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# Community Benefits

Delivering Maximum Value for the  
Welsh Pound – 2014





# Community Benefits

## Delivering Maximum Value for the Welsh Pound

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

Although not covered in this 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.<sup>1</sup>

The guide 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 this guidance deals specifically with the application of 'Community Benefits / social requirements' 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/](http://www.prp.wales.gov.uk/)

<sup>1</sup> OGC / Her Majesty's Treasury Guidance on Competitive Dialogue 2008



# 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 a 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

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# Section 1: Introduction

## **1.(i) Purpose of this guidance**

This guide is for all those involved in delivering Community Benefits to provide support 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.

## **1.(ii) Background**

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'<sup>1</sup> 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.

<sup>1</sup> While the terms 'Community Benefits' and 'social requirements' are essentially interchangeable, to reflect the title of the policy the term 'Community Benefits' will be used for the purposes of this guide. This will also avoid confusion with Section 106 within the Town & Country Planning Act 1990 which enables inclusion of 'social requirements' as conditions of planning consent. As this is outside public procurement it does form part of the Community Benefits Policy.

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<sup>2</sup>, principle 4 of which is dedicated to Community Benefits, stating:

**Principle 4. Community Benefits – delivery of added value through Community Benefits policy must be an integral consideration in procurement.**

<b>How will this be achieved?</b>	
<p>Welsh Government will:</p> <ul style="list-style-type: none"> <li>• lead on maintaining and strengthening Community Benefits policy; strengthening support available on the ground and challenging the application.</li> </ul>	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> <li>• apply Community Benefits to all public sector procurements where such benefits can be realised.</li> <li>• apply the Measurement Tool to all such contracts over £2m to capture and report outcomes to the Welsh Government.</li> </ul>
<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.

**1.(iii) Context for Community Benefits**

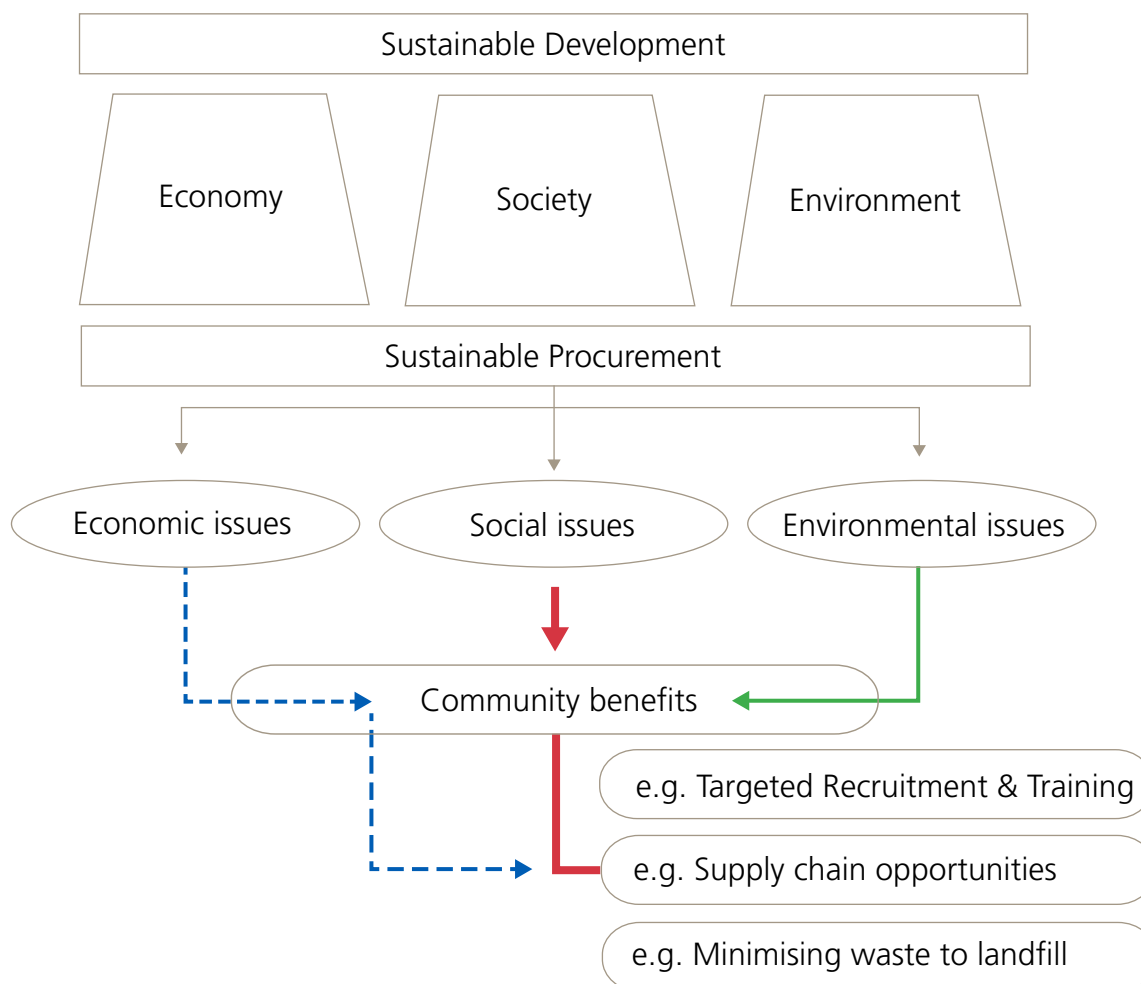
It is important to set the context for Community Benefits and how it contributes to the Welsh Government’s vision that Sustainable Development will be the central organising principle for Wales<sup>3</sup> fits into Welsh Government’s procurement policy and how it ties in to the broader Programme for Government policy agenda, in particular the determination to tackle poverty in Wales.

<sup>2</sup> *Wales Procurement Policy Statement*, Jane Hutt AM Minister for Finance, (Welsh Government, 2012)

<sup>3</sup> One Wales : One Planet The Sustainable Development Scheme of the Welsh Assembly Government

## 1. (iv) Community Benefits contribution to Sustainable Development

The following hierarchy may be helpful in understanding how Community Benefits fits into the wider picture of Sustainable Development policy and sustainable procurement activity, concepts upon which Welsh Government's procurement policy is based.



- Sustainable Development is the goal, supported by the 'three pillars' of economic capital, social capital and environmental capital.
- Welsh procurement policy, based on sustainable procurement principles, is a key mechanism for delivering Sustainable Development, influencing the ethos and practice of how, what and why we procure. Good sustainable procurement practice is therefore an integral part of the Welsh Government's vision that Sustainable Development will be the central organising principle for Wales.
- Welsh procurement policy aims to address and balance economic, social and environmental issues and impacts.
- Community Benefits policy is one strategy to address and balance these issues. Examples of Community Benefits that support the three pillars of Sustainable Development – the economy, society and environment are:
  - creating recruitment and training opportunities from your contract is an example of one community benefit that seeks to address the socio-economic impacts of unemployment or economic inactivity particularly for disadvantaged people;

- ensuring supply chain opportunities are visible to Wales based suppliers to compete for will both support the economy and help create employment and training opportunities; and
- minimising waste to landfill.

This holistic approach is reflected in the Wales Procurement Policy Statement which defined;

**Procurement in Wales** – as “a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment”<sup>4</sup>

And:

**Value for money in Wales** – as “the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society and the economy, whilst minimising damage to the environment.”

(Principle 3 Economic Social and Environmental Impact)

Furthermore, Principle 4 Community Benefits, expressly makes delivery of added value through application of the Community Benefits policy an integral consideration when planning public procurement in Wales in all public procurements where such benefits can be realised.

Community Benefits policy – the following diagram summarises the scope of the policy.



<sup>4</sup> UK Sustainable Procurement Task Force, 'Procuring the Future' 2006

## **1.(v) Community Benefits contribution to Tackling Poverty in Wales**

The Welsh Government is driven by values of fairness, social justice and equality. At the heart of this is a determination to tackle poverty and ensure that everyone has access to opportunity and support no matter where and who they are. Poverty is not only a blight on individual lives but also takes a terrible toll on our economy and on the sustainability of communities.

There is a strong and well established association between worklessness and poor health and conversely employment, material well-being and full participation in society for individuals, as well as the broader impact on their families. Families without a working member are much more likely to suffer persistent low income and poverty.

*The impact of parental ill-health and worklessness goes further than poverty; it also increases the risk of childhood stress, behavioural problems and poor educational achievement. Children who grow up in low-income or workless households are also more likely to suffer worse health themselves, be workless and live in poverty when they become adults. (Black, 2008)<sup>5</sup>*

The Community Benefits policy is one of the strategies to break this cycle and supports Welsh Governments Tackling Poverty Action Plan and Lift programme aimed at supporting people from workless households. Applying the Community Benefits approach has the potential to make a significant contribution to Tackling Poverty and economic inactivity in Wales by maximising the socio-economic benefits from the £4.3bn spent annually by the public sector in Wales.

<sup>5</sup> 'Working for a Healthier Tomorrow' Dame Carol Black, 2008



## Section 2: Defining 'Community Benefits'

Community Benefits fall into six categories. The two primary focuses of Community Benefits policy are Workforce initiatives and Supply chain initiatives.

### **2.(i) Workforce initiatives**

Workforce initiatives cover Targeted Recruitment & Training (TR&T) – including Retention and Training for the existing workforce.

TR&T focuses on employment and training opportunities for disadvantaged people and target groups e.g. the short and long term unemployed; workless households. The decision on which group or groups to target on a specific contract should be considered in the light of the socio-economic issues in the area in which the contract or project will be delivered and the sort of activities the contract or project will require. (See section 4 'What we could achieve, what should we focus on?' for more guidance)

Retention and Training for the existing workforce can be a focus were investment in the training of current staff / workforce of contractors can be supported as a result of the award of a contract. This focus can be a useful approach as it has the scope to maintain or improve the skill pool in Wales and from a supplier development viewpoint can benefit the contractor's competitiveness in the future.

It is important to note that it isn't a choice between TR&T and retention and training for the existing workforce opportunities to deliver these in tandem should be considered.

When TR&T as one of your Community Benefit objectives you may legitimately direct the contractors / suppliers to advertise any TR&T opportunities via a specific channel or agency provided that registration is not restricted. For example through the local Job Centre Plus office or local community groups or specialist recruitment agency that may have been set up to support the project or development. Taking this approach will make it highly likely that recruitment and training opportunities will be taken up

by local people, especially if these opportunities are targeted on local social issues / disadvantaged groups, for example on young people not in education employment or training; long term unemployed people – disadvantaged unemployed for more than 6 months or severely disadvantaged people unemployed for more than 24 months; workless households; single parents etc.

EU procurement law and general principles support a focus on addressing local social or environmental issues. Recital 28 and 33 of the EU Procurement Directive 2004 clearly support the use of public contracts to support social aims (Community Benefits).

