

ITEM No ...5.....

REPORT TO: POLICY & RESOURCES COMMITTEE – 27 JUNE 2016

REPORT ON: CORPORATE PROCUREMENT – COMMUNITY BENEFITS AND LIVING WAGE UPDATE REPORT

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 235-2016

1 PURPOSE OF REPORT

This report provides a mid term update of the activities on the Community Benefits programme and proposed amendments in light of the Procurement Reform Act and other policy changes. Also provided is an update to members on the activities of the Corporate Procurement Team to encourage the payment of the Living Wage. A full summary of the Community benefits approach is provided in Committee Report 390-2015 The Annual Procurement and Community Benefits Report which was presented to Committee in 26 October 2015.

2 RECOMMENDATIONS

It is recommended that the Committee:-

- i. note progress made within the area of Community Benefits and its compliance with Procurement Reform Act requirements.
- ii. note the contribution made by Corporate Procurement to encourage the use of the Living Wage
- iii. note use of Dundee Central Waterfront Living Wage Agreements in future Central Waterfront Developments, provided in Appendix 5.

3 FINANCIAL IMPLICATIONS

Community Benefits are intended to be delivered in a way which is cost neutral to the procured contract, with contractors giving their time to deliver community benefit elements. The projected additional cost of including Fair Work Practices requirements and the encouragement to pay the Living Wage cannot be accurately predicted as it will generally be introduced at the stage when the Council is changing provider. As the majority of service contract's costs are based on employee costs and a proportion of the employees may be paid below a Living Wage. Any additional costs from adopting this approach would need to be accepted by the Council.

The cost implications of introducing a Living Wage of £8.25 to all adult social care staff as set out in the Scottish Government's Finance Settlement as part of the additional package of funding for Health & Social Care Partnerships of £250m is currently being ascertained locally.

4 BACKGROUND

4.1 Community Benefits Update

4.1.1 Introduction

This section provides an update on Community Benefits which have been secured as part of Dundee City Council's Community Benefits Approach. It also highlights recent Policy changes and the implications this will have for the programme.

4.1.2 Summary of Achievements - Capital Construction Programmes

The table below provides a summary of the cumulative Community Benefits to date at recent and current major Construction projects including, Waterfront Infrastructure Phase 4, Harris Academy, V&A Museum of Design, Dundee Railway Station Concourse, and schools programmes including Sidlaw View Primary, Baldrigon Academy and Menzieshill Primary (end of May 2016).

Supplier Development	
Local Construction Spend (within 35 miles)*	£16,959,323
Average Local Contractor Spend (within 35 miles)	44%
Employment and Skills	
Average Local Labour (within 35 miles)*	65%
New Start Employment Opportunities (previously unemployed, redundant, graduates or new entrants)	35
Project Initiated Modern Apprenticeships	19
Work Experience Opportunities	66
Awareness Raising Activity	
Awareness Raising Events and Activities Delivered	94
Individuals Supported through Awareness Raising	2151

Note

*Monitoring figures until end of May 2016 except V&A local contractor spend which is to April 2016

** Scape Framework Projects (Sidlaw View and Menzieshill measure define local within 40 rather than 35 miles)

4.1.3 Policy Context

The Procurement Reform (Scotland) Act 2014; and the 2014 EU Procurement Directive provided increased focus in the area of Community Benefits and Sustainable procurement.

The Procurement Reform (Scotland) Act 2014 builds on the work achieved so far in the reform of public procurement in Scotland. It establishes a national legislative framework for sustainable public procurement, ensuring that the public sector maximises the economic benefit from effective and efficient procurement spend. It is intended to promote an approach that is 'both business friendly and socially responsible'. This has now been further supported with the development of Statutory Guidance published in full in April 2016 (initial guidance focusing on Fair Work Practices was published in October 2016.) This covers the following areas:-

- i. Procurement strategies and annual procurement reports
- ii. The sustainable procurement duty
- iii. Community benefit requirements in procurement
- iv. Selection of tenderers and award of contracts
- v. Procurement for Health or Social Care services
- v. Addressing fair work practices, including the living wage, in procurement (published as a separate document)

The different elements of the Act are being implemented in phases with Fair Work Practices element in force from November 2015, the Selection of tenders and award of contracts, and health and social care April 2016; Sustainable procurement duty and Community Benefits by June 2016 and the production and publication of a Procurement Strategy by December 2016.

4.2 **Community Benefits Requirements from the Act**

The Act requires that:-

- i. Community Benefit considerations are included in all relevant contracts over £4,000,000
- ii. A summary is provided of Community Benefit outcomes intended to be included in contracts (from June 2016) and provide justifications if these are not included.
- iii. Summarise Community Benefits required in Contract Award Notices
- iv. Procurement Strategies to include a community benefit policy and reporting on Community Benefit outcomes to be including in annual procurement reports.

