# ITEM No ...8......

- **REPORT TO: POLICY AND RESOURCES COMMITTEE 24 APRIL 2023**
- REPORT ON: ANNUAL PROCUREMENT REPORT AND COMMUNITY BENEFITS UPDATE 2021/22
- **REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 70-2023** 

#### 1. PURPOSE OF REPORT

1.1 The purpose of this report is to notify committee of the Annual Procurement Report for the Council, which provides an update on the progress made of work being undertaken in the year 2021/2022 and details the future planned activity of the Corporate Procurement Team. The report is also an update on the Community Benefit activity within the City.

#### 2. **RECOMMENDATION**

- 2.1 It is recommended that the Committee:
  - (a) notes progress made within the Corporate Procurement Team and approves the planned actions and activities to realise the savings and benefits targets included in the report;
  - (b) approves the priorities outlined in Key Future Workstreams detailed in Section 5 of the Report;
  - (c) notes the annual procurement report will be published on the Council's website; and
  - (d) notes the progress made with Community Benefits and that these continue to be a key part of any new contracts which are procured.

#### 3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications associated with this report. The delivery of the Council's Corporate Procurement Strategy continues to provide ongoing savings for Dundee City Council and partner organisations. Work continues with services on an ongoing basis to identify further savings opportunities in order to incorporate them as part of the revenue and capital budget setting processes.

#### 4. MAIN TEXT

- 4.1 The priorities and outcomes for Corporate Procurement are to:
  - continue a corporate, consistent and commercially focused approach to all procurement and commissioning activities;
  - improve the systems, skillset and knowledge base to support this approach; and
  - embed sustainable procurement and community benefits as business as usual, and secure maximum social value from the council's significant spend.
- 4.2 Community benefits must be considered for all procurement processes at or above £4 million in value, the sustainable procurement duty may result in the inclusion of community benefit requirements at lower thresholds. Dundee City Council has adopted the approach of considering the inclusion of Community Benefits in all procurements, where appropriate. The disruption from the pandemic and slow down in the wider economy impacted the Community Benefits programmes in the period April 2021 to March 2022. This manifested in a general

reduction in spend across the programme and in employability outcomes, as disruption caused to current programmes and delays and potential cost increases to planned programmes affected spend and contractor confidence to recruit particularly around apprenticeships.

- 4.4 As with previous years, Community Benefits are considered on all relevant contracts, focusing on those with the greatest potential impact. While we have continued to operate no penalty for those unable to achieve their outcomes due to the pandemic, in general most contractors were able to achieve their contractual requirements through alternative options or through catching up with additional activity when restrictions had lifted. Contractors did not always overachieve on targets as had happened more frequently pre covid.
- 4.5 The table on Page 7 of the Community Benefits Update provides the breakdown of targets achieved in Construction projects from April 2021 to March 2022 where onsite projects included Caird Avenue Nursery, Derby Street Housing Development, Broughty Ferry Flood Defence Project, Dundee and Angus Residual Waste Plant and Michelin Innovation Park.
- 4.6 One of the most important aspects of Community Benefits continues to be the degree to which we can encourage contractors to spend locally. This will be an important element of procurement's contribution to the emerging Community Wealth Building Approach. While the actual amounts fluctuate depending upon the level of activity each year, the percentage rates for local spend remains steady. For 2021/22, an average of 57% of contract spend was spent locally. This also impacts on local labour figures, which remain over 74%. This has been supported by a range of outcomes including enforcing spend monitoring, providing information about local contractors in relevant disciplines to ensure they had the opportunity to compete for work. This is important as it directly supports the local economy by strengthening local business and sustaining local employment.
- 4.7 Appendix 2 of the Annual Procurement Report provides more details of some of the activities undertaken and details the Community Benefits achieved.
- 4.8 Activity for 2021/22 Supplier Development Local Construction Spend (within 35 miles) was £7,774,895.
- 4.9 Average percentage of spend which was local (within 35 miles) was 57%. This was impacted by the inclusion of very specialised projects such as the Residual Waste programme, as projects which require more specialised packages can sometimes tend to have lower local spend rates.
- 4.10 Average Local Labour (within 35 miles) was 74% reflecting the encouragement to use local subcontractors and recruit locally when required.
- 4.11 17 Work Experience Opportunities, and 39 Awareness Raising Activities were delivered supporting 1,684 individuals. A total of 4 Employment and Skills Employment Opportunities were created of which 1 was a New Start (previously unemployed, redundant, graduates or new entrants). In addition, 5 Project Initiated Modern Apprenticeships were also created, and 19 Existing Modern Apprentices were recorded. Both evidence contractor hesitancy to recruit at the entry level and from higher risk groups. Ways of overcoming this hesitancy will be developed as part of the Community Wealth Building strategy, as recruitment and development of staff goes beyond individual contracts. More informal monitoring in place during and in the months after the pandemic is likely to have also impacted on targets like employment opportunities and existing apprenticeships which require robust onsite recording process to capture.
- 4.12 Corporate Procurement has been actively involved in the development of the Council's strategic approach to Community Wealth Building which was approved by Committee on 22nd November 2021 (report 312-2032 refers). This included the development of the

Delivering Community Wealth in Dundee Report in October 2021 by the Centre for Local Economic Strategies (CLES).

- 4.13 Early opportunities identified in this report and being undertaken by Corporate Procurement include: exploring options to improve baseline reporting to assess current spend and identify opportunities to drive increased local spend. While the monitoring of local spend is a feature of the Council's Community Benefits programme there is a need to improve intelligence on where the Council and other anchor institutions are using their procurement spend.
- 4.14 This includes exploring making greater use of the Scottish Government Grow Local tool to identify a baseline of spend ideally in a Dundee City, regional and national basis to provide a framework for increasing local and generative spend year on year. The Grow Local tool collects information on local suppliers from a range of resources and displays this by spend category. This provides Councils with added visibility of local suppliers who provide categories of services but who are not currently doing business with the Council.
- 4.15 In the future the department would like to develop and deploy Community Wish Lists these lists will allow local communities to directly influence the community benefits delivered in their areas. It is intended that staff will work with Local Community Planning Partnerships to gather and moderate requests which will be published on an online portal, which contractors with community benefits requirements within their contracts will be directed to deliver. This is intended to compliment rather than replace the existing community benefit approach. Further opportunities continue to be investigated beyond those listed above. The development of a Community Wealth Building Strategy is included as a priority with the Council Plan 2022-27 and further details on this will be reported to members in due course.
- 4.16 A Contract Register of all regulated procurements (over £50,000) that have been awarded will be available following approval of this report, this is in line with regulatory requirements. The attached Annual Procurement Report provides details of the work completed to date and the future activity in the next two years.

