

Community Benefit Clause Guidance Manual



A guide for Registered Social Landlords in introducing Community Benefit Clauses to their Maintenance and Development Contracts



tc young solicitors



1	Introduction.....	5
1.1	Project Overview.....	6
1.2	What are Community Benefit Clauses?.....	7
1.3	Are they Legal?.....	7
1.4	Why are Community Benefit Clauses important for RSLs?	8
1.5	Housing Associations and their Wider Role function	8
2	RSLs and Social Procurement.....	11
2.1	RSLs Contracting with Social Enterprises	12
2.2	RSL Trading Subsidiaries	12
2.3	Sustainable Purchasing Strategies	12
3	How to use the Guide	13
4	The Commissioning Process	18
4.1	What is the difference between Commissioning and Procurement?	18
4.2	Review your Current and Future Contracts;	18
4.3	How do you build Community Benefit Clauses into the Commissioning Process?.....	19
5	Identify Suitable Delivery Partners	23
5.1	TOiL Programme	24
5.2	Action for Children Youthbuild Project.....	28
5.3	Barnardos NETworks	33
5.4	Delivering Community Benefit Clauses via Social Enterprises	36
6	Community Benefits and Contractors	39
6.1	Engaging with Contractors	40
6.2	Will this Cost more Money?	41
6.3	Work with existing Contractors.....	42
7	The Legal how to kit.....	43
7.1	Community Benefits Flowchart.....	44
7.2	Selection Criteria.....	46
7.3	Sample for use by RSLs	49
7.4	Community Benefit Clauses – Draft Style.....	50
8	Database	54
9	Case Studies and Community Benefit Clauses.....	56
10	Annotated Bibliography.....	60
11	Acknowledgements.....	62
12	Disclaimer	62

Foreword

Welcome to Port of Leith Housing Association's Community Benefit Guidance Manual. This document funded by the Scottish Government's Wider Role grant brings together the legal requirements, implications and implementation issues for Registered Social Landlords in using community benefit clauses in their tendering and procurement process and it gives some practical examples.



RSLs in Edinburgh are managing or supporting several training programmes giving young people an opportunity of supported work experience. These require a steady supply of work experience placements from a range of employers. In order to continue to deliver over 100 training opportunities for young people in Edinburgh each year, we are asking for your support. We hope you will see the benefit of promoting to your contractors and suitable other suppliers the training opportunities RSLs are supporting and look for their assistance in providing work experience placements to the training programmes in operation. This can be done in a fair and transparent manner using the procurement process when tendering for services by using community benefit clauses in the documentation.

The manual provides an overview of the current training programmes being managed or supported by RSLs within the Edinburgh area. Its objective is to provide RSLs considering the inclusion of community benefit clauses in their procurement process a user friendly guide which explains how this can be done. The database that accompanies the Guide, which will be maintained by POLHA for the Training Providers to use, is designed to be simple, flexible and responsive enough to take account of any changes as and when they may occur.

It is my hope that you will consider using community benefit clauses in both your maintenance and development tendering and procurement process and that the information contained in this guide will make the experience more understandable and easier to manage.

Keith Anderson, Chief Executive, Port of Leith Housing Association

Introduction



1 Introduction

1.1 Project Overview

Port of Leith Housing Association (POLHA) developed its TOiL employability programme (Training Opportunities in Lothian) in February 2004. In addition to this other Edinburgh RSL employability programmes are beginning to emerge across the city which complement the TOiL programme in that they target slightly different groups of young people, depending on ability and work readiness. As well as the RSL employability programmes other agencies including Action for Children's Youth Build and Barnardos Networks run similar programmes. All of these programmes largely focus on the construction industry.

In order to avoid duplication in approaching contractors for work experience placements for these projects and to identify further gaps in employability, a number of RSLs in Edinburgh including POLHA, Hillcrest, Dunedin Canmore, Castle Rock Edinvar, Muirhouse, Prospect and Link established an RSL Employability Working Group to take forward partnerships in employability initiatives.

All of the employability programmes require an ongoing supply of training placements from contractors. It is the lack of these training placements that is often the primary barrier to a greater number of young adults benefiting from the various employability programmes.

Since 2004, POLHA has been formally using its purchasing power in maintenance contract tendering to secure the provision of employment training places for the TOiL Programme. One of the initiatives that is supported by the aforementioned working group is to encourage all RSLs in Edinburgh to use community benefit clauses in their procurement processes, for both maintenance and development contracts. The aim being to increase the number of training placements for vulnerable young people and individuals who are furthest from the job market.

POLHA on behalf of the Employability Group has coordinated a Wider Role funded project in order to raise awareness amongst RSLs of the scope of community benefit

clauses in their procurement process and to facilitate their use to secure the provision of training placements.

The aim of this guide is to promote the use of community benefit clauses to Edinburgh RSLs wherever appropriate and to act as a reference for their practical and legal implementation. The main focus is around community benefit clauses that support socially excluded and long-term unemployed people to move into permanent employment and targeted training.

1.2 What are Community Benefit Clauses?

Community benefit clauses offer RSLs the ability to introduce the contractual requirement upon a contractor to deliver a wider social benefit as part of a contract. Community benefit clauses have often been used in relation to the provision of targeted training or employment outcomes but they can also be used in relation to supply chain initiatives, equal opportunities, the promotion of SMEs and social enterprises and resources for community initiatives.

1.3 Are they Legal?

The European Union has ruled that community benefit clauses can be included in public procurement contracts provided that they do not contravene EU procurement rules, directives and general EU laws. It is critical that non local suppliers are not disadvantaged or discriminated against and that the process complies with government procurement policy, particularly Value for Money and Best Value requirements.

Community benefit requirements must be part of the core purpose of the contract, providing a benefit to the purchasing agency. 'Core purpose' means that any community benefit requirements are included in contract notices and in the contract terms. Community benefit clauses do not have to deliver a monetary benefit or a specific service for an RSL, they can be used in order to achieve policy objectives¹.

¹ Proactive Procurement- Achieving quality services and implementing policy objectives by procurement from social enterprises, available from, <http://socialfirmsuk.co.uk/resources/library/proactive-procurement>

1.4 Why are Community Benefit Clauses important for RSLs?

RSLs are major procurement bodies and every year RSLs across Edinburgh spend millions of pounds on purchasing good and services. The procurement function has the potential to act as a powerful mechanism for social change in addition to simply a process of purchasing what you need. Through the procurement function, RSLs are well placed to make a significant impact on the communities they are active in beyond their core function of providing social housing.

A large number of RSLs have aims and objectives that refer to their engaging in wider community development. Community benefit clauses can act as a valuable strategic tool for RSLs to deliver a wide range of outcomes from their procurement function. For example, through the use of a targeted training and recruitment community benefit clause you maybe able to provide an essential property maintenance service for your tenants but at the same time help in tackling employability in the local area and contributing to the general regeneration of the areas that you are active in.

1.5 Housing Associations and their Wider Role function

The use of community benefit clauses can also be a valuable tool for RSLs in fulfilling their Wider Role function. Wider role can be defined as activities undertaken by an RSL which are outwith the strict remit of a landlord's functions: essentially wider role activities should serve to enhance the quality of life of the association's tenants and their community.

In 2000 Communities Scotland launched the Wider Role Fund which provides funding to RSLs allowing them to develop their wider role activities. The Wider Role Fund supports RSLs to undertake projects in their local communities which make life better for the residents. The Scottish Government has allocated £36m for wider role funding over the three years from 2008 and 2011.

In 2009-10 and 2010-11 the priorities for wider role projects are as follows:

- Investment to address the causes of poverty, community decline and worklessness.
- Making early interventions for vulnerable individuals, families and disadvantaged communities.
- Improving employability as a key means of tackling poverty.

