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**To: Procurement Sub Committee**

**On: 8 June 2016**

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**Report by: The Strategic Commercial and Procurement Manager**

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**Heading: Renfrewshire Council's Community Benefit Strategy 2016**

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## **1. Summary**

- 1.1. The purpose of this report is to seek approval and inform the Procurement Sub-Committee that as a result of the Statutory Guidance published on 17 March 2016 by the Scottish Government, Renfrewshire Council's Community Benefit Strategy has been refreshed. This Community Benefit Strategy maintains the commitment to maximising the use of community benefits as an integral part of procurement process and activities in addition to the core purpose of the contract.
  - 1.2. The Statutory Guidance supports the Procurement Reform (Scotland) 2014 Act and the wider application of the new procurement legislation in Scotland. Renfrewshire Council as a contracting authority must have regard to the Statutory Guidance when undertaking regulated procurements which meet the community benefit threshold commencing on or after 1 June 2016. The Statutory Guidance is available at the following address; [Guidance under the Procurement Reform \(Scotland\) Act 2014](#).
  - 1.3. The revised Community Benefit Strategy 2016 to 2018 is aligned to Renfrewshire Council's Procurement Strategy. The delivery and achievement of community benefits contribute to Council's key strategic priorities set out in Renfrewshire Council Plan 'A Better Future, A Better Council'.
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## **2. Recommendations**

- 2.1. It is recommended that the Procurement Sub Committee approve the Community Benefit Strategy attached as Appendix 1.
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## **3. Background**

- 3.1. Renfrewshire Council has made significant progress since the last Community Benefit Strategy was approved on 4 June 2014 this includes a wide of range of community benefits being achieved relating to employability, training, supplier development and educational support. The community benefits contribute directly to

Renfrewshire Council's vision for a 'fair and inclusive place where all our people, communities and businesses thrive'.

- 3.2. As a result of the ongoing efforts and the continued commitment, community benefit requirements continue to be an integral part of the procurement process encouraging Tenderers to identify the community benefit outcomes they wish to offer which encourages. The inclusion of community benefit requirements complies with section 24 of the Procurement (Scotland) Act 2014, which defines community benefit requirements as contractual requirements in addition to the core purpose of the contract relating to;
  - Training and recruitment
  - Subcontracting opportunities and
  - Improving the social, economic and environmental well being of the authority's area, that is additional to the main purpose of the contract in which the requirement is included.
- 3.3. Renfrewshire Council's Community Benefit Forum meets regularly to support the development, delivery and achievement of community benefit offered across the various contracts. The establishment of the Community Benefit Forum has been illustrated as an example of good practice shared across the different local authorities and used in the Scottish Futures Trust Community Benefits Toolkit for Construction
- 3.4. In line with section 25 (4) Procurement Reform (Scotland) Act 2014, Renfrewshire Council as a contracting authority will report on the achieved community benefits including, apprenticeships completed, curriculum support activities, business support activities, support to communities and resource efficiencies achieved – material, waste and water.

## **Implications of the Report**

1. **Financial** – None
2. **HR & Organisational Development** – None
3. **Community Planning** – Community benefits will contribute directly to four National Outcomes identified in Renfrewshire's Community Plan/SOA.
4. **Legal** – Renfrewshire Council as a contracting authority must give regard to the Statutory Guidance published on 17 March 2016 and supports the Procurement Reform (Scotland) 2014 Act and the wider application of the new procurement legislation in Scotland.
5. **Property Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because the approach adopted for

inclusion of community benefits includes ensuring compliance with the procurement fundamental principles of transparency, equal treatment and non-discrimination, proportionality and mutual recognition. As well as ensuring that community benefits are relevant to the subject matter of the contract or framework agreements.

8. **Health & Safety** – None.
9. **Procurement** – The requirements of the statutory guidance will be incorporated within the procurement procedures to consider social, economic and environmental requirements in the delivery of contracts awarded by Renfrewshire Council.
10. **Risk** – None.
11. **Privacy Impact** – None.

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### **List of background papers**

- (a) Scottish Government's – Guidance under the Procurement Reform (Scotland) Act 2014.

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**Renfrewshire Council**  
**Community Benefits Strategy**  
**Version 2**

## **Forward**

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### **Document History**

<b>Author</b>	<b>Version</b>	<b>Date</b>	<b>Reason for Issue/Change</b>
Fiona Hughes	2	24/05/2016	Final version for Sign off by PSC (8/6/16)

## Foreword

Renfrewshire Council spends in the region of £200 million per annum on goods, services and works. The council is keen to ensure this spend not only provides the direct goods, services and works but also that this spend is used to deliver wider benefits for Renfrewshire which assist in building a stronger economy, with the provision of a range of initiatives.