It further indicates that Community Benefits should relate to areas including training and recruitment, the availability of subcontracting opportunities or activities which otherwise improve the economic, social or environmental wellbeing of the authorities area in a way which is additional to the main purpose of the contract. In addition it encourages authorities to undertake consultation on Community benefit approaches as part of the Production of its Procurement Strategy

4.3 **Community Benefits Approach in Dundee**

Dundee City Council has a wealth of experience in the development and delivery of a Community Benefits Approach which places it in a very strong position to deliver and exceed the requirements of the Act. Since September 2012 Dundee City Council has had a Community Benefits from Procurement Policy which introduced a Council wide approach intended to secure the maximum economic and social benefits from City Council Procurement within the current legal frameworks. This has allowed the Council to include community benefit requirements in a wide range of contracts and for an infrastructure to be built to support this. The inclusion of a Community Benefits Officer post within the Procurement Team since June 2014 and the centralisation of the procurement function has further supported this development with Community Benefits now regularly included in contracts and monitored.

The structure of the Community Benefits approach in Dundee also dovetails very well with the requirements of the act with a range of linked measures and activities which are intended to, wherever possible, maximise opportunities for local people and businesses. The policy focuses on the development of community benefits in the following areas:-

- i. Support for Subcontracting is addressed in Supplier Development activities which include support to Small to Medium Enterprises, Social Enterprises and Supported Businesses to develop activities and guidance to encourage local suppliers to compete for council contracts; and subcontract and supply opportunities.
- ii. Support for recruitment and training are addressed in the programme's Employment and Skills requirements which include activities to secure new employment and apprentice opportunities, share vacancies and secure work experience opportunities.
- iii. Support for activities which otherwise improve the economic, social or environmental wellbeing of the authorities areas are largely met through the Community and Awareness Raising Activity; including development of awareness raising activity, including support to school, college and employability programmes, community programmes and donation of materials.

Areas for action have been identified in the form of strengthening the approaches to environmental outcomes and relooking at how support for the existing workforce can be included in the model.

Whilst the requirement to undertake formal consultation is new and will be built into the process of producing a Procurement Strategy; informal consultation in the form of discussions with provider and client groups has been long established for example a Community Benefits Providers Group meets regularly to update on developments and share good practice.

4.4 **Community Benefit Update**

While Community Benefits are now being entered into more diverse contracts, the major construction contracts continue to dominate the outcomes achieved to date. A summary and project by project updates of outcomes achieved to date are provided in Appendix 1 and Appendix 2.

In addition to securing the Community Benefit programmes in Dundee City Council direct contracts, the programme has recently expanded to include partnership contracts with Hillcrest Housing Association by supporting them to adopt Community Benefit requirements in their house building Framework. The first project to benefit from this will be Alexander Street; with a full community benefits programme agreed with successful contractor Harts Construction. Continued work with Housing Department will also see Community Benefits delivered in the Derby Street Development. As previously reported to Committee, an approach has been developed to include Community Benefits requirements both in the Construction and End Use developments of Dundee Waterfront programmes. An approach has been agreed and engagement with prospective developers planned.

Agreement has also been secured to re-run the highly successful Construction Employability programme, which was piloted last year with Kilmac Construction, to provide training and work placement opportunities for young people who had contact with the Criminal Justice System. Of the 6 young people who completed the programme all secured quality employment opportunities; 3 with local Living Wage contractor Kilmac and 2 with PJ Careys on the V&A and 1 with Robertson Construction. Almost a year on, all 6 young people remain in employment and 2 have been progressed to apprenticeships or further training. One candidate talked of his employment opportunity by saying

'This is more much more than a job for me, these people saved me from life long issues, including drug abuse and a jail sentence. They offered me a chance to change my life and helped me do that. Without Kilmac I would still be unemployed – I can't thank them enough.'

The Employability partnership is delighted to be rerunning this programme again in July 2016, in partnership with Kilmac Construction and Advance Construction with support from other Community Benefit employers.

As well as Construction Capital programmes, the approach has begun to expand into other areas of council procurement as Category Officers identify opportunities. Following the Procurement Reform Act guidance, Community Benefits added are proportionate and relevant to the contracts being considered. A full summary of the Community benefit commitments are provided in Appendix 3.

Most notable among these has been for the first time the inclusion of a Community Benefit requirement in Health and Social Care, Home Care Tender. This programme which begins in June 2016 will see the creation of a minimum of 13 New Start Employment Opportunities, 22 Work Experience Placements and 31 Awareness Raising Events delivered for each year of the contract across all of the contracted providers. A providers event has been arranged for 22 June 2016 to assist Home

Care contractors to deliver their targets and a providers group has been established to provide support.

4.5 **The Living Wage**

The Corporate Procurement Team are involved in a range of activities which promote the use of the Living Wage. The Living wage is a term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition for a person for an extended period of time (lifetime). This standard generally means that a person working full-time, with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health care, and recreation. The current Living Wage hourly rate is £8.25 (from November 2015)*- this figure is based on research carried out by the Joseph Rowntree Foundation which looked at developing a formula for calculating a minimum income standard. This would apply to all employees aged 18 or over with the exception of apprentices and interns. This figure changes on an annual basis in November each year and is announced as part of Living Wage week.