These three priorities outlined by the Scottish Government can all be, in part addressed by introducing employability focussed community benefit clauses into contracts. Therefore community benefit clauses can be a significant tool in furthering an RSL's wider role function and developing their role and contribution to the regeneration of areas where they are active.



Registered Social Landlords & Social Procurement

2 RSLs and Social Procurement

Community Benefit Clauses are an advanced form of social procurement but RSLs are often involved in social procurement in a number of ways. Community benefit clauses can offer RSLs the opportunity to formalise these arrangements.

2.1 RSLs Contracting with Social Enterprises

Social enterprises work across a wide range of industries and it is common for RSLs to be involved in contracting with social enterprises. Services may include: reactive maintenance, upgrading communal green spaces, stair cleaning, house clearances and providing energy efficiency advice to residents. There are numerous examples of RSLs buying goods and services from social enterprises within Edinburgh.

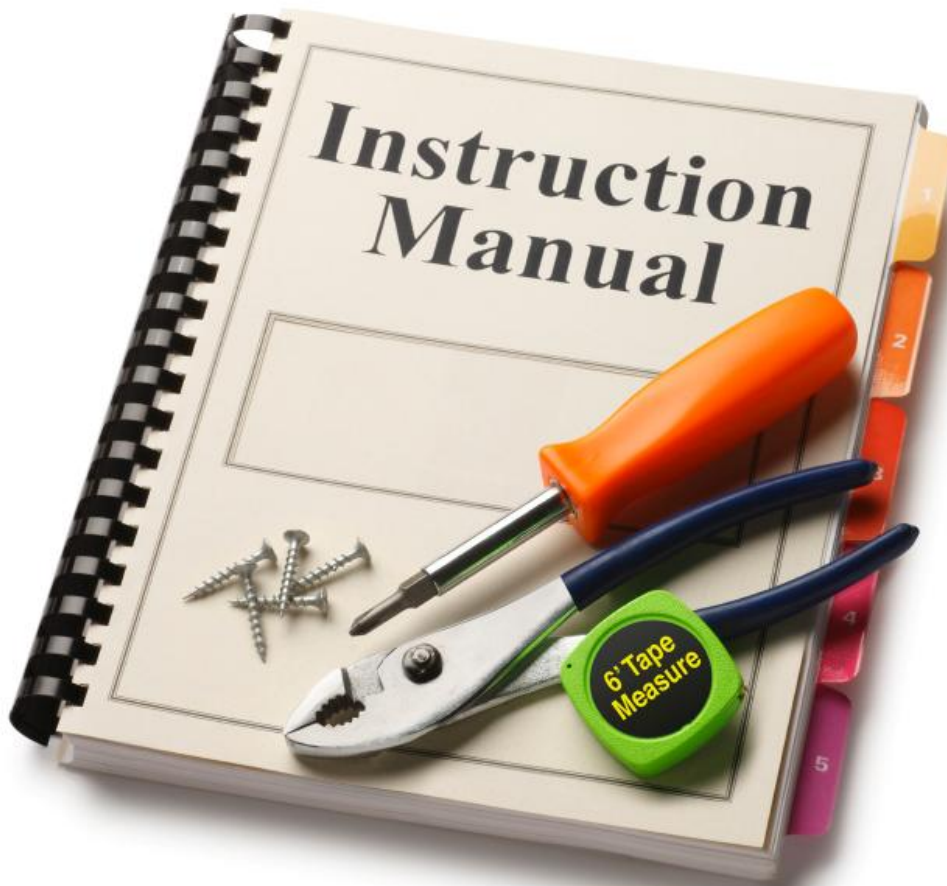
2.2 RSL Trading Subsidiaries

Some RSLs have established internal group structures to deliver services that would otherwise be delivered by external organisations. RSL trading subsidiaries deliver a range of services. An example within Edinburgh is Dunedin Canmore's New Horizons Property Services and their property management arm.

2.3 Sustainable Purchasing Strategies

RSLs are encouraged to develop sustainable procurement strategies. These can include considering the location of suppliers, the ways in which goods and services are made, the terms and conditions offered by suppliers to their staff. Good practice is leading to procurement processes being reviewed to ensure that obtaining goods and services is not associated with the undermining of human rights, unfair trade, undue pollution, unfair or corrupt business practices and environmental degradation.

How to use this Guide



3 How to use the Guide

So far the guide has outlined the reasons why RSLs may be interested in introducing community benefit clauses into their procurement function. The rest of the guide will outline how to introduce them into your contracts from both a practical and legal perspective. It does not have to be read in one sitting and is there as a reference source for you and designed so that you can dip in and out of it, picking up appropriate information at each stage.

Introducing community benefit clauses involves three inter-related aspects of the process:

- The principles and practice of introducing community benefit clauses.
- The culture of the buying RSL.
- The skills of the people purchasing or commissioning the service.

This guide is only focused on the principles and practice of introducing community benefit clauses. This guide is underpinned by the recognition that in order for RSLs to introduce community benefit clauses, it is essential that all those involved in the procurement process have the skills, knowledge and most importantly the willingness to introduce community benefit clauses.

It is important to understand that the decision to insert community benefit clauses into contracts cannot be taken at the point of writing up tender documents and that this decision has to be taken well in advance of this. The guide is set out in general chronological order upon the stages that need to be taken in order to input community benefit clauses successfully: These 4 stages are as follows:

Stage 1- The Commissioning Process - The decision to introduce community benefit clauses begins when commissioning for the goods or services that you wish to buy. This chapter discusses the commissioning process and the legal and policy steps that your organisation must take before introducing community benefit clauses: **(Chapter 4)**

Stage 2- Identifying Suitable Delivery Partners- Once you have selected the contracts that you think are most appropriate to introducing community benefit

clauses, then you must identify appropriate delivery partners; in this guide; there is a focus on the employability programmes that are available in Edinburgh and how they can help contractors deliver community benefit clauses. **(Chapter 5)**

Stage 3- Engage with Contractors - Contractors should be informed of the decision to introduce community benefit clauses before the tender process begins, this is important to help ensure their buy-in. **(Chapter 6)**

Stage 4- The Tender Process - Only once you have completed the first 3 stages are you ready to move on to the tender process. The tender process is detailed in a flowchart with examples of draft clauses, OJEU Notices and questionnaire's that can be adapted for your organisation. **(Chapter 7)**

The guide also provides additional information on the following:

Chapter 8- Case Studies and Community Benefit Clauses – This section provides an overview and links to previous examples whereby community benefit clauses have been utilised.

Chapter 9 - The Database- This section gives an overview of the database that accompanies this guide.

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The Commissioning Process

4 The Commissioning Process

If you want to build community benefit clauses into a contract then this should be done at the front end of the commissioning process. It is crucial that community benefit clauses are built into the contract during the service design process and prior to notification or they may not stand up legally, furthermore introducing them as an after thought to the commissioning phase may mean that you will not have the maximum desired impact you are looking to achieve from them.

By commissioning in a sustainable way with a focus on broad outcomes, RSLs can use their buying power to achieve their overall strategic aims, whether that is regeneration, economic development, job creation, or acting in an environmentally sustainable way.

4.1 What is the difference between Commissioning and Procurement?

These two terms have often been interchanged, which can lead to confusion.

- **Commissioning** is the strategic function of identifying priorities and outcomes, assessing the needs of people in an area or the requirement for goods or services, allocating resources and then designing and securing the appropriate services.
- **Procurement** is the whole process of purchasing from third parties covering goods, services and capital projects. The process spans the whole-life cycle from initial concept through to the end of the asset or the end of a services contract.

4.2 Review your Current and Future Contracts

The first step to introducing community benefit clauses is to explore your current profile of future and existing contracts that will be going out to tender or re-tender. From this you will have to ascertain which of these contracts will be the most appropriate for the use of community benefit clauses and where-by their inclusion will

have maximum effect. Maximum effect is likely to be derived from large-scale development programmes where-by training and recruitment outcomes can be built into the contract. If your RSL has upcoming development programmes then this will be an ideal opportunity for introducing community benefit clauses. However large-scale development programmes are few and far between, particularly in light of the current economic climate and the greatest opportunities for using community benefit clauses will most likely come from your on-going maintenance contracts. These could include for example SHQS activity, cyclical or reactive maintenance, grounds maintenance or empty house repairs.

