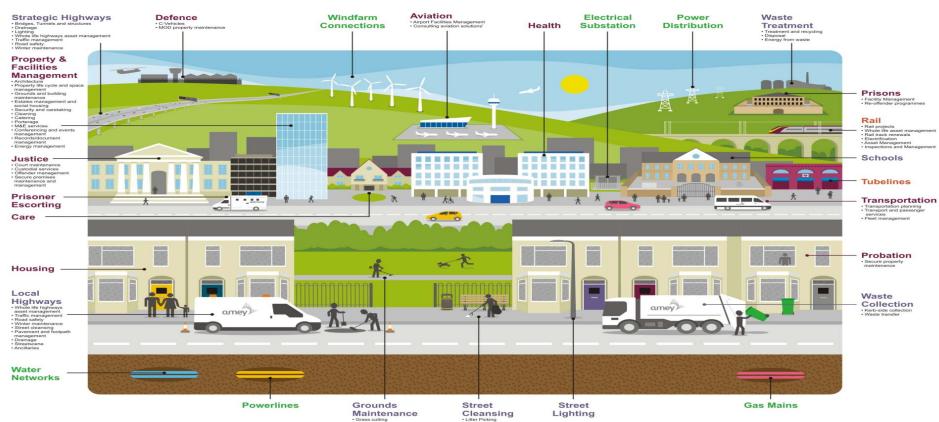
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We create better places to live, work and travel

We are the faces behind the services you use every day.

Our teams are the people behind the services you use every day – from roads, railways and schools to waste disposal, airports or the energy and water you use in your home.





Overview of our services

Grass cutting
 Verge Maintenance
 Arboriculture



ame

Our Strategy

amey

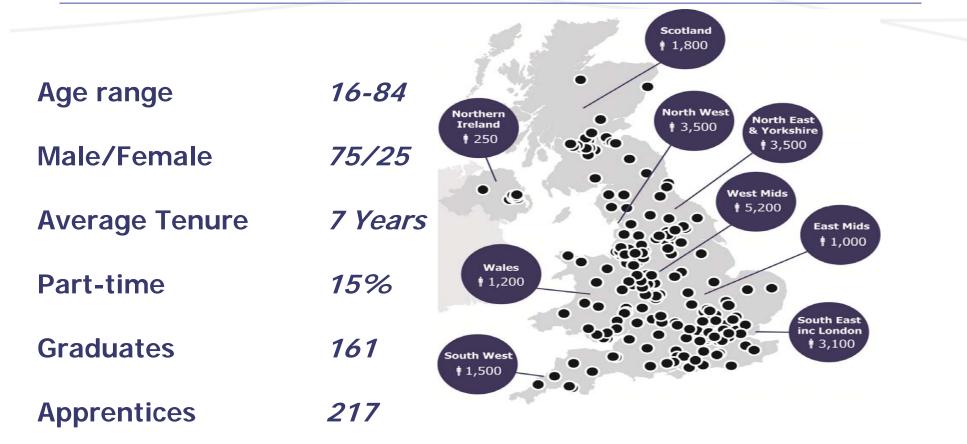
To help create better places to live, work and travel

2013

By 2018**£3bn**
turnoverProvider of choice
EmployerData
Driven businessProgressive
Collaborative
EmployerCreate
shareholder28,000
EmployerCreate
Collaborative
Create
Create
Create
Create
Create
Create

Amey - Our 21,000 People





Amey in Scotland – September 2014

- Amey's work in Scotland has an annual turnover of over £160m
- We employ over 2000 people
- Amey has the largest highways design capability in Scotland
- We examine over 2,500km of rail network including 13,500 bridges and structures
- We support over 65,000 pupils across nearly 80 schools for six local authorities
- We support over 20m passenger journeys across three airports.

Clients include:

- Scottish Water
- Scottish Power
- SSE
- Glasgow, Aberdeen and Edinburgh airports

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- North Lanarkshire Council
- Glasgow City Council
- M8 New Works Design Ferrovial Lagan
- M8 DBFO Scottish Roads Partnership
- Transport Scotland
- Network Rail
- DIO

Emerging Talent Programmes

• 2/3 year on the job raining Talent - Entry Level Programme Working specified role across the business programme Vocational College gualification • Developing the technical • Developing the Operations specialists of the future Managers and Business Manager • Duke of Edinburgh's Gold of the future • Minimum 2:1 degree **Business Award** • Three placements – Commercial, • 3 levels – Intermediate, • Will gain a relevant professional **Operational & Bidding/Project** Advanced & Higher qualification Management • We operate over 35 • Minimum 2:1 degree Apprenticeship Frameworks e.g. Highways, HR, Civil Engineering, IT & Customer service Management Graduate Apprentices Graduates Pathways ameu

Why Invest in Emerging Talent?

- We need to create fresh talent pools to ensure the right people, with the right skills, are in the right roles, at the right time
- We need to address employee demographic concerns ageing workforce, retirements, future skills, diversity, and scope of projects
- We need to meet our commitment to maintaining 3% of the workforce on a recognised Emerging Talent Programme which is a key part of our bidding proposition
 - 2014: 400 new recruits [230 Apprentices and 170 Graduates]
 - > 2015: 350 new recruits [250 Apprentices and 100 Graduates]
- To help address the market concerns that there will be a shortfall in critical skills (Engineering/Technology)

Community Benefits – The Past

- Back in 1996 Energy PFI Projects
- Back in 2000 to 2005 Scottish NHS & Schools Projects

- Back in 2005 to 2010 NHS LIFT & BSF
- Back in 2010 Scottish HUB Initiative
- 2012 to Date Major Infrastructure Projects

Community Benefits - Present

- Can be up to 10% of the Evaluation in Bid Submissions, typically covering:-
 - Targeted Recruitment & Training
 - SME & SEO Development & Supply Chain
 - Social & Environmental Awareness

Targeted Recruitment & Training

≻Main Focus

Recruiting Young People.
 Helping the Long Term Unemployed by working with Local Agency's.
 Ex-Offenders.