For avoidance of doubt, this rate differs from the 'National Living Wage' which from 2 April 2016 replaced the National Minimum Wage. This is set by the UK government and only applies to those over 25 years old and is currently £7.20 per hour.

4.6 **Living Wage Accreditation Model**

Committee Report 395-2015 Living Wage Accreditation from 9 November 2015 approved the creation of an Officers Working Group to review the practical steps towards the implementation of Living Wage Accreditation. This activity is on-going with the procurement team leading on the second and third elements.

The model requires that organisations undertake the following:-

- i. Pay all direct staff the Living Wage
- ii. Extend this requirement to Contractor and Subcontractors, to the extent permitted by law, that all contracted and sub-contracted staff who are aged 18 and over who regularly deliver a service on our premises, property or land should be paid the Living Wage. "Regularly" is defined as 2 or more hours of work in any given day in a week, for 8 or more consecutive weeks in a year.
- iii. Extend this requirement to Procurement approach, to the extent permitted by the law.

4.7 **Contractors Process**

The procurement team are currently undertaking a contract by contract assessment to identify if contracts fulfil the Poverty Alliances definition of contractor and if there is any doubt that the staff directly involved in the delivery of this contract could be receiving less than the Living Wage. Contractors who meet this criteria will be contacted in the coming months to establish if any staff working on council premises are being paid less than the Living Wage, and if so, if the contractor would consider increasing their wages. The Milestone outcomes identifying which contractors are paying less than the Living Wage and our actions to support them to achieve the standard require to be entered into the council's application for Living Wage accreditation.

4.8 **Procurement Approach and Fair Work Practices**

The accreditation model asks that systems be put in place to extend Living Wage requirements within procurement approaches to the extent permitted by the law.

The Statutory Guidance on Selection of Tenders and Award of Contracts, part of the Procurement Reform Act Statutory Guidance includes guidance on addressing Fair Work Practices including the Living Wage. This allows for the inclusion of a scored assessment of 'Fair Work Practices'. This includes consideration of the Living Wage along with a wider range of consideration including the inappropriate use of zero hours contracts, Trade Union recognition, support to learning and development and support for Modern Apprenticeships. Sample Fair Work Practice Guidance and question is provided in Appendix 4. The approach of the procurement team going forward will be to include consideration of Fair Work Practices in all relevant tenders and to agree the scoring threshold with the client department, dependent on the relevance of the contract i.e. scoring for contracts in an area where the staff delivery will have a large impact on the quality of the service or there was a history of low wages in the sector would be attributed a higher proportion of the score than contracts in areas where a largely professional workforce would mean wage rates where likely to exceed the Living Wage.

This activity is on-going and details of Fair Work Practice approach will be provided in the Procurement Strategy and reported on as part of the annual procurement report and forthcoming Committee Reports.

4.9 **Health and Social Care**

Health and Social Care has traditionally been considered a low wage sector and yet it is a sector that directly depends upon the quality of its workforce to deliver an effective service. As part of the Scottish Government's Finance Settlement for 2016/17, additional funding was made available through Health & Social Partnerships for investment in social care, with a commitment to deliver a Living Wage of £8.25 per hour for all adult social care staff, regardless of age from 1 October 2016. In May 2016, local authorities were provided guidance to support the delivery of this Living Wage commitment to care at home and housing support care staff. This guidance is a tripartite document informed and agreed by Scottish Government, COSLA and CCPS (Coalition of Care Providers Scotland) and Scottish Care on behalf of service providers. The guidance is intended to support local partnerships and providers in their local decision making to deliver the Living Wage commitment.

In Dundee, this commitment has been built into the new Home Care contract, and the Social Care Contracts Section is currently gathering evidence to ascertain the local financial impact of meeting this responsibility by the deadline of 1 October 2016.

The introduction of a Living Wage of £8.25 for care home staff has been taken into consideration within the fee rates payable to care homes under the terms of the National Care Home Contract.

There are currently over 1,000 staff (excluding Dundee City Council) working within the Care sector in Dundee and a significant proportion of these staff will now benefit from an increase in pay due to the implementation of the Living Wage from 1 October 2016.

4.10 **Scape Framework**

The alternative approach adopted in the Sidlaw View Primary Contract with Robertson's Construction using the Scape Framework has also been extended to Menzieshill Primary. It had been clarified that the structure of the Scape Framework enables Robertson Construction when they are tendering work packages to require that sub-contractors (and the sub-contractors' sub-contractors') pay the Living Wage as a minimum to all employees. This requirement was from the outset applied to the Sidlaw View contract and will be recommended in future Scape contracts. The procurement team have supported Robertson by helping them develop pre-tender guidance for subcontracts and offered to help with evidence requirements for contractors working towards becoming Living Wage employers. Note that provision

has been built into this process to support contractors working towards the Living Wage recognising that we did not want to create a barrier to local or social enterprise contractors from accessing opportunities where they were willing to progress towards the standard.