4.3 How do you build Community Benefit Clauses into the Commissioning Process?

Once you have selected the most appropriate contracts for incorporating community benefit clauses your RSL must have a legal and policy basis for incorporating community benefit requirements into any commissioning or procurement processes. Section 58(3) of the Housing Scotland Act (2001) defines “the permissible additional purposes or objects” that an RSL can engage in and section 58(3) (g) gives RSLs the power to pursue objectives and purposes that relate to:

Promoting or improving the economic, social or environmental wellbeing of:

(i) its residents (or its residents and other persons together), or the area in which the houses or hostels it provides are situated.”²

Furthermore, the Public Contracts (Scotland) Regulations 2006, regulation 39 states:
(1) - A contracting authority may stipulate conditions relating to the performance of a public contract, provided that those conditions are compatible with Community Law and are indicated in –

- (a) the contract notice and the contract documents; or
- (b) the contract documents.

(2) - The conditions referred to in paragraph (1) may, in particular, include social and

² http://www.opsi.gov.uk/legislation/scotland/acts2006/pdf/asp_20060001_en.pdf 2006
http://www.opsi.gov.uk/legislation/scotland/acts2001/asp_20010010_en_6 2001

environmental consideration.

When introducing community benefit clauses try and consider if these five tests can be met³: (It is worthwhile to revisit these five tests as you proceed through the procurement process).

- The requirements should be linked to the procurement in question (e.g. training requirements for the specific contract can be included, but membership of the CITB could not be included);
- The requirements must not contravene, or encourage others to contravene, equal opportunities legislation;
- The requirements must not disadvantage non-local firms in the procurement process (a requirement of the EU Treaties and procurement rules);
- The required outputs must be capable of comparative evaluation and measurement; and
- Any judgement about 'value for money' must be applied to the whole procurement process.

When thinking about the outcomes and the potential impact that you want to achieve from your community benefit clauses then remember to refer back to what the aims and objectives of your RSL are. Commissioning services must be done with the core purpose and powers of your RSL at the heart of the process. Many RSLs have general aims and objectives that relate to regeneration of the areas that they are active in and this can act as the starting point for your organisation's legal and policy basis for including community benefit clauses in specific contracts. If you have not already done so, it is also good practice to develop a procurement strategy that is linked to your organisation's strategic aims and objectives; and develop a organisational policy statement on the use of community benefit clauses (see chapter 7 for an example) this will help reinforce the legal and policy basis upon which your organisation can build in community benefit clauses.

³ As defined in Proactive Procurement- Achieving quality services and implementing policy objectives by procurement from social enterprises” page 15. available from, <http://socialfirmsuk.co.uk/resources/library/proactive-procurement>

- **At this point it is important to review your aims and objectives and other strategic policies as an organisation. If you believe that these are not robust enough then you will need to address this.**
- **Remember that when drafting tender documents you need to make clear the outcomes that you want to achieve and ask suppliers how they will evidence that they will help you achieve these outcomes. They need to be able to prove how their activities and outputs are creating the desired outcomes that you are looking for.**



***Identify Suitable
Delivery Partners***

5 Identify Suitable Delivery Partners.

Once you have identified the contracts that are most appropriate for the use of community benefit clauses it may be appropriate for your organisation to identify agencies that will be able to assist prospective contractors in delivering community benefit clauses. It is unlikely that contractors (particularly smaller ones) will have the capacity to deliver on community benefit clauses of their own accord. Community benefit clauses will be of little benefit if there is no infrastructure to deliver them locally and suitable delivery partners should be identified during the commissioning phase in order to assist the delivery of these. In relation to recruitment and training this should not be a problem within the Edinburgh area as one of the key barriers for the employability programmes operating in the city is a lack of available placements for their trainees. Increasing the number of placements for these employability programmes is a key outcome of this project. Some of the available programmes are noted below and are examples of the agencies that contractors can engage with in order to deliver community benefit clauses.

5.1 TOiL Programme

Project Overview

POLHA's TOiL programme is a work experience, training and mentoring programme which aims to deliver a set of skills, knowledge and personal attributes to young people distanced from the employment market that enables them to secure and be successful in their chosen occupation. They provide placements in Construction, Catering, Admin and Customer Services.

There are many ways contractors can participate in TOiL. For example – they work with a large company that has provided painting and decorating placements within their maintenance division, café placement within their catering division and tenant liaison role within their SQHS contracts. Stair cleaning, pest control and landscape gardening are other examples of successful placements they have provided.

Eligibility for the Programme

Young people between the ages of 16-24, currently not in employment, education or training.

How the Project Works

During their 6-month block placement with an employer the trainee receives in-work mentoring support as well confidence building and lifeskills support.

In addition, they provide:

- Career counselling
- Interview skills
- Vocational training
 - Apprenticeship Test coaching
 - CITB Health and Safety Training/CSCS Card
 - First Aid Training
 - Computer Training
 - Elementary Food Hygiene Certificate
- Motivation and self development
- Literacy and Numeracy
- ESOL

Benefits for the Participating Company

- An extra pair of hands eager to learn
- Recognition that the company is supporting the local labour market – their contractors are nominated for a Certificate of Recognition once they have participated in the programme
- Subsidised Trainee pay
- Provision of all PPE
- Provision of Tools to the value of £90
- In-work and after-care support provided by professional staff
- Reduction in recruitment costs
- Support in delivering Community Benefit Requirements

Case study from Contractors.

MITIE is a £1.7 billion turnover, strategic outsourcing and asset management company. It provides everything from strategic consultancy to facilities and project management through to property services. This profile presents a daunting prospect for any young trainee offered an interview locally.

However MITIE works closely with TOiL and has provided placements for many TOiL trainees, most of whom have been under the supervision of Property Contract Manager, Jamie Connelly. MITIE has a commitment to the local communities where it operates, including investment in seven construction skills training centres throughout the UK. "Everything runs smoothly with the TOiL programme," comments Jamie. "So, we've recommended it to other MITIE divisions and our suppliers so that they can benefit too, because we think that TOiL is one of the leading training programmes around." MITIE stands for Management Incentive Through Investment Equity and the company's managers own a large share of the business. This means that the company works hard to retain smaller business attitudes where managers are fully engaged in local operations.

The company has three divisions: Property, Facilities and Asset Management and TOiL trainees work with both the Property and Facilities divisions. The Property Management division undertakes building refurbishment, roofing and maintenance and Facilities covers a wide range of functions including catering, cleaning, landscaping, pest control and security services. Nationally, MITIE's ethos is to work and invest in local communities. The company supports numerous charitable and community based initiatives and is a founding member of the Construction and Business Services Leadership Group, part of the Princes Trust.

Jamie explains, "As a company, we are very genuine about investing in local people and helping to create local jobs. We aim to create long-term relationships with our clients and with our employees".

Case Study of a Young person who has benefited from the programme

Vincent McGlinchey, joiner and former TOiL trainee

Ask any employer what they are looking for in an employee and most will have the words 'right attitude' near the top of their list.

Vincent McGlinchey was one of the first TOiL trainees when the programme started in 2004. Since then, he's learned that by having a positive attitude at work and play, he's been able to build a future for himself.

On leaving school, Vincent was determined to become a qualified tradesman. After starting an apprenticeship as a motor mechanic, he quickly decided it was not for him and returned to Careers Scotland for advice. They referred him to Port of Leith Housing Association's TOiL Programme, where he became one of their first recruits. He started the programme training as an electrician, moving onto joinery with a small building company, Michael Gilhooley Contracts Ltd.

