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Business Services and Inclusive Growth in Scotland

The Business Services Association - the BSA - brings together those who are interested in delivering efficient, flexible and cost-effective service and infrastructure projects across the private and public sectors.

This note summarises the contribution providers of business services make to inclusive growth across Scotland. It also highlights the central importance of the commissioning process in building on this work to deliver sustainable and inclusive growth.

The Service Sector and Inclusive Growth

The Scottish Government's Economic Strategy makes stimulating inclusive growth one of four key priorities¹, and this is reflected also in the programme for government². It defines this as growth which creates opportunities for all and which distributes the benefits of increased prosperity fairly.

In a speech to the BSA in the Autumn³, Keith Brown, MSP, then Cabinet Secretary for Economy, Jobs and Fair Work, and now SNP Depute Leader, said inclusive growth was at the heart of the Scottish Government's approach. This incorporated 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.

The services sector - and in particular business services within this - is vitally important in delivering this objective. This is for two principal reasons.

i. A strong services sector makes for a strong economy

Any answer to the question 'how do we promote inclusive growth?' must start with those sectors already responsible for economic growth across Scotland - so inclusion can be hardwired into this growth as much as possible.

The business services industry comprises five strands: ICT and digital services, business process outsourcing (BPO), facilities management (FM), construction and infrastructure services and managed public services. Together these account for nearly 10 per cent of the Scottish economy. Across the UK, 70 per cent of this work is carried out business-to-business, and the remainder for the public sector. This is an industry therefore which has a crucial role to play as an engine of inclusive growth and prosperity, as well as supporting value and social value in the provision of public services.

Furthermore, the old barriers between the sectors are breaking down - with market, digital and technological change leading to servitization in manufacturing and increasingly an 'internet of things'. In today's world a thriving service sector helps other sectors thrive as well. That is a constant theme across industries and across Scotland, and it is a theme reflected in the Economic Strategy. The Strategy recognises the interdependence between sectors of the economy and the importance of business services in particular.

¹ <https://beta.gov.scot/publications/scotlands-economic-strategy/>

² <http://www.gov.scot/Resource/0050/00505210.pdf>

³ <http://www.bsa-org.com/speech-keith-brown-msp-bsa-inclusive-growth-scotland-event/>



Research commissioned by the BSA shows the link between the use of business services by other sectors and increases in productivity, as companies focus on delivering their core activities more efficiently, and shows that this is not coming at the expense of jobs. The research also demonstrates a link with export growth⁴

ii. In particular, a strong services sector makes for strong employment

Sectors responsible for employing large numbers of people must be at the heart of any strategy for inclusive growth, because so many of the drivers of such growth - whether training or career progression or opening doors to those hitherto excluded from the labour market - depend ultimately on employment.

Business services is a people business. 275,000 jobs in Scotland are supported by the sector, accounting for more than one in ten Scottish workers.

Furthermore these are not just based in Edinburgh or other cities, but across the board in every part of the country. Business services are responsible for at least 6.5 per cent of jobs in every single part of Scotland, and in some cases this figure reaches 15 or 20 per cent⁵.

Economic and Social Policy and Inclusive Growth

Structures to develop and implement policy in Scotland now provide an opportunity to promote the inclusive growth agenda.

In particular, the Scottish Government has recognised the need for community input into, and leadership of, inclusive growth. Under the programme of Single Outcome Agreements, the aim is that public sector assets, activities and resources will be joined with those of the VCSE and private sectors and local communities to deliver a shared 'plan for place' to promote wellbeing and attract investment.

The City Region Deal programme also provides an opportunity to hardwire inclusive growth into the strategies of each of these areas from the start. BSA members have visited all the Deal areas, and heard how they aim to stimulate economic development in Scotland's City Regions, especially through transport and infrastructure. Commissioned wisely, such projects can form an integral part of the inclusive growth agenda.

It is also important that wider service improvement should not be seen as an alternative to economic growth but as contributing to it. As the Government's Economic Strategy makes clear, there are benefits to the economy of a healthy population, for example, as well as physical and mental health benefits for those in meaningful work. Therefore services such as health and social care provision - as well as employment support and skills development - not only improve people's quality of life but help provide a healthier, more skilled and more productive workforce.