4.11 Dundee Waterfront Developments

Consideration of the Living Wage has been built into the planned approach of engagement with future developers on the Dundee Central Waterfront. In recognition of the importance of this element, stand alone guidance has been developed and is available for use with prospective developers. This complements the Community Benefit agreements already in place. The Dundee Central Waterfront Living Wage Agreement is provided for information in Appendix 5. In addition to the documentation, it has been agreed that undertaking discussion on the Living Wage should be a collective responsibility of all staff involved in engagement with contractors, to ensure this is raised at every opportunity. Along with Community Benefit information, details of the Councils expectations in relation to the Living Wage are now included in Developer Information on the Dundee Waterfront website.

4.12 Other Living Wage Activity

In addition to the activities of the procurement team, the council and its partners are engaged in a range of activities to encourage the Living Wage. Among these, the Chamber of Commerce is taking the lead in engaging with businesses and will host a stand promoting the benefits of the Living Wage at this year's Dundee Economic Summit.

In its recent report, the Dundee Fairness Commission made three explicit recommendations regarding the Living Wage and called on the Dundee Partnership and Dundee City Council to:

- i. Make Dundee a Living Wage City and adopt a Fair Work Charter for employers in Dundee City Council
- ii. Demonstrate leadership by achieving Scottish Living Wage accreditation
- iii. Recruit more employers to the Scottish Business Pledge including commitments to the Living Wage and fair family practices.

These and the rest of recommendations in the report were endorsed at the Policy and Resources Committee on 13 June 2016 and an action plan is to be produced in the next six months.

4.13 Community Benefit and Living Wage Reporting

The Community Benefits and approach to Fair Work Practices will be included in the Corporate Procurement Strategy and subsequent procurement report. This includes the production of a Contracts Register which will include reference to the Community Benefits agreed through each contract, and whether or not it included Fair Work Practices and the weightings employed in the evaluation process. As part of this exercise a refreshed Community Benefits Policy will be produced

As agreed, Community Benefits will report on progress within Dundee City Council on a 6 monthly basis. To support this activity a new Procurement monitoring database is being developed which will include comprehensive reporting tools for Community Benefit activity.

5 **CONSULTATION**

There has been ongoing constructive and positive dialogue within the project group comprising officers from the procurement team and Council Services.

The Chief Executive, Executive Director of City Development and Head of Democratic and Legal Services have been consulted on and are in agreement with the terms of this report.

6 **POLICY IMPLICATIONS**

6.1 **Procurement Strategy 2011- 2015**

The Community Benefits and Fair Work Practices are delivered as part of the Procurement Reform project. This is fully aligned to the delivery of the Council's current approved Procurement Strategy and objectives

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues, however it is worth noting the positive impact of the proposed improvements.-

i. **Equalities**

Community benefit activity includes activities designed to support excluded groups.

ii **Sustainability**

Community benefits directly contributes to sustainable procurement.

7 **CONCLUSION**

The approach to Community Benefits in Dundee meets the requirements of the Procurement Reform Act and continues to maximise the economic and social benefits for the citizens of Dundee from Corporate Procurement. The Corporate Procurement Team is contributing positively to the Councils commitments to promote the Living Wage within legal boundaries.

8 **BACKGROUND PAPERS**

None

Community Benefits Capital Construction Programmes Project Summary

	Local Contractor spend	% Local Spend	Local Labour	New Starts	Apprentices (Project Initiated)	Work Experience Opportunities	Awareness Raising Events	Individuals Supported Through Awareness Raising
V&A	£2,885,032	12%	57%	16	5	9	16	324
Railway Station	£160,760	8%	32%		2	1	2	22
Sidlaw View	£4,553,938	85%	75%	5	1	20	29	813
Baldragon	£1,597,000	97%	85%	1		4	6	68
Menzieshill	£85,955	35%	96%			4	5	383
Harris	£3,970,961	27%	52%	6	8	21	29	411
Waterfront 4	£3,705,677	41%	58%	7	3	7	7	130
Totals	£16,959,323	43%	65%	35	19	66	94	2151

*Monitoring figures until end of May 2016 except V&A local contractor spend which is April 2016

** Scape Framework Projects (Sidlaw View and Menzieshill measure define local within 40 rather than 35 miles)

*** Dundee Railway Station initial phase of the contract involves specialist contractors and less opportunity for community benefit activity. This is anticipated to increase later in the contract.

