Community Benefits Policy

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# Introduction

Glasgow City Council is committed to maximising Community Benefits from procurement activity. This will be achieved through the inclusion of specific clauses within procurement contracts known as Community Benefits clauses.

Community Benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of council contracts.

## Background

Community Benefit clauses have been a key area of procurement policy and practice in Scotland since 2008.

Glasgow City Council was an early adopter of the use of Community Benefits, with the policy approved by Executive Committee in 2008. The policy has enabled the council to introduce appropriate measures into procurement contracts to ensure that Glasgow secures the maximum economic and social benefits for residents and businesses within the city.

The policy originally focused on three distinct elements:

* Targeted Recruitment and Training (TR&T), specifically for the long term unemployed and those directly leaving education or training – classed as New Entrant Trainees (NETs)
* The advertising of business opportunities
* The development of Small Medium Enterprises (SMEs) and Social Enterprises

## Outcomes Generated

Community Benefits clauses were utilised extensively throughout preparations for the Glasgow 2014 Commonwealth Games and generated significant outcomes, including:

* 500 new entrants, covering a range of occupations at various skill levels, including 168 apprentices
* £669m worth of Commonwealth Games-related opportunities awarded via the Glasgow Business Portal
* 756 Commonwealth Games-related contracts awarded, with 182 of these being awarded to Glasgow based companies
* 738 Small and Medium Enterprises (SMEs) and Social Enterprises (SEs) supported through various events and capacity building seminars.

In building upon the success of the Commonwealth Games the council has incorporated Community Benefits requirements into Capital and Services procurement activity.

In addition, the council has also worked with a range of public and private sector partners to support the delivery of Community Benefits outcomes.

# Community Benefits Policy Statement

Community Benefits clauses have, to date, been predominantly utilised in works contracts, however the revised Community Benefits Policy will ensure that Community Benefits are considered and included in all relevant contracts – including works, goods & services contracts.

The Community Benefits Policy will seek to:

* Support delivery of key council priorities
* Consider the inclusion of Community Benefits in all relevant procurement activities and maximise outcomes through the use of Voluntary Community Benefits
* Increase the Community Benefits outcomes generated through the inclusion of Community Benefits clauses within services and goods contracts
* Expand the types of Community Benefits outcomes generated
* Maximise the promotion of Community Benefits outcomes
* Monitor the impact of Community Benefits activity and report via the Corporate Procurement Annual report

These aims will be supported by the use of Community Benefits in procurement activity as noted below:

1. Community Benefits will be considered and included in all relevant and appropriate procurement activities with an aggregated threshold value as noted below:
* Works Contracts >£500k
* Goods / Services Contracts >£50k
1. The use of Voluntary Community Benefits will be considered in all procurement activities and will be discussed with the recommended supplier. This will also form part of the on-going Contract and Supplier Management process as a means to maximise Community Benefits outcomes.

## Policy Drivers

The aims of the Community Benefits Policy are aligned to and support the recent changes in procurement legislation, regulations and statutory requirements both at a national and local level, including:

* Procurement Reform (Scotland) Act 2014
* Sustainable Procurement Duty
* Scottish Government Sustainable Procurement Action Plan
* Local Government Scotland Act 2003
* Glasgow Community Planning Partnership
* Glasgow City Council Strategic Plan 2012-2017
* Glasgow City Council Corporate Procurement Strategy 2016/18
* Glasgow City Council Community Benefits Policy 2016

# Community Benefits Definitions

Community Benefit clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of social, economic or environmental conditions into the delivery of council contracts.

Community Benefits which will be targeted for delivery include, but are not restricted to, delivery of the following:

* Targeted Recruitment and Training Initiatives
* Educational Support Initiatives
* Vocational Training
* Supply Chain Development
* Community and Environmental Initiatives
* Supported Business, Third Sector and Voluntary Initiatives
* Social Enterprise and Co-operative Initiatives
* Equality and Diversity Initiatives
* Poverty Initiatives

Community Benefits can be incorporated in procurement activity in the following ways:

## Contractual

All Contractual Community Benefits form part of the contract and suppliers will have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure to deliver Contractual Community Benefits.

Contractual Community Benefits can be incorporated in the following ways:

Evaluated

Community Benefits included as contractual obligations and evaluated as part of the tender process (e.g. Targeted Employment and Training Initiatives). A minimum weighting of 10% of the total evaluation criteria will be attributed to Evaluated Community Benefits.

Mandatory

Mandatory Community Benefits can be delivered in two ways:

1. Community Benefits proposals will be offered by the supplier but will not be assessed as part of the tender evaluation. Community Benefits offered and accepted by the council will however form part of a supplier’s contractual obligations to deliver. This method will be utilised when Evaluated Community Benefits are not appropriate, e.g. within multi-lot framework agreements.
2. Specific mandatory requirements may be stipulated within the specification, e.g. advertising sub-contracting opportunities or Targeted Recruitment and Training requirements (New Entrants, Work Placements etc.).