Recital 28 *“Employment and occupation are key elements in guaranteeing equal opportunities for all and contribute to integration in society.”*

Recital 33 *“Contract conditions can be used to favour for example, on-site vocational training, employment of people experiencing difficulty in integrating, reducing unemployment or protecting the environment. Specific mention of recruiting long-term job-seekers, training measures for the unemployed or young persons, compliance with International Labour Organisation (ILO) Conventions, and recruiting more disabled persons.’*

The practical implications of this guidance and in particular how it is being applied in Wales was confirmed in 2010 in the BBC Radio 4 ‘File on 4’ programme ‘A Bridge Too Far’ which examined application of community benefits approaches across the UK. When asked to explain how far the current EU rules allow any state to go in awarding contracts with the intention of benefiting its own economy, with particular reference to the approach being taken in Wales, Chantal Hughes, European Commission spokesperson on the Internal Market, said, *‘You can specify that you will allocate more points to a company which has a socially inclusive policy and who takes on disadvantaged people, for example. You cannot specifically say that the jobs should go to someone who is Welsh or someone who is French or someone who is Polish, nor can you specifically say that those jobs have to go to someone living in an area, but what you can do is you can specify a criteria for the specific purpose of a contract. So in particular, if, for example, you are building a local hospital or you’re running a canteen, de facto people are going to have to turn up to work there, so they’ll have to turn up to work in a village in Wales, so the likelihood is that you will end with local workers doing those jobs’.*

## **2.(ii) Supply chain initiatives**

Targeting of supply chain opportunities is particularly important. 52% of Welsh public sector procurement expenditure is currently won directly by Wales-based businesses. 99% of businesses in Wales are SMEs of whom 97% are micro-SMEs, employing fewer than 10 people. Consequently, many SMEs do not have the time or staff to tender for business, representing a significant barrier to competing for business.

Larger contractors often have their own approved sub-contract supplier lists which lock out Wales based suppliers from supply chain opportunities.

Supply chain Community Benefit objectives focus on initiatives to maximise the opportunities for smaller and more local suppliers and contractors to compete for tenders or sub-contract or supply chain opportunities and measures to ensure prompt and fair payment terms. Exploring the potential for third and voluntary sector

enterprises, including Supported Businesses, in the supply chain is also an important consideration as these businesses can deliver multiple socio-economic benefits.

Given the high proportion of SMEs in Wales and the detrimental impact of slow or delayed payment to the viability of such businesses it is essential that public sector bodies in Wales ensure fair and prompt payment throughout their supply chains.

The Community Benefits Measurement Tool specifically addresses prompt payment in construction related contracts on the Enterprise sheet that monitors take up of the Prompt Payment Code and Wales Fair Payment Charter. However monitoring prompt and fair payment is relevant to all contracts where sub-contractors are used. This monitoring can be made a condition of contract and a key performance indicator. The CBMT includes the recording of the percentage of sub-contractors paid within 30 days. The Community Benefits Measurement Tool can be found on the Procurement Route Planner website in the Policy and Resources Toolkit [www.prp.wales.gov.uk/toolkit/](http://www.prp.wales.gov.uk/toolkit/)

[See Support Services section 6 Ensuring fair and prompt payment for more details.]

In relation to supply chain opportunities it is important to note that you cannot specify local suppliers as this breaches the fundamental EU procurement principle of non discrimination. However you can take steps to ensure opportunities are visible to local suppliers and sub-contractors and ensure that the main contractor or supplier is actively considering responses to requests for quotes or sub-contract bids.

There are two main ways in which opportunities to compete for business can be made visible to suppliers.

- **Meet the Buyer Events or Meet the Contractor Events**

These face to face events are very useful when outlining the contract and sub-contract opportunities. They give local suppliers a chance to ask questions and clarify their understanding of the requirement. Meet the Contractor Events on a 'speed dating' format have also proved very useful to SME suppliers who get the chance of a short one to one conversation about the requirement and get a chance to pitch their services. However, as it is highly unlikely that the timing of all the sub-contract opportunities will be known at the start of a project or indeed at the start of stages of a project it is important that a mechanism is in place to ensure local suppliers are kept informed of opportunities on an ongoing basis. The Buyer Contractor sub-contract notice facility has been developed to help in this regard.

- **Buyer Contractor sub-contract notice facility on [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk)**

This works in the same way as the Quick Quote facility (formerly the Request for Quote facility on [Sell2Wales.co.uk](http://Sell2Wales.co.uk)) but allows the Public body to set up their main contractors to have access to the Buyer Contractor sub-contract notice facility to electronically advertise sub-contract opportunities that generate email alerts to suppliers registered on [www.Sell2Wales.gov.uk](http://www.Sell2Wales.gov.uk) against the relevant Common Procurement Vocabulary (CPV) codes for the sub-contract requirement.

As these opportunities go out as email alerts to registered suppliers they are particularly useful to SMEs who don't have the time to keep attending meet the buyer / contractor events or monitor web and other advertising sources for opportunities.



As [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk) supplier registration is not restricted to only Wales based businesses using this channel to advertise opportunities to Wales based suppliers is not discriminatory. In addition as the sub-contract advertising is being conducted by the contractor and for lower value sub-contract opportunities they can legitimately restrict their initial advertising to the local area, widening the search where responses from local suppliers is poor.

This approach ensures that smaller and more local businesses with an interest in the contracts sub-contract opportunities are kept informed without having to commit valuable time and effort to attending events or monitoring websites for suitable opportunities to bid. [See Support Services section 6 (viii) Business Wales and (xi) Ensuring opportunities are visible to Wales based businesses -Buyer Contractor sub-contract notice facility for more details.]

## **2.(iii) Community initiatives**

Community initiatives offer good opportunities for contractors to innovate and meet their own CSR objectives. It is however essential that public sector clients take the lead and work with local community based groups to identify suitable projects. While generally applicable community initiatives work best when the contract or project in question has a geographically defined focus.

The Coleg Morgannwg Taf Ely campus development case study, used in this guide provided examples of each type of community initiative:

- cash contributions or sponsorships to organisations or projects based in Wales – contractors sponsored a barbecue for the local under 10s football team, and took part in a sponsored walk to raise money for MacMillan Cancer Support;
- in-kind labour contributions – A blood donor session arranged for on site contractors and renovation of a local community centre; in addition to on-site guided tours for local school and college students;
- other in-kind contributions – contractors donated surplus materials for use on the renovation of the local community centre and also the loan of an on site tower crane to Cardiff Fire Service for training purposes when not in use. This example of an innovative in-kind benefit could have been quantified as the hourly / daily rate for the hire / operating costs of the crane.

With community initiatives it is important to accompany the financial value of benefits with a narrative to describe the impact on individuals and the community behind the figures. The Community Benefits Measurement Tool is designed to record this detail.

## **2.(iv) Educational initiatives**

Educational initiatives are an important aspect of Community Benefits and are generally applicable. As with community initiatives the best results are achieved when the client works with local schools or colleges to plan activities linked to the contract or project in, for example, Welsh Government's Numeracy Employer Engagement Scheme may be able to help (Refer to section 6 of this guide for more details). These initiatives may include work experience placements for school or college students, site visits and classroom work supported by the contractor. Educational initiatives, like community initiatives, most obviously lend themselves to contracts or projects with a geographical

focus. Where contracts or projects have an all Wales or wider regional spread the funding of educational / classroom resources and on-line resources is a useful way of ensuring benefits are available. The financial value of efforts to support educational initiatives should be recorded on the Community worksheet of the Community Benefits Measurement Tool.

## **2.(v) Environmental initiatives**

These currently reflect the historical focus on construction related contracts but offer some opportunities to adapt to capture environmental benefits across all types of contract. Whether or not these apply will be determined by the nature of the activities generated by the contract.

Environmental aspects covered are:

- kilowatt hours of renewable energy generated or sourced to help deliver the contract or project – this may be from the use of on site solar panels, small wind turbines or combined heat and power units used to generate energy for used in site offices for example. Electricity generated by renewable sources bought to support contract or project delivery may be counted but only where it is clear that this energy was used directly on the contract or project in question and not when the contractor sources electricity generated by renewable sources for its general business;
- tonnes of waste diverted from landfill – typically construction or excavated materials re-used on site instead of being sent to landfill. Taking this action reduces transportation and associated pollution and saves money against landfill taxes avoided. In non-construction contracts Initiatives to reduce packaging waste that would normally go to landfill can also be recorded under this heading on the Community Benefits Measurement Tool;
- percentage of eligible materials recycled – for construction contracts or projects eligible materials are those deemed recyclable by WRAP and recorded in their Net Waste Tool. As with waste diverted from landfill non-construction related contracts can also focus on increasing recycling rates for example by working with contractors on Initiatives to recycle packaging. Where the benefits can be quantified this can be recorded under this heading on the Community Benefits Measurement Tool;
- cubic metres of water saved by initiatives employed to reduce water consumption; and
- measures taken to reduce travel – this can be reductions in business mileage or transportation, delivery miles. It should be noted that this type of Community Benefit can only be encouraged and should not be used to restrict competition or favour more local suppliers. Set as a KPI to reduce travel or move to more environmentally sensitive modes of transport, this objective can deliver significant benefits in the form of reduced air pollution and road congestion.

Whether or not any of these environmental initiatives apply will be determined by the nature of the activities generated by the contract.

## 2.(vi) Equality and Diversity

Equality and Diversity is an important social policy objective for the Welsh Government and as such a Core principle of Community Benefits reflected in the range of initiatives set out above. Considering equalities issues in procurement, in addition to satisfying legal obligations, can help public procurers deliver higher quality services and achieve better value by reflecting the needs and meeting the expectations of the wider community.

## 2.(vii) The 'menu' of Community Benefits

The following is the full 'menu' of Community Benefits covered by the policy.

The two primary focuses of Community Benefits policy are:

**1. Recruiting and training of economically inactive people** – sometimes referred to as Targeted Recruitment and Training (TR&T) opportunities, covering:

- Apprenticeships & Pathways to Apprenticeships
- traineeships
- work experience / internships
- graduate placements
- work trials
- voluntary work opportunities
- National Vocational Qualifications
- training of retained staff

And:

**2. Supply chain initiatives, covering:**

- maximising the opportunities for smaller and more local suppliers and contractors to compete for tenders or sub-contract or supply chain opportunities.
- measures to ensure prompt and fair payment terms

In addition to TR&T and supply chain initiatives the following should be considered where these can add value:

- **retention of existing workforce;**
- **training for the existing workforce;**
- **the promotion of the Third Sector including Supported Businesses<sup>6</sup>;**
- **Community initiatives** including:
  - donations of equipment;
  - donation of in-kind labour;
  - landscaping, building services support to regenerate communal areas;

<sup>6</sup> 'Supported Factories and Businesses – Frequently Asked Questions' guidance can be found in the Policy and Resources Toolkit on the Procurement Route Planner

- community consultation;
- sponsorships and cash donations to organisations / charities based in Wales.
- **Contributions to education:**
  - work placements – secondary school and college students;
  - visits to primary schools to engage younger children – H&S, the ‘world of work’;
  - landscaping & building services in school grounds – playgrounds, wild life areas;
  - links to the Welsh Government’s Numeracy Employer Engagement Programme;
  - curriculum support – donations of equipment, classroom resources / lesson plans;
  - development of bespoke qualifications with colleges.
- **Environmental initiatives:**
  - micro-energy generation;
  - reduced waste to landfill;
  - recycling of eligible materials;
  - reduced water consumption;
  - managing business mileage.
- **Equality and Diversity objectives:**

The Community Benefits Measurement Tool is designed to capture these added value outcomes and is the reporting mechanism required for all contracts over £2 million where such benefits can be realised. [See section 9 Community Benefits Measurement Tool for more detail on the tool.]