Community Benefits Committed/ Requested from Capital Construction Programmes

V&A Dundee – BAM Construction

BAM have been on site since March 2015, progress until end of April includes:-

- **Local Contractor Information** – Contractors are asked to report on the percentage of spend allocated to local subcontractors and suppliers within a 35 mile radius, on monthly basis. Since the beginning of the project in March 2015 until the end of April 2016 £2,885,032 or 12% of the contract value has been spent with local subcontractors and suppliers. Local subcontractors and suppliers include JB Corries (fencing), D Geddes (Operated Plant) and Breedon (materials)
- **Supplier Development Activity** – 4 Supplier Development Events have been delivered to date a major V&A Dundee Supplier Development Information session on 14 August 2015.
- **Social Enterprise Activity** – PJ Careys have engaged Hillcrest Maintenance to provide cleaning services.
- **Local Labour**- In April 2016, 66% of the labour on site was local (within 35 miles) and from May 2015 to the end of April 2016 an average of 57% of labour on site was local.
- **Employment Opportunities** – 33 Employment Opportunities have been created on site since March 2015 and of those 16 are defined as ‘new start’ employment opportunities. New Start employment opportunities are those that have been filled with candidates who were previously unemployed candidates, a new start from a training programmes or those experiencing redundancy.
- **Apprentices** – 5 apprentices have started including 3 previously redundant apprentices from Muirfield Contracts and 2 new start joinery apprentices with PJ Careys. There are also 7 existing apprentices on site.
- **School Work Experience** – 3 school pupils from Grove Academy and Craigie High School completed Engineering work placements with Careys in November 2015 and are returning for a further 2 weeks in June 2016.
- **Work Experience Placements** – 6 work placements have progressed to date with a further 2 placements scheduled in May 2016.
- **Awareness Raising Activity** – 16 awareness raising events have been delivered to date, supporting 324 clients. These have included Employability Fund visits from Craigowl, Barnardos and Helm and various University visits. In addition the contractor participated in the Peoples Tower project to rebuild and demolition a cardboard version of Royal Arch, an iconic structure originally built in 1844 to commemorate the visit of Queen Victoria and Prince Albert to Dundee. Peoples Towers have been built all over the world with designs based on building of architectural interest particular to a place. The Dundee event was well supported by the local community both assisting in construction and demolition.
- **Other Community Benefits** – Various fundraising events by BAM or their subcontractors including a ‘Buy a Brick Campaign’ for Alzheimer’s Scotland, support to the ‘Movember’ campaign and the Council Christmas Toy appeal.

Dundee Railway Station, Hotel and Concourse – Balfour Beatty Construction

This contract involves a 9 month specialised civil engineering phase involving constructing a bridge over the Railway Track. It is recognised that this phase will have limited community benefit opportunities with more coming with construction phase of the programme. Progress to date includes:-

- **Supplier Development Activity** – Meet the Buyer event held in November 2015 for local contractors and suppliers and involvement in Tayside Meet the Buyer, in February 2016. Balfour Beatty have committed to advertise all subcontract opportunities on Public Contract Scotland
- **Local Contractor Spend Activity** – measures now in place to track subcontract and supply spend (including materials) within 35 miles of site. In May 2016 13% of spend was allocated locally with an average of 8% since the beginning of the project or £160,760. Initial activity is more specialist with less opportunities for local contractors, this will change as the project to the construction phase.
- **Social Enterprise Activity** –Hillcrest Maintenance Services continue to provide site cleaning services and Balfour Beatty have agreed to be prize sponsor's for the Dundee Social Enterprise Conference planned for October 2016.
- **Local Labour** – 9% of labour on site to date are local (within 35 miles) in May 2016, an average of 32% since the project started.
- **Apprentices** – 2 General Construction Operative Modern Apprentices who where being made redundant from Waterfront 4 with Robert McAlpine have been employed and will be supported to complete their apprenticeship
- **Work placement** – 1 work placement delivered to date for a University Civil Engineering student. College, school and employability work placements planned for June 2016
- **Awareness Raising** – there has been 2 awareness raising activities to date supporting 22 individuals. These have included visits from an HND Civil Engineering Group from Dundee and Angus College and a Jobcentre staff visit intended to give advisers an insight into the construction industry.

Sidlaw View Primary School – Robertson Construction

This contract has been on site since July 2015 and will be delivered as part of the Scape framework which includes some slightly different Community Benefit requirements. Community Benefit engagement on this site has been particularly strong with the contractor having achieved and in some areas significantly over achieved on their Community Benefit targets.

- **Local Contractor Information** – from July 2015 to the end of May 2016 85% or £4,553,938 of contracted spend has been with local subcontractors and suppliers within a 40 mile radius (note Scape framework measures at 40 rather than 35 miles). Local contractors include Kilmac Construction, McGills and Jackson Steel Structures Ltd.
- **New Start Employment Opportunities** – 5 new start employment opportunities have been created and filled with previously unemployed candidates or young people from training programmes. These include 3 candidates employed by Kilmac Construction from the Construction Employability programme, a pre-recruitment training programme targeted at young people with significant barriers to employment.
- **Local Labour** – In May 2016, 93% of staff on site where local (note Scape Framework measures at 40 rather than 35 miles) and an average of 75% have been local since the beginning of the project.