Five years later and with a three year college course behind him, he is now a time-served joiner, still with the same company - and a committed volunteer in the Territorial Army. He explains "Everyone says it's all about having the right attitude and now that I've been through a variety of training in my job and with the T.A., I can see what they mean".

Vincent explains. "Although I did three years at college, I always preferred being out on a job, I hated being in a classroom but now I can see that it was a necessary part of the apprenticeship training. It's funny to think that I came through a TOiL work placement and now I'm a time-served tradesman supervising a TOiL trainee myself".

Helping an organisation deliver Community Benefit Clauses

TOiL can assist business partners at key stages:

- Pre Qualifying Questionnaire (PPQ)
- Tender Documentation
- Targeted Recruitment and Training Plan (TRTP)
- Utilising Community Benefit Clauses

Funders

The TOiL Programme is currently funded by Skills Development Scotland, Capital City Partnership, and Leith Neighbourhood Partnership.

Number of Trainees through the programme

Minimum of 42 at any one time.

Frequency of Intakes

Every eight weeks.

5.2 Action for Children Youthbuild Project

Project Overview

Action for Children Youthbuild Project assists young people who experience considerable disadvantage in accessing sustainable employment and comprehensive training in construction. Youthbuild Edinburgh works to tackle the underlying issues that prevent young people from entering and sustaining employment and capitalises on opportunities created by considerable local regeneration and investment.

Eligibility for the programme

Young builders must be aged between 16-19 years old and reside in Edinburgh City Council area. They must meet one or more of the eligibility criteria or have faced such barriers previously:

- Alcohol/Drug Issues
- Care Leaver
- Ex-Offender
- Literacy/Numeracy
- Lack of Qualifications
- Social Work Involvement

- Long-term unemployed (6 months)
- Health or Medical Problems
- Chaotic Family Background/Lack of Support

How the project works

The Youthbuild model is a combination of training, support and work experience which involves the young builders working on a live site.

In total the programme lasts for 9 months with the young builders spending their first 6-7 weeks with the project staff at Youthbuild before being placed with a contractor for an initial trial period of 6-8 weeks. During this time the young builders receive a training allowance, lunch money and a bus pass which is provided by Youthbuild. Upon successful completion of this trial period a 6 month full time contract with the employer is offered paying the young builder the 'going rate' for the job. A wage subsidy of 50% is paid by Youthbuild to the contractor to assist with the cost of this particular part of the programme.

Benefits for the participating company

Youthbuild offers companies a way of attracting untapped young people to the construction industry for future skills development. The project is all about providing opportunities for young people. By becoming a placement provider companies will receive:

- 6-7 weeks pre-placement preparation programme
- 6 weeks work experience
- 26 weeks labour subsidised by 50% by Youthbuild
- 39 weeks of professional support from project staff
- Trained young people who on average have 7 relevant construction certificates including: CSCS Card, First Aid, manual handling, abrasive wheels, vehicle marshalling, small plant and tools, PASMA
- Assistance in delivering Community Benefit requirements
- Lower recruitment costs

Case study from contractors

Youthbuild Edinburgh currently works with a number of contractors who have offered a variety of opportunities across the city and the surrounding area.

Balfour Beatty, one of the UK's largest construction companies have provided a number of young people with placements ranging from the National Museum of Scotland in central Edinburgh, Napier University site at Sighthill and the new Fife Hospital site in Kirkcaldy.

Alan Tait, Divisional HR Manager, Balfour Beatty Construction commented on their partnership with Youthbuild, "We have been involved with Youthbuild for the last year and during this time we have employed about 10 youngsters, for varying periods of time, through this programme. At the Royal Museum in Edinburgh we have now taken one of these lads onto our books as an Operative. Two others are likely to be taken on in the next month or so. It has certainly helped us to meet some of our Community Benefit requirements and also for Considerate Contractors and the administration required is minimal. We will certainly be using this scheme again in the future and I have no hesitation in recommending it.'

Other companies who have supported Youthbuild locally over the past year include Advance Construction, Forth Demolition, Edinburgh Paving Company, Lindsay Scaffolding, Carter Ceilings, Jaydee Heating Engineers, Haymarket Ltd, Bett Construction, and Jacks Civil Engineering.

Case Study of a Young person who has benefited from the programme

Ian is 18 years old and comes from Gilmerton in Edinburgh. Ian faced some family difficulties as a younger teenager and spent some time living in foster care. Having left school in 2007 aged 15 and with only one standard grade he spent the next 2 years attending various training courses in an attempt to secure employment.

Ian applied to the first Youthbuild Edinburgh programme which took place in April 2009. His attendance and time keeping during the first 6 weeks of the programme were exemplary and he successfully completed all the certificates offered to him. He was then offered his 6 weeks work experience as a general labourer with Balfour

Beatty at their site building the new Royal (Dick) School of Veterinary Studies in Penicuik.

Ian proved his enthusiasm for his work by attending regularly; he had to take two buses every morning to get there for 7.30am, and following all instructions given to him. He developed positive working relationships with his supervisor and other workers on the site and soon became part of the team.

Following his 6 week work placement Ian was kept on with Balfour Beatty on the six months subsidised wages element of the programme. His site manager is extremely impressed with Ian's willingness to learn and the progress he has made over the past few months. It is envisaged that Ian will be kept on after the end of his 6 months and will become a successful employee of Balfour Beatty in the future.

Helping an organisation deliver Community Benefit Clauses

Youthbuild Edinburgh is part of a national framework delivering 8 projects across Scotland. The project's key aim is to help people back into employment but also to contribute significantly to social and economic development in the community. The project compliments the physical regeneration of Edinburgh through an action plan which assists contractors to deliver wider social benefits as part of public contracts. Youthbuild has developed an action plan which builds significant business relationships with key partners and contractors in order to deliver community benefit requirements. Youthbuild assists business partners at key stages:

- Pre Qualifying Questionnaire (PQQ)
- Tender Documentation
- Targeted Recruitment and Training Plan (TRTP)
- Community Benefit Method Statements
- Positioning Youthbuild as a mechanism for delivering community benefit requirements which meet with the KPIs

Action for Children Youthbuild assists contractors awarded contracts to deliver agreed targets as set out in the TRTP and delivers bespoke training to young people in order to meet the needs of the contractor. Some examples of these are:

- Balfour Beatty – Glasgow South Hospital and the Renfrewshire Framework Agreement
- Dawn Construction - Dumfries and Galloway Housing Partnership
- McTaggart - Maryhill Locks Programme
Atrium Homes
Cloch Housing Association, Inverclyde
- McAlpine - Velodrome (Commonwealth Games)

In the delivery of all of these contracts, the Youthbuild programme worked in partnership with other voluntary and statutory organisations to deliver the widest range of community benefits. It is important that the benefits derived from the public contract(s) provide opportunities for all sections of the community. To this effect the programme has worked alongside and complemented other return to work programmes and initiatives. The Youthbuild project has been part of a wider approach, which has included self design and build initiatives, (intermediate labour market,) the provision of work experience opportunities and recruitment of local skilled labour. This combination of approaches including Youthbuild results in an effective community benefit approach.

In some of these developments because of the scale of the contract it has been required to work through SPOC (Single Point of Contact) in order to co-ordinate and record the full benefits of the corporate social responsibility agenda. Action for Children Youthbuild project has worked with a number of these nominated organisations and played its small part within their wider objectives.

Funders

The main funding comes from Inspiring Scotland and ESF, the local finance is commissioned through Capital City Partnership.

Number of Trainees through the programme

Nationwide the programme works with 200 young people. In Edinburgh the programme is working with between 25-30 young people at any one time

Frequency of Intakes

The next intake is in April/May 2010 and the following programme is late August/September 2010.

5.3 Barnardos NETworks

Project Overview

The NETworks project is a partnership between Barnardo's and North Edinburgh Trust which assists long-term unemployed 16 – 24 year olds from across the City of Edinburgh into sustainable employment opportunities.