## Section 3: What could we achieve, what should we focus on?

### **3.(i) What issues should we focus on?**

While Community Benefits must be an integral consideration when planning procurement, in line with the requirements under principle 4 of the Wales Procurement Policy Statement, it is important to keep in mind that the standard issues that govern a procurement strategy still apply. In particular the value and duration of the contract, the particular market sector characteristics and whether the public body is a 'client of choice' i.e. are there a sufficient number of interested contractors / suppliers to ensure adequate competition, or is the market restricted, dominated by a few key players, and / or, from which previously it has been difficult to attract competitive or quality bids?

More specifically related to Community Benefits how ready is the market for Community Benefits and what is the experience of the markets response to requests for supply of this added value?

Before you can decide on the type and specific focus of your community benefit objectives it is important to identify and understand the local and national policy objectives and local and national issues that might be addressed.

The specific groups that are targeted for community benefit opportunities should be determined by considering the local issues to maximise benefits to communities in which the contract will be delivered. The contracting authorities' own priorities will also inform targets for Community Benefits as will national issues and priorities for regional or all Wales contracts or frameworks. The type of activities generated by the specific nature of the contractual activities will also help to identify community benefit targets.

It is also important to ensure that any Community Benefit objectives set are reasonable in the context of the size and scope of the contract and sensitive to the activities generated by the contract.

For example, at a national policy level the Tackling Poverty Action Plan 2012-16 has identified 'workless households' and young people not in employment education or training (NEETS) as targets for support and the use of 'routine expenditure' (public procurement) as a key mechanism to achieve positive outcomes for these groups. However, you will need to understand the numbers of 'workless households' and NEETS in the area covered by the contract in question before making them 'community benefit' targets in your contract.

Welsh Government's Lift programme is aimed at supporting people from workless households into training and employment. [See Section 6 Support Services page 52.]

### **3.(ii) Defining 'disadvantaged'**

A useful starting point when considering specific target groups for community benefit opportunities are the following EU definitions<sup>7</sup> of disadvantaged, severely disadvantaged and disabled workers.

A **'disadvantaged worker'** is any person who:

- (a) has not been in regular paid employment for the previous 6 months; or
- (b) has not attained an upper secondary educational or vocational qualification (ISCED 3); or
- (c) is over the age of 50 years; or
- (d) lives as a single adult with one or more dependents; or
- (e) works in a sector or profession in a Member State where the gender imbalance is at least 25 % higher than the average gender imbalance across all economic sectors in that Member State, and belongs to that underrepresented gender group; or
- (f) is a member of an ethnic minority within a Member State and who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining access to stable employment.

A **'severely disadvantaged worker'** is any person who:

- a) has been unemployed for 24 months or more.

A **'disabled worker'** is any person:

- (a) recognised as disabled under national law; or
- (b) having a recognised limitation which results from physical, mental or psychological impairment.

Statistics are available from a range of sources that may help to highlight social and demographic issues in a locality.

<sup>7</sup> Article 2.18 to 20 of the Regulation (EC) 800/20083 Categories of workers considered to be disadvantaged or disabled

### **3.(iii) What activities will the project / contract generate?**

It is also important to consider the activities that the project or contract in question will require. For example:

- Will there be a large labour requirement with scope for targeted recruitment and training? If so will this allow for a range of opportunities from apprenticeships / graduate to entry level opportunities?
- Is there a high skill requirement? Again this could offer apprenticeships or other formal qualification training opportunities. It may also offer opportunities for undergraduates who need work experience as part of their college or university courses, or for graduates with relevant hard or soft skills.
- Will there be supply chain opportunities?
- Will the contract generate a high volume of goods requiring delivery or business mileage that would make a focus on reducing environmental impacts a good Community Benefits objective?

Once these questions have been considered in the context of the proposed procurement you can start to formulate your Community Benefits plan and consider which may be addressed via the Core and Non-Core approaches.

### **3.(iv) General principles**

There are some key underlying principles that should be borne in mind regardless of the approach adopted, Core or Non-Core, or the particular Community Benefit objectives that are being sought.

- **Client driven**

Community Benefit requirements should be driven by the clients knowledge of the issues in the area where the contract will be delivered focusing on the issues to be addressed this time on this contract rather than relying on contractors to offer their standard or generic approaches.

While the Community Benefit opportunities will flow from the nature of the activities generated by the contract in question, it is essential to ensure that the objectives selected address the socio-economic issues in a locality or region. These may be, for example:

- a multi year construction contract may offer opportunities for apprenticeships;
- a contract for the supply of stationery may offer short term 'entry level' warehouse or delivery jobs;
- an advertising media contract may offer opportunities for undergraduate work experience or graduate opportunities.

- **Citizens voice**

Early engagement with support agencies and particularly those in the third and voluntary sector operating in the local community can usefully inform the areas on which to target Community Benefits. Such support agencies or services may well be

able to consult directly with and feedback the views of the very groups or disadvantaged individuals who may be the targets for community benefit opportunities. Including members of those target groups in the design and delivery of Community Benefit objectives can strengthen the likelihood of delivering positive outcomes, particularly when considering who to target for recruitment and training opportunities.

For example, If young people not in education, employment or training (NEETs) are a target group for Community Benefits, involving them in the design of the Community Benefit objectives, focusing on opportunities they would be interested in is more likely to result in their engagement and take up of opportunities offered. They may prefer Work Trials and work experience / internship opportunities over more formal apprenticeship or NVQ opportunities.

- **Working in partnership**

Achieving Community Benefit outcomes, whether via the Core or Non-Core approaches relies on working in **partnership** with the successful contractor(s) or supplier(s) to deliver positive outcomes. From the outset being clear about why Community Benefits are important to the public sector client body and why the specific Community Benefit target areas or objectives are being sought this time, on this contract is critical.

This clarity will help prospective contractors and suppliers to understand the public body's ethos and values and how the Community Benefits requirements reflect these and fit in with the social and environmental issues within the communities in which and for which the contracted goods, services or works are being procured.

- **The role of the contractor / supplier**

As a general principle, as far as possible the main contractor / supplier's role in delivering Community Benefits objectives should focus on how their Core skills can support the required outcomes, for example on-site supervision or training. Support to help find potential Community Benefits recipients, getting them work ready, interviewing, placing and assisting them in their attendance or off-site classroom based training can be found from a range of support agencies. For example these range from DWP work programme providers (currently Working Links and Rehab JobFit in Wales) to social enterprises, local charities and third and voluntary sector organisations and colleges. [See section 6 Support Services]

### **3.(v) Community Benefits and the procurement process**

The key points to remember are that:

- the EU and UK public procurement legislation govern the approach to Community Benefits, including the obligation to achieve transparency and equal treatment of all bidders;
- when looking to include Community Benefits, their incorporation must be relevant to the subject matter of the contract; they must be proportionate, deliver value for money and not unfairly discriminate against any potential suppliers.

The relevant law draws a distinction between setting the conditions of the contract and setting the award criteria.



This means that there are two ways in which community benefit objectives can be linked to contracts. These are referred to as the 'Core' and 'Non-Core' approaches and are explained in detail later in this guide. However in short these are either:

- the **'Core' approach** – Inclusion of Community Benefit objectives in the subject matter of the contract; or
- the **'Non-Core' approach** – using Conditions of Contract and or inviting Community Benefits Proposals:
  - Non-Core Community Benefits as Conditions of Contract, for example:
    - › making payment of sub-contractors within a specified period a condition of contract;
    - › making advertising of sub-contract opportunities via the 'tier 1' Buyer Contractor Sub contract Notices facility on [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk) a condition of contract;
  - Non-Core Community Benefits invited in Community Benefit Proposals (see below for more details);
- the **'voluntary approach'** – It is also possible to take a 'voluntary' approach where contracts have been awarded without any reference to Community Benefits. Under these circumstances the public body will have to approach the contractor and agree Community Benefit objectives on a goodwill basis.

It should be noted that following the advent of the Wales Procurement Policy Statement incidences where the voluntary approach is employed should be the exception as delivery of added value through application of the Community Benefits policy must be an integral consideration when planning procurements.

Public bodies who find that they have to resort to the use of the voluntary approach should ensure that their procurement planning procedures and processes are reviewed and amended to come into line with the requirements of the Wales Procurement Policy Statement [see page 10 of the guide for details of the principle 4 requirement].

## **Non-Core approach using Community Benefits Proposals**

As part of a Non-Core approach a public body may, in addition to using contract conditions to address Community Benefits, wish to invite proposals from prospective bidders against the areas / issues of interest to the public body for which the public body has insufficient market knowledge to be able to quantify the requirement to take the Core approach. This approach is therefore a useful way of inviting innovation from the market, especially in areas of supply where Community Benefits have not been widely used or used at all before.

In this case prospective bidders can be asked to submit a Community Benefits Proposal setting out what they are prepared to do and how they would go about delivering Community Benefits in the areas / issues of interest to the public body, for example the public body may want the prospective bidders to propose:

- training and recruitment opportunities arising from the contract activities for particular target groups in the community e.g. 16-24 year olds not in employment, education training (NEETs); disabled people; single parents etc;

- environmental protection or resource efficiency measures e.g. proposals to minimise delivery miles in contracts for products or services; minimising packaging materials in contracts for products that generate significant volumes.

It is important to note that when taking this Non-Core approach to Community Benefits, the Community Benefits Proposals can not be assessed either at selection or award stage and this should be made clear to prospective bidders. However, this does not mean that Community Benefit Proposals are voluntary or optional as they are addressed post contract award with winning bidders and the Community Benefit objectives or targets agreed can be made into conditions of contract. [Refer to section 4.(iv) for guidance on the Non-Core approach].

### **Which approach to take, which works best?**

Whenever possible, public bodies should use the Core approach.

The Community Benefits Task and Finish Group, established by the Minister for Finance in August 2012 to help strengthen the policy and support its implementation concluded that the Core approach should be the default, starting position for all procurements. To assist buyers to consider the viability of the Core approach in the first instance, before moving to the Non-Core approach the Group has contributed to the development of the 'flow chart' on page 30.