Bringing this together requires strategic leadership. When local communities and policymakers are able to influence decisions about economic and social policy and across service streams - either because they are responsible for commissioning these services directly or because they feed into the decision-making process of those who are - this should enable the needs of 'place' to be considered as a whole, and allow all interconnected policies to be considered together to help meet those needs.

⁴ <http://www.bsa-org.com/articles/2015/11/18/increased-outsourcing-leads-to-productivity-gains>

⁵ Westminster parliamentary constituency breakdown pp 46-7:

http://www.bsa-org.com/uploads/publication/file/162/OE_BSA_report.pdf



The aim should be to produce a virtuous circle of local service delivery which will help generate inclusive growth - which, in turn, generates the income for services to be provided.

Achieving such a goal involves the public, private and VCSE sectors working together, with each playing to its strengths.

Commissioning and Inclusive Growth

At the heart of this is the commissioning process.

This goes much wider than procurement, as it involves making strategic decisions about each area, its needs, the main factors limiting inclusive growth there, and how these can best be addressed, and then showing leadership in involving all the community and all sectors as active participants in doing so.

Especially when budgets are tight, however, public procurement is an important lever at government's disposal, when it fits within this wider strategic commissioning process. The BSA therefore supports the Scottish Government's work to put the sustainable procurement duty, and the related provision of community benefits, at the heart of its public procurement reforms. The ground-breaking Procurement Reform (Scotland) Act 2014 has the potential to change the commissioning landscape completely.

Implementation of the sustainable procurement duty is framed in terms of the Government's National Performance Framework, recently refreshed, so procurement is linked directly to the National Outcomes - which are, in turn, designed to reflect the overall values and aspirations of the Scottish people.

If the commissioning process is genuinely to become the foundation for partnership working for inclusive growth, this has major implications for the way in which procurement is carried out.

First, it has implications for who is responsible for commissioning services and infrastructure projects. When a local authority is taking such a decision, it need to be taken at a high enough level in the council for it to be based on a view of the needs of the community as a whole - with a broad picture of the needs of a 'place' and how these can best be met - not just on the basis of a need for a specific pre-determined project, with the contract then decided solely on lowest cost.

When another local, regional or national body is responsible for commissioning, the local authority must be able to influence this decision so the needs of an area - of which the local authority is likely to be most aware - can be addressed as a whole and in a co-ordinated way.

Mechanisms across public service delivery in Scotland - like Health and Social Care Partnerships for example - have been introduced to encourage partnership working with this aim in mind.

Next, there are implications for every stage of the process - and, in particular, for the stage before the formal procurement procedures start.

As the Government's guidance states, the sustainable procurement duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a focus on reducing inequality⁶.

⁶PPN on Procurement Reform 17 March 2016, including on sustainable procurement duty and community benefits: <http://www.gov.scot/Resource/0049/00497149.pdf>



To do this effectively local leaders must work with the community concerned and with external stakeholders to assess what are the main limiting factors on inclusive growth - for example skills, connectivity, factors keeping groups from the labour market, or the pattern of local business - and how people's wellbeing can best be improved.

The Government has published tools to help procuring authorities prioritise and structure sustainable public procurement, looking at sustainability risks and opportunities.

External stakeholders from the private and VCSE sectors can be invaluable at this stage. Full stakeholder consultation is an essential part of informing public sector procurement strategies and as part of the commissioning process for individual projects.

At the heart of this approach is identifying what are the outcomes in wellbeing required, and how these can best be realised - asking what are the particular needs and wishes of the community in question, and then what mechanisms are available to meet these.

If, for example, it is decided that an important limiting factor on inclusive growth in a particular area, town or city is poor connectivity and that an infrastructure project such as a road or rail scheme is required:

- first, in determining what project is required, the needs of the whole community need to be assessed and whether the project in question is the best way of meeting these needs;
- next, the needs of the whole community should be taken into account in determining the nature, location and design of the project. Measures can also be put in place to ensure as many people in the community benefit as possible - including through increased access; and
- the design and construction process can then themselves help contribute to inclusive growth, if commissioning encourages this. The sustainable procurement duty and community benefits link a range of economic, social or environmental benefits the authority concerned may wish to promote in this way.