≻MOD

Targeted Recruitment & Training

Maximising Employment & Training

- Schools
- Students
- Apprenticeships
 - Graduates

Employment Opportunities & Job Creation

- Supply Chain Partner Involvement & Control
 - Construction Phase
 - CITB & Direct
 - Operational Phase
 - Amey Apprenticeships & Direct

ame

Formal & Informal Training

- Job Specific Training
- On-going Training & Development
 - Career Path Framework
 - Amey Academy
- Performance & Development Reviews

Delivery of Community Benefits

- Business & Community Manager
- Community Benefits Plans & Reports
 - Monitoring Community Benefits

SME & SEO Development & Supply Chain

amey

Subcontracting to SME's & SEO's

- Raising Awareness
- On-going Support
- Working with SEO's
- Promoting Staff Engagement

SME & SEO Opportunities

- Pre-Advertisement Activities
- Awareness Raising Events
 - Utilising Local Media
- Prospective Candidates Support

Business Mentoring for SME's & SEO's

- Support & Advise
- Meet the Buyer Events
 - SME Workshops
 - SEO Workshops
- One to One Support to SMEs & SEO's

Outcomes

- Economic & Social Development Impact
 Third party income
 - For Every £1 Spent £1.67 Value Added

Social & Environmental Awareness

amey

Business & Community Manager

- Community Liaison
- Responses to Complaints
- Statutory & Policy Requirements
- Commercial Management Issues

Education & Communications Manager

- Media Liaison & Project Website
- Best Practice Educational Facilities
 - Education & Visitor Centre
 - School & Group Visits

Wider Community Relations

- Amey Foundation
- Community Involvement Days
 - Local Initiatives

Environmental Initiatives

- Responsible Sourcing
- Efficient Use of Materials & Resources
- Awareness of Sustainable Development

Community Benefits

The Future - ?



Traditional Career Model

Family Local Higher Education Schools Further Education

Traditional Career Model Problems

• Expectation by the individual's Family that Further and Higher Education was the route to a 'Better Job' rather than joining an Employer from School.

- Many individuals having no visibility of the qualifications that they would need to have when leaving Secondary School as at that point in time they may not have a clear vision of what they want to do.
- Many individuals not aware what is expected of them before taking up an Apprenticeship Place with an Employer.
- Individuals leaving Further and Higher Education with Qualifications that do not fit with prospective Employers requirements for their business.
- Employers interviewing candidates who do not have any exposure to their business or values.
- School, Further Education, Higher Education leavers not able to secure full time employment in their local marketplace.

Sir Ian Wood Report - Recommendations

- R2 Local Authorities, SDS and Employer Organisations to work together to produce better Careers Guidance.
- R3 Education Scotland and Employer Bodies to work together to produce a modern standard for Work Experience.

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- R11 A Key Focus is Employability and Education Scotland must work closely with Business Organisations and its Members to understand Industry's needs.
- **R14** Scottish Government to support the creation of Regional Industry Led Youth Groups and facilitate engagement between Employers and Education.
- R15 Businesses should enter into 3-5 Year Partnerships with Secondary Schools, every Secondary School and its feeder Primaries should be supported by at least one Business in a long-term Partnership.

Sir Ian Wood Report Recommendations

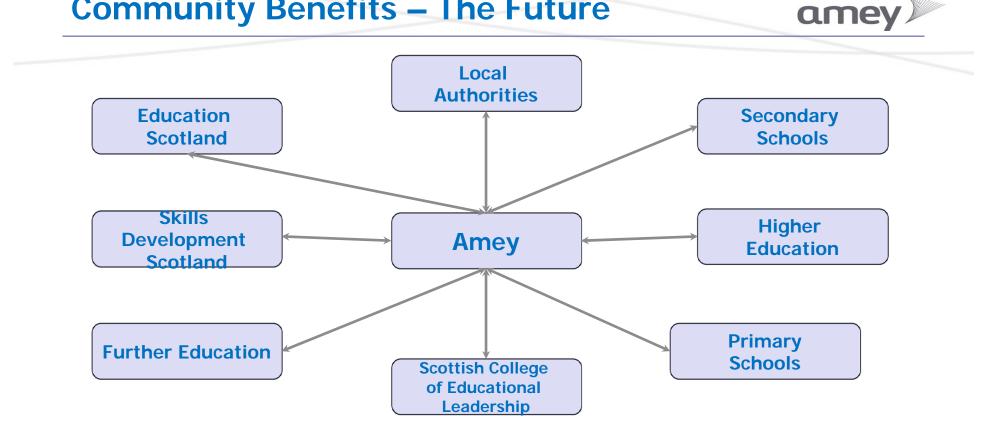
R16 – Scotland Leading Industry Sector Groups and Companies should be encouraged to work with the Scottish College for Educational Leadership to develop a Programme targeting School Staff Leaders to develop their understanding of Industry and Careers.

ame

R17 – Employers and National Industry sector Groups should form Partnerships with Regional Colleges to ensure that course content is Industry relevant and full advantage is taken of Work Based Learning and Employment Opportunities.

R22 – **Procurement and Supply Chain Policies in both the Public and Private Sector** should be applied to encourage more Employers to support the development of Scotland's Young Workforce.

Community Benefits – The Future





Community Benefits – Past, Present & Future

Duncan Moncrieff – Principal Bid Manager