However, it should be noted that most contracts offer opportunities to apply a hybrid approach with Core and Non-Core Community Benefit objectives for example:

- targeted recruitment and training (TR&T) opportunities are often Core objectives as they can be quantified and specified, whereas, objectives such as community initiatives – like sponsorships or in-kind labour, or environmental initiatives such as measures to reduce business mileage can only be encouraged and are more suited to inclusion as Non-Core objectives.

### **3.(vi) Identifying 'powers' to implement Community Benefits**

*"When considering whether to pursue Community Benefits in the context of any procurement process, a contracting authority must determine whether they have the legal power, express or implied, to do so. Without appropriate powers, Community Benefits cannot form part of a Contracting Authority's procurement exercise."*

Examples of such sources of 'power' are:

For Welsh Government's own procurements or those it leads on as collaborative arrangements for other public bodies in Wales:

- The Government of Wales Act 2006, Section 60 'well being' power.

For organisations in receipt of Welsh Government 'hypothecated' grant funding, conditions of grant may have delivery of Community Benefits attached.

For Welsh Local Government, Local authorities own procurements or those it leads on as collaborative arrangements for other public bodies in Wales:

- Local Government Act 2000.

For NHS Wales – Local Health Boards or NHS Trusts in Wales own procurements or those it leads on as collaborative arrangements for other public bodies in Wales:

- The NHS (Wales) Act 2006.

Other potential sources of 'power' may be found by reviewing, for example:

- organisation's constitution;
- standing orders;
- financial regulations;
- business plans;
- establishment orders or equivalent;
- standing financial instructions;
- organisation's policies / procedures;
- Sustainable Development policy;
- equality and diversity policy;
- organisation's goals and objectives;
- community strategy;
- procurement strategy;
- regeneration programmes inc. EU Regional Development Fund or European Social Fund.



## Section 4: Approaches – Core and Non-Core

### **4.(i) Deciding on which approach to use**

Assuming that the public body has the appropriate powers, whether express or implied, a decision to make the Community Benefits either Core or Non-Core to the contract will need to be considered.

Whenever possible, contracting authorities should use the Core approach. Most contracts offer opportunities to apply both the Core and Non-Core approaches. For example targeted recruitment and training opportunities are often Core Community Benefits as they can be more easily quantified whereas supply chain opportunities should be Non-Core as in this area outcomes are dependent on a range of factors.

In relation to supply chain opportunities it is important to note that you cannot specify local suppliers as this breaches the fundamental EU procurement principle of non discrimination. All you can do is make sure opportunities are visible to local suppliers and sub-contractors and ensure that the main contractor or supplier is actively considering responses to requests for quotes or sub-contract bids. [Refer to section 2.(ii) for detail on Meet the Buyer or Meet the Contractor events and the Buyer Contractor sub-contract notice facility on [www.Sell2Wales.gov.uk](http://www.Sell2Wales.gov.uk)].

### **4.(ii) Community Benefits Core and Non-Core decision flow chart**

The Community Benefits Task and Finish Group, established by the Minister for Finance in August 2012 to help strengthen the policy and support its implementation concluded that the Core approach should be the default, starting position for all procurements and have contributed to the development of the following 'flow chart' to help buyers consider the viability of the Core approach before moving to the Non-Core approach;

## Welsh Government Community Benefits Core and Non-Core decision flow chart



Llywodraeth Cymru  
Welsh Government

Whenever possible, public bodies should use the 'Core' approach.

To assist buyers to consider the viability of the Core approach in the first instance, before moving to the Non-Core approach the Group has contributed to the development of this 'flow chart'.

However, it should be noted that most contracts offer opportunities to apply both 'Core' and 'Non-Core' Community Benefit objectives. Some Community Benefit objectives lend themselves more readily to Core or Non-Core approaches. For example:

Whenever possible Targeted Recruitment and Training should be made a Core requirement.

While, supply chain initiatives should always be a Non-Core requirement.

When including CBs in procurements, procurers should ensure that in all cases:

“When considering whether to pursue community benefits in the context of any procurement process, a contracting authority must determine whether they have the legal power, express or implied, to do so. Without appropriate powers, community benefits cannot form part of a Contracting Authority's procurement exercise.”

Do not confer an unrestricted freedom of choice on the authority.

Comply with all the fundamental principles of Community law – equality, transparency, non-discrimination & proportionality.

When using the Core approach that the CBs being sought are linked to the subject-matter of the contract by:

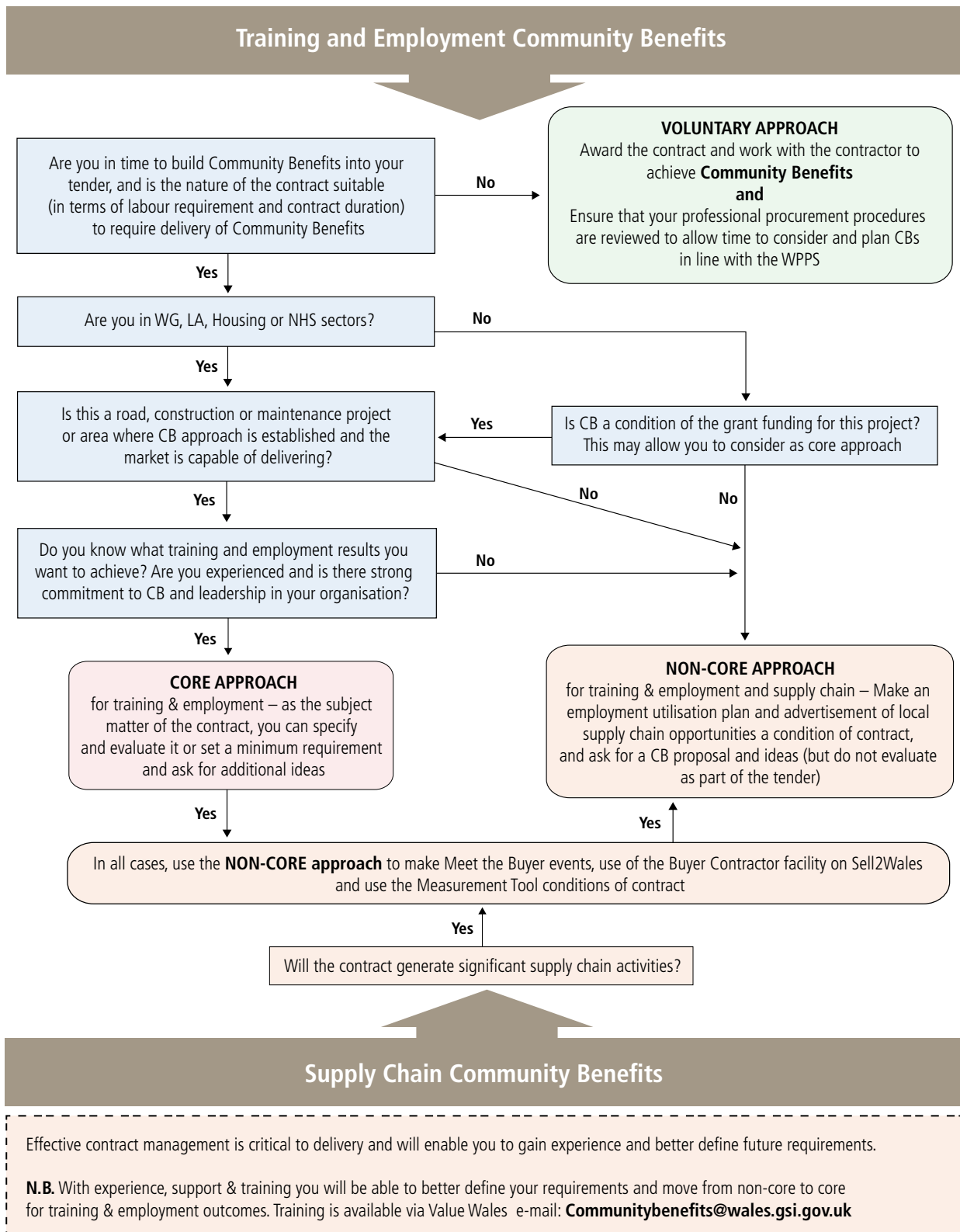
- expressly stating CB in the contract notice and tender documents;
- using relevant CPV codes for the CB requirement in contract notices; and
- setting relevant award criteria for the CB requirement.

When using the Non-Core approach contract documents should still reference CBs but explicitly state that proposals to address CBs will not form part of the evaluation of the tender but will be addressed on contract award.

This flow chart should be used in conjunction with *Community Benefits: Delivering Maximum Value for the Welsh Pound (2014)* guidance which can be found on the Welsh Government's Procurement Route Planner website <http://prp.wales.gov.uk>.

If you have any queries or would like further advice or guidance on Community Benefits please contact the Community Benefits team at Value Wales, Welsh Government via the Community Benefits mailbox: [communitybenefits@wales.gsi.gov.uk](mailto:communitybenefits@wales.gsi.gov.uk)

# Training and Employment Community Benefits



The suitability of the Core or Non-Core approach will be affected by a number of factors that need to be considered or be in place, for example:

- Do you have clear leadership, a 'green light' from senior managers to apply Community Benefits?
- Does the market have experience of Community Benefits or are you breaking new ground?
- Do you / does your organisation have experience of applying Community Benefits?
- Do you / does your organisation have experience of applying Community Benefits in the proposed market or specific commodities or services in question?
- Do you have 'benchmark' data of what the market has provided before?
- Can issues be quantified sufficiently to allow for objective evaluation?

These considerations will be in addition to standard procurement strategy planning factors such as the value of the contract, duration of the contract and the market conditions which collectively determine your influence over the market.

Answering no to one or all of these questions doesn't rule out the opportunity to apply Community Benefits to a contract or framework. The answers to these questions will however help you to determine your approach.

The key features of the Core and Non-Core approaches are explained below.

#### **4.(iii) The Core approach**

(A step-by-step guide to applying the Core approach can be found at Annex 1 of this guide.)

The Core approach involves buying Community Benefits as part of the subject matter of the contract.

For example: a contract for the construction of a school plus employment and training opportunities for 10 people.

Where Community Benefits have been identified as a Core part of the requirement (the subject-matter of the contract) they can be specified. When using the Core approach the public body is purchasing the community benefit outcomes as well as the goods, services or works and will need to consider how well the tenders meet the requirement. Award criteria should therefore address levels of quality or performance compared with the specified requirements.

Taking the above example, both elements below can be questioned in the tender and evaluated as follows:

- i) the ability of contractors to undertake construction of the school; and
- ii) delivery of the Community Benefits, employment and training opportunities for 10 people.

Consequently, if evaluated it is necessary to include the community benefit requirements in the award criteria and consider an appropriate weighting. Decisions on award criteria and appropriate weighting will need to be considered on a contract by contract basis by the contracting authority.

