



Background

The Scottish Government made inclusive growth one of four key priorities in its [Economic Strategy](#).

It defines this as growth that combines increased prosperity with tackling inequality; that creates opportunities for all and distributes the dividends of increased prosperity fairly.

Business services providers have an important role to play, and the commissioning process is central to this work.

The Scottish Government's procurement reforms, including the sustainable procurement duty and community benefit clauses, provide the necessary tools.

Inclusive Growth and Business Services

The BSA, in conjunction with Associate Member DWF, held an event in September to discuss the contribution of business services providers to inclusive growth, a key aim of the Scottish Government.

Keith Brown, MSP, Cabinet Secretary for Economy, Jobs and Fair Work, delivered the keynote speech.

Ian Gibson welcomed everyone and set out the background to the discussion. He handed over to Martin Gallaher, Partner at DWF LLP, to facilitate the discussion and introduce the Cabinet Secretary.

Keith Brown began by highlighting the importance of the business services sector to jobs in Scotland, and also highlighted the BSA's [paper on Inclusive Growth and Business Services](#), which formed the backdrop to the discussion.

Speakers

Keynote Speaker:
Keith Brown MSP,
Cabinet Secretary for
Economy, Jobs and Fair
Work

Martin Gallaher,
Partner, DWF LLP

Ian Gibson,
Managing Director,
Robertson FM (Chairman,
BSA Scotland Group)

Jo Mitchell,
Procurement Policy
Manager, Scottish
Procurement and
Commercial Directorate,
Scottish Government

Martin Wight,
Team Leader, Strategy
Services, Scottish Enterprise

Mr Brown explained the thinking behind the Scottish Government's inclusive growth agenda and the fact economic growth is seen as a means to the end of making sure all places and people benefit, as seen most recently in its legislative programme just announced.



Mr Brown listed a range of areas where, while progress had been made, there were still challenges. These included in-work poverty; gender and regional disparities; exploitative zero-hours contracts; and a limiting of people's ability to progress. Such inequality was not only unacceptable socially, but it damaged economic growth.

This was why inclusive growth was at the heart of the Scottish Government's approach, incorporating safe, secure work; opportunities for those further from the labour market; increased childcare; raising attainment for young people including through the Scottish Attainment Challenge; fair work practices through the Business Pledge; encouraging the living wage, which had economic as well as social benefit; community empowerment; and city region deals. This work had been recognised by the OECD and others.

Discussion focused on the role of business; the importance of changing cultures; and ways to improve local employment, affordable housing, and links between business and schools. Mr Brown also highlighted the role of climate smart investment and the Scottish National Investment Bank in forging clean, green and fair work.

Session Two focused on commissioning and corporate responsibility in inclusive growth.

Jo Mitchell introduced a slide pack setting out the Scottish Government's approach to sustainable procurement, community benefits and inclusive growth, rooted in Scotland's Economic Strategy Framework and put into practice through procurement reforms. The tools now available, and in particular the process of reporting, were driving real change.

Martin Wight drew on the link between inclusive growth and business growth. This was not a concept being 'imposed' on business; it was good business.

He set out the provisions of the Scottish Business Pledge, starting with the living wage. The difference between this wage level and the lower 'national living wage' was shown to make a real difference to motivation, productivity, staff retention and recruitment, and reputation.

Workforce engagement, investment in youth, and a balanced and diverse workforce were all important, and Martin drew attention to some of the case studies in the BSA paper which showed these principles being put into practice.



Discussion then focused first of all on the commissioning and procurement processes, and ways to encourage joint working so genuine innovation could be adopted. There was emphasis on pre-market engagement, and commissioners setting out clearly what their challenges are - so solutions can be put forward.

There was also discussion of how the impact of social value measures could be quantified and compared, especially where innovation was involved. It was important that social value was not just seen as a 'box to be ticked' but that it ran through the whole procurement process.

After the break, BSA members representing different sectors of business services - including FM, digital, employment support, and infrastructure - briefly opened a general discussion on challenges, opportunities, and best practice in contributing to inclusive growth.

One area of focus was work in disadvantaged areas, or with groups further from the labour market, both of which were possible if the right systems were put in place.

Nathan Goode from the Social Value Portal also outlined work in providing an evidence base for social value and evaluating impact in real time.

There was support for the view that real progress had been made in the Scottish public procurement process in the last 18 months, but that work needed to be ongoing to avoid a focus ultimately on lowest cost rather than wider value and social value.

Issues like contract length and unintended consequences in relation to definitions of local labour or SMEs were also raised. 'One size fits all' contracts did not work.

On the part of the private sector, meanwhile, it was important that community benefits formed a basis of company strategy.



It was agreed to take this discussion forward, and for the BSA to continue to act as a conduit for ideas on innovative and inclusive growth in Scotland.