



Llywodraeth Cymru
Welsh Government

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Community Benefits

Delivering Maximum Value for the
Welsh Pound 2014

Summary of the 2014 Guidance

Advice and guidance

The full guidance document in both Welsh and English is available on the Procurement Route Planner website in the Policy and Resources toolkit. **www.prp.wales.gov.uk**

Further help and advice on any aspect of Community Benefit policy is available from the Community Benefits policy team, via the Community Benefits mailbox **Community.Benefits@wales.gsi.gov.uk**

Value Wales has also established a Community Benefits – Community of Practice, that meets on a regular basis to discuss practical issues relating to the implementation of Community Benefits. Membership of the group is open to anyone with an interest in Community Benefits.

If you would like to be added to the groups contact list please email **Community.Benefits@wales.gsi.gov.uk** and entitle your email CB Community of Practice.



Minister's foreword

In Wales we spend over £4.3 billion annually on the procurement of external goods and services across the public sector. As Minister for Finance I want to ensure that we spend that money wisely and maximise the benefits we get from the Welsh pound to build a stronger economy, promote jobs and tackle poverty in Wales.

The Wales Procurement Policy Statement that I issued in December 2012 set a clear definition of value for money in Wales, taking an holistic view of public procurement as a driver of social, economic and environmental benefits. Community Benefits is a requirement of the Policy Statement and a principle in its own right, reinforcing its importance. I have made it clear that adoption of the Policy Statement is not optional, I will be closely monitoring progress and will consider legislation if necessary.

We have made huge progress since the publication of the first Community Benefits Guidance in 2010. Results from the first 35 projects worth £465m show that 85% has been re-invested in Wales - £124m directly on salaries to Welsh citizens, and £277m with Wales-based businesses, 80% of which were Welsh SMEs. Some 562 disadvantaged people have been helped into employment, receiving over 15,460 weeks of training.

This illustrates how applying the Community Benefits policy is making a significant contribution to the Welsh Government's ambitions for jobs, growth and tackling poverty in Wales. I am delighted that the success of our Community Benefits work has been recognised at a national level, winning the Civil Service Procurement Award in 2012.

To strengthen and steer the Community Benefits policy, I established a Task & Finish Group in autumn 2012. The group set themselves three clear objectives - to strengthen policy, support implementation and challenge application. I am grateful to Martin Mansfield for having chaired this Group and to the other members who contributed to the delivery of its objectives. Delivery of the agreed milestones has enabled the Welsh Government and wider public sector to fully embed Community Benefits, laying a strong foundation for the future. It is particularly important that our investment through the Wales Infrastructure Investment Plan continues to maximise the value for the citizens of Wales.

We have shown that good public procurement can drive efficiencies and make an enormous difference to the social, economic and environmental well being of Wales. Providing opportunities for employment and training to disadvantaged individuals not only transforms their lives but can also have a positive affect on their families and particularly children, as well as the wider community. I therefore urge you to

utilise this updated and revised guide to assist you in building Community Benefits into your tendering processes and measure the outcomes through completion of the Measurement Tool.

I have been delighted to see at first hand the positive impact that Community Benefits is having on the people and communities of Wales. To continue and build upon that success, the policy must be an integral part of all procurement planning and decision making and applied across the public sector in Wales.

I look forward to building on our achievements to date and know that we can make an even bigger difference by taking a collective approach and applying this policy consistently and effectively.

A handwritten signature in black ink that reads "Jane Hutt". The signature is written in a cursive, flowing style.

Jane Hutt AM
Minister for Finance



Purpose of the guidance

The 2014 update builds on the original policy guidance published in 2010. It provides support for all those involved in delivering Community Benefits to work through the issues that need to be considered and identify actions that need to be taken to ensure appropriate Community Benefit objectives are identified and outcomes delivered.

It offers advice on how to incorporate Community Benefits in public procurements using either the Open or Restricted procurement procedures.

Although not covered in the guidance it is also possible to include Community Benefit requirements when using the Competitive Dialogue procedure which offers greater scope for discussions around the requirement and could include what is possible with regards to Community Benefits. However it should be noted that the use of the Competitive Dialogue procedure is limited to particularly complex contracts where it is difficult either to specify the requirement or the legal / financial make-up of the project and where the contracting body considers the use of the Open or Restricted procedures will not allow for the award of the contract.

The guidance explains how Community Benefits as either core or non-core requirements can be legitimately incorporated into contracts and framework agreements within the policy and legal framework governing public procurement. While the use of these Community Benefits approaches offer some scope for innovation the requirements to act in accordance with the core principles of transparency, equality and non-discrimination set out in the Public Contracts Regulations still apply.

It is also worth noting that the guidance deals specifically with the application of Community Benefits in public sector procurement. However, good procurement practice encompasses many other issues and further guidance is available on the Value Wales Procurement Route Planner www.prp.wales.gov.uk

Background to Community Benefits Policy

Community Benefits Policy supports the Welsh Government’s vision that sustainable development will be the central organising principle for Wales. It also contributes to other policy areas such as the Wales Infrastructure Investment Plan, tackling poverty in Wales and supporting the training and skills development.

The following diagram summarises the scope of the policy.



When taken as a whole, the Welsh public sector is the largest user of goods and services from both the private and voluntary sectors in Wales. For this reason, Procurement is viewed as a key driver for delivering the Welsh Government’s sustainable development commitments for Wales.