In line with the Core approach, procurers must ensure the Community Benefits clauses are:

- relevant to the subject-matter of the contract and relate to the specification; (this simply means that the Community Benefit requirement should be identified in the contract notice by selecting the relevant Common Procurement Vocabulary (CPV) codes and quantified, and included in the specification);
- included in the original advertisement;
- assessed from the point of view of meeting the public body's requirements;
- included as contract conditions;
- transparent; (this means making the requirement clear to all i.e. by using all opportunities to communicate the CB objectives, early market engagement, in Prior Indicative Notices, Contract Notices and Tender documentation);
- non-discriminatory (they must not discriminate either directly or indirectly against non-national tenderers) e.g. such conditions should be mentioned in the contract notice so they are known to all candidates or tenderers and should not be used as a means of favouring local labour or businesses.

#### **4.(iv) Supplier Selection stage and the Core approach**

Consideration of Community Benefits at the supplier selection stage is only relevant to the Core approach and should be in line with the risk based and proportionality principles that have been used to develop the Supplier Qualification Information Database (SQulD) approach.

The SQulD includes the following question for use with the **Core approach only**:

##### **SU.GEN.06 – only for use if using the Core approach**

**Question:** If relevant to the contract, would you be willing to consider opportunities for Community Benefits, such as the recruitment and training of economically inactive and disadvantaged people?

**Answer:** Yes / No

**Guidance:** The buyer may only select you to tender if you agree to consider opportunities for delivering Community Benefits.

The distinction between selection and award criteria is particularly relevant when incorporating Community Benefits in procurement for the following reasons:

- the supplier selection stage should be thought of as 'backward looking' and only used to consider the supplier / contractors current suitability to tender, examining that suitability on the basis of economic and financial standing or their technical knowledge and ability and legal compliance;



- as previously stated, as a general principle Community Benefit requirements should be driven by the client, focusing on the specific social issues relevant to the communities in which and for which goods, services or works are being delivered rather than relying on contractors to offer their standard or generic approaches;
- the contract specific nature of Community Benefit objectives makes previous experience of delivering Community Benefits less relevant than the more technical aspects of the requirements. The ability to deliver Community Benefits is not a general technical competency so should not be used as a selection criterion;
- the only aspect of supplier selection that is relevant to Community Benefits is with regard to legal compliance with equalities law and the potential to exclude potential bidders from tendering for or being awarded a public contract under Regulation 23 of the Public Contracts Regulations;
- it is also important to note that issues considered or sCored at selection stage must be disregarded at award stage AND must not be re-examined as award criteria in the evaluation of tenders.

Furthermore, following the Lianakis case in 2008, the UK Government issued advice concerning the use of 'experience' and / or CVs such that these should only be used as a selection criterion and not award criterion. This reinforces the point that Community Benefit objectives should be focused on what can be achieved on the contract in question as previous experience of implementing Community Benefits is of limited use at the supplier selection stage and should not be questioned in the tender i.e. used as an award criterion

More detailed advice on the use of selection criteria in general can be found on the Procurement Route Planner and in the 'Selection, Shortlisting and Award Criteria' guidance produced by Value Wales which can be found at [www.prp.wales.gov.uk/planners/general/planning/selectioncriteria/](http://www.prp.wales.gov.uk/planners/general/planning/selectioncriteria/)

#### **4.(v) Managing the additional cost of Core Community Benefits**

By including Community Benefits in contracts as Core requirements, the cost of delivery for the Community Benefits required will be factored into the tender pricing. However, the cost for delivering the Community Benefits element can be mitigated by the contracting authority through engagement with support agencies. These range from DWP work programme providers (currently Working Links and Rehab JobFit in Wales) to local colleges and third and voluntary sector organisations that can assist with such things as identifying potential community benefit recruits and trainees from target groups; for example, young people not in employment education or training (NEETS) or the long term unemployed or workless households. Local colleges are often well placed to support classroom based education or training that Community Benefit recruits may need.

Main and sub-contractors who need to be involved with helping to deliver TR&T opportunities may also benefit from assistance in the form of wage and or training subsidies available from UK agencies or Welsh Government (see section 6 Support Services available).

Any additional cost claimed by contractors or suppliers due to Community Benefit objectives should be challenged in the same way as additional costs to other elements of the project would be.

## 4.(vi) The Non-Core approach

(A step-by-step guide to applying the Non-Core approach can be found at Annex 2 of this guide.)

The Non-Core approach addresses Community Benefits outside of the tender process but as part of the procurement exercise.

### Community Benefit Proposals

The Non-Core approach addresses Community Benefits by requiring community benefit proposals from bidders alongside their tenders. While these 'proposals' are not evaluated either at selection or award stage the Non-Core approach is built in by making a Community Benefit proposal a condition of a compliant bid i.e. a Community Benefit proposal must be submitted by prospective bidders in addition to their tender for it to be accepted.

### Contract Conditions

Non-Core community benefit requirements can also be addressed as conditions of contract.

**Article 26<sup>8</sup>** transposed in the Public Contracts Regulations 2006 states contract conditions may include social and environmental matters but must be set out in the tender documents.

For example:

- by making the requirement to advertise supply chain opportunities via the Buyer Contractor Sub Contract Notice facility on **[www.sell2wales.gov.uk](http://www.sell2wales.gov.uk)** a condition of contract;
- for Service and Supply contracts this requirement can be stated at the Community Benefits Clauses question page [see Community Benefits Clauses – specifying the requirement below];
- the Contract Notice for Works contracts includes the following Sub-Contract Clause question page to assist this process. Selecting the 'yes' button inserts the following paragraph into the Contract Notice.

*The Contractor shall ensure that all contracts with Subcontractors and Suppliers which the Contractor intends to procure following the Award date, and which the Contractor has not, before the date of this Contract, already planned to award to a particular Subcontractor or Supplier, are advertised through the Sell2Wales portal (**[www.sell2wales.co.uk](http://www.sell2wales.co.uk)**) and awarded following a fair, open, transparent and competitive process proportionate to the nature and value of the contract.*

<sup>8</sup> Article 26 of Directive 2004/18/EC (and Article 38 of Directive 2004/17/EC).

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**Sub-contract Clause (Works)**

Sub-Contract Clauses demand that the winning bidder(s) is bound to advertise their sub-contract requirements for this project through the Sell2Wales website. Sub-contract Clauses should be included in every Works contract notice at OJEU level. This is to ensure opportunities for SME suppliers on major projects.

Please state whether a Sub-Contract Clause will be included in this contract. If you select to include a clause your notice will automatically be populated with standard text indicating this. If you choose not to include this clause you must provide a reason for not doing so. The reason will not be published in the notice but will be made available for Welsh Government reporting requirements.

\* Required information. Go to question: Sub-contract Clause (Works) [Go]

**\* Insert a Sub-contract clause into the notice?**

Yes  No

**If yes, the following text will be inserted into the notice:**

The Contractor shall ensure that all contracts with Subcontractors and Suppliers which the Contractor intends to procure following the Award date, and which the Contractor has not, before the date of this Contract, already planned to award to a particular Subcontractor or Supplier, are advertised through the Sell2Wales portal ([www.sell2wales.co.uk](http://www.sell2wales.co.uk)) and awarded following a fair, open, transparent and competitive process proportionate to the nature and value of the contract.

**If no, please enter a reason**

[Text Area]

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- By making the reporting of the percentage of sub-contractors paid within 30 days a condition of contract.

## Structuring Non-Core Community Benefits Proposals

Taking a Non-Core approach does not mean that the public body leaves the community benefit proposals entirely up to the contractor. The public body should provide prospective bidders with an indication of the Community Benefits they would like to see addressed explaining the related issues in the local community. For example the public body, recognising a high proportion of youth unemployment in the area relevant to contract delivery may ask prospective bidders to propose targeted recruitment and training opportunities linked to the delivery of the contract for this group.

Contracting Authorities should take the opportunity to structure the Non-Core Community Benefits proposal process by offering tenderers a structured format listing the areas of interest / concern for the public body linked to social / community issues against which to respond. The Social Engagement Planning tool developed by Laing O'Rourke construction is one such template. It was developed to structure their own Community Benefits proposal for the Coleg Morgannwg Taf Ely campus development and featured in the Constructing Excellence Wales Demonstration project case study. The Social Engagement Planning tool is available from Value Wales via the Community Benefits mailbox. ([communitybenefits@wales.gsi.gov.uk](mailto:communitybenefits@wales.gsi.gov.uk))

Evaluation of tenders will be against the cost and quality award criteria for the delivery of the contract in question. When the successful bid is identified as the Most

Economically Advantageous Tender the winning bidder's Community Benefits Proposal will be opened and following discussion with the public body client the Community Benefits to be delivered will be agreed and become conditions of contract.

The Non-Core approach is often favoured by those new to the process or where it is not possible to quantify the Community Benefits requirement or when understanding of the particular supply market means it is difficult to assess what is reasonable. Used well with appropriate direction as to the areas the public body would like to be addressed the Non-Core approach can invite innovative solutions and deliver good outcomes.

#### **4.(vii) Managing the additional cost of Non-Core Community Benefits**

Non-Core Community Benefit proposals are not evaluated as part of the tender process so does not add costs to a project. The public body should instruct prospective bidders that their Non-Core Community Benefits Proposals should be planned on a cost neutral basis.

Any concerns on this point raised by prospective bidders may be addressed by the public body signposting to appropriate agencies or to schemes and funding that can support the main contractor. This is particularly relevant to targeted recruitment and training opportunities. For example agencies such as the current DWP Work Programme providers, Working Links and ReHab JobFit, support work skills development for unemployed people and can select suitable candidates from the clients target group(s) to put forward for consideration by the contractors / suppliers working on contracts that require TR&T Community Benefits thus minimising contractor involvement with finding suitable candidates from target groups identified by the public body client.

Funding schemes may also be available to offset recruitment, training and employment costs for example\*:

- Welsh Governments REACT II programme which offers a recruitment subsidy of up to £3,000 & training subsidy of up to £1,000 to employers taking on people who have been unemployed for up to six months;
- Work-based Learning (WBL) delivered via Further Education and Independent Training Providers. WBL provision includes Apprenticeships, Traineeships and 'Steps to Employment' which enables contractors to take on an employee and train them to gain nationally recognised qualifications at the same time;
- Young Recruits Programme (YRP) which offers a wage subsidy to contractors who take on additional apprentices aged 16 to 24);
- shared apprenticeship schemes: South West Wales Regional Shared Apprenticeship Ltd (SWWRSAL) – Cyfle Building Skills; South East Wales, Y Prentis scheme; North Wales shared apprenticeship scheme being established in 2015.

Any additional cost claimed by contractors or suppliers due to Community Benefit objectives should be challenged in the same way as additional costs to other elements of the project would be. [See section 6 Support Services for a list of other sources of support]

\* These schemes are current at the time of publication.



# Section 5: Community Benefits in the Contract Notice – Core and Non-Core

## 5.(i) Contract Notice – Commodity Categories (CPV codes)

This only applies when taking the Core APPROACH.