Eligibility for the programme

The young person must be from the City of Edinburgh, aged between 16 and 24, and must be long-term unemployed. Referrals are usually through Get Ready for Work or Flexible New Deal providers as the young person must have some form of financial support for the initial 13 weeks.

How the project works

There are three stages to the 26 week NETworks programme.

- An initial two week induction focusing on developing key skills and identifying participants' strengths and interests
- 11 week placement period with an employer
- 13 week continued placement and supported, waged employment

Importantly there is funding to ensure the young person will receive accredited training relevant to the job. A project worker is available throughout to provide ongoing support.

Benefits for the participating employer

- Lower recruitment costs
- Access to a previously untapped resource of young people

- A cost effective way of recruiting a new member of staff
- An opportunity to assess a potential employee over several weeks
- A 3 month period of subsidised wages (50%, up to a maximum of £3 per hour funded by the project)
- Risk free recruitment
- Excellent publicity opportunities for your company
- Opportunity to develop the mentoring skills of your own staff
- An ideal way to demonstrate your organisation's commitment to the community and corporate social responsibility

Employer Case Study

When SitexOrbis decided to get involved with the NETworks project they found the experience a positive one, and secured themselves a valuable worker in the shape of David Watson.

The company provides property and security services for public and private sector companies across Europe, and is the market leader when it comes to empty property security.

Contracts manager Paul Meechan explains: "We were originally approached to take part about a year ago. At that point the project was still to get off the ground, but when Barnardo's came on board things started to happen. Recruiting David happened more by accident than design. Obviously, the project's all about young people, but the risk assessments involved in our line of work meant that the person that came with us had to be over 18. At the time, David was the only one on the project who qualified, so we took him on."

Paul believes having David as part of the team has been beneficial. "He's thoroughly enjoying the work and gets on with the guys in the team. He's doing a good job. He likes the work and we're very happy with him. It's been very valuable having him on board – that's why we've taken him on the 13 week contract. After that, we'll review things. But, at the moment, it's looking good for him to be kept on".

Other companies who have supported NETworks over the past six months include The Townhouse Company, Portobello Beautician, Space Solutions, Down to Earth

Gardening, Apex Hotels, Ramada Hotels, The Royal Scotsman train, Farmer's Autocare, North Edinburgh Childcare Academy, Blindcraft, Royal Mail Group, Barnardo's Retail, Lyceum Theatre, Muirhouse Millennium Centre, NHS Lothian, Leep Recycling, and Distribution Unlimited.

Young Person Case Studies

Jason – started induction as an over confident young person who found it difficult to listen to instructions and to moderate his disruptive behaviour in line with employers expectations. Since starting his placement he has successfully managed 9 weeks working as part of a small team. He has always been on time regardless of his starting time. He had to take a couple of days out from placement due to personal circumstances, and his feedback was that he was in fact bored with being at home and wanted to get back to work.

Nick – started with low confidence, and reported that he felt he was drifting with no feeling of progression and that he was not getting any closer to employment. Nick reported that he had really enjoyed the induction and that 'he did more in the two weeks than he had done in 3 months previously'. He had low self esteem and no real skill set or qualifications. His lifestyle was somewhat 'chaotic' with lots of caffeine and regular gambling on a daily basis. He has been on placement for 9 weeks, has reported an improvement in confidence; has been getting up early in the morning for the job; has increased motivation; and has reduced his caffeine intake and gambling – he said that he had only gambled once in three weeks. He is keen to move on to his waged contract and wants to develop his skills and training.

Mike has had a good work ethic, positive attitude, and a good level of maturity. He started the induction quite introverted and would only speak when spoken to. His attitude and work ethic was recognised quickly by the employer who verbally offered Mike a job on week six of his placement. Mike comes across as more confident and extroverted in conversations and he reports that he really enjoys his job.

Chris – seemed confident at the start of the induction but this masked a large amount of insecurity around employment, home, and what he thought he could and couldn't do. He completed the two week induction, tried two placement opportunities in different sectors (hospitality and sport) but did not feel comfortable in either placement. He spent a couple of weeks with the NETWORKS project where he built his

trust with the team. He suffered a couple of family issues over the Christmas time which resulted in a lack of contact with the project and with his referring agency. Chris was offered the chance of a placement in retail as a starting point. He took this up and started enjoying it with a resulting increase in his confidence. He has begun to take control of his personal life – he has set up a bank account, and is completing his work admin (e.g. timesheets) independently.

Funders

The funding for NETworks comes from European Structural Fund, Wider Role, Capital City Partnership, Fairer Scotland Fund, and the Scottish Building Federation Charitable Trust.

Number of Trainees through the programme

Across Scotland Barnardo's Works services work with 140 young people each year. The NETworks programme is working with 40 young people each year.

Frequency of Intakes

The next intake is in May 2010 and the following programme is late August/September 2010.

5.4 Delivering Community Benefit Clauses via Social Enterprises

In its 2008 Action Plan for an Enterprising Third Sector, the Scottish Government identified community benefit clauses as a key element of its policy of developing a sustainable third sector. Furthermore, the Scottish Social Enterprise Coalition sees Community Benefit Clauses as key to embedding social enterprises in public service delivery.⁴

Achieving social goals is at the core of social enterprises, therefore if their social objectives match those that you are looking to achieve via your community benefit clause then social enterprises may be ideally placed to deliver services. If you are

⁴ www.scottishsocialenterprise.org.uk

looking for social enterprises to deliver these services then it may be advantageous to include them in the commissioning phase of the service so as that they can feed into the tender process.

Additionally, if a private sector contractor is bidding for a contract that has a community benefit clause within it then they may be able to deliver the community benefit element through a social enterprise partner or subcontractor.

The accompanying database to this guide contains a list of social enterprises operating in Edinburgh and the areas of activity that they are active in.

Community Benefits & Contractors



6 Community Benefits and Contractors

There is often a concern that contractors will have a negative reaction to the introduction of community benefit clauses into contracts and that this may discourage tender submissions, cause higher bid costs or contractors will make commitments to delivering community benefit clauses but will look to pay lip services to this after the contract is awarded.

The fear that contractors will react in this way is often one of the biggest barriers amongst commissioning bodies and in this case RSLs from introducing community benefit clauses. Ultimately the only way to address this is to engage with contractors, they may react favourably. Many contractors will be involved in corporate social responsibility activities and will see this as an extension of these. There are a number of contractors who are already involved in providing training opportunities voluntarily through employment programmes in Edinburgh and therefore should not be averse to formalising this position, particularly if it helps them win business through the tender process. Furthermore, if community benefit clauses are a requirement of the tender then contractors will be keen on winning the business and therefore will probably be amenable to the idea of community benefit clauses. Most contractors recruit some labour locally, and community benefits arrangements have the potential for supplementing what they would be doing anyway.

6.1 Engaging with Contractors

Critical to the success of introducing community benefit clauses is to engage with potential contractors early and often. You will not have the same level of intended success and indeed some of the fears that have been highlighted above may be realised if you try to introduce community benefit clauses without consulting with contractors. Furthermore, construction bodies have stated a preference to include community benefit clauses at the start of the procurement process to ensure a level playing field for all bidders.⁵

⁵ Community Benefits in Public Procurement, The Scottish Government, 2008, available from, www.scotland.gov.uk/Publications/2008/02/13140629/0

As important as it is for RSLs to engage with contractors during the commissioning and procurement process it is equally important to introduce them to the key agencies that can help contractors fulfil community benefit requirements (see chapter 5 of this guide). It is the case that you cannot dictate to contractors how they must fulfil community benefit clause criteria i.e. that they must use local labour or that they must use specific training agencies as this would contravene EU procurement rules. However, you can direct contractors to use specific agencies to recruit staff. It is highly unlikely that contractors will be able to fulfil community benefit clauses if there are no agencies (whether employability programmes, social enterprises or regeneration agencies etc) that can help with this as it would be unlikely that contractors (even the bigger construction companies) will have in house programmes that can help deliver community benefit clauses.