Initially piloted in 2003 and having steadily grown in importance since then, the inclusion of 'Community Benefits' or 'social requirements' in public sector procurement, to ensure wider social and economic issues are taken into account when planning and tendering for construction, service or supplies contracts has never been more important.

Acknowledged in the McClelland Review, 'Maximising the Impact of Welsh Procurement Policy' August 2012 and at the UK national level as the winner of the UK Civil Service Procurement Award 2012, the Welsh Government's Community Benefits Policy has been recognised as an excellent example of innovative procurement in practice that is already delivering significant benefits across Wales.

The importance of the Community Benefits policy which featured as a Programme for Government 2011-16 commitment was underlined by Jane Hutt AM, Minister for Finance in December 2012 with the announcement of the *Wales Procurement Policy Statement*, principle 4 of which is dedicated to Community Benefits, stating,

<p>Principal 4: Community Benefits – delivery of added value through Community Benefits policy must be an integral consideration in procurement.</p> <p>How will this be achieved?</p>	
<p>Welsh Government will:</p> <ul style="list-style-type: none"> • lead on maintaining and strengthening Community Benefits policy; strengthening support available on the ground and challenging the application. 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • apply Community Benefits to all public sector procurements where such benefits can be realised. • apply the Measurement Tool to all such contracts over £2m to capture and report outcomes to the Welsh Government.
<p>Policy link : Community Benefits Wales Infrastructure Investment Plan:</p>	

It is important to note that the requirement is to apply Community Benefits to 'all' procurements irrespective of value, reporting via the Community Benefits Measurement Tool on contracts over £2m 'where such benefits can be realised'.

In order to determine 'where such benefits can be realised', it is important to be able to systematically consider the issues that can determine the scope for Community Benefits in the context of the procurement in question.

The updated 2014 guidance aims to support the public sector in Wales to consider all the relevant issues and to identify where Community Benefit objectives may be applied and how to manage that process through the procurement process and as part of on-going contract management.

The full guidance both explains the key concepts and provides practical guidance under the following headings;

Defining Community Benefits

This chapter explains the range of potential Community Benefit objectives;

- Workforce initiatives – Targeted recruitment and training
- Supply chain initiatives
- Community initiatives
- Educational initiatives
- Environmental initiatives
- Equality and Diversity

What could we achieve, what should we focus on?

This chapter explains the things to consider when deciding on the community benefit objectives that might be relevant to your contract or project:

- What issues should we focus on?
- Defining 'disadvantaged'
 - 'Disadvantaged worker'
 - 'Severely disadvantaged worker'
 - 'Disabled worker'
- What activities will the project / contract generate?
- General principles
 - Client driven
 - Citizen's voice
 - Working in partnership
 - The role of the contractor / supplier
- Community Benefits and the procurement process
- Identifying 'powers' to implement Community Benefits

Approaches – Core and non-Core

The updated policy outlines that in all instances, the core approach to delivering Community Benefits through procurement should be the default starting position.

This chapter explains the core and non-core approaches:

- Deciding on which approach to use
- Community Benefits Core and Non-Core decision flow chart
- The Core approach
- Supplier Selection stage and the Core approach
- Managing the additional cost of Core Community Benefits
- The Non-Core approach
 - Community Benefit proposals
 - Contract Conditions
 - Structuring non-core Community Benefits proposals
- Managing the additional cost of non-Core Community Benefits

Community Benefits in the Contract Notice

This chapter explains what needs to be done in the contract notice when incorporating core and non-core Community Benefits in your contract:

- Contract Notice - Commodity Categories (CPV codes)
- Contract Notice - Community Benefits Clauses page

Support Services

This chapter lists a range of support services, agencies and schemes that can help with the planning and or delivery of your community benefit objectives:

- The role of 'support services'
- Job Centre Plus
- Construction Industry Training Board (CITB)
- Shared Apprenticeship Schemes
 - South West Wales Regional Shared Apprenticeship Ltd (SWWRSAL) - Cyfle Building Skills
 - Y Prentis
 - North Wales Share Apprenticeship Scheme
- Constructing Excellence in Wales
- Careers Wales
- DWP Work Programme providers
 - Working Links
 - Rehab Job Fit
- Lift programme

- Business Wales
- Business Skills Hotline
- Ensuring fair and prompt payment
 - Wales Fair Payment Guidance
 - Project Bank Accounts
- Ensuring opportunities are visible to Wales based businesses
 - Buyer Contractor Sub-Contract Notices via www.sell2wales.co.uk

Other resources

This chapter introduces additional guidance and tools that sit outside but complement the Welsh Government's Community Benefits guidance and which may be helpful for specific contracts or projects:

- The CITB Client-Based Approach (CBA) to developing and implementing an Employment and Skills Strategy on construction projects in Wales.
- Can Do Toolkit
- Social Engagement Planning Tool

Case Studies - Community Benefits in Action

This chapter details four diverse case studies where Community Benefits have been successfully applied:

- Taf Ely Campus, Coleg Morgannwg, Laing O'Rourke
- Arbed II Welsh Government, Melin Homes
- 4 Primaries Project, Powys CC, Wilmott Dixon
- Blaenavon Community Campus, Blaenavon, Torfaen

The Community Benefits Measurement Tool

This chapter explains the measurement tool details four diverse case studies where Community Benefits have been successfully applied:

- Background to the Community Benefits Measurement Tool (CBMT)
- How to use the CBMT
- Completing the CBMT
- Who should complete the tool?
- What period should completed tools cover?

Frequently Asked Questions

This chapter contains frequently asked questions and answers relating to a wide range of issues relating to Community Benefits policy and application.