- **Core** – When incorporating Core community benefit objectives into the Contract Notice:
  - the relevant Common Procurement Vocabulary (CPV) codes for the goods, services or works and the Community Benefits element will need to be selected on the Commodity Categories page of the Contract Notice on [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk) plus those relevant to the TR&T element, for example:

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Our helpline is open from 9.00am to 5.00pm, Monday to Friday, other than on bank and public holidays.

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### CPV Coding

Common Procurement Vocabulary (CPV) coding is used by suppliers to search for relevant tenders. Accurately selecting the relevant CPV code will enable qualified suppliers to respond and also reduce requests for further information. When adding several codes, it is important to select the first code as the main element for the Journal Title of the contract notice. Please use the CPV code search for each category of supplies, services or works required under this contract by clicking on the **Add** button.

Go to question: CPV Coding

**CPV Coding**

- 90500000 - Refuse and waste related services
- 80530000 - Vocational training services
- 80531200 - Technical training services
- 80533000 - Industrial and technical training services

Buttons: Add, Delete, Next, Save, Cancel

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## 5.(ii) Contract Notice – Community Benefits Clauses page

This is relevant whether taking EITHER the Core or Non-Core APPROACH.

Whether taking the Core or Non-Core approach the Community Benefits clauses page of the Contract Notice on [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk) should be completed.

NB: This page only appears on the Contract Notice on [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk), in all other respects this Contract Notice form follows the required EU format.

Whether following the Core or Non-Core approach or indeed a combination of both for different Community Benefits objectives, the 'yes' button should be selected and the 'free text' box used as follows:

**Sell2Wales** | Llywodraeth Cymru Welsh Government  
Website Helpline: 0844 561 0672

Home Browse Notices Search for Buyers Suppliers Buyers Info Centre News & Events Help & Support

### Community Benefits Clauses (OJEU Works)

Will any community benefits clauses apply to this contract? If so please provide details below.

Examples of Community Benefits Clauses may be:

- Apprenticeships
- Employing the long term unemployed
- Buying from the third sector including supported businesses where possible

Required information: Go to question: Community Benefits Clauses (OJEU Works)

**Will Community Benefits Clauses apply to this contract?**

Yes  No

**If community benefits clauses apply to this contract,** a standard clause will be inserted into the notice as follows:

Under the terms of this contract the successful supplier(s) will be required to deliver Community Benefits in support of the authority's economic and social objectives. Accordingly, contract performance conditions may relate in particular to social and environmental considerations. The Community Benefits included in this contract are:

Please provide a brief description of the community benefits clause(s) that may apply to this contract. The text you provide will be appended to the clause above and inserted into the notice.  
See example text in the following pages of this guidance.

**If no community benefits clauses apply to this contract,** please provide a reason why a community benefits clause is not being included in this contract. This is for reporting purposes only and will not be published within the notice.

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- **Core** – When incorporating Core community benefit objectives into the Contract Notice:
  - the Community Benefits objectives should be clearly outlined and quantified in the 'free text' box on the Community Benefits Clauses page of the Contract Notice, for example:

*'Somewhere County Council is committed to contributing to the social, economic and environmental well-being of the residents of Somewhere County. Consequently the following Community Benefits objectives will be Core requirement in the contract and as such will be evaluated in the tender.*

- a) *4 apprenticeship starts;*
  - b) *10 work placement opportunities for 'disadvantaged' persons unemployed for over 6 months;*
  - c) *4 Work trials;*
  - c) *2 days support for A,B and C primary schools and X and Z Secondary schools for site visits and or classroom sessions to be arranged in conjunction with the schools.*
- **Non Core** – When incorporating Non-Core community benefit objectives into the Contract Notice:
    - the community benefit themes of interest to the public body should be outlined in the 'free text' box on the Community Benefits Clauses page of the Contract Notice;
    - as the Non-Core approach is being taken it must be made clear that:
      - › a Community Benefit proposal will be required although it will not be used in the evaluation of bids;
      - › the winning bidders Community Benefit proposal will be agreed with the public body on award of the contract and once agreed will be made conditions of contract.

For example:

*Somewhere Health Board is committed to contributing to the social, economic and environmental well-being of the residents of the Health Board area and the wider community. Accordingly, while the following Community Benefit objectives will not be evaluated as part of the tender process the successful contractor will be expected to present a Community Benefit Proposal with their tender detailing how, in the event that they should be successful in winning the contract, they will address the following Community Benefit themes:*

- *targeted Recruitment and Training for 'disadvantaged' persons unemployed for over 6 months;*
- *work placement opportunities for 14-16 year olds;*
- *graduate placements;*
- *educational projects with A, B and C primary schools and X and Z secondary schools.*

*If successful the winning bidder(s) will discuss the content of their Community Benefit Proposal and agree a plan for the delivery of the agreed Community Benefits which will become a condition of the contract.*

- **Combining Core and non Core** – Where both Core and Non-Core community benefit objectives are being targeted the 'free text' box should be used to:
  - clearly outline and quantify Core Community Benefits objectives, making it clear that questions relating to these will be included in the tender and evaluated. You may also wish to repeat the award criteria points or weighting that will be allocated to the Community Benefits element opportunities required;
  - outline the community benefit themes of interest to the public body stating prospective bidders will be invited to submit a Community Benefits Proposal addressing the Non-Core themes of interest to the public body. A statement should also be included stressing that, '*... the Community Benefits Proposal will not be evaluated as part of the tender. The winning bidders Community Benefit proposal will be agreed with the contracting authority on award of the contract and once agreed the CB objectives will be made conditions of contract.*'

For example:

*Somewhere County Council is committed to contributing to the social, economic and environmental well-being of the residents of Somewhere County. Consequently the following Core and Non-Core Community Benefits objectives will need to be addressed.*

*The following Community Benefits objectives will be Core requirements in the contract and as such will be evaluated in the tender:*

- a) *4 apprenticeship starts;*
- b) *10 work placement opportunities for 'disadvantaged' persons unemployed for over 6 months;*
- c) *4 Work trials.*

*While the following Non-Core Community Benefit objectives will not be evaluated as part of the tender process the successful contractor will be expected to present a Community Benefit Proposal with their tender detailing how, in the event that they should be successful in winning the contract, they will address the following Community Benefit themes:*

- *work placement opportunities for 14-16 year olds;*
- *graduate placements;*
- *educational projects with A, B and C primary schools and X and Z secondary schools.*

*If successful the winning bidder(s) will discuss the content of their Community Benefit Proposal and agree a plan for the delivery of the agreed Community Benefits which will become a condition of the contract.*





## Section 6: Support Services

### **6.(i) The role of 'Support Services'**

Effective delivery of Community Benefits relies on a multi-stakeholder approach, involving budget holders, procurement and economic regeneration officers on the public body side, contractors and suppliers on the supply side. It is also important to engage with people in target groups, the potential recipients of TR&T opportunities and local suppliers who may have an interest in the sub-contract opportunities. Between these buyer and supplier communities are a wide range of support agencies operating in the intermediate labour market ranging from local charities, social enterprises to larger organisations such as the UK DWP Work Programme providers.

Intermediate labour market providers / programmes focus on tackling long-term unemployment and promote community-based regeneration by working with people most removed from the labour market. They work to improve the general employability of long term economically inactive people to prepare them to enter or re-enter the labour market and in the case of Community Benefits are well placed to identify individuals ready to take up the training and employment opportunities created by projects incorporating Community Benefits.

Welsh Government business Support Services and departments may also be able to provide support and advice.

The following is not an exhaustive list but may be a useful starting point when identifying organisations who may be able to help to facilitate delivery of your Community Benefit objectives:

- Jobcentre Plus;
- Construction Industry Training Board (CITB):
  - Client Based Approach;
  - Labour Forecasting Tool;
  - Share Apprenticeship Schemes:

- › South West Wales Regional Shared Apprenticeship Ltd (SWWRSAL) – Cyfle Building Skills;
- › Y Prentis covering the SE;
- › North Wales Shared Apprenticeship scheme covering north Wales;
- Constructing Excellence Wales;
- Careers Wales;
- Working Links;
- Business Wales:
  - Including Meet the Buyer events.
- Business Skills Hotline: 0845 606 6160. is a central point of contact for employers regarding enquiries related to skills, training and workforce development;
- Construction Fair Payment Guidance;
- Project Bank Accounts;
- Buyer Contractor Sub-Contract Notices;
- Lift Programme.

## 6.(ii) Jobcentre Plus

This page image below is from the Support Services update completed in April 2013.



Part of the Department  
for Work and Pensions

Rhan o'r Adran Gwaith  
a Phensiynau

## Vacancy Advertising and Vacancy Filling

**ServiceUniversal Jobmatch** is a new online job posting and matching service for employers to advertise jobs and includes a facility for them to search for jobseekers whose CVs match their needs.

## Recruitment Advisory Services

Jobcentre Plus Recruitment Services provide free access to a range of practical measures to help employers of any size meet their recruitment needs in return for working with our customers:

- **Small Business Recruitment Service** helps small businesses to find the right person for the job by offering tailored recruitment support;
- **Employer Advisers (EAs)** provide a crucial link in delivering JCP services to employers, customers and partners. Identifying suitable opportunities, then building and maintaining relationships with the employer;
- **European Employment Services (EURES)** is a network which links all the public employment services in Europe. Its role is to help people move freely within the European Economic Area (EEA).

## Programmes and initiatives

To support employers' recruitment and work force development needs.

**Work Trials** are a way for employers to try out a potential employee before offering them a job. Once agreed with Jobcentre Plus, an employer can offer a work trial if the job is for 16 hours or more a week and lasting at least 13 weeks.

**Jobs fairs** are locally organised events, providing employers with an opportunity to meet and engage with jobseekers, promote their vacancies, issue applications and conduct interviews.

## Matching and screening

Any employer can register for the **Universal Jobmatch service**. Once they've done this they can:

- post jobs online;
- get a list of suitable jobseekers using the service, automatically matched by CV and skills;
- review the matched jobseekers and select those they want to apply.

## Get Britain Working measures

As part of the Government's drive to get Britain working, Jobcentre Plus has modernised the way it delivers its services. This gives Jobcentre Plus advisers more flexibility in assessing claimants' individual needs. Advisers can offer the support they think most appropriate, including access to a number of get Britain Working measures including:

- volunteering;
- Work Experience Enterprise Clubs;
- work clubs;
- New Enterprise Allowance;

**The Work Programme** will provide tailored support for claimants who need more help to undertake active and effective job seeking. This means individuals will receive the specific help to overcome the barriers that prevent them from finding and sustaining work.

**Youth Contract** is a government scheme to help unemployed people aged 18 to 24 find work. DWP is promoting the wage incentive scheme, work experience, apprenticeships and other ways of bringing young people into growing businesses.

**Steps to Employment** is a learning programme in Wales, aimed to help unemployed adults aged 18 and over, who are in receipt of a Department for Work and Pensions benefit, to access purposeful training and work experience opportunities in preparation for employment or further training.