- **A good approach would be to host an initial briefing session on community benefit clauses with perspective contractors to introduce them to those who are unfamiliar with them. Followed up by the formation of a working group that will link contractors, the RSL and training sources. The training programmes mentioned in 5.1, 5.2. and 5.3 will be happy to attend a meeting with you / contractors to explain what they can do to assist in the delivery of community benefit clauses and benefits and costs involved. This will allow all parties to develop relationships and will offer opportunities to contractors on how they can deliver community benefit requirements. This process should be transparent and open to all contractors who will be interested in the tender.**

However, you cannot force solutions on contractors, if they have identified alternative methods of delivering the specified community benefit clauses out with engaging with the agencies you have referred them to then this is equally acceptable.

6.2 Will this Cost more Money?

One worry from RSLs is that contractors will see this as an additional requirement and they will simply increase their costs and hide this within their tender response in order to cover the “perceived” cost of delivering community benefit clauses. It is a concern of RSLs that this will cost more but this does not have to be the case.

All of the training providers mentioned in chapter 5 have created programmes that are designed to appeal to contractors specifically when it comes to cost ensuring that their programmes will not result in added cost for the contractor and can potentially save them money. These programmes generally offer supplemented wages, training courses for trainees and a support infrastructure to offset any payment contribution required for the trainees.

6.3 Work with existing Contractors

RSLs often have in place long term contracts or frameworks agreements that are currently active. It would not be appropriate to retrospectively introduce community benefit clauses into these contracts. However, there is an opportunity in all existing contracts to get the contractors to consider voluntary agreements in relation to the outcomes you would hope to achieve by introducing community benefit clauses. For example, if it is in relation to training and recruitment outcomes then it may be the case that you ask contractors to take on some trainees on a voluntarily basis possibly from some of the employability programmes that are active across Edinburgh.

This may be positively received by contractors, particularly if you communicate to them that you will be looking to introduce community benefit clauses into your next round of contracts. By the contractor engaging in training and recruitment activities this experience may make them well placed to fulfil community benefit clauses in future tenders.

The Legal How to Kit



7 The Legal how to kit

This chapter sets out the process an RSL should undertake when electing to include a community benefit clause into any of its contracts. The flowchart provides a step by step checklist. Style documentation has been included but each style will need to be adapted to suit the requirements of the RSL and the nature and scope of the project / contract to ensure the clauses are :

- Relevant
- Proportionate
- Legal

7.1 Community Benefits Flowchart

Narrate in your Strategic Policy document :

Community Benefit Clauses should be supported by strategic documents. Please see below a style statement. They should form part of the RSL's policies and be part of the sustainable action plan.

- Keeping it legal
To ensure that RSLs stay on the right side of the law you have to ensure that the community benefit you seek to incorporate is a good fit with your organisation's strategic objectives. Verify this at the earliest opportunity.



Create a Specification. It is not possible to introduce community benefit clauses as an afterthought. It is up to the RSL at the very outset to identify that they are looking for community benefit from the contract in question. This requirement must be included specifically within the Specification. The RSL must have thought through the outcomes of the contract and one of these must have been to include an identified community benefit. In this way the community benefit provision becomes part of the core purpose of the contract. **See below a style specification.**



Develop Evaluation Criteria. As an RSL you must determine how you are going to assess your community benefit requirements for each individual contract, they must be proportionate. **See below a style evaluation criteria.**



Choose Procurement Route. This will be done in accordance with the nature and value of the project or projects involved. It is worth noting however that the community benefit that you want to achieve should be included in the Contract Notices and in the Contract Terms. The OJEU Notice, if one is appropriate, should identify that you, as an RSL, intend to seek community benefit as part of the contract outcome. This allows the community benefit provisions to be included at the Specification stage.

- Is it legal? Community benefits can be included in contracts provided non-local suppliers are not discriminated against, nor are they disadvantaged in the process adopted by the RSL in the way they award the contract. Any and all contracts require to comply with Government procurement policies. If the community benefits support core purposes of the contract and are identified in the RSL's strategic documents, then they can be included in the contract legitimately and be used in the selection and award procedures. Obviously, throughout the process, RSLs must adhere to EU and domestic law requirements. It is for each RSL to take their own independent legal advice on the clauses and procedures adopted by them in each instance.



Pre-Qualification Questionnaire. It is at this stage that the RSL can seek detail from all prospective contractors. An RSL may at this stage seek to clarify, by way of the contractor providing examples of their generating employment opportunities, providing training opportunities and how they develop trade skills.


It is important that the RSL acts proportionately in assessing the responses and information supplied. They must have due regard to the nature of the works involved in the contract, and the period for same. At this stage the RSL should also give consideration to what they are looking for the contractor to supply to evidence delivery of the community benefit sought. RSLs may look for the contractor to:

1. Agree to secure the creation of a specific number of training weeks as part of the contract; or
2. Agree to create a fixed number of employment opportunities aimed specifically at an identified target group;


The RSL may look to aid the contractor simply by providing information on agencies that can assist in the recruitment of individuals for the target group.




Invitation to Tender / Request for Quote



Evaluate responses. On receipt of the tender and quality questionnaire the RSL will score the responses in the usual fashion on the basis of a quality score matrix they have previously agreed. Prior to the assessment procedure the RSL should have clearly identified and prioritised their own quality criteria for the contract in question. This should include appropriate weighting for each category including community benefit to ensure there is no question of the contract being awarded on anything other than “best value”.



Contract Award. Those contractors who are unsuccessful should receive feedback from the RSL and this should include information on community benefit in the event that their poor rating on this aspect has influenced significantly the award of the contract. This should encourage other contractors who have not clearly identified the need to sign up to the community benefit programme to look more carefully at their own practices and procedures and hopefully to include better community benefit provisions in future tenders.



Contract Management. It is important that there is an evaluation of the community benefit and that information is logged in the central database so results can be monitored.

7.2 Selection Criteria

If the contract is one where community benefit is appropriate for inclusion, the assessment of tenders needs to be weighted accordingly. Each RSL will require to review the contract as a whole to ensure that the weighting for price, quality and community benefit is allocated appropriately, eg price 40%, quality and community benefit 60%.

The RSL should narrate when advising of the weighting supplied that given their stated objective of (*here narrate the specific objective*) the assessment criteria will include eg:

1. the number of people commencing work experience to assist them in increasing job-related skills as a result of the award of the contract;
2. the number of people commencing training courses as a result of securing the contract, the contractor requiring to provide a statement of the nature, length of course and course provider.