The initiatives include targeted training and employment opportunities, educational support initiatives, supply chain development, community Corporate Social Responsibility (CSR) and environmental initiatives, equality and diversity initiatives and initiatives which assist Supported Businesses, the third sector and voluntary sector, as a direct consequence of the suppliers delivering contracts for the council.

The council recognises that community benefits are a key component in maximising social, economic and environmental benefits. The achievements and delivery of community benefits contribute directly to Renfrewshire Council's vision for a "fair and inclusive place where all our people, communities and businesses thrive."

We are committed to working in partnership and continue to work with internal and external partners who are members of Renfrewshire's Community Benefit Forum supporting the delivery and achievement of community benefits. This partnership approach ensures delivery of community benefits which are aligned to Renfrewshire Council's strategic priorities noted below:

- Creating a Sustainable Renfrewshire
- Reducing the level and impact of Poverty
- Raising Attainment and Closing the Attainment Gap
- Supporting and Sustaining People into Employment

This strategy aims to build on existing good practices within Renfrewshire to deliver community benefits, and ensures a consistent and collaborative approach is adopted towards, maximising the opportunities and benefits delivered to the community.

# 1. Introduction

## Aim

This Community Benefits Strategy has been developed to align with Renfrewshire Council's Procurement Strategy and existing approaches to delivery of Community Benefits within contracts.

Renfrewshire Council Corporate Procurement Unit has identified opportunities to deliver sustainable outcomes to improve the local economy in terms of delivery of community benefits as a direct consequence of the £200 million spend on works, goods and services contracts. An innovative approach to ensure delivery of community benefits within our contracts, which helps to deliver the greatest economic benefit to our communities, is required.

Community benefits will contribute towards economic, social and environmental issues, supporting the sustainable development of the economy within Renfrewshire.

Community benefits will be incorporated in Renfrewshire Council's contracts providing a clear direction of the key socio-economic priorities and issues to be addressed within Renfrewshire at the time of the contract.

This strategy is linked to the guidance to ensure it continues to evolve with the local priorities and strategic aims of Renfrewshire Council. The guidance also includes the community benefit menu which will be reviewed annually or as necessary.

## What this strategy aims to achieve

- A consistent approach to delivery and expectations in relation to community benefits, ensuring maximum value for spend on goods, works and services in Renfrewshire.
- Provide a framework which ensures the inclusions of realistic and achievable community benefit contractual clauses in all applicable contracts.
- Ensure compliance within legislative framework when incorporating community benefits into the contracts and agreements. The core procurement principles of transparency, proportionality, equality and non discrimination set out within the Public Contracts (Scotland) Regulations 2015 still apply. Community Benefits must be relevant to the subject matter of the contract.
- Through guidance and the application of agreed approaches, deliver real and lasting benefits to the Renfrewshire communities and assist the aim of Renfrewshire Council to support growth of the economy, including delivery of sustainable employment outcomes for residents.
- By working collaboratively across departments and partner organisations, we will avoid duplication of effort, share best practice, maximise opportunities for leveraging community benefits from suppliers and provide a more common and consistent experience for suppliers.



## 2. Community Benefit Definitions

Community Benefit clauses are contractual requirements which deliver wider benefits in addition to the core purpose of the 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 Employment and Training Initiatives
- Educational Support Initiatives
- Supply Chain Development Activity
- Vocational Training
- Community, Corporate Social Responsibility (CSR) and Environmental Initiatives
- Supported Business, Third Sector and Voluntary Sector Initiatives
- Equality and Diversity Initiatives

Community benefits can be incorporated into contracts in two ways:

### 1. CONTRACTUAL

All contractual community benefits form part of the contract and suppliers 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 under the Community Benefits criterion (e.g. Targeted Employment and Training Initiatives).*

#### Mandatory

*Community benefits included as contractual obligations but not evaluated under the Community Benefits criterion, as part of the tendering process, or stipulated in the tender documents (e.g. Supply Chain Development Activity such as advertising sub-contracting opportunities).*

### 2. VOLUNTARY

Voluntary community benefits may be offered from a supplier, typically post award but will not form part of their contractual obligations to deliver. Voluntary community benefits cannot form part of considerations at tender evaluation stage. This approach will be adopted to encourage suppliers delivering on more than one Renfrewshire Council's contract to offer additional community benefits as a consequence of the aggregate level of Renfrewshire Council's spend with that supplier.