## 5. CONCLUSION

5.1 The ongoing Procurement activity within Dundee City Council has yielded benefits both from an efficiency and compliance perspective and will continue to ensure Best Value and Best Procurement Practice considerations. The Corporate Procurement Team has experienced significant staff turnover with many experienced staff leaving the team. This has provided an opportunity for a major transformation and this project is now underway working in collaboration with Scotland Excel (2023) to refresh the procurement function in supporting the delivery services across the Council.

#### 6. POLICY IMPLICATIONS

6.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

#### 7. CONSULTATION

7.1 The Council Leadership Team were consulted in the preparation of this report.

#### 8. BACKGROUND PAPERS

8.1 None.

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ROBERT EMMOTT EXECUTIVE DIRECTOR OF CORPORATE SERVICES 5 APRIL 2023

# Annual Procurement Report 1 April 2021- 31 March 2022



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#### 2. Introduction

Section 18 of the Procurement Reform (Scotland) Act 2014 (the Act) requires any public organisation obliged to publish a procurement strategy and to prepare an annual report on its regulated procurements. This report covers the period from 1<sup>st</sup> April 2021 to the end of the Council's financial year on 31<sup>st</sup> March 2022.

Dundee City Council is required to prepare a strategy and to comply with the Act. A Corporate Procurement Strategy was published in June 2018 setting out how the Council would approach its external spend on goods, services and works over the two-year period 2018-2020. A new procurement strategy for the Council is in development and will be presented to Members for approval in April 2023

The Corporate Procurement Strategy sets out the strategic aims and objectives that will improve, innovate and transform how the Council procures goods and services in support of the Council's objectives. The priorities and outcomes for Corporate Procurement are:

- Implementing a corporate, consistent and commercially focused approach to all procurement and commissioning activities;
- Improving the systems, skillset and knowledge base to support this approach;
- Embedding and sustainable procurement as 'business as usual' and securing maximum social value from the council's significant spend.
- Ensuring legal compliance and governance
- Providing savings and Added Value
- Having a leaner, more efficient and effective procurement function

These strategic aims and associated objectives contribute to the Council Plan. The

annual report must include:

- a) a summary of the regulated procurements that have been completed during the year covered by the report,
- b) a review of whether those procurements complied with the authority's procurement strategy,
- c) the extent that any regulated procurements did not comply, and a statement of how the authority intends to ensure that future regulated procurements do comply,
- d) a summary of any community benefit requirements delivered as part of a regulated procurement that were fulfilled during the year covered by the report,
- e) a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- f) a summary of the regulated procurements the authority expects to commence in the next two financial years,
- g) such other information as the Scottish Ministers may by order specify.

This report relates to all regulated procurements.

# 3. Dundee City Council Context

The Council Plan 2022-27 sets out how the Council will play its part in the achieving the vision set out in the City Plan. Over this period, the Council will build on the strong partnerships that already exist across the public, private, education and third sectors.

The Council's top priorities are directly supported by the council services. Corporate Procurement provides a centralised procurement service to our clients by making sure their requirements for goods, services and works are procured in the most effective and efficient way to maximise the achievement of best value.

- Social Challenges
  - Tackling poverty through the Fairness Action Plan
  - Giving children the best start in life with integrated Children and Family Services and enhanced early years provision
  - Ensuring children are safe and protected at home, school and in the community
  - Closing the attainment gap for children from poorer areas and those who are looked after
  - Provide housing which is affordable and efficient to heat
- Economic Challenges
  - Implementing the Tay Cities Deal, which can generate an additional £900 million per annum for the Scottish economy and create up to 15,000 jobs over the tenyear life of the programme
  - Focusing our activities over the next 20 years around a number of key sectoral strengths; life sciences, healthcare, digital technology, tourism and hospitality and creative industries
  - Maximising the city's cultural led regeneration
  - Promoting inclusive growth that helps to tackle the deep-rooted inequalities
  - Tackling long term unemployment, helping our young people to engage in positive activity and enabling those in entry level jobs to progress to better paid fair employment
- Environment Sustainability Challenges
  - Delivering significant reduction in CO2 emissions
  - Reducing Fuel Poverty
  - Improving Air Quality
  - Preparing a new Urban Biodiversity Plan
  - Increasing the percentage of waste recycled
  - Increasing the number of district heating schemes
  - Increasing Active Travel walking and cycling to work, school and for leisure
  - Increasing ultra-low emission and electric vehicles
  - Improving public transport through innovative approaches to sharing and smart travel
  - Including planning guidance to require all new buildings to incorporate measures to reduce the level of carbon emissions; support renewable energy generation; and encourage the use of heat networks in new developments.
  - Publishing a sustainable energy and climate change plan
- Community Safety Challenges
  - Reduced levels of crime and fear of crime

- Reduced levels of domestic abuse
- Protection of vulnerable adults
- Reduced levels of re-offending
- Reduced levels of antisocial behaviour
- Improved road safety
- Health and Wellbeing Challenges
  - Integrating Health and Social Care to deliver more care in the community
  - Developing smart health and care strategies to benefit from advances in health technology
  - Improving health and well-being of all citizens especially for children and families
  - Reducing substance abuse
- Organisational Challenges
  - Make the best use of the financial resources available to us, ensuring best value for the public purse
  - Have a flexible, skilled and motivated workforce
  - Listen to, and be responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed
  - Work closely with our partners, including local communities, to deliver a single set of outcomes for all citizens of Dundee

The Corporate Procurement Team is set up to align procurement activity from Council services within a corporate Category Management structure. The Corporate Procurement Team is now fully engaged in allocated category responsibilities. Time has been spent engaging with officers within Council services to explain the role of Category Management, understand the existing contractual arrangements that are in place and to develop workplans with the respective officers. Work has also been undertaken to engage with our collaborative buying partners such as Tayside Procurement Consortium, the wider Tayside Public Sector organisations and Scotland Excel. A procurement service is also provided to Leisure & Culture Dundee, Tay Road Bridge Joint Board, Dundee Science Centre and Tayside Valuation Joint Board. Appendix 4 details the Scottish Model of Procurement and collaborative working.