**Routeways to Work** is a bespoke learning programme which can take up to 8 weeks in length. The programme will align to the current or future vacancies of a particular business or sector as identified by DWP or JCP.

**Jobs Growth Wales** caters for young people that are job ready but have had difficulty securing employment. The Jobs Growth Wales programme provides unemployed young people aged 16-24, with a job opportunity for a six month period paid at national minimum wage. Participants will be paid at or above the national minimum wage for a minimum of 25 hours per week.

Young people will be employed for the duration of the programme and the jobs created must be additional to, and not replace, positions that would otherwise be filled. The ambition for the programme is that all the job opportunities will be sustained by the host employer after the 6 months has completed. All job vacancies are advertised through the Careers Wales website.

**Disability Employment Advisers (DEA)** are usually based in Jobcentre Plus offices and can provide specialist support on employment issues that effect disabled people.

For those employers that are reviewing their approach to employing disabled people, or trying to create a more diverse workforce, can contact Jobcentre Plus to discuss their needs with a DEA beforehand.

**Work Choice** can help you to employ a disabled person who needs specialist support. A provider will work with you to develop a package of support specially designed for your business and the individual with the aim of developing their skills.

**Access to Work** has an important role to play in supporting disabled people to get and keep jobs. It provides practical advice and grant support to disabled people and their employers to help them overcome work related obstacles resulting from disability.

## **Redundancy Help**

**The Rapid Response Service (RRS)** – agencies pooling their resources to support redundancy situations. The RRS includes advice on jobs, benefits and tax, skills assessments and short vocational training. Co-ordinated response (in conjunction with JCP and Careers Wales) to any redundancy situation, giving support to the employer and employees, providing help with job search, reskilling and signposting.

**The Redundancy Action Scheme II (ReAct II)** is a programme of funding for training provided by the Welsh Government for people living in Wales who are facing redundancy. The scheme can also help Employers who are downsizing their business or are recruiting staff.

For further information on Jobcentre Plus programmes and services contact your local Jobcentre Plus office or access: <https://www.gov.uk/>

## **6.(iii) Construction Industry Training Board (CITB)**

CITB is the Industry Training Board (ITB) for the construction industry in Great Britain. We are working to ensure that construction employers have the right skills, in right place, at the right time by investing funds and providing a wide range of industry-led skills and training solutions.

We are also a partner in ConstructionSkills, the Sector Skills Council (SSC) for the UK construction industry, and we are raising employer engagement in training, providing labour market insights on future skills needs and developing standards and qualifications for the sector.

## Our CITB purpose

A social enterprise, devoted to building competitive advantage for the construction industry and the people who work in it:

- individuals have the skills to compete for the best jobs and develop fulfilling careers;
- companies have a highly skilled workforce that gives them a USP in their sector;
- the industry has the skills to meet its clients' needs and future challenges;
- UK plc has an industry that is world class and can compete with the best on the world stage.

Our role is to work with employers to encourage training, which helps to build a safe, professional and fully qualified workforce.

The support and funding we provide helps companies to improve skills, increase their competitiveness and respond to challenges such as the low carbon agenda, reducing costs on site and recruiting the best talent for their sector.

CITB works with the industry and its clients to ensure the construction sector has the right skills, in the right place, at the right time

**CITB Cymru Wales** carry out extensive consultation with employers through the development of their business plan, a number of skills priorities and enabling activities have been agreed in consultation with industry and stakeholders, these are set in context to focus on what the industry skills challenges mean for our Nation and how we intend to address them.

We have a dedicated team of 6 Company Development Advisors covering the whole of Wales, who are tasked with giving free advice and guidance to our in-scope employers on business improvement, training courses, grants and other support.

With a wealth of experience and expertise, our Advisors seek to give support on everything from Leadership and Management to Health and Safety and Competency Cards.

Our Training Groups bring together local companies to jointly share best practice and co-ordinate training sessions.

With our main aim being the development of company competitiveness in Wales, we have formed 3 regional forums and a Wales Construction Skills Group which act as the voice of the industry for dialogue and consultation on Government policy and change as well as developing a cohesive industry strategy for Wales. These groups help to help set a strategic direction and a greater consistency and correlation for our work across the Nation.

## Supporting delivery of Community Benefits

To support the Industry achieve its Community Benefits commitments with our partners we have developed a number of products to support the client and contractor.

- **Shared Apprenticeship Schemes:** CITB is working with Clients and Contractors on Shared Apprenticeship Schemes across Wales that are bringing Project based Community Benefits to reality. These schemes aim to make life easy for a Contractor to give work experience to an Apprentice without the commitment and bureaucracy associated with taking on a permanent member of staff.

CITB currently operates 3 Schemes with over 150 Apprentices currently on scheme across the whole of West and South East Wales and is working with Stakeholders to commence a new Scheme in North Wales by Sept. 2014.

CITB is investing up to £3 Million in Wales over the next few Years to help expand these Schemes. For more details on the individual schemes see below.

- **Pathways to Apprenticeship (PTA):** CITB is working closely with colleges to help ensure Young People looking for an Employer to gain both work experience and an eventual Apprenticeship with Employers across Wales. With over 1100 Apprentices currently on board, CITB is the largest Training Provider of Construction Apprenticeships in Wales.
- **Young Recruits Programme (YRP):** As well as CITB Grants, CITB offers YRP funding support (on behalf of Welsh Government and partly supported by European Social Funds) which equates to a maximum potential package (subject to qualifying terms and conditions) of circa £14,000 to an employer for taking on and training an Apprentice over a 3 Year period.

## The advantages of Community Benefits in construction

The advantages of Community Benefits in the construction sector have been well rehearsed. Through an intelligent and innovative approach to management, construction projects can target investment into jobs, skills and training, supporting local firms, and leaving a lasting community legacy which goes far beyond bricks and mortar. Projects which gain National Skills Academy for Construction status help to make these benefits a reality, and the Academy provides readymade model for contractors and clients to adopt in seeking to maximise both the economic and social returns on their investment.

## The National Skills Academy for Construction in Wales Employer Based Approach

The National Skills Academy for Construction Employer Approach is a model offers great potential to translate the Welsh Government's capital investment programme into a far reaching legacy, transforming the fabric of our communities. As the Welsh Government seeks to take forward its regeneration agenda, and improve the nation's infrastructure, government, contractors and training providers will need to work in partnership in order to deliver the best deal for Wales.

Already, the duelling of the A465 Heads of the Valleys road between Tredegar and Brynmawr has been awarded National Skills Academy for Construction status – the first of its kind in Wales – and is making a significant contribution to regeneration in

the Blaenau Gwent area through direct employment enhanced by structured education and training, as well as secondary employment and development opportunities through subcontracting to local businesses. Engagement with local schools will also support the curriculum and help to promote the construction industry to young people.

Designation of this vital infrastructure project as a National Skills Academy for Construction demonstrates how collaboration between the Welsh Government, Blaenau Gwent Council and CITB Cymru Wales in employing this innovative approach can deliver maximum value for the Welsh pound.

## **The National Skills Academy for Construction in Wales – Client Based Approach**

The Client Based Approach is specific to construction related projects but should be used in conjunction with the Community Benefits – Delivering Maximum Value for the Welsh Pound guidance.

The Client Based Approach has been developed in partnership with Welsh Government to provide the working documentation for local authorities and other bodies procuring construction projects to embed employment and skills, right through from policy and strategies to procurement and operational implementation, based on successful National Skills Academy for Construction projects, the guidance includes all necessary components to deliver apprenticeships, employment and training opportunities on any type and size of construction project. It includes model documentation, benchmarks, case studies and practical commentary.

The Construction specific guidance aims to support the client / local authority team and its procurement / legal department through:

- Creating and Employment and Skills Strategy;
- inclusion of employment and skills requirements in an EU-compliant procurement process;
- incorporation of requirements in planning policy and development control;
- drafting contract provisions.

The guidance also includes benchmarks to provide clients with confidence that their employment and skills requirements are both proportionate and achievable. They are set against a variety of contract value bands across numerous project types.

## **Labour Forecasting Tool**

The LFT allows users to predict the labour demand on projects including maintenance, repair and refurbishment given only the project type, it's a value or gross floor area, and its start and end dates. Forecasts are produced on a month by month and trade by trade basis. The forecasts are based on statistically verified historical data and can be used on projects of any size or value, and to aggregate the labour demand across any number of projects:

- the shape of the labour profile can be tailored to client needs and updated as project progresses;
- estimates of end-user labour can be produced;

- the tool can be used by local authorities, developers and housing associations negotiating Community Benefits including section 106 agreements and determining targeted recruitment and training levels.

For further information regarding CITB Wales please contact: Donna Griffiths.

**E-mail: [donna.griffiths@citb.co.uk](mailto:donna.griffiths@citb.co.uk)**

**Tel:** 0344 994 7000

## **6.(iv) Shared Apprenticeship Schemes**

- **South West Wales Regional Shared Apprenticeship Ltd (SWWRSAL) – Cyfle Building Skills**

Following the success of the Carmarthenshire Shared Apprenticeship Scheme, industry partners and stakeholders identified the potential to extend the initiative to that of a Regional model with this being overseen by the three Independent Construction Industry Training Groups which reside in the South West Wales Region, namely:

- Carmarthenshire Construction Training Association Ltd “CCTAL”;
- Swansea Bay Construction Support Group “SBCSG”;
- Construction Industry Business Development Group “CIBDG”.

Aims of the schemes are:

- to produce competent, craft skilled personnel to not only meet the needs and challenges of today’s construction industry but more importantly deliver a sustainable flow of competent craft based operatives into South West Wales region for the foreseeable future;
- to educate, inspire and support people to develop careers in the construction sector throughout the South West Wales Region via a shared approach, supported by the industry, to make a significant contribution to training activity and achievement of the region.

The scheme will provide a service which supports young adults into sustainable employment within the construction industry offering opportunities to gain NVQ level 2 & 3.

The Scheme is designed to help apprentices to complete a full apprenticeship programme by ensuring they have the opportunities to gain all the relevant work experience they need. An added benefit to working through a shared apprenticeship scheme model is that apprentices have the opportunity to work with a number of different employers, gaining an understanding of different working practices and the industry in general while acquiring the skill sets they require to become fully qualified.

Employers who may otherwise be unable to offer a full term apprenticeship benefit from the scheme by having the opportunity to support the development of skills and careers in the construction sector by offering work experience opportunities when they can.

This flexibility of a shared apprenticeship scheme meets the needs of both the apprentices who need the experience and development opportunities and the employers who may need additional labour for short periods on their contracts.



- **Y Prentis**

Y Prentis is sponsored by Construction Skills and Welsh Government to deliver shared apprenticeships in South East Wales. The company was set up in October 2012 and is owned by Melin Homes and CMC2.



Shared apprenticeships programmes aim to increase the numbers of companies supporting apprenticeships and the percentage of young people completing them. Y Prentis employs apprentices and rotates them through hosted placements with construction companies.