Business plays a vital role in working with commissioning authorities to help put the sustainable procurement duty into practice. This work may include:

- if there are local labour market needs, employment of local workers or priority groups, such as young people, long-term unemployed people, or those who may be further from the labour market;
- specific work to break down barriers in the labour market, so everyone has the opportunity to fulfil his or her potential, especially if there are groups which are under-represented;
- if links between business and young people need developing, work with schools, colleges and universities to offer work experience;



- if local economic capacity needs developing, partnership working to help scale up SMEs, making full use of the external expertise and supply chain management which larger companies can bring to the table. The Economic Strategy notes there are areas of the Scottish economy where supply chain linkages could be strengthened so local businesses benefit;
- if there is a need to strengthen community-based organisations, work to build VCSE capacity, with third sector organisations working with the private sector and each benefiting from the other's strengths and experiences;
- measures on social wellbeing, including fair work practices;
- measures to ensure there is a sustainable impact on the local environment, and a positive legacy impact if there is need in this area; and /or
- support for wider community initiatives.

As the Government's guidance notes, some of these - especially training and employment opportunities - require adequate contract length for these activities to be undertaken.

That is why it says the majority of community benefits are likely to come from higher value and longer-term contracts. So contract size and length may be an important factor to consider for those authorities looking to maximise community benefits in this area.

The public sector can also help encourage training by setting out a clear pipeline of work so infrastructure providers and others can plan ahead. It is also important that resources for training can be used by employers as flexibly as possible, as the need for training - and the age profile of those who require training - will vary from area to area.

Above all, it is vital that all such provisions are driven by the needs and wishes of the community concerned, and use the best means available to achieve the desired outcome. An open and strategic commissioning process is key to achieving this.

Many of the same principles in relation to engagement with the private and VCSE sectors that should inform good commissioning in general should inform commissioning for inclusive growth in particular. These include:

- the need to engage early. The Government's Procurement Strategy⁷ states that, in relation to the procurements for which is responsible, its work with users, potential suppliers and others to help design procurements, and the route each procurement will take, may vary from 'light touch' market research to 'engagement days' for suppliers, or the design and piloting of services. This work should include community benefit requirements, and this should be understood as best practice across public sector commissioners;
- using private sector skills in analytics and customer engagement to help ensure commissioning is resident-led; and

⁷ <http://www.gov.scot/Resource/0051/00512641.pdf>



- focusing on outcomes, so partners can help scale and replicate innovation and change, not only in the delivery of the services concerned but also in sustainable outcomes and community benefits. Clear metrics should be established to determine whether success has been achieved.

The Scottish Government has focused in particular on the need for innovation, and has tasked its Procurement Directorate with ensuring that procurement acts as a catalyst for business innovation⁸. BSA members have themselves been involved in workshops on the issue. Innovation in ways to promote inclusive growth should be an integral part of this work.

It will be producing an annual report which will include progress on the sustainable procurement duty and community benefits across the public sector in Scotland, following the ongoing publication of reports from contracting authorities. These reports will be important in identifying best practice in these areas.

Early indications are the tools now available, in particular the process of reporting, are driving real change. Business services providers have expressed the view that the work needs to be ongoing, however, to avoid a focus ultimately on lowest cost rather than wider value and social value⁹. On the part of the private sector, meanwhile, it is important that community benefits formed a basis of company strategy. It would also be helpful to have an analytical framework developed as the implementation of the reforms proceeds.

⁸ Innovation Action Plan: <http://www.gov.scot/Resource/0051/00512875.pdf>

⁹ <http://www.bsa-org.com/wp-content/uploads/2017/10/Inclusive-Growth-Edinburgh-briefing-note.pdf>



Business Services and Inclusive Growth - in Practice

The business services industry has a responsibility to promote inclusive growth principles not only through individual contract clauses but also as part of its wider work.