PART 1 – COMPANY PROFILE		MARKS
WEIGHTING:		
1.1	Name of Contractor: Address: Postcode: Date of Formation of Company: Principal Point of Contact: Position: Landline Telephone No: Mobile Telephone No: Fax No: Email Address:	
1.2	Describe the relevant experience of your organisation in respect of contracts of a similar size, value, character and quality to the proposed contract	
1.3	Detail any awards and / or accreditations eg IIP, QA etc received by contracts for which you were the principal contractor	
1.4	Detail the structure of your organisation identifying which trades are undertaken by your own employees and which are, or will be,	

	sub-contracted	
1.5	Please provide details of the relevant skills, qualifications and experience of the personnel eg contract manager, responsible for service delivery	
1.6	Please provide client references for two recent contracts which represent the quality of work provided by your organisation.	
	1.6.1 Contract information for proposed contract Client contact: Position: Address: E-mail: Telephone No: Contract Value: Contract start and end dates:	
PART 2 – METHOD STATEMENT		MARKS
WEIGHTING:		
2.1	Describe how your organisation intends to deliver the service and meet customer expectations?	
2.2	Provide details of your complaints procedure.	
2.3	How do you monitor the quality of the work supplied in terms of the contract?	
PART 3 – ADDED VALUE		MARKS
WEIGHTING:		
3.1	The number of apprentice positions that will be created through your securing this contract (if any)	
3.2	The number of work experience places that will be created through your securing this contract. Please provide details of number, nature and length of such placements	
3.3	The number of people commencing recognised training courses as a result of your securing this contract (please state which course / courses / training provider (if known)	
3.4	The number of people commencing any other programme to help increase job related skills as a result of your securing this contract	

7.3 Sample for use by RSLs

Sample RSL Policy Statement – Community Benefits

[] Association recognises the need for active engagement within the community. The Association is committed to promoting community involvement and development throughout a variety of mechanisms. Working with approved partners who run training and work experience schemes within the local area, [] Association aims to promote integration of disadvantaged individuals into the labour market through apprenticeships, work experience or training placements. To this end, contractors must be able to demonstrate an active involvement in promoting community development, training and work experience opportunities. Prospective contractors should be able to provide examples of previous community involvement, training and work experience and display suitable plans for achieving community involvement, training and work experience. Contractors should be willing to provide training and work experience opportunities to individuals within the Association's local community in accordance with the terms of the individual contracts or framework agreements. The Association can provide details of their approved partners who operate such schemes where community benefit conditions form part of the core basis of a contract or framework agreement. The Association will monitor effectiveness of the scheme, noting details of all training opportunities and details of each on a centralised database.

Sample Questionnaire – Training and Employment

[] Association is committed to ensuring that this project provides community benefits. The RSL seeks to integrate as many disadvantaged individuals into the labour market through apprenticeships, work experience or training placements. Therefore, please respond to the following:

1. How will you provide directly or through any sub-contractors :
Apprenticeship / training opportunities / work placements?
2. How will you co-ordinate liaison with training providers either those on our approved list or with other training providers?
3. How will you assist us / the training provider in monitoring and recording information about the number of vacancies filled?

Sample OJEU Notice (This is a sample style. The nature and wording will change dependent on type of contract and whether it is to be used for an individual contract or for a framework agreement).

It shall be a core requirement of the contract that the contractor is engaged in the promotion of community benefits through targeted training and education. It is envisaged that the contractor successful in procuring this contract shall undertake to provide training and / or apprenticeship opportunities to a certain number of individuals who are involved in schemes that promote social inclusion and encourage and support the education and training of young persons. We have a list of scheme operators who may be able to provide appropriate individuals to undertake training, work experience and apprenticeship schemes. The responsibility for the performance of the individual throughout the community benefit scheme shall rest with the scheme operator. However, any health and safety responsibilities shall rest with the contractor.

It is recognised that fluctuating conditions can make it difficult for contractors to commit to such conditions; however, the contractor should fulfil its obligations in terms of the contract and should work in conjunction with the scheme operator to ensure that the individual is engaged in work with them or with a nominee for the [duration of the specified contract]. [Specify period]

7.4 Community Benefit Clauses – Draft Style

A.1 Construction Clause – (but could be adapted for maintenance contract)

A.1.1 The Association, in accordance with its Procurement Policy, Equal Opportunities Policy and the Association's Strategic Community Plan, aims to combat social exclusion and deprivation by promoting opportunities for training and employment for disadvantaged individuals who are involved in a local scheme or a similar local community based project. The Contractor must be able to demonstrate its intention to integrate trainees, award or facilitate

apprenticeship places who are unemployed persons into the labour market without distinction of sex, marital status, race, ethnic origin or political or religious beliefs or age.

The Association also specifically wishes to encourage and continue its support of the education and training of disadvantaged young people who are based within the locality of the Association in order that they can be equipped to work successfully in the Building and Construction Industries and any associated trades. The contractor is, therefore, required to recruit and train such young people.

Accordingly, the Contractor shall provide the Association with a Construction Training and Employment Method Statement detailing how they will aim to achieve and manage the following training and employment objectives during the Contract Period and plans to fulfil the training and work experience objectives under the Scheme:

- (a) Provide [insert number] person(s) work experience or training under the trade's relevant Apprenticeship scheme to disadvantaged persons requiring assistance to enter the labour market [for a period of # weeks]. This training or work experience must be provided in accordance with the relevant Scheme's own training programme. These persons should be obtained from a Scheme operator or suitable alternative programme;
- (b) each vacancy (including those in subcontractor organisations) is notified in advance to the Association and Scheme Operator;
- (c) the application of good equal opportunities recruitment procedures and management practices by the Contractor and its subcontractors;
- (d) the development of an operating framework to encourage subcontractor compliance in order to achieve these training and employment objectives; and

(e) the provision of quarterly and cumulative annual (1 April to 31 March) monitoring information in respect of the following, thereby evidencing the implementation of the Construction Method Statement:-

1. The number of new trainees in connection with the contract in accordance with the requirements of Clause A.1.1 (a).
2. A register of vacancies advertised in accordance with the requirements of Clause A.1.1 (b).
3. A register of packages tendered including the identity of the successful tenderer(s), as referred to in Clause A.1.1 (e).

Provided that the Contractor shall not be required to divulge any Personal Data and/or sensitive personal data within the meaning of the Data Protection Act that the individual has not already agreed to be disclosed in terms of an agreement with the Scheme Operator and Contractor.

Sanction – may be appropriate / may not - see example below A1.2.

In the event there is no specified sanction for failure to adhere to the community benefit commitment, the RSL would still have the ability to record such failure and this may influence future use of such a contractor for projects. This may be deemed sufficient without the need for a stated Sanction

A.1.2 In the event that the Contractor, in relation to the Work during the Contract Period, does not:

- (a) provide [insert number] person(s) - # weeks of training in accordance with the Scheme,

(b) provide details of each vacancy in accordance with the provisions of Clause A.1.1(b)

the Association shall have the right to disengage the Contractor at any stage of the Works should they be in breach of their obligations in terms of Clause A.1.1 above. The Contractor shall be provided with a period of seven (7) days in which to remedy their breach of Clause A.1.1. Should they fail to do so then the Association will be entitled to terminate the Contract in accordance with the Termination provisions contained within Clause #.

8 Database

An integral part of this project was the development of database designed to assist RSLs in introducing CBCs and to help co-ordinate potential opportunities for trainees. Port Of Leith Housing Association will maintain this database and will regularly contact you about it. They will also ask if you can supply details of contractors who would be interested in voluntarily exploring taking on placements who you have contracts with but have not entered into formal community benefit clause arrangements.

The database will also have a dual role of directing RSLs to potential delivery partners for the delivery of goods and services whether this is employability programmes or local social enterprises.

New Contracts

The front page of this database will be a central point for all RSL contracts that are currently out for tender, it is the intention that this will hold information on contracting opportunities with all the Edinburgh based RSLs, POLHA will administer and update the database where possible but it is important that RSLs help feed into this by notifying POLHA when they issue new tenders.

The page will hold generic information about the contract including: the contracting RSL, a short description of the contract or purchase(s), the date the contract was published, deadline date, contract value, information on whether or not community benefit clauses have been included in the contract, and a link to Public Contracts Scotland or any other site that the contract is advertised on whereby additional contract information can be found.

RSLs' Homepage

Each RSL will have a homepage that ideally will be kept updated on a regular basis. For those RSLs who participated in the “community benefit clause survey” this has been pre-populated where possible, otherwise RSLs will still need to provide the appropriate information in order to populate their homepage. This page will host information about the RSLs including any contracts that currently involve community

benefit clauses and upcoming contract opportunities for using community benefit clauses, current contractors RSLs are working with, current contracts with social enterprises and possible upcoming contract opportunities for social enterprise and details of any employment programmes and trading subsidiaries that the RSLs are operating.

Employability Programmes

The database contains information on the employability programmes in the city that can help potential contractors deliver on any potential training and employment related community benefit clauses. Some of this information will be similar to the information that has been provided earlier in this guide.