Procurement activity within the Council, has continued with a centralised approach, from both a Procurement and Payments perspective. Performance metrics are used by the team to continuously track performance and identify areas for further improvement, the metrics used are:

Purchases	<u>2018/19</u>	2019//2020	2020/2021	2021/2022
Total Spend	£278,008,260	£256,696,698	£174,380,674	£210,082,585
Total number of suppliers	3357	3090	2267	2248
SME (small and medium enterprise) suppliers	1362	1223	1203	1379
SME Spend	37%	41%	46%	43%
Local Suppliers (Dundee City)	384	358	256	712

Local Spend (Dundee	34%	39%	37%	34%
City)				
Supported Business	0.20%	0.22%	(0.35%)	(0.35%)
Spend	(£574,560)	(£574,259)	(£621,644)	(£733,760)
Payments				
Total number of	138,868	129,311	99,005	80,430
invoice payments				
Invoices paid by	138,668	129,113	99,005	80,430
electronic means				
Value of invoices	£277,702,450	£256,673,353	£174,380,674	£210,082,585
paid by electronic				
means				
Invoices paid within 30				
days	97%	98%	96%	95%
Dundee supplier				
invoices paid within	98%	98%	98%	Not Reported
30 days				
Dundee supplier	95%	96%	94%	Not Reported
invoices paid within				
14 days				

Further improvements have been focused on:

- Spend Analysis the appointment of a Systems Officer has enabled further data and information analysis which is now being utilised to identify areas of spend to target for further contract and savings opportunities.
- Contract and Supplier Management Procurement Category Officers have been engaged with, and supporting services, in Contract and Supplier Management, this has resulted in more positive outcomes on contract performance. This approach has provided assurance that contracts are being delivered in line with their obligations and ensuring the Council is achieving best value in this area.

# 4. Summary of Regulated Procurements Completed

A regulated procurement is any procurement for supplies or services with a value over £50,000 and for works contracts with a value of over £2 million. A regulated procurement is completed when the contract is awarded and an award notice is published on Public Contracts Scotland web portal. This procurement activity is in line with Dundee City Council's Corporate Procurement Strategy.

Dundee City Council makes use of existing framework agreements wherever possible. Framework agreements provide a legally compliant route to market which has been previously advertising through the channels required by procurement legislation. Use of framework agreements allows an efficient use of time to market, to secure supplies or services, and also removes the need for duplication of work. Framework agreements can deliver economies of scale through volume leverage. Verification is undertaken that the framework agreements are accessible for Dundee City Council to use. Dundee City Council completed 18 regulated procurements with a value of  $\pounds77,168,032$  during the period of the report. The table below shows a summary of regulated procurement activity:

Period 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	
Number of completed procurements	18
Estimated value of all completed procurements	£77,168,032
Estimated savings from awarded contracts	£266,678
Number of light touch contracts awarded	1

Appendix 1 shows all Regulated Contracts awarded by Dundee City Council directly between 1 April 2020 and 31 March 2021

# 5. Review of Procurement Compliance

Mandatory Requirements of the Procurement Reform Act (Scotland) 2014 and Statutory Guidance Obligations lay out some mandatory requirements which the Procurement Strategy (2018 to 2020) includes, in particular:

How the organisation intends to make sure that its regulated procurements will contribute to the carrying out of its functions and the achievement of its purposes, by:

- Working under the guidance of this strategy will ensure procurement is delivered in a compliant, effective and efficient manner, provide a clear action plan for improvement and contribute to wider council objectives and priorities.
- Ensuring there is early engagement and clear communication channels between the Council Services and Corporate Procurement we will assist in achieving best value.
- The strategy will be monitored and reported as per the Monitoring, Reviewing and Reporting on the Strategy section of the strategy document, to make sure the key objectives are delivered and best value is secured.

Objective			Performance against Objective
Savings	and	Added	Compliant against:
Value			<ul> <li>Maximise the use of existing Category A, B and C1 contracts and framework agreements.</li> <li>This in itself is not a guarantee of best value.</li> </ul>
			All requirements are evaluated using Most Economically Advantageous Tender criteria
			<ul> <li>Lots considered for all procurements, where appropriate, including lots to promote SME/Third Sector and Supported Business participation</li> </ul>
			<ul> <li>Maximising the impact of contracts with the inclusion of Community Benefit Clauses</li> </ul>
			<ul> <li>Challenging the need and demand management</li> </ul>
			<ul> <li>Consulting and engaging with those affected by its procurements by engaging with internal and external stakeholders through various approaches, including but not limited to – working directly with client services, Meet the Buyer events, Supplier Development Programme</li> </ul>
			Key Future Workstreams:
			<ul> <li>Introduction of formal sourcing strategies for all regulated tender processes, underpinned by category strategies and an updated overarching procurement strategy.</li> </ul>

mpliant Against; The Council's Standing Orders and Tender Procedures apply to all contracts made by or on behalf of the Council for the execution of works, the supply of goods and materials and the provision of services, unless the contract is made under a framework agreement, in which
behalf of the Council for the execution of works, the supply of goods and materials and the provision of services, unless the contract is made under a framework agreement, in which
case the framework conditions apply. Procurement Team provides training and guidance to Officers on procurement process
Internal Audits ensure Officers are compliant with procurement process
Tender opportunities advertised on Public Contracts Scotland advertising portal for regulated procurements
Engagement with the Supplier Development Programme to help support SME's to bid for Council contracts
All procurement activity undertaken must comply with the above process and procedures which secures compliance with the Act and Statutory Guidance.
ey Future Workstreams:
There is always an element of expenditure that falls outside of contracts. A programme will be undertaken to establish the extent of this within the Council