Larger businesses in particular - with substantial resource and national and international experience - have a vital contribution to make, not only bringing inward investment into an area, and scaling and replicating innovation and change in service delivery which has taken place elsewhere, but also building local economic and social infrastructure in specific ways.

So as well as part of an individual contract, there is opportunity through wider corporate responsibility to contribute more generally across the wide range of issues under the banner of inclusive growth.

Doing so, behaving in a sustainable way and leaving a lasting legacy, is good business - not simply to win contracts, but to help recruit, motivate and retain talented people who are increasingly interested in wider business responsibility.

Providing Local Employment Opportunities and Building Bridges to Employment

Many larger companies not only employ workers in a local area, even if the companies are headquartered elsewhere, but have the experience to maximise employment opportunities for all sections of the community.

One particular challenge is often to help build bridges to employment for people, including young people and other groups, who are furthest from the labour market, and large companies can use their resources to help do so.

Case Study: Providing Local Employment

Interserve Construction Ltd understands it has a key role to play in contributing to economic growth and creating sustainable communities. It has set its own internal targets for generating employment opportunities, reducing unemployment, up-skilling the workforce, raising aspirations of young people and leaving a lasting legacy in local communities on all its projects.

On one project in Scotland it far exceeded the target on local employment, with 95 local people, including 61 New Entrants securing employment directly and indirectly (compared with a target of 19 in total).

Interserve recognises that to maximise community benefits, it is vital it supports the supply chain. Its experience demonstrates that assigning a dedicated Community Benefits Officer (CBO) results in additional community benefit outcomes being achieved.



Case Study: Working in Partnership with the Scottish Prison Service

Balfour Beatty has been working in partnership with the Scottish Prison Service to develop a number of programmes to deliver practical support to inmates and ex-offenders in Glasgow, Perth, Dundee, Stirling, Falkirk and Dumfries.

This has involved:

- the delivery of a number of employability and educational outreach projects in partnership with teams from Perth and Castle Huntly Prisons, including participating in the first ever careers day at Perth Prison;
- designing and delivering a bespoke work experience programme for an ex-offender from Perth Prison in 2017 which resulted in full time permanent employment;
- supporting the team at Dumfries Prison to engage inmates in woodwork projects; and
- arranging regular work experience at the Hidden Garden Trust for an inmate from HMP Glasgow.

Balfour Beatty will continue its successful programme of work in this area. It is working with Polmont Young Offenders institute and Stirling Women's Prison to provide opportunities such as sponsorship of inmates and development opportunities for prison staff, as part of the Forth Valley College community benefits programme of activities.



Opening up opportunities for career progression

Opening up opportunities for career progression is an important part of promoting inclusive growth. It means employees not only have a job but are able to develop their careers as their abilities take them.

Larger companies can often offer such opportunities across the business which might not otherwise be available.

Providing training is a vital component of this.

BSA members employ 17,000 apprentices across the UK, and in Scotland many work closely with Skills Development Scotland and other agencies to take advantage of the range of training opportunities available.

Case Study: Shared Apprenticeships

Ensuring as many people as possible complete their apprentice framework is a business priority for the Balfour Beatty Group.

Balfour Beatty supports shared apprenticeship programmes and has been working closely with the Dundee & Angus shared apprentice scheme to support Tayside projects.

The Dundee & Angus Shared Apprenticeship scheme is a non-for-profit organisation which has been set up by CITB and the local Dundee & Angus College to address construction industry skills shortage, support local construction employers and encourage young people to work in the sector. The scheme is aimed at small and medium size companies who cannot commit to taking an apprentice for the whole 4 years of the apprenticeship and can also be utilised by major contractors to support short term work packages.



Case Study: Developing Apprenticeship and Pre-Apprenticeship Programmes

In June 2016, Amey undertook a collaborative partnership with Forth Valley, Fife and Edinburgh Colleges to develop a pre-apprenticeship programme to attract high quality Modern Apprenticeship candidates, supported by bespoke funding from Skills Development Scotland.

Building on a successful pilot, developed in partnership with New College Lanarkshire and based on the Certificate of Work Readiness, Amey was keen to develop a further 'bespoke' programme for its prestigious Forth Road Bridge and South East Trunk Roads contracts.