- **Apprentice Opportunities** – 1 apprentice opportunity has been created to date with 2 more due to start their training in August. There has also been 7 existing apprentices on site.
- **Work Experience Placements** – 20 work experience placements have been delivered, with an original target of 9. These have included 9 work placements for school pupils and 11 clients from college and employability programmes, including 6 as part of the Construction Employability Programme targeted at young people with multiple barriers to employment.
- **Awareness Raising** – 29 Awareness Raising Sessions have been delivered to date supporting 813 people. These have included a CV workshop and a motivational session for young job seekers; college visits and various talks to current Sidlaw View Primary and Nursery children and Baldragon pupils.
- **Donation of Materials** – the project has donated over £500 of building materials to support a Dundee and Angus College design project to build planters, garden furniture and a sand pit for the new nursery.

Baldragon Academy – Robertson Construction

This project has been on site since February 2016 and delivered under the HUBCO framework.

- **Local Contractor Information** – from February 2016 to end of April 2016 £1,597,000 of contract spend has been spent with local contractors and suppliers (within 35 miles), accounting for an average of 97% local spend. Local contractors have included McGils, Kilmac Construction, Jackson Steel and Alpine Fencing
- **Social Enterprise Activity** – the site spend £1,800 with local social enterprise Tayside Reusers on site furniture and white goods secured through the social enterprise catalogue.
- **Local Labour** – In May 2016 88% of staff were local (within 35 miles of site) and an average of 85% has been local since the start of the project.
- **New Start Employment Opportunities** - 1 new start employment opportunity has been created and filled with previously unemployed candidates or redundant clients or young people from training programmes.
- **Apprentice Opportunities** – 5 opportunities for existing apprentices have been delivered to date with a target of 5 new apprentices to be delivered over the project.
- **Work Placements** – 4 work placement opportunities have been delivered to including Dundee and Angus College Civil Engineering placements and Jobcentre Work Experience programme placements.
- **Awareness Raising** – 6 awareness raising events have been delivered to date supporting 68 individuals. These have included Bridge and Tower Building activities with Baldragon school pupils and an Abertay University site visit.
- **Workforce Development Outcomes** – 10 individuals from subcontractors participated in Leadership and Management training and 3 participated in advanced health and safety training

Menziesshill Primary School – Robertson Construction

This project has been on site since May 2016 and will be delivered under the Scape Framework.

- **Local Contractor Information** – In May 2016, £85,955 of local contract spend was spent with local contractors and suppliers within 40 miles (note Scape measures 40 rather than 35 miles). This accounts for 35% of the contract spend to date.
- **Local Labour** – 96% of labour on site was local in May 2016.
- **Work Placement** – 4 work placements have already started on site in May, with placements provided for a young person at school, 2 college students and 1 young person on an Activity Agreement programme.
- **Workforce Development** – 94 individuals on site have participated in 11 tool box talks.
- **Awareness Raising** - The awareness programme has already begun, delivering 5 events to date, supporting 383 individuals. This has included Health & Safety Visits to 3 local primary schools, participation in Mock Interviews at St Pauls and a career talk to Dundee and Angus College students.

Completed Programmes

Harris Academy with Robertson Construction

This contract was complete in March 2016. It has achieved all of its stated Community Benefit targets and in some cases over achieved them.

- 27% of the contract value or £3,970,961 has been spent locally (within 35 miles)
- 52% of labour on site was local (within 35 miles)
- 6 New Start employment opportunities have been created and filled with previously unemployed candidates or young people from training programmes.
- 1 Graduate opportunity has been created
- 8 Modern Apprentice new opportunities have been created
- 4 school based work experience have been delivered
- 17 post school work placements have been delivered on site supporting young people and adults to gain experience in the construction industry.
- 29 Awareness Raising Events have been delivered supporting 411 individuals and significantly exceeding their targets for this element.

Dundee Waterfront 4 with Sir Robert McAlpine

This contract has come to an end and has achieved all of its stated Community Benefit targets and in some cases over achieved them. Summary of activity:-

- 41% of the contract value or £3,705,677 has been spent locally (within 35 miles of site)
- 58% of labour on site was local (within 35 miles)
- 7 New Start employment opportunities have been created and filled with previously unemployed candidates or young people from training programmes.
- 1 Graduate opportunity has been created
- 3 Modern Apprentice opportunities have been created
- 7 Work Placements have been delivered on site supporting young people and adults
- 7 Awareness Raising events delivered to date supporting over 130 clients
- The company has also supported initiatives including the Mary Slessor Centre Monument and Roseangle Community Playground

Alexander Street Development – Harts

This programme will be delivered in partnership with Hillcrest and will be due on site in summer 2016 and has the following Community Benefit targets