Objective	Performance against Objective
Sustainable	Fully Complied
Procurement Duty	<ul> <li>The Sustainable Public Procurement Prioritisation tool (SPPPT) was completed and will be reviewed annually with all category teams using sustainability tests.</li> <li>The flexible framework was completed producing an action plan that will be reviewed annually</li> <li>Incorporated Sustainable Procurement objectives within the Corporate Procurement Strategy</li> </ul>
	Key Future Workstreams:
	<ul> <li>Working to incorporate new Scottish Government sustainable tools within procurement processes</li> </ul>
Objective	Performance against Objective
Community Benefits	Fully Complied
	<ul> <li>Dundee City Council's Community Benefit through Procurement Policy has been in place since 2012, with an update approved by Committee as part of the 2018/19 Annual Procurement Report. While community benefits must be considered for all procurement processes at or above £4 million in value the sustainable procurement duty may result in the inclusion of community benefit requirements at lower thresholds. Dundee City Council has adopted the approach to consider the inclusion of Community Benefits in all procurements, where appropriate.</li> </ul>
	Key Future Workstreams:
	<ul> <li>Continue to maximise the social and economic impact of the major developments across the city being led by the council</li> </ul>
	Making better use of council spend data and grow local tool to better monitor and track council spending with local and generative business

Objective	Performance against Objective					
Living Wage	Fully Complied					
	<ul> <li>Payment of a living wage - to persons involved in producing, providing or constructing the subject matter of regulated procurements. Fair Work practice criteria is included in all relevant procurement exercises</li> <li>Dundee City Council is an accredited Living Wage employer and as part of our accreditation carry out an annual review of all contracts to assess the number of individuals not being paid the living wage. An action plan is then developed.</li> </ul>					
	Key Future Workstreams:					
	<ul> <li>Continuing the work already started with major private sector employers and business organisations such as the Chamber of Commerce &amp; Scottish Enterprise to build further commitment to the Living Wage and Fair Work in Dundee</li> </ul>					
Objective	Performance against Objective					
Promoting	Fully Complied					
compliance with Health & Safety within contracts	• Promoting compliance with health and safety at work, including how a supplier/sub- contractor demonstrates compliance. Health and safety criterion forms part of the evaluation for all relevant and appropriate contracts. This element is a pass/fail criterion within the preselection (SPD) stage.					
	Key Future Workstreams:					
Objective	Performance against Objective					
The procurement of	Fully Complied					
fairly and ethically traded goods and	Ethically traded goods and services are considered for all appropriate contracts					
services	Key Future Workstreams:					

Objective	Performance against Objective
Community Health and Wellbeing and Animal welfare in Procurement of food	<ul> <li>Fully Complied</li> <li>Procurement requirements relating to Food procurement focus on nutritional quality, health and wellbeing, minimising environmental impact such as packaging and sourcing as well as the application of appropriate animal welfare standards in accordance with all relevant legislation.</li> <li>Key Future Workstreams:</li> </ul>
Objective	Performance against Objective
Payment of invoices within 30 days	Fully Complied
within 50 days	• The provision of prompt payment – no later than 30 days after invoice by the organisation to a supplier and/or sub-contractor, or by a sub- contractor to a sub-contractor. Prompt payment clauses requiring a 30-day payment term are embedded within our contractual terms and conditions.
	The Council achieved 98% of all invoices being paid within 30 days, with 129,311 invoices paid in 2021/22
	Key Future Workstreams:
	Further development of Purchase to Pay processes and systems are already underway

#### 6. Community Benefits Summary

Community Benefits in Dundee City Council are well established with a Community Benefit through Procurement Policy in place since 2012, and a refreshed policy provided with the 2018/19 Annual Procurement Report approved by Committee in June 2018. While community benefits must be considered for all procurement processes at or above £4 million in value the sustainable procurement duty may result in the inclusion of community benefit requirements at lower thresholds. Dundee City Council has adopted the approach to consider the inclusion of Community Benefits in all procurements, where appropriate.

While Community Benefit activity continues to be affected by the after effects of the pandemic Appendix 2 provides more details of some of the activities which have been undertaken and details the Community Benefits.

## 7. Supported Business Summary

Supported Businesses make an important contribution to the Scottish economy, through the goods and services they deliver, but also by providing meaningful employment, training and social support for those who may otherwise be excluded from the workplace.

This is an important element of the sustainable procurement duty and the steps taken by the organisation to facilitate the involvement of supported businesses in regulated procurements will therefore be helpful to the organisation in demonstrating compliance with that duty.

Dundee City Council has taken a proactive approach in working with Dovetail Enterprises, a Dundee based supported business. Key activities have been the sourcing and supply of furniture and other household goods for clients of the Scottish Welfare Fund, as well as furniture supply for Council establishments. Spend with Dovetail over the period 21/22 was £733,760. This spend has assisted in both sustaining and creating new employment opportunities within Dovetail. Further supply chain integration opportunities continue to be explored with other supported businesses. Dundee City Council is fully committed to considering opportunities for Supported Business, wherever possible.

# 8. Future Regulated Procurement Summary

Appendix 3 – details the upcoming tenders to be undertaken by Dundee City Council in the coming two years.

