

**REPORT TO: POLICY AND RESOURCES COMMITTEE
- 20 OCTOBER 2003**

REPORT ON: COMMUNITY BENEFITS AND PROCUREMENT

**REPORT BY: HEAD OF COMMUNITIES AND CITY ARCHITECTURAL SERVICES
OFFICER**

REPORT NO: 647-2003

1.0 PURPOSE OF REPORT

1.1 To provide background and seek approval from the Council to take part in a Scottish Executive pilot programme aimed at assisting local contracting authorities to obtain community benefits through their procurement activity.

2.0 RECOMMENDATIONS

2.1 It is recommended that Dundee City Council takes part in a two-year Scottish Executive pilot programme aimed at obtaining community benefits through procurement activity.

3.0 FINANCIAL IMPLICATIONS

3.1 The Scottish Executive have agreed a budget that would cover the costs of the three pilot projects in terms of the consultancy support, legal costs and the organisation of national workshops.

3.2 The participating local authorities would be expected to engage in the pilot projects by the release of their own staff to take part in the collective learning workshops and to undertake work locally relating to their own procurement activity.

3.3 The Scottish Executive are currently discussing whether participating local authorities should contribute in part to the costs of the pilot projects.

3.4 At the workshop held in Dundee, there was support from local partners for the initiative and an interest in exploring further the potential for the City Council and its partners to obtain community benefits through their procurement activity.

4.0 LOCAL AGENDA 21 IMPLICATIONS

4.1 Community benefit proposals are consistent with the spirit of Local Agenda 21.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The introduction of community benefits clauses into any procurement contract requires to be done in such a way as to ensure compliance with UK and European Employment Legislation.

5.2 The objective of community benefit clauses would be to improve opportunities for citizens of Dundee who currently face difficulty in securing employment opportunities.

6.0 BACKGROUND

6.1 Earlier this year, the Scottish Executive announced a pilot project and invited Scottish local authorities to express interest in taking part.

6.2 A seminar was held in Dundee on 28 August which brought together a range of key stakeholders from within the Council and its Community Planning partners.

6.3 At this seminar, the Scottish Executive laid out the aims of the pilot programme which are as follows:

- to assist a range of local contracting authorities in obtaining community benefits through their procurement activity;
- to provide a collective learning programme that will allow the participating bodies to share experience and discuss progress;
- to produce a tool-kit, case studies and good practice materials.

6.4 The Scottish Executive will provide consultancy support for project development covering the following:

- discussion of local programmes and suitable opportunities
- discussion of powers and policies
- identification of suitable community benefits
- discussion of supply-side infrastructure
- attendance at Local Steering Group or Partnership meetings
- support for the organisation of two progress sessions/seminars.

6.5 In addition, the Scottish Executive will provide legal support equivalent to 2.5 days to each pilot project which will cover the following:

- adaptation to “model clauses” to be used in procurement
- telephone and e-mail support and advice on inclusion of community benefits through procurement procedures

6.6 It is assumed that Legal and Procurement Officers from the participating bodies will have met the Legal Team and be briefed on the model clauses and an appropriate procurement procedures at the first collective learning workshop. Dundee City Council has been invited to this event.

6.7 **Collective Learning Workshops**

There will be four learning workshops for officers from participating organisations over the two-year period of the pilot project. These will cover:

- procurement rules and procedures
- supply-side activities
- progress reviews
- good practice outcomes

6.8 **Good Practice Reviews and Case Studies**

Towards the end of the two-year programme, good practice reviews and case studies will be undertaken with the participating organisations. These will be combined with legal and contextual material to produce a practice guide for Scotland.

7.0 **CONSULTATION**

7.1 This report has been prepared following consultation with the Chief Executive, the Depute Chief Executive (Finance), the Depute Chief Executive (Support Services), the Assistant Chief Executive (Community Planning).

7.2 In addition, Communities Scotland, the Construction Industry Training Board, Dundee Anti Poverty Forum, Job Centre Plus, Scottish Enterprise Tayside, and the Dundee Employment and Aftercare Project, all of whom attended the seminar, have been consulted in the preparation of this report and have indicated their support in principle should the City Council agree to take part in the pilot project.

8.0 BACKGROUND PAPERS

- 8.1 No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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9 October 2003

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9 October 2003