After a joint selection process with the three Colleges, an initial nine-week placement programme gave nine candidates hands-on experience of working directly for Amey.

Candidates achieved several positive destinations. Some went into employment and a fully-funded Modern Apprenticeship with Amey; some achieved a college place in an area that interested them. Particular outcomes were a Certificate of Work Readiness Award (SCQF Level 4), a Practical Work Based Skills Unit, and four Scottish Qualification Authority (SQA) Employability Units.

The initial programme with New College Lanarkshire led to the recruitment of nine excellent Modern Apprentices, who have either now achieved their Modern Apprenticeship in a relevant skillset, or are successfully on course to achieve it.

In addition to the FE Colleges and Skills Development Scotland, the programme brought on board additional support from organisations such as the Adam Smith Foundation and Scottish Qualifications Authority (SQA) to assist with funding or in the development of specific aspects of this unique new vocational award.

Through the development of these programmes, Amey has achieved its aim of being able to attract talented individuals, especially from harder-to-reach groups, including more female apprentices.

Several candidates admitted they previously believed an engineering-based business like Amey would be too 'male-orientated' for them. Now, however, two single mothers with young children, who had previously faced several barriers in returning to employment, have joined Amey because of these programmes.

By February 2017, across these different programmes, Amey had employed 29 Modern Apprentices across several of its divisions in Scotland - including Highways, Consulting and Social Housing (Construction). These apprentices are now contributing vital support to contracts across central Scotland, for clients such as Transport Scotland and North Lanarkshire Council.

Encouraging the existing Amey workforce to take on a 'mentoring' role with apprentices has also had a positive effect by giving employees a greater sense of responsibility and a chance to pass on their own skills and knowledge and thereby boosting retention.

By allowing candidates to have a period of hands-on experience prior to undertaking a Modern Apprenticeship, money and time has been saved by attracting apprentices who have already demonstrated an enthusiasm, dedication and passion for their prospective role.



Case Study: Cutting Edge Technology Apprentices Across Scotland

With the increase in ‘in demand’ areas of IT such as cyber security, software development and IT service desk support, Atos is helping to support apprentices in gaining sought-after skills in these areas.

In three years Atos recruited and trained nearly 100 highly skilled apprentices working in Forres, Glasgow, Livingston, Linwood and Dundee, including 34 cyber security apprentices located at the Moray Development and Innovation Centre in Forres.

One such apprentice, Ember Ellis, has shared an insight into the value of the skills learnt through the Atos apprentice programme one year on from commencing as a cyber security apprentice.

Ember, from Elgin said: “When I got the job I wasn’t an IT expert and was keen to find out what kind of training would be provided. I was really encouraged to find out that my initial 12 weeks would be an intensive IT skills training course to get me up to speed.

“I never thought I’d get the opportunity to have such a highly skilled job with excellent career prospects without moving further afield. I would encourage everyone thinking about applying, including women, to go ahead and do it. It doesn’t matter if you don’t think you have the technical skills - you get all that training when you join and it’s a great chance to start a career in an interesting industry with lots of opportunities.”

Atos has an excellent record of helping support youth employment in Moray through its range of highly skilled apprenticeship roles in fast growing areas like cyber security.

The Apprenticeship Scheme was introduced in response to what was seen as a large ICT skills gap among young people.

The programme allows those involved to build a career in IT through formal training and development programmes and a number of recognised qualifications through QA, Atos’ training provider. Atos is recognised as one of the UK’s top apprentice employers by the RateMyApprenticeship.co.uk Top 70 School Leaver Employers Table 2017, based on peer to peer written reviews by apprentices.

As Gavin Thomson, Senior Vice President, Scotland, Ireland & Wales, said: “We are very proud to lead the way in offering highly skilled apprenticeships for young people across Scotland, especially in areas like cyber security where there is a need for more skilled professionals. We value highly the work, dedication and skill of our apprentices, who have added a new, fresh dimension to all our operations in Scotland and across the rest of the UK.”