# Appendix 1 – Summary of Regulated Procurements awarded between 1 April 2021 and 31 March 2022

Doc ID	Notice Title	Total Final Value	Company	Award Date	Contract Owner
650929	Quality Funded Early Learning & Childcare (1140 hours)	25000000	Aberfoyle Childcare Services; Aberfoyle Too Nursery; Childminder; happy bunnies; Home Sweet Home Childcare; Kiddycare Day Nursery; Tots Academy Daycare Nursery;	21/04/2021	Dundee City Council

658127	Flexible Framework Agreement for Education & Social Support Services (Children & Families)	360000	Aberlour Child Care Trust; Action for Children Services Ltd; Alexander Community Development; Alpha Plus Training; Alternatives Counselling and Listening Rooms; Angus Carers Centre; Angus Women's Aid; Articulate Cultural Trust; Baldy Bane Theatre Company; Barnardo's; Capability Scotland; Catesbi Community Interest Company; Challenging Learning; Children 1st; Children in Scotland; Claire Sutherland; Columba 1400; Cooperative Learning Consultants Limited; Creative STAR Learning Ltd; Deaf Action; DIAS; Dundee Carers Centre; Dundee City Pipe Band & Youth Music Initiative; Dundee International Women's Centre; Dundee Science Centre; Dundee United Community Trust; Dundee United Sports Club; Dundee Women's Aid; Ecologia Youth Trust; EH5 Learning Ltd; Emotion Works CIC; Enterprise Centre; Full Colour Coaching Ltd; Gillian Pack; Giulia Montalbano; Growth Mindset Yeti; Helm; Hillcrest Futures; Includem; Kanzen Karate Ltd; Kate Hookham T/a Do Learn; Lindsey Scott Yoga and Mindful Movement; Making Sport Fit; Margaret Foley; Maxwell Information Centre; MCR Pathways; Mind Marvels; Mobile Assisted Learning; Mr; National Youth Choir of Scotland; NEWSolutions CIC; Nordoff Robbins; NoTosh Limited; One Parent Families Scotland; Osiris Educational; PAMIS (Promoting A More Inclusive Society); Parent to Parent; Peep Learning Limited; Penumbra; Perth Autism Support; Place2Be; Playback ICE; Pupiltrain Ltd; Relationships Scotland Family Mediation Tayside and Fife; RockSolid Dundee; Sacro; School of Hard Knocks; ScrapAntics C.I.C; Shaper/Caper; Showcase the Street; Skilz Academy; Speech and Language Zone; Stacy Anderson; Steven Leahy; Tayside Council on Alcohol; TeachMindset Ltd; The Inclusion Group; the Mudd Partnership Ltd; The Outward Bound Trust; The Sound Reading System; The Speech Language Communication Company; The Yard Adventure Centre; Titanic Honour and Glory Ltd; Tree of Knowledge; Venture Trust; Wellbeing Scotland; White Room Yoga; Winning Scotland	29/06/2021	Dundee City Council
					Council
669867	Award of Our Place Douglas Community Garden	453482.55	T & N Gilmartin (Contractors) Ltd	07/10/2021	Dundee City Council
660480	Award of MINI COMP VIA CCS RM3808 LOT 2 RE THE SUPPLY OF CISCO UCS HARDWARE	430589.81	Virgin Media Business	13/07/2021	Dundee City Council

678120	Award of Mini Competition via PfH DPS for Compliance Services & Associated Works. Periodic Inspections	260380	Safe Building Scheme Limited	22/12/2021	Dundee City Council
665238	TENDER FOR A SMART MOBILITY APP AS PART OF THE DUNDEE MOBILITY INNOVATION LIVING LABORATORY	194225	Ember Technology Ltd	30/08/2021	Dundee City Council
658233	Award of Magdalen Road Bridge Phase 2 (Lot 3 DCC Civils Framework)	193814.98	Chemcem Scotland Limited	23/06/2021	Dundee City Council
679906	Award of Lot 1 Civil Engineering Works - Hilltown Court and Bonnethill Court Phase 5	176710	T & N Gilmartin (Contractors) Ltd	17/01/2022	Dundee City Council
679620	Award of Lot 1 Civil Engineering Works - Mitchell Street Rear Paths & Steps Improvements	124287.46	Dundee Plant Company Limited	14/01/2022	Dundee City Council
661388	Award of CLATTO RESERVOIR VALVE REFURB AND ACTUATORS P23521	119546.48	A&L Mechanical Installations	22/07/2021	Dundee City Council
675967	Award of MINI COMPETITION FOR OUTDOOR PLAY EQUIPMENT AND ARTIFICIAL SURFACES (LOT 1) FOR PLAY ARE	98543	Wicksteed Leisure Ltd	06/12/2021	Dundee City Council
656872	Award of Housing Concrete Repair Works 21-22 (Lot 4 Civils Framework)	97119	Anderson Specialist Contracting	10/06/2021	Dundee City Council
679615	Award of Lot 1 Civil Engineering Works - Seabraes Viewpoint and Bandstand Renewal	89108.61	Dundee Plant Company Limited	14/01/2022	Dundee City Council
679962	Award of Broughty Ferry Road Retaining Wall Repair	89108.43	Dundee Plant Company Limited	18/01/2022	Dundee City Council
679951	Award of New Paper Storage at Marchbanks, Dundee	81188.61	Dundee Plant Company Limited	18/01/2022	Dundee City Council
674170	Award of Mini Competition via DCC Framework for Mechanical Services, Lochee Leisure Centre.	69758.75	Scan Building Services Ltd	17/11/2021	Dundee City Council
649796	Award of St Mary's PS, St Peter & Pauls PS - External Toilet Block Demolition and Alterations	52210.74	Dundee Plant Company Limited	05/04/2021	Dundee City Council

# Appendix 2 - Community Benefits Update

#### 1. Introduction

This section provides a brief overview of the Community Benefits approach in Dundee City Council and provides details of outcomes for current and past CB programmes. The report provides summaries of Community Benefit activity for the year April 2021 to March 2022 but also provides the cumulative total for projects to date and highlights particular achievements. While community benefits are now implemented across the range of council's procurement activity the largest projects remain in the Construction Area

#### 2. Covid and Economic Impact

The Covid 19 pandemic continued to impact the Community Benefits programme be it now more indirectly. Projects which had been delayed due to the pandemic were focusing on completing agreed programmes and some newer planned projects have had to be delayed due to increase costings for materials meaning some have had to be redesigned and re-costed. Employability partners, schools and training providers are continuing to report increased challenges in identifying and supporting candidates for opportunities as individuals who may have already been disengaged have moved further from the labour market despite an increase in available vacancies. While vacancy levels remain high in the wider economy contractors remain generally more risk averse, more likely to focus on meeting rather than over achieving their targets.

