East Lothian Council

REPORT TO: Cabinet

MEETING DATE: 11 June 2013

BY: Executive Director (Support Services)

SUBJECT: Update on Community Benefits in Procurement (CBIP)

---

1   PURPOSE

1.1   To update Cabinet on the outcomes achieved by including Community Benefits clauses in contracts and to advise on changes in how this is being implemented in practice.

2   RECOMMENDATIONS

The Cabinet is recommended to:

2.1   Note the outcomes achieved and activities achieved and in progress as a result of incorporating community benefits into Council contracts.

2.2   Note the changes to the practical implementation of these clauses; and

2.3   Endorse the continuation of the Community Benefits in Procurement initiative

3   BACKGROUND

3.1   In April 2012 the Council approved the inclusion of Community Benefits clauses in all contracts over £50,000 in value. The initiative was launched by the Chief Executive at a supplier and stakeholder event on the 27 April 2012.

3.2   Community Benefits clauses offer the potential for public procurement to make a wider contribution towards the achievement of public policy objectives. Although public procurement arrangements are prescribed by European and national legislation and regulation, there is scope within that regulatory framework to define the benefits to be received from a contract more widely than just the goods, works or services that are usually specified.

3.3   In 2011/12 the Council's Corporate Procurement Manager led on the collaborative development of a CBIP framework, working with internal stakeholders such as Economic Development, Education and Property Management as well as working with external partners such as Job Centre Plus (JCP) and Skills Development Scotland (SDS).

3.4   Since April 2012 there has been a lot of CBIP activity within East Lothian. There have been several opportunities created including mock interviews and feedback; work experience; career talks; a design project and more recently an apprenticeship opportunity with the company contracted to provide maintenance of intruder alarms. Arrangements have been made with contractors to provide placement opportunities for the Council's apprentices in order to give them wider experience. Nineteen companies have offered and/or delivered the above benefits (details in Appendix 1)

Operational Development

3.5   A feature of the Council's framework was to create a "currency" of Community Benefit Points (CBP). At the time of the launch it was recognised that the CBP exchange rate may have to be revised as we learned from the experience of implementing it. As the initiative was put into practice it became evident that this approach was resulting in fewer benefits than could be achieved by another, less prescriptive, approach. Therefore it was decided to change to a tailored approach whereby the nature, duration and value of the contract are all considered on a case by case basis by the Corporate Procurement Team, in conjunction with internal departments, to arrive at a decision on what is the appropriate minimum requirement in each case. The organisations bidding for Council contracts still receive a "menu" of benefits and they can opt to delivering benefits in excess of the minimum requirement if they so wish.

4   POLICY IMPLICATIONS

4.1   There are no direct policy implications associated with this report although given that the range of potential Community Benefits is very wide, there are wider potential linkages to other Council policies.

5   EQUALITIES IMPACT ASSESSMENT

5.1   This report is not directly applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required. However, the design and implementation of community benefits may have equalities implications that will be assessed as part of that design process.

6   RESOURCE IMPLICATIONS

6.1   Financial – There are costs to businesses associated with delivery of community benefits. In some cases these costs will be absorbed by the organisation as part of their delivery of "Corporate Social Responsibility" but for others this cost may be being passed on to the Council in their price tendered.

6.2   Personnel – there is a requirement to follow up community benefits with successful contractors, providers and suppliers to ensure that the benefits are realised. In addition there is a reporting requirement. Currently this is being undertaken by East Lothian Works.

6.3   Other – None.

7   BACKGROUND PAPERS

7.1   Report to Council 27 March 2012 – Implementing Community Benefits in Procurement

AUTHOR'S NAME	Julie Caughey
DESIGNATION	Corporate Procurement Manager
DATE	13 May 2013
CONTACT INFO	Julie Caughey – 01620 827998

Appendix 1

Companies who have offered or delivered Community Benefits to date

Company	Nature of Benefit
Morris & Spottiswood	4-week work experience placement
Clark Contracts	2 x 6-week work experience placements
Morrison Construction	Design project Site visits 3 x 1-week work placements
Canon	Interview workshop 2 x 3-day work experience placements Visit to sales office in Livingston
T & A Kernoghan	School talk re career in construction 2 site visits per month Extended work experience placement Photography project
Graham Construction	Employability in construction course Site visits Mock interviews 2 x 1-week work placements
L&D Plumbing & Tiling Ltd	2 x extended work experience placements
Gordon Guthrie	1-week work experience
Ashwood Scotland	School talk on impact of construction on the environment 5 x School talk re career in construction
Phoenix Specialist Solutions	4 x 1-week work placements
SPG	1 Modern Apprentice recruitment
Blueprint Recruitment Services	12 x Mock interviews & feedback
Musselburgh Roofing G Grigg & Sons James Breck Forster Roofing City Roofing	Will provide work experience for ELC apprentices in their 3rd and 4th years
Barclaycard	Details being explored
Denvir Marketing	19 days work experience with events project management team Students from QMU and Hospitality Academy invited to work on project