Case Study: Upskilling the Workforce and Community

Communities want a legacy of trained and skilled workers in their areas. Interserve provides apprenticeships directly and asks suppliers to commit to taking on apprentices as part of the supply chain assembly process. In this way it has provided hundreds of apprentices per year UK-wide. As an accredited training provider, Interserve co-operates closely with Construction Skills, and works in partnership with local authorities to implement agreed Targeted Recruitment and Training Plans.

On one project in Scotland, Interserve exceeded its targets, working with the supply chain to provide 14 apprenticeships for young local people, many from disadvantaged areas, transforming their career aspirations and future by ensuing sustainable employment beyond the life of the project.

The Interserve sponsorship programme inspires young people and nurtures graduate talent.

Interserve is a sponsor of the Queen's Jubilee Scholarship Trust (QUEST) via which it recruits Civil Engineering undergraduates. It sponsors Civil Engineers, targeting female students. As part of a graduate sponsorship scheme it sponsors and recruits undergraduates from Universities across the country.

Investing in people is one of Interserve's core corporate values. Its commitment to the training and development of employees is evidenced by its Investor in Excellence (IiE) status and Investor in People accreditation held for over 15 years. It recognises training achievements through the Interserve Training Trust, a charitable fund established almost 30 years ago to reward employees who excel in their personal development.



Case Study: Addressing Youth Unemployment, Resource Gaps and Employee Engagement

ACCESS, the joint venture between Serco and Glasgow City Council, was committed to supporting the Council's strategic objective of tackling youth unemployment and providing more opportunity for young people. This meant finding an effective and resourceful way to help the young people of Glasgow and those in need of work experience to gain the necessary skills and experience for future employment.

ACCESS itself also wanted to develop its own workforce, so it was fully equipped to handle changing and increasing requests for project work, and to increase employee engagement.

The solution was an internal programme of initiatives, 'The ACCESS Academy', focussed on providing development opportunities for young people as well as developing and engaging staff who were supporting the participants in the programme.

The ACCESS Academy encompassed 4 elements:

- **Work Experience.** Week-long work experience placements were offered to Glasgow City Council's Education Service.
- **Career Ready.** Career Ready is a UK wide charity linking employers with schools and colleges to open up the world of work to young people. ACCESS participated in the programme by offering Mentoring and Summer Internships. Activities included supporting students with coursework and exposing them to career possibilities both internally and externally, helping to raise their aspirations. ACCESS supported 5 young people each year. Mentors participated in a coaching training course to get the most from their relationship with the young people.
- **Modern Apprentices.** ACCESS offered young people aged 16 to 19 the chance of paid employment for 2 years combined with the opportunity to train for jobs at different levels. In addition to the structured learning provided by an external agency, ACCESS delivered a range of 'soft skills' training on communication, teamwork and problem solving, and numerical and IT skills.
- **Graduate Schemes.** This was developed in conjunction with the council's Commonwealth Apprenticeship Initiative, to give those graduating from University or College the chance to start a career with ACCESS. Graduates participated in a structured soft skills development programme and the opportunity to work towards a specialised qualification and/or accredited association membership, for example through CIPS or RICS.

As a result:

- 94 per cent of Modern Apprentices secured a permanent role
- There was 20 per cent overall improvement in employee engagement

ACCESS built links with local schools and universities through the Work Experience, Career Ready & Graduate programmes which helped to reduce recruitment costs.

The process of policy development, planning, implementation, monitoring and evaluation of work experience programmes gave scope for employees to develop their management and coaching skills, and widen their experience. ACCESS saw a positive impact on the motivation and engagement of the employees who participated in these programmes.



Developing links with schools and with training and employment support providers

Links between companies and local education and training providers serve both to make sure training matches the jobs available and also to help expand the horizons of young people to include the full range of opportunities open to them across the industry.

Case Study: Supporting Innovation in Education

Balfour Beatty is committed to supporting innovation within Scottish schools and higher/ further education. It supports and runs programmes that focus on inspiring the next generation of construction professionals, thus ensuring the sustainability of the industry.

In 2017/18 it has been funding and supporting the Class of Your Own Design Engineer Construct!® (DEC!) programme. This is an accredited learning programme that has been created by Class of your Own for secondary school age students, and has been expertly developed to create and inspire the next generation of Built Environment professionals. Through a project-based approach, DEC! applies pure academic subjects to the latest construction industry practices. The result is young people with real-world practical experience and employability skills.