#### 3. Approach in Dundee

Community Benefits clauses are well established within Dundee City Council. For construction contracts the employment and skills minimum targets are provided using bench marks based on the Client Based Approach developed by the Construction Industry Training Board (CITB) and endorsed by the Scottish Government. This provides a range of minimum targets based on the type and estimated value of the contracts. Contractors are given the opportunity to increase these targets during the tender process but when agreed these become a mandatory element of the contract. The approach focuses on the development of Community Benefits in the areas of

- **Supplier Development** including Small to Medium Enterprise and social enterprises development activities and developing guidance to encourage local suppliers to compete for Council contracts.
- **Employment and Skills Activity** including activities to secure new employment opportunities including Modern Apprenticeships, share vacancies and secure work experience opportunities
- **Community and Awareness Raising Activity** including development of awareness raising activity, community programmes and donation of materials

## 4. Community Wealth Building

When Community Benefits was last brought to Committee in December 2020, the service was tasked with the development of a Community Wealth Building Approach.

This approach is outlined in Policy and Resources Committee Paper 313-2021 Community Wealth Building in Dundee which went to Committee in November 2021, with the associated Centre for Local Economic Strategies Delivering Community Wealth Building in Dundee report. The recommendations and actions identified in this report will form part of our Community Benefits approach going forward and will include

- Supporting the development of a Community Wealth Building Culture in Dundee
- Improving baseline reporting around spend
- Develop a Community Benefits approach across Dundee anchors.

• Developing a Community Wish List Approach

A Community Wealth Building Working group has been established with senior staff identified to take forward each pillar of Community Wealth Building. The procurement pillar is led by the Corporate Procurement Manager with support from the Community Benefits Officer. Each pillar group has worked up actions for their area and are prioritising implementation. In the first instance the procurement team has been focusing on improving our understanding around data collection and spend.

#### 5. Summary of Achievements Capital Construction Programmes

This section provides an update on Community Benefits which have been secured as part of Dundee City Councils Community Benefits Approach. The Procurement Reform Act requires organisations to report on number of contracts over 4 million which include Community Benefits.

Given the nature of contracts, covering more than one financial year Information is provided both for April 2021 to March 2022 and cumulatively since the beginning of the Community Benefit programme.

Activity from April 2021 to March 2022

Figures to follow

Supplier Development	
Local actual Construction Spend (within 35 miles)	£7,774,895
Average Percentage of total Spend which was local (within 35 miles)	57%
Average Local Labour (within 35 miles)	74%
Employment and Skills	
Employment Opportunities Created	4
New Start Employment Opportunities (previously unemployed, redundant, graduates or new entrants)	1
Project Initiated Modern Apprenticeships	5
Existing Modern Apprentices	19
Work Experience Opportunities	17
Awareness Raising Activity	
Awareness Raising Events and Activities Delivered	39
Individuals Supported through Awareness Raising	1,684

## 6. Cumulative Outcomes for Dundee City Council Projects to end March 2022

For Capital Construction projects activity is also shown cumulatively and includes recent and current Waterfront, School, Housing and Individual Projects. Details of each of these areas is provided below. The Council also supports partners to deliver projects including NHS Tayside, Hillcrest Housing Association, Abertay University and a planned project with the Scottish Prison Service – details have been provided at the end of this report but are not included in the total figures.

Supplier Development	
Local Actual Construction Spend (within 35 miles)	£117,518,213

Average Percentage of total spend which was local (within 35 miles)	58%			
Average Local Labour (within 35 miles)	74%			
Employment and Skills				
Employment Opportunities Created	309			
New Start Employment Opportunities (previously unemployed, redundant, graduates or new entrants)	146			
Project Initiated Modern Apprenticeships	120			
Existing Modern Apprentices	311			
Work Experience Opportunities	425			
Awareness Raising Activity				
Awareness Raising Events and Activities Delivered	501			
Individuals Supported through Awareness Raising	14,798			

In addition to the Construction Contracts reported there are several new construction projects planned to start in financial year 2022/23 including the Camperdown Hub Project, Olympia Refurbishment and Harris Extension, with several larger projects to start the following year including East End Campus.

Contract	Local Spend	% Local Spend	%Local Labour	Employment opportunities	New Starts	Project Initiated Apprentice	Existing Apprentice	Work Experience	Awareness Raising Events	Individuals Supported Awareness Raising
Waterfront										
V&A	£7,049,138	9%	65%	52	22	18	50	26	28	728
Railway Station	£4,466,985	25%	43%	15	10	6	6	16	16	250
Camperdown Dock to Airport	£3,325,000	75%	77%	5	3	0	5	8	24	807
Waterfront 4	£3,705,677	41%	58%	11	7	3	0	7	7	146
Waterfront Place	£5,523,295	71%	72%	7	7	1	0	1	0	0
Schools										
North East Campus	£8,352,200	67%	87%	17	5	12	25	45	42	1915
Coldside Primary	£6,883,390	54%	79%	12	4	8	25	53	44	1445
Baldragon	£11,685,020	70%	76%	18	8	10	22	24	31	454
Menzieshill (Tayview)	£4,796,249	54%	79%	10	5	5	21	48	34	1533
Sidlaw View	£6,051,929	84%	73%	8	5	3	13	23	33	857
Harris	£2,414,976	24%	52%	15	7	8		21	29	411
Caird Avenue Nursery	£2,000,172	82%	88%	2	1	2	6	16	15	27
Balmerino Nursery	£1,244,307	86%	96%	2	1	1	5	4	6	153
Housing										
Alexander Street	£4,933,727	39%	99%	26	9	2	37	19	8	58
Derby Street	£11,735,521	78%	74%	13	7	10	15	18	58	1404
Other										
DCC & Angus Residual Waste	£6,214,456	8%	52%	49	15	10	7	34	48	2724
Menzieshill Com Centre	£7,943,422	83%	84%	1	2	5	25	25	19	859
Regional Performance Sports Centre	£4,537,783	50%	48%	25	17	6	26	13	32	1239
Broughty Ferry Flood Defence	£9,163,129	85%	90%	14	11	5	0	14	30	383
Michelin Innovation Park	£3,183,902	51%	77%	1	1	4	20	2	2	30
Totals	£117,518,213	58%	74%	313	147	125	330	442	540	16,482