## Voluntary

The council may seek to encourage Voluntary Community Benefits for a particular procurement activity. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier; however those which are offered and accepted by the council will be reported in the Corporate Procurement Annual Report. Delivery of Voluntary Community Benefits will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.

# Community Benefits Policy Delivery

## Responsibility and Ownership

As the expansion of the Community Benefits Policy involves a number of new activities, it is critical that representatives from across the council support delivery. Responsibility for delivery of the revised Community Benefits Policy will be shared among Key Stakeholders and Strategic Leads across the council:

Key Stakeholders:

* Corporate Procurement Unit
* Development and Regeneration Services
* Jobs and Business Glasgow
* Service Departments

Strategic Leads:

* Community Planning
* Education Services
* Land and Environmental Services
* Legal Services
* Social Work Services

## Governance and Management

To support delivery of the updated Community Benefits Policy, new governance and management arrangements will be implemented. An outline of these arrangements is noted below, with a complete breakdown of the roles and responsibilities of stakeholders provided within the Sustainable Procurement Guidance document.

A Community Benefits Steering Group (CBSG) will be set up to oversee and support the delivery of Community Benefits and wider sustainable outcomes. The CBSG will be chaired by the Corporate Procurement Unit (CPU) and supported by Strategic Leads and Key Stakeholders. The CBSG will meet on a quarterly basis as a minimum, or more frequently as required.

The role of the CBSG will be to:

* Lead on the identification and prioritisation of potential Community Benefits opportunities through regular reviews of the Corporate Procurement Unit’s Two Year Work Plan
* Provide feedback to Commodity Owners to support informed discussions with Service Departments
* Review Community Benefits outcomes achieved
* Develop the Community Benefits approach through a ‘lessons learned’ review process
* Cascade information and escalate issues

As the Strategic Lead for procurement across the council family, the CPU will undertake a number of functions including:

* Supporting the on-going development of the policy and its implementation
* Engaging with Service departments to identify and agree Community Benefits outcomes
* Engaging with the supply base to encourage and influence innovative Community Benefits opportunities
* Supporting Community Benefits tender evaluation
* Supporting contract management activities
* Reporting Community Benefits outcomes within the statutory Corporate Procurement Annual Report

Strategic Leads have been identified from across the council to maximise the impact of the Community Benefits Policy and to support the development and on-going delivery of the new approach. The Strategic Leads will have responsibility for:

* Contributing to the Community Benefit Steering Group
* Supporting Commodity Owners and Service Departments in the identification, delivery and monitoring of Community Benefit outcomes relevant to specific areas of expertise
* Supporting Community Benefits tender evaluation relevant to specific areas of expertise
* Supporting successful tenderers in the delivery of the agreed Community Benefits targets to maximise impact

In addition to being a Strategic Lead, DRS will also support the CBSG using its expertise and knowledge gained from the development and implementation of the original Community Benefits Policy from 2008.

This council-wide approach to deliver Community Benefits will require greater involvement and integration from Service Departments. Service departments will be required to:

* Support the delivery of the Community Benefits Policy
* Engage with Commodity Owners and Strategic Leads to identify and agree mandatory and anticipated Community Benefits outcomes
* Support Community Benefits tender evaluation
* Support on-going Contract Management

Legal Services within the council will provide on-going advice and support the activity of the CBSG, while ensuring that relevant Community Benefits clauses are both legally compliant and enforceable.

To maximise the impact of the Community Benefits approach it is important to gain as much influence with the private sector and suppliers as possible. Suppliers will therefore have responsibility for:

* Providing Community Benefits proposals and methodologies to support delivery of outcomes
* Engaging with Commodity Owners, Clients and Strategic Leads to deliver agreed Community Benefits outcomes
* Providing regular monitoring information outlining Community Benefits delivery
* Participating, where appropriate, in ‘lessons learned’ reviews at project completion

# Community Benefits Monitoring and Reporting

Successful suppliers will be required to provide regular monitoring information outlining Community Benefits delivery progress. This will enable Glasgow City Council to monitor progress and report on the Community Benefits achieved in the Annual Corporate Procurement Report as mandated by the Procurement Reform (Scotland) Act 2014.

Monitoring information will be reviewed by the Corporate Procurement Unit and relevant Strategic Leads and outcomes will be recorded in the Sustainable Procurement Register once validated by Strategic Leads.

The Community Benefits Steering Group will monitor and review overall Community Benefits outcomes on a regular basis.

The Corporate Procurement Unit will report on Community Benefits outcomes within the statutory Annual Corporate Procurement Report. This will be reported at the Public Petitions and General Purposes Policy Development Committee (PPGPPDC).