In addition Balfour Beatty has also been working collaboratively with the Engineering Development Trust (EDT), the UK's largest provider of STEM educational activities for schools.

The EDT are aligned to the Scottish Government's STEM Strategy to improve levels of STEM skills and knowledge and to encourage the uptake of more specialist STEM skills required to gain employment in the growing STEM sectors of the economy, through further study and training.

Balfour Beatty has provided almost £50,000 of sponsorship to the EDT in 2017 and 2018, coupled with the provision of volunteers from across local business units, to mentor young people from all walks of life and encourage an uptake of STEM careers.

In Scotland, Balfour Beatty has made a further commitment to the EDT to deliver a range of Industrial Cadet accredited STEM themed S4 School projects which will deliver up to 40 Industrial Cadets at Silver Level.



Case Study: Working with Communities

The Community Development team at Robertson produces support across the Group to engage with wider communities and stakeholders to add social value to projects in areas in which the Group works. Working alongside the operational team and clients, it ensures the delivery of added value to a range of local stakeholders including schools, colleges, universities, employability partners, supply chain, social enterprises and the voluntary sector.

Robertson achieved Investor in Young People (IYYP) status over two years ago.

Youth unemployment is far higher than the all-age unemployment rate. Investors in Young People supports organisations from across the private, public and third sectors to assist them in meeting their business objectives by engaging and developing a talent pipeline for the future.

In Stirling a partnership was formed with Bannockburn High School, and the Communities team now oversee the processing of all work placements in the business and as well as building up further links to promote opportunities in their sector, especially where there is a skills shortage.



Case Study: Working with Young People in the Community

Interserve understands how important employer engagement is to young people. It offers thousands of work experience placements to young people across all its projects and in its offices in numerous disciplines to meet their needs. It provides site visits, career talks and a comprehensive Young Person Mentoring Programme for young people as they embark on their career journey. It participates in numerous career fairs, attending local schools regularly as part of the engagement plan with young people and promoting STEM. It promotes a Bring a Young Person to Work Initiative during all school holidays, encouraging staff to bring a young person/relative to work and see what they do.

Through the award-winning Interserve Employee Foundation Charity, the company is committed to supporting and developing the key skills of the communities in which it operates, as well as the local people it employs. It has carried out community projects through the Give a Day of Your Time Initiative, under which staff receive two paid days leave to volunteer on local projects.

Interserve is a founding partner of the Transform Trust, an education charity funding extra-curricular activities in over 1000 state schools, to inspire young people to fulfil their potential. As a member of Business in the Community, it sponsors many schools and colleges, part of the Business Class Programme. Interserve have many Education Business Partnership models which provide an interactive and practical approach to learning across all stages of the national curriculum.

Working with SMEs and the VCSE Sector

BSA members have supply chains which include over a quarter of a million SMEs, and it is important that risks and rewards are shared equitably. The Scottish Government has developed project bank accounts in construction in order to ensure equitable and timely payment for SMEs in the supply chain.

Larger companies can bring vital skills, experience and capacity to the table which, when used in the right way, can be invaluable in the development of SMEs and the VCSE sector.



Case Study: Upskilling SMEs through a Regional Procurement Vehicle's Pipeline of Work

Kier Construction Scotland is a subsidiary company of FTSE listed Kier Group plc. Kier is an equity partner in the hub South West Scotland procurement vehicle, a public - private partnership that enables cost-efficient design and construction of community facilities within south west Scotland. Their aim is to provide value for money and generate growth in the local economy through a new method of partnership working and procurement, maximising local investment and creating joined-up, improved community services.

Hub and their Tier 1 contracting partners, including Kier, operate the Supply Chain Institute, which is aimed at helping SMEs develop the necessary skills to pre-qualify and successfully gain work through the delivery of hub's pipeline of capital and revenue funded infrastructure projects.