#### Capital Programmes Community Benefits Cumulative Table to End of March 2022

## 7. Community Benefits Examples

The construction area remains the largest and most well-developed area of Community Benefits. While the pandemic impacted on elements of the programme particularly areas like work experience and visits it also resulted in the development of some new approaches. The following section provides examples of some of the activity developed from March 2021 and March 2022 include:

- Kingpark School Class Engagement Project Robertson Construction undertook a 6 session Biodiversity programme with KingsPark School working with learners to highlight various native species and their habitats. They also supported the school to develop a greenhouse area with recyclable bottles and undertake local litter picks. To support the project Robertson also commissioned the Alexander Decorating Transition to Trade programme to complete planters, bug hotels and nesting boxes to accompany the project.
- ScapAntics Loose Play Project –ScapAntics, a social enterprise which take recyclable goods and sell
  them at their scrap store to local artists and community groups with a pricing structure based on ability
  to pay. In addition to repurposing a large quantity of recycling materials from across Community Benefit
  sites they can also develop loose-part play sessions with local primary schools. In March 2021 as part
  of the Broughty Ferry Flood defence project Mclaughlin and Harvey funded a programme of loose-parts
  play with Eastern Primary helping local children to develop skills through play and get an understanding
  of the environmental benefits of recycling. Loose part play which has been proven to improve listening
  and communication skills, improve negotiation, increase bravery, self-confidence, and resilience within
  pupils.
- Journey into Construction Robertson's construction designed and delivered a 6-week virtual work
  experience placement programme to ensure young people could access quality information about the
  construction industry while unable to access placements on site. This comprised 2 structured sessions
  weekly on topics including an introduction to careers in Construction, what makes an ideal candidate
  and Construction and the Environment. 14 candidates benefited from the programme.
- Transition to Trade Programme In May and August 2021 **McLaughlin** & Harvey agreed funding (£16,600) towards 24 places on Alexander Community Development's Transition to Trade programme. This innovative programme will create a positive pathway for young people into the construction industry. The contractor provided the majority of the costs to support 24 places for young people from secondary schools in Dundee, who are in S3-S5. This will fund 2 cohorts of 12 pupils.
- Decorative Gates competition. In December 2021 McLaughlin & Harvey collaborated with local business METALtech UK, to manufacture and install Decorative Gates on the Broughty Ferry Flood Protection Scheme site, designed by pupils from the local community Primary Schools. Pupils from local schools were asked to participate in designing decorative gates to be placed on Broughty Ferry Flood Protection Scheme site, after careful consideration the winning entries were chosen and then sent over to manufacturers METALtech UK, based in Dundee, where the winning young people got to see their design being turned into a reality. Both gates are now installed as a lasting legacy from the programme. Energy Efficiency Programme Vital Energi provide a range of Community Benefits in relation to their contracts including work experience opportunities and site visits of the Guardbridge Energy Centre a 25 million Biomass Energy Centre and District Heating Network. Groups of School pupils and Dundee and Angus College students have benefited from these visits.
- Business Gateway Community Benefits Programme Our Business Gateway contractor Elevator, a social enterprise delivers a wide range of Community Benefits including enhanced support for social enterprises, startup grants for young people, work placements and an extensive programme of awareness raising programmes including delivering the schools enterprise programme.

# Future Contracts

# 2022 to 2023 Projects

# Camperdown Hub Project

This project will be delivered by Robertson Construction and is planned to take place between August 2022 and January 2023. Targets will include

- 2 existing apprentices
- 4 Awareness Raising activities

## Olympia Refurbishment

The Olympia project is planned from July 2022 to October 2023 and is being delivered through the Major Projects 2 framework with Robertson construction. Community Benefits Targets for this project will include

- Local Labour and Spend Monitoring
- 1 New Start Employment Opportunity
- 2 existing apprentices
- 3 Work placement programmes
- 1 Awareness Raising Activity
- 1 Community Wish
- 1 Environmental Activity

## Harris Extension

The Harris Extension project is planned for January 2023 to be completed in January 2024 and will be delivered by Robertson Construction using the Major Projects Framework 2. Targets for this project include

- Local Labour and Spend Monitoring including requirements to spend 75% within 40 miles of site
- 2 New Start Employment Opportunities
- 2 Project Initiated Apprentices and 2 Existing Apprentice Opportunities
- 7 Work placements
- 2 Awareness Raising Activities
- 1 Community Wish
- 2 Environmental Outcomes

## April 2023 to July 2025

## East End Campus

To be delivered by Robertson Construction using the Major Projects 2 framework

- Local Labour and Spend Monitoring including requirements to spend 75% within 40 miles of site
- 8 New Start Employment Opportunities
- 12 Project initiated Apprentices and 11 Existing Apprentice Opportunities
- 31 Work placements
- 22 Awareness Raising Activities
- 5 Community Wish
- 10 Environmental Outcomes
- Local Labour and Spend Monitoring

- 4 New Start Employment Opportunity
- 4 Apprentice Starts
- 3 existing apprentices
- 5 Work placement programmes
- 6 Awareness Raising Activity
- 3 Community Wishes
- 2 Environmental Activity

# Young Peoples Unit

The Young Peoples Unit will be delivered by Robertson Construction through the Major Projects 2. Framework. Due to start in August 2022 to April 2023

- Local Labour and Spend Monitoring
- 1 New Start Employment Opportunity
- 2 existing apprentices
- 3 Work placement programmes
- 2 Awareness Raising Activity
- 1 Community Wish
- 1 Environmental Activity

#### Extract from Forward Plan 2023-2025

#### **Children and Families**

Counselling in Schools (Scottish Govt) Tayside wide across several providers Community Mental Health and Wellbeing Speech and Language Therapy School Transport ASN Home to School Transport via Taxi Dundee and Angus College provision Various providers from services framework - school contracts from PEF Early Learning and Childcare - Partner providers Family Wellbeing Fund - Services contract team Purchase of kitchen equipment On-going third sector contracts