Social Enterprises

The database contains a list of Edinburgh based social enterprises and the areas of work that they are involved in. If you are looking for a social enterprise to engage with that can act as a possible contractor on contracts that contain community benefit clauses, either as primary contractor or as a potential sub-contractor, then this list will give you some general details of possible social enterprises. This list will also come in handy if you are looking for social enterprises who can deliver goods or services for your organisation.

9 Case Studies and Community Benefit Clauses

Glasgow Housing Association

Glasgow Housing Association has community benefit clauses included in all investment contracts in order to deliver local training and employment initiatives which benefit residents of Glasgow. It requires all contractors delivering a £750 million investment programme to perform against monitored training and employment indicators. In its first four years, almost 650 additional people were recruited to deliver on GHA contracts. 318 of these new recruits are apprentice and trainee places and 73 per cent of the new entrants were previously unemployed or leaving training or education.

See Buying for Good - Housing Associations, Social Firms and Community Benefits in Procurement - A practical guide Page 30: <http://www.socialeconomyscotland.info/scvo/content/504.asp> and the Scottish Government's Community Benefits in Public Procurement page 23. <http://www.scotland.gov.uk/Resource/Doc/212427/0056513.pdf> for a more in depth case study.

Raploch URC

Raploch Urban Regeneration Company developed community benefit clauses for their £120 million 10 year plan. Clauses in the contract for the building of 900 homes specified the requirement for 225 jobs and training opportunities.

See Buying for Good - Housing Associations, Social Firms and Community Benefits in Procurement - A practical guide Page 31: <http://www.socialeconomyscotland.info/scvo/content/504.asp> and the Scottish Government's Community Benefits in Public Procurement page 24. <http://www.scotland.gov.uk/Resource/Doc/212427/0056513.pdf> for a more in depth case study.

Devanha

Devanha is an alliance of the North East's five leading voluntary social housing providers. They are: AHP, Castlehill Housing Association, Grampian Housing Association, Langstane Housing Association, and Tenants First Housing Co-operative.

Together, the Devanha alliance owns and/or manages almost 6,500 homes throughout the North East of Scotland. The Partnership was formed with the view to carrying out joint development programmes of up to 300 houses per phase in the North East. By establishing a substantial building programme and introducing community benefit clauses Devanha aimed to develop a meaningful programme of training and employment in the construction industry.

See Buying for Good - Housing Associations, Social Firms and Community Benefits in Procurement - A practical guide Page 25: <http://www.socialeconomyscotland.info/scvo/content/504.asp> for more information, included in this case study is a Sample Questionnaire Assessment, Sample Quality Submission Assessment Score Sheet, Sample Interview Assessment Sheet and a Sample Quality Submission Assessment Summary of Contractors Scores.

Community Benefit Clauses and the Commonwealth Games

Glasgow City Council has been proactive in including Community Benefit Clauses, particularly in its programme to develop infrastructure for the 2014 Commonwealth Games. Their approach is to focus on three strands; Targeted Recruitment and Training, Supply Chain Development, Developing Social Enterprises. To date, three contracts for the Commonwealth Games that involve Community Benefit Clauses include the:

- Games Village Site Remediation, Contractor – VHE – 6 job opportunities (10%)
- NISA Velodrome, Contractor - Sir Robert MacAlpine - 20 job opportunities (10%)
- Games Village Contractor, - City Legacy Consortium - 100 job opportunities (10%)

The Glasgow City Council approach was to proactively engage with contractors and a host of agencies in the city including Glasgow's five local Regeneration Agencies, Sector Skills Councils, The Supplier Development Programme and Third Sector groups so as to ensure contractors were clear on how they could successfully fulfil community benefits clause requirements of the contract. The Commonwealth Games example is a good example of following the proper process to introducing community benefit clauses.

Action for Children Youthbuild project is assisting with the delivery of community benefit clause element of the Velodrome Contract.

Using a Social Enterprise to deliver a Community Benefit Clause: Grampian Housing Association:

Solstice Nurseries is an established Social Firm working in the Aberdeen area that provides training and employment opportunities for people recovering from mental illness. It delivers garden maintenance services and runs a wholesale nursery that specialises in growing heather. Solstice Nurseries provided open space maintenance works in various Grampian HA estates on an informal arrangement. However, Grampian HA felt that in line with all services that it procured that this service should be put out to competitive tender. Grampian Housing Association wanted to recognise the training and employment opportunities that an organisation like Solstice could provide and therefore built a community benefit clauses into the tender process recognising;

- The number of new jobs created through the contract.
- The number of unemployed people who gain employment as a result of securing this contract.
- The number of people completing recognised training courses as a result of securing the contract.
- The number of completing programmes to help increase job related skills as a result.

It was decided to make the split 30% price and 70% community benefit/quality. This decision took into consideration how the contract would still represent Best Value. The value of the contract was somewhere around £100,000. A number of the

contractors were able to demonstrate how they recruited and supported long term unemployed people in the workplace and were able to be given credit for this in the assessment. However the winning combination of price and quality/community benefit was Solstice Nurseries.

See Buying for Good - Housing Associations, Social Firms and Community Benefits in Procurement - A practical guide Page 39:
<http://www.socialeconomyscotland.info/scvo/content/504.asp> this case study includes a Sample Policy Paper to the Repairs and Maintenance Committee, an Extract of Policy Paper to Housing Management Committee, a Sample Selection Criteria and Weighting for Community Benefits, a Sample Scoring Sheet for Balancing Quality and Price and a Sample Quality Scoring Matrix.

10 Annotated Bibliography

Some of the following documents may be useful as further reading on community benefit clauses, in particular the Buying for Good: Housing Associations, Social Firms and Community Benefits in Procurement, and The Scottish Government Community Benefits in Public Procurement document.

Achieving community benefits through contracts: law, policy and practice-

<http://www.jrf.org.uk/sites/files/jrf/jr129-community-benefits-contracts.pdf>

Guidance on how to make 'community benefits' – such as employment – an integral part of procurement and planning processes. The guide details the relevant policy and legal frameworks and sets out procedures that can be used, suggests what support needs to be provided, gives examples of good practice.

Buying for Good: Housing Associations, Social Firms and Community Benefits in Procurement, available from;

<http://www.socialeconomyscotland.info/scvo/content/>

The guide shows Housing Associations how to use community benefit clauses to get more for their money and has a particular focus on contracting with Social Firms and other social enterprises. It is based on real life examples and experiences and contains practical advice, answers to common questions and detailed case studies explaining how to make "buying for good" work for your own Association.

Community Benefits in Public Procurement, The Scottish Government, 2008,

available from, www.scotland.gov.uk/Publications/2008/02/13140629/0

This report presents the findings of the Scottish Procurement Directorate's and Communities Scotland's Community Benefits in Procurement (CBIP) Pilot Programme. In these pilots public bodies sought to secure the delivery of certain 'Community Benefits', namely 'targeted recruitment and training' (TR&T), through the use of public contracts.

Proactive Procurement- Achieving quality services and implementing policy objectives by procurement from social enterprises- Guidance note by Mark Cook

and David Alcock of Anthony Collins Solicitors, 2004, available from, <http://socialfirmsuk.co.uk/resources/library/proactive-procurement>

‘Proactive Procurement’ explores how it is possible for local authorities to meet their policy objectives and to achieve service improvements by procurement from social enterprises. Although aimed at local authorities this document provides information on community benefit clauses and much of the information is relevant for RSLs.

Social Issues in Public Procurement, the Scottish Government, available from, www.scotland.gov.uk/resource/doc/116601/0053331.pdf

This guidance note is intended to provide advice to purchasers on how and when social issues may be taken into consideration in public procurement. It includes questions which a contracting authority should ask itself when considering the inclusion of social issues in its procurement procedures.

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12 Disclaimer

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