### **3. Community Benefit Commitments**

#### **Aim**

Applying a consistent approach to delivery of community benefits has the potential to make a contribution towards the expansion of the economy within Renfrewshire from the spend on goods, services and works.

We will deliver a clear message to the market place of our expectations and approach to delivering community benefits in our contracts.

We will ensure that the community benefits objectives set are realistic and achievable taking cognisance of the scope and scale of the individual contracts.

#### **How will we do this?**

- Community benefits will be targeted in all Renfrewshire Council's contracts, adopting an appropriate approach which is proportionate and relevant to the contract, all contracts over £50k will provide formal consideration to the approach to be adopted in relation to securing community benefits.
- Continue to adopt a consistent approach to inclusion of community benefits within tenders issued by the council.
- Based on the programme of procurement activity and industry benchmarks for delivery of community benefits, a target of Community Benefits to be delivered will be forecast and progress against this will be monitored.
- Inclusion of clauses within relevant contracts, which places an obligation on tier 1 contractors to advertise sub-contracting opportunities on Public Contracts Scotland tender portal, providing greater access to SME's where such suppliers do not have an established supply chain already in place.

## 4. Community Benefit Method Statement

### Aim

Community Benefit Clauses will build a range of economic, social or environmental obligations for the delivery of Renfrewshire Council's contracts.

We will ensure that the community benefits delivered are aligned to addressing the key economic priorities across Renfrewshire to ensure we maximise the benefits to the communities where the contracts are being delivered.

We will provide a connection to industry supports available, ensuring the benefits delivered within the Renfrewshire are maximised, targeting key audiences and particularly those furthest removed from the job market.

### How will we do this?

- Stakeholder engagement: We will ensure continuous liaison with key relevant stakeholders who will include local support agencies, voluntary and third sector agencies, the Community Benefit Forum, Engage Renfrewshire, Renfrewshire Council's Economic Development Team including Invest In Renfrewshire, Ready for Business Community Benefits Champions Network.
- Market Engagement: provide a link between suppliers delivering community benefits by attending local and national 'Meet The Buyer' events, Procurex, GO Awards and Chamber of Commerce business opportunities event, outlining our approach and promoting our expectations of delivery of community benefits aligned to Renfrewshire Council's contracts.
- Utilise relevant opportunities to promote and develop a better understanding of community benefits with input from Renfrewshire Council's Community Benefit Forum which meets regularly to support the development, delivery and achievement of community benefits. The Community Benefit Forum has the following key objectives:
  - To ensure contract opportunities, key timeframes and procurement objectives are pro-actively communicated with internal departments and external stakeholders;
  - To ensure local economic development information, such as employability programmes, funding opportunities, community initiatives, education activity and Community Plan objectives are shared with service departments and Corporate Procurement Unit. As appropriate this intelligence will be shared with potential Tenderers, suppliers or market and communicated through formal procurement channels;
  - To identify opportunities and work strategically with economic development supply side partners and in collaboration with contractors to help maximise employment opportunities and instigate community requirements;
  - To measure/report community benefit targets, monitor outcomes and highlight best practice and continually seek improvement and innovation.

- A Community Benefits Menu has been developed based on key stakeholder engagement; this will be used to seek offers from tenderers ensuring local priorities are included. This menu should be refreshed on a regular basis to ensure it provides an emphasis on the key priorities and programmes available.
- A points based evaluation model, aligned to the Community Benefits Menu, along with consideration for the method statements supporting these outcomes being offered, will be used to assess Evaluated Contractual Community Benefits.
- Work with Suppliers to provide case studies on their achievements. As well as report the delivery and achievements to the Community Benefit Forum.

## **5. Monitoring and Reporting**

### **Aim**

Set out clear responsibilities for regular monitoring and reporting of the achievement and outcome of community benefits

We will undertake effective contract and supplier management, as this is critical to ensuring the potential benefits from contractor commitments are realised.

This monitoring will be reported on contracts awarded by Renfrewshire to capture additional opportunities and identify common issues. This will be utilised to inform future requirements, ensuring that Renfrewshire Council's contracts provides sustainable community benefit outcomes.

### **How will we do this?**

- Achievement against community benefit commitments should be reported as part of contract and supplier management conducted on a regular basis. Achievements will be recorded using a community benefits register.
- Central co-ordination and reporting of programmed community benefits will be undertaken by the Corporate Procurement Unit.
- Renfrewshire Council's Community Benefit Forum will review voluntary community benefit opportunities where aggregate spend is identified across Renfrewshire Council's services and the Council's Corporate Procurement Unit will negotiate any voluntary commitments from relevant suppliers.
- Provide employer support post contract award to ensure smooth delivery aligned to key priorities.