One strand of the Supply Chain Institute is the Building for Growth programme, an initiative aimed at upskilling SMEs based in the hub Territory. This programme delivers on some of the key objectives of both Kier and hub in providing help and assistance to SMEs in health and safety training, gaining construction related accreditations, business management, bid writing, interview skills and techniques, responding to ESPD and PCS/OJEU Notices, financial health checks - and generally improving their ability to win work, both as sub-contractors and in their own right with public and private sector clients, and to maintain and grow their businesses in a sustainable and viable manner.

The Building for Growth programme is aimed at ambitious companies in construction and related sectors which are based in Lanarkshire, Ayrshire and Dumfries and Galloway. The programme is run over eight, half-day sessions over a period of 12 weeks. It is open to any business looking to grow in a sustainable manner by building the skills and internal capacity to take on increasing volumes of business. A golden rule of the programme is 'no competitors', leaving companies free to discuss any business issues, challenges and opportunities in a safe and supportive environment with a like-minded group of business people. The programme has been running since 2015 and to date, 52 locally based companies have now 'graduated' from Building for Growth.

Kier has provided tendering opportunities, either through the hub pipeline of work or through other procurement routes to a significant number of these companies and has contracted with 12 of them on various projects.

Here is what two of the graduates say:

- Sharon Lobban, Director of Avesta Scotland Limited: "The Building for Growth programme has been perfectly tuned to encourage you to look at the obvious; review your business, sales and marketing strategy, accreditations, SWOT analysis, honing presentation skills and so on; making you understand that you are in the same boat as everyone else who runs a company and that what you are going through is normal".
- Fran McCartney, marketing director at Damada Asbestos Removals Limited, already runs two successful businesses, one 18 years old and the other 10 years old, and was looking to see how she could improve their internal organisation, and review their marketing and sales strategy. Fran states: "The programme showed me that I need to work more on the business rather than in the business. We have now introduced KPI's to improve service to existing clients and have put more focus on developing our team through regular meetings and training. We have also set up a tender desk, are better using social media to improve online profile and attract new business and are working on improving our sales capabilities".



Case Study: Working with Sub-Contractors

Robertson Group's Dundee-based subcontractors enjoyed a free event designed to encourage a healthy and productive working environment.

SME contractors working on the Baldrigon Academy attended the Healthy Working Lives (HWL) event on-site.

Also in attendance was People Asset Management Occupational Health (PAM OH), who offered confidential lifestyle health-checks designed to support workers in adopting healthier lifestyles, delivered as part of Dundee City Council's Community Benefits targets.

As a large business, Robertson believe that it is absolutely vital to look after the health and wellbeing of not only Robertson's own employees, but also those of their SME subcontractors.

As part of their Community Benefits Programme Robertson hold a bronze HWL Award and are committed to providing a productive, safe workplace with a healthy, positive workforce that feel supported.



Pay and Conditions

Pay and conditions are important parts of the inclusive growth agenda. Once again the commissioning process is key. If businesses know that paying the Living Wage, for example, to staff employed to deliver a particular service or project will be an important part of the decision-making process in awarding the contract, this provides confidence that those doing so will not be undercut in the bidding stage by those who do not.

Therefore the clarity the Scottish Government has provided in this area is welcome. Contracting authorities are encouraged to follow the lead of the Scottish Government by promoting the payment of the Living Wage in public procurement contracts and making this position clear¹⁰.

The Scottish Government has also developed a Scottish Business Pledge, covering issues such as Living Wage; workforce engagement and development; an innovation programme; gender balance; and zero-hours contracts¹¹. A number of BSA members have signed the Pledge.

Conclusion: Business Services and Inclusive Growth

The business services industry has an important role to play in making sure all parts of the country and all sections of society benefit from growth. For this contribution to be maximised inclusive growth needs to be an explicit goal of policymakers at local and national level, especially when commissioning decisions are being taken.

This is the way to ensure that all sectors of the industry can work in partnership with the public and VCSE sectors to generate the virtuous cycle between inclusive growth and service development which will enable all communities to prosper.

August 2018

¹⁰ Guidance on fair work practices including the living wage, October 2015:
<http://www.gov.scot/Resource/0048/00486741.pdf>

¹¹ <https://scottishbusinesspledge.scot/>