City Development

Pathfinder EV Infrastructure Programme City Marketing contract **Dundee Airport - Public Service Obligation** City Centre Strategic Investment Plan - City Streets / Union Street City Centre Strategic Investment Plan - City Lights Bus Shelter Cleaning & Maintenance Taxi Contracts - School Transport Union Street Design Active Travel Schools Team Partnership Agreement Replacement of parking meters Cycle Parking/ Shelters Future Maintenance Contract - LEZ ANPR Cameras Traffic Signal Maintenance Contract Bus Partnership Fund - Detailed Design & Modelling **Traffic Modelling & Surveys** Contaminated Land / SI Framework **Civil Engineering Construction Framework** Topographical / Drone Surveying Habitat Surveying Gas Soundness Servicing and Cleaning of Boilers flues etc. Air Handling & Air Conditioning Systems The Crescent Biomass - Maintenance & Heat Source Water Hygiene Monitoring - Lot 1 Water Hygiene Monitoring - Lot 2 **Fire Extinguisher Services** Heating & Ventilation Controls (Building Management Controls) Swimming Pool Equipment Kitchen canopies, Ductwork, extract ventilation. Fume Cupboards Water Sampling Programme Kitchen Catering Equipment Boosted Water Tank & Pump Systems **Roller Shutter Doors** Medical Baths and Lifting Equipment Automatic Doors Lightning Protection Systems

Emergency Lighting - Area 1 Intruder Alarms In-Service Inspection and Test of Electrical Equipment - Area 1 (PAT Testing) Fire Detection and Alarm, EVC & PAVA Systems City Square Complex/Caird Hall/Olympia, Fire Detection and Alarm, EVC & PAVA Systems Periodic Inspection and Test of Electrical Installations - Area 1

#### **Neighbourhood Services**

Housing Capital Packages **City Dev Capital Packages** Housing Repairs - Construction **Property Repairs - Construction** Stores - Material External small plant tools and access hire PPE and consumables Small Plant Scaffold Skips Welfare and Containers Security Screens Asbestos **Double Glazed Units 3rd Sector Procurements** Removals Cleaners Furniture, Fixtures and Fittings Paint Packs - Painting Vouchers Electrical Repairs (White good Repairs) House Exchange - Clarion Hotels (Corporate) Preferred Supplier - Review **TV** Aerials CCTV (GT, LW HG) Containers (Stores Wernick) Housing Options Hub Language Line. Sundries for Temp **District Heating Supply** Specialist Works Secure Door Entries - Service and Install Sprinklers Annual Non-Domestic Gas Service **Bin Chutes Cleaning Communal Boiler Service CCTV** Servicing Controlled Entry Equipment Servicing **District Heating** District Heating Energy Billing units **District Heating - Plant Rooms** Dry Riser and Roof Fan Servicing Fire Fighting Equipment Service Legionella Inspections PV Repairs and Servicing Sprinkler Systems Servicing Water Quality Checks Treatment of glass Treatment of co-mingled recyclate Treatment of mixed scrap metal

Treatment of paper & cardboard Treatment of food waste - Garden waste permits Purchase of bins & containers Purchase of shredder Headstone Safety Ash Dieback Environment capital projects (elements of) Environment revenue projects (elements of)

<u>Corporate Services</u> Revenues and Benefits System Outgoing Mail Insurance Providers Tenants Contents Insurance Scheme Tay Road Bridge Insurance Tender Tayside Valuation Joint Board Insurance



Appendix 4 – Scottish Model of Procurement and Collaborative Working

The key objective for Corporate Procurement is to demonstrate continuous improvement, service excellence and build on the foundations that have been put in place since creation of the Corporate Procurement team in 2014. This approach will be underpinned with the principles of public procurement - transparency, integrity, openness, fairness, non-discrimination, equal treatment, competition and accountability.

The Council participates in collaborative contracts put in place nationally by the Crown Commercial Service, in Scotland by Scottish Procurement and Scotland Excel, locally by Tayside Procurement Consortium, as well as those of other UK based central procurement bodies. The Corporate Procurement Team works with all the organisations listed to ensure that optimum collaborative opportunities are taken, but at the same time ensuring contract management is carried out at a local level to ensure best value is achieved for Dundee City.

Category A Contracts through Procurement Scotland (for all public bodies) or other national contracts/ frameworks	<u>Category B</u> <u>Contracts</u> through Scotland Excel (for Local Authorities) or other Sectoral contracts/	<u>Category C1</u> <u>Contracts</u> through local collaboration eg Tayside Procurement Consortium (for all Tayside Councils and Tayside contracts)	<u>Category C</u> <u>Contracts</u> through Dundee City Council (for Dundee City Council only)

The Council is committed to collaborative procurement and actively takes part in many National and Sectoral contracts. We continue to look for collaborative procurement opportunities that will support the delivery of benefits for the Council and its communities.

Dundee City Council also acts as lead authority on a number of collaborative contracts including:

Managed Print/MFD Contract – Corporate Procurement Manager is Tayside Lead for contract which supports 3 Local Authorities, Dundee & Angus College, Tayside Contracts and various 3rd Sector organisations.

- Lead Authority procurement support provided on National Entitlement Card
- Dundee City Council have created a number of construction framework agreements, which are being written not only for use by Dundee City Council, but also being made available to Angus, Perth & Kinross Councils, as well as Tayside Contracts.
- A Children and Families Support Services framework was introduced in 2019 to provide services in support of pupil equity funding, attainment challenge and other services which is also open to both Angus and Perth & Kinross Councils

A project to review the procurement approach across Tayside is underway to look at further collaborative working opportunities, this work is being led by Scotland Excel and further updates will be provided as this programme progresses.

As well as contractual collaboration Corporate Procurement works closely with our partner organisations in other areas where collaborative benefits may be realised, for example with:

- Tayside Cities Meet the Buyer event organised by Dundee City Council's Economic Development and Corporate Procurement teams – the most recent event in 2020 attracting exhibitors from all Public Bodies as well as main contractors working in the Tayside area. The event was attended by over 300 delegates, generating very positive feedback, along with spin-off one to one training sessions being provided to individual delegates to assist them in bidding for public sector opportunities.
- Supplier Development Programme Corporate Procurement Manager is a Board Member and along with Economic Development colleagues supports the Regional Officers Group. This has resulted in further collaborative working with Perth & Kinross, Angus and Fife Councils in the area of Supplier & Economic development opportunities

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