Community Benefit Area	Target
Supplier Development	
Supplier Development Events	2
Employment and Skills	
Local Labour Monitoring	Monitor Only
New Start Employment Opportunities	3
Apprentices (Project Initiated)	4
Work Experience (School & Post School)	8
Awareness Raising/Curriculum Support Events	4

Community Benefits Committed/ Requested from Other Contracts**Construction**

Contract Area	Status	Description	Community Benefit Ask
Electrical Inspection and Testing	Agreed in Contract	Electrical testing of domestic properties	2 school based Work Experience placements per annum (8 total) 1 Employability Work Placement per annum (4 total) 2 per annum (8 total) Student Talks or visits to relevant groups of Dundee and Angus College students
H&S Service and Maintenance of Sprinkler Protection Systems	Agreed in Contract	Inspection and Testing of Sprinkler Systems	1 per annum (4 total) Student Talks to relevant groups of students
H&S Fan Convectors	Agreed in Contract	Inspection and Testing of Convector	1 per annum (4 total) Student Talks to relevant groups of students
H&S Air Conditioning Units	In Tendering Process	Inspection and Testing of Air Conditioning Systems	1 per annum (4 total) Student Talks to relevant groups of students
H&S Heating and Ventilation Control Systems	In tendering process	Service and Maintenance of Heating and Ventilation Control Systems	2 awareness raising per annum
H& S Fire Extinguishers	In tendering process	Inspection and Testing of Fire Extinguishers	1 per annum Student Talks to relevant groups of students
Site Investigation for Camperdown Dock Gate	Planned	Inspection and Testing of Air Conditioning Systems	1 curriculum support event for relevant groups of students
Menzieshill Demolition	In tendering process	Demolition of Menzieshill High School	2 curriculum support events or work placements for relevant groups of students

Non Construction

Contract Area	Status	Description	Community Benefit Ask
Occupational Health	Agreed in Contract	Delivery of Occupational Health Service including Counselling and Physiotherapy Services	5 per annum (15 total) – Supplier Development Events for Local SMEs. Will include the delivery of mini health checks in partnership with Healthy Working Lives 5 per annum (15 total) – Awareness Raising Events to include training on ‘Common Health Conditions from groups of staff from Jobcentre Plus and Employability partners 1 school work experience per annum (3 total) for a senior pupil in Physiotherapy or Health Surveillance

			Explore 1 work placement from a University based Physiotherapist Student
Cyclone and Filer Ash	Agreed in Contract	Collection, Transport& Recycling, Reuse or Disposal of Energy from Waste Cyclone and Filter Ash Residues	1 commitment to meet with local providers to discuss options for the recycling and reuse of ash products in a sustainable manner 2 per annum (3 total) Delivery of Student Talks to groups of Pre-Apprentice and Renewable Energy Students at Dundee and Angus College
Dundee & Angus Residual Waste Contract	In Tendering Process		Operational Phase requirements include (potential 20 – 25 year contract) 2 Supplier Development Events for SMEs and social enterprises per annum 25 hours of Business Mentoring per annum 2 New Start Employment Opportunities 2 New Modern Apprenticeships 4 Work placements per annum 2 Awareness Raising Events per annum 4 Environmental Awareness Events per annum If a Construction Phase is proposed a full Community Benefits programme would be implemented using the Client Based Approach Benchmarks to agree targets based on value
Museum Collections Management System	Agreed in Contract	Development and Delivery of a new collection management system for McManus Gallery	To propose development opportunities for local digital media companies including start ups.
National Entitlement Cards	Agreed in Contract	The production and manufacture of National Entitlement cards	2 awareness raising sessions per annum (10 total)
Health and Social Care – Home Care Contracts	Agreed in Contract	Delivery of contracted Home Care services	13 New Start Employment opportunities per annum 22 Work Experience opportunities per annum 31 Awareness raising opportunities per annum
Health and Social Care – Sensory Services	In Tender Process	Provision of sensory support services	2 awareness raising sessions per annum

FAIR WORK PRACTICES GUIDANCE

Dundee City Council and the wider Public Sector in Scotland is committed to the delivery of high quality public services, and recognises that this is critically dependent on a workforce that is well rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is engaged in decision making. These factors are also important for workforce recruitment and retention, and thus continuity of service. Public Bodies in Scotland are adopting fair work practices, which include:-

- a fair and equal pay policy that includes a commitment to supporting the Living Wage, including, for example, being a Living Wage Accredited Employer;
- clear managerial responsibility to nurture talent and help individuals fulfil their potential, including, for example, a strong commitment to Modern Apprenticeships and the development of Scotland's young workforce;
- promoting equality of opportunity and developing a workforce which reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability;
- support for learning and development;
- stability of employment and hours of work, and avoiding exploitative employment practices, including, for example, no inappropriate use of zero hours contracts;
- flexible working (including for example practices such as flexi-time and career breaks) and support for family friendly working and wider work life balance; and
- support for progressive workforce engagement, for example Trade Union recognition and representation where possible, otherwise alternative arrangements to give staff an effective voice.

In order to ensure the highest standards of service quality in this Contract we expect Contractors to take a similarly positive approach to fair work practices as part of a fair and equitable employment and rewards package. Further information about the Scottish Government's Fair Work Practices approach is provided at <http://www.gov.scot/Publications/2015/10/2086/> (October 2015). The Statutory Guidance applies to regulated procurement commencing on or after 1 November 2015.

Further Guidance on the Living Wage

Dundee City Council is committed to encouraging suppliers to pay the Living Wage.

What is a Living Wage?

The Living wage is a term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition for a person for an extended period of time (lifetime). This standard generally means that a person working full-time, with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health care, and recreation.

The current **Living Wage** hourly rate is £8.25 (from November 2015)* this figure is based on research carried out by the Joseph Rowntree Foundation which looked at developing a formula for calculating a minimum income standard. This would apply to all employees aged 18 or over with the exception of apprentices and interns. This figure changes on an annual basis in November each year and is announced as part of Living Wage week.

For avoidance of doubt this rate differs from the 'National Living Wage' which from 2 April 2016 will replace the National Minimum Wage. This is set by the UK government and only applies to those over 25 years old.

Why are contractors being encouraged to pay the Living Wage?

It is important that companies who benefit from public money can demonstrate that they are putting something back into their communities and we intend to use our Procurement to raise standards of pay.

What benefits do the Employers receive?

Paying a Living Wage offers clear benefits to Employers. The payment of a Living Wage can have a positive impact of value for money and service delivery. Feedback from suppliers who have implemented the Living Wage has identified benefits including:

- Easier recruitment and retention, reducing recruitment costs
- Higher quality staff
- Better attendance
- Better productivity, motivation and loyalty

Further information on the Living Wage in Scotland is available at <http://scottishlivingwage.org/> and <http://www.livingwage.org.uk/>

Fair Work Practices

Question:

Please describe how you will commit to Fair Work Practices for workers (including any agency or Sub-Contractor workers) engaged in the delivery of this Contract.

Answers need to be consistent with but not limited to the subject matter.

Good answers will reassure evaluators that your company takes a positive approach to rewarding staff at a level that helps tackle inequality (e.g. through a commitment to paying at least the Living Wage); improving the wider diversity of your staff; providing skills and training, and opportunities to use skills which help staff fulfil their potential; avoiding exploitative employment practices (e.g. in relation to matters such as the inappropriate use of zero hours contracts); taking the engagement and empowerment of staff engaged on this Contract seriously, including having arrangements in place to ensure Trade Union representation where possible; otherwise alternative arrangements to give staff an effective voice; and that your company will demonstrate organisational integrity with regards to the delivery of those policies.

This reassurance can include a variety of practices which demonstrate your approach to fair work and should be tangible and measurable examples that can be monitored and reported during Contract management procedures



Dundee Central Waterfront Living Wage Agreements

The vision for the Waterfront is "To transform the City of Dundee into a world leading waterfront destination for visitors and businesses through the enhancement of its physical, economic and cultural assets." Dundee City Council is committed to ensuring that maximum economic and social benefit is secured for all of its citizens during this transformation process, which includes tackling in work poverty.

Dundee City Council is a Living Wage Employer. Payment of the Living Wage is recognised as an important part of being a progressive employer and contributing towards addressing the challenge of in work poverty.

The Council is aspiring that Dundee becomes a Living Wage City and is committed to encouraging all businesses operating and subcontracting in the design and build stage within the Dundee Central Waterfront and end users to consider paying it.

It is important that companies who benefit from public money can demonstrate that they are putting something back into their communities and key benefits from businesses implementing the Living Wage include: easier recruitment & retention; higher quality of staff and better productivity, motivation and loyalty.

The Living wage is a term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition for a person for an extended period of time (lifetime). This standard generally means that a person working full-time, with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health care, and recreation.

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*This figure changes on an annual basis in November each year

The Living Wage Pledge

To achieve this Dundee City Council requests developers to consider, as far as is practical, to pay the Living Wage to all staff during the both the Construction and End User Phases of Developments

Paying a Living Wage offers clear benefits to employers. The payment of a Living Wage can have a positive impact of value for money and service delivery. Feedback from suppliers who have implemented the Living Wage has identified benefits including:-

- Easier recruitment and retention, reducing recruitment costs
- Higher quality staff
- Better attendance
- Better productivity, motivation and loyalty

Construction Phases

- Developers commit to as much as possible promote the Living Wage among contractors and subcontractors
- Monitoring implementation of the Living Wage within construction phase. Dundee City Council can provide guidance on monitoring approaches.

End User Agreements

- Developers commit to as much as possible promote the Living Wage among tenants
- Monitoring implementation of the Living Wage within the end use phase. Dundee City Council can provide guidance on monitoring approaches.