Placements are for a minimum of 12 weeks and maximum of two years. Y Prentis aims to support an increasing number in subsequent years, responding to the needs of the construction industry in South East Wales.

Y Prentis is working with key public sector and housing association clients across the area to help them deliver their targeted recruitment and training targets against key projects such as South East Wales Capital Programme (SEWSCAP), Arbed 2 and WHQS.

To find out more contact: [enquiries@yprentis.com](mailto:enquiries@yprentis.com)

**Mandy Summers** 07786 196714

**Rachel Moxey** 07557 224054

- **North Wales Shared Apprenticeship Scheme**

A shared apprenticeship scheme is being established to support the North Wales 21st Century Schools and public buildings awarded in 2014, supported by CITB.

## **6.(v) Constructing Excellence Wales**



Constructing Excellence Wales (CEW) is an independent organisation which is sponsored by the Welsh Government and promotes best practice across the Welsh Construction Industry.

CEW works with all parts of the industry including Welsh Government, local authorities, health authorities and other public sector clients as well as private clients, developers, designers and construction firms and SMEs promoting best practice and improved performance through collaboration, integrated teams and effective procurement.

As well as their Core work, CEW manage the Construction Waste Minimisation programme on behalf of the Welsh Government. The Government's aim is to ensure that by 2019 -20 90% of construction and demolition waste is re-used or recycled. Given that the built environment generates 40% of Wales total carbon emissions, CEW are striving to support the industry find new ways to reduce carbon and minimise waste and to improve the built environment in Wales.

CEW also administer the Wales Low Zero Carbon Hub which is the built environment sub group of the Climate Change Commission for Wales.

CEW supports individuals, companies, organisations and supply chains to help improve the way they do business by influencing policy makers and identifying and disseminating best practices from within and beyond Wales.

If you would like to speak to anyone about any aspect of CEW's work then please contact them on:

Tel: 029 2049 3322

Email: [info@cewales.org.uk](mailto:info@cewales.org.uk)

Twitter: [@CEWales](https://twitter.com/CEWales) or view our website via [www.cewales.org.uk](http://www.cewales.org.uk)

## 6.(vi) Careers Wales

A wholly owned subsidiary of the Welsh Government, Careers Wales provides free careers information, advice and guidance to the people of Wales.



Services can be accessed through:

- [www.careerswales.com](http://www.careerswales.com) which provides 24/7 access to a wide range of online career planning tools, careers information, job and training vacancies.

From the website the visitor can access: **Careers Wales Connect:**

- a free telephone helpline 0800 100 900 providing careers information, advice and guidance from 9.00-9.00 Mon- Fri and 9.00-13.00 on Saturdays;
- email and instant messaging;
- schools and colleges to receive support from us to deliver the Welsh Government's Careers and World of Work Curriculum including developing links between education and business, as well as, achieve the Careers Wales Quality Mark.

## Careers Wales +

In addition to the above, enhanced services including face to face guidance, are available to those requiring a higher level of support including young people not engaged in education, training or employment, adults facing redundancy and clients with additional learning needs with the priority being on early intervention and prevention.

## 6.(vii) DWP Work Programme providers

Working Links and Rehab JobFit are the two DWP Work Programme providers operating in Wales. These organisations support long term unemployed people to improve their skills and find suitable training and employment opportunities. Both organisations will be happy to work with you to identify target groups on whom to focus your Community Benefit objectives and to find and prepare suitable recruits.

- **Rehab JobFit** – JobFit is a third sector led not-for-profit organisation which delivers training, support and employability services under the UK government's Work Programme and Mandatory Work Activity Programme in Wales for long term unemployed people to help them to find sustainable employment.

JobFit work closely with employers on a local level to understand their specific recruitment needs and to provide training and support for their customers as appropriate.



Jobfit can also help public sector client and contractors to achieve their Community Benefit objectives.

JobFits headquarters in Swansea can be contacted on 0800 111 6116 who will be able to refer you to Rehab Jobfit partners in your area.

- **Working Links** have helped over 240,000 people to change their lives by supporting them into sustainable employment. Following on the commitment of Welsh Government to create employment and training opportunities from procurement process of public bodies, Working Links has invested in this area by having a dedicated team to support the purchaser and supplier.

Changing lives  
Creating futures  
Newid bywydau  
Creu dyfodol



Working Links can provide for the contractor:

- √ dedicated free support to develop effective method statements and/or employment utilisation plans for new contracting opportunities during the tender process;
- √ free use of over 23 locations across Wales for training and interviewing of potential new employees;
- √ pre-sift suitably skilled employees to support either voluntary and or contractual obligations for new entrant positions;
- √ provide an Account Manager and free recruitment support for all potential vacancies either through the main contractor or its supply chain;
- √ facilitate the recruitment of new trainees and employees at no cost to the contractor;
- √ develop bespoke pre-employment training packages for specialist occupations where there may be skill shortages;
- √ provide ongoing support for new entrant employees for up to two years to promote career progression and development;
- √ utilise their and partners existing funding streams to ensure TR&T is delivered at a reduced cost for contractor.

Working Links can provide for the client:

- √ support, advice and guidance to procurement teams to ensure the appropriate social clauses are embedded effectively into the tendering process, specifically Targeted Recruitment and Training (TR&T);
- √ offer support, advice and guidance on the evaluation of tenders containing social clauses and dedicated monitoring support through a TR&T champion to help the client evaluate the effectiveness of social clauses throughout the duration of the contract.

Working Links headquarters in Caerphilly can be contacted on 029 2085 5700 who will be able to refer you to Working Links colleagues in your area.

### **Contact details:**

Working Links  
Ty Cennydd  
Castle Street  
Caerphilly  
CF83 1NZ  
029 2085 5700

## **Lift Programme**

Lift is a Welsh Government Programme which aims to provide, 5,000 training and employment opportunities, by the end of 2017, for people living in households where no-one has worked in the past six months and who face the greatest barriers to becoming employed.



Lift is being delivered in nine areas across Wales based on Communities First Clusters.

Mon Cluster – Isle of Anglesey; Carmarthen shire Cluster – Carmarthenshire; Swansea North West Cluster – Swansea; Afan Cluster – Neath Port Talbot; Taf Cluster – Rhondda Cynon Taf; Cardiff East Cluster – Cardiff; Caerphilly Basin Cluster – Caerphilly; Tredegar and Ebbw Fawr Clusters – Blaenau Gwent; and Flintshire East and West Clusters.

In each area, Lift Brokers identify people from workless households and work with them to identify reasons why they are not in work or training and support them to overcome those barriers, and identify appropriate training or employment opportunities.

Lift Brokers will be happy to work with you to explore training, work experience or employment opportunities for people receiving support through the Lift Programme who may be able to benefit from community benefit opportunities created through your public procurement contracts or projects.

The Lift Brokers also contact local employers to ensure the programme is doing all it can to find the right opportunities for people involved in the Programme.

For more information about the Programme, including the areas in which it is being delivered, please contact:

**[LiftProgramme@wales.gsi.gov.uk](mailto:LiftProgramme@wales.gsi.gov.uk)**

## **6.(viii) Business Wales**

Business Wales, funded by the Welsh Government, is an all Wales service that provides a cohesive support mechanism to facilitate inter-trading activity and provide practical assistance to Welsh based SMEs in securing both public and private sector contracts.

Support Services available include:

- work with SMEs to develop their capacity to meet the requirements of major buyers, including for example workshops on how to prepare a tender;
- facilitate opportunities for businesses to work on a collaborative basis with the potential to access larger contracts which they would be unable to achieve on their own; whether the contracts are in the private or public sector;
- provide information to local businesses on potential contracts / business opportunities especially in the public sector;
- work with public sector buyers to understand their buying priorities and to share this information with businesses. Provide support to businesses to accommodate those priorities in their business proposals;
- work with business to provide information on public sector activities and priorities and how this affects them e.g. Opening Doors principles, collaborative procurement contracts, e-business, social issues in procurement;
- organise and manage 'Meet the buyer' events to facilitate opportunities for SMEs to be aware of, and bid for, sub contracting opportunities.

Central to this support is a team of Advisers and Project Co-ordinators. You can contact them on 03000 603000.

## **6.(ix) Business Skills Hotline**

The Business Skills Hotline: 0845 606 6160. is a central point of contact for employers regarding enquiries related to skills, training and workforce development operated by Welsh Government's Department for Education and Skills who will be able to advise employers on the range of support available.

## **6.(x) Ensuring fair and prompt payment**

### **Wales Fair Payment Guidance**

Given the high proportion of SMEs in Wales and the detrimental impact of slow or delayed payment to the viability of such businesses it is essential that public sector bodies in Wales ensure fair and prompt payment throughout their supply chains.

While the Wales Fair Payment Guidance outlines how fair payment clauses should be incorporated into public sector construction projects in Wales, the principle of fair and prompt payment equally applies to all public sector contracts.

The Wales Fair Payment Guidance reminds clients and contractors that the Construction Procurement Strategy Steering Group, with the support of the Minister for Finance, strongly recommends the use of these the fair payment terms set out in the guidance. It provides guidance for the development of clauses to implement fair payment and advises on a route that can be used by all suppliers to raise concerns about non-compliance.

The key steps to safeguarding fair payment set out in the Wales Fair Payment Guidance are to ensure:

- awareness by all firms involved in a project of the main contract due dates for payment;
- all Tiers have assessment dates that are aligned with the main contractor, or Tier 1 supplier;
- construction procurers should ensure that contracts and sub-contracts define the payment periods for the different tiers in the supply chain as follows:
  - Tier 1 – payment is required within 14 calendar days from the Due Date;
  - Tier 2 – payment is required within 19 calendar days from the Due Date;
  - Tier 3 – payment is required within 23 calendar days from the Due Date;
- contractors and their sub-contractors whose services are procured should also ensure that fair payment practices as described in the guidance for the development of contract clauses provided, are implemented throughout the supply chain.

The full Wales Fair Payment Guidance can be found on the Procurement Route Planner in the Policy and Resources Toolkit [www.prp.wales.gov.uk/toolkit/](http://www.prp.wales.gov.uk/toolkit/)

An alternative approach to managing fair and prompt payment is to use a Project Bank Account.

## **Project Bank Accounts (PBAs)**

To support greater transparency and to encourage prompt payment Welsh Government is piloting the use of Project Bank Accounts (PBAs).

PBAs have been developed at a UK level to improve cash flow to suppliers and to reduce the risk of supply chain failure.

PBAs are ring-fenced bank accounts with trust status which act solely as a receptacle for transferring funds from the client to the lead contractor and supply-chain. Whereas payments normally made direct to the lead contractor are paid onto the supply-chain at a later date, PBAs allow simultaneous payments within 3-5 days from the deposit of money into the PBA following certification of the claim to the lead contractor and supply chain partners.

Value Wales Policy guidance for the use of PBAs in Wales is available on the Procurement Route Planner in the Policy and Resources Toolkit, [www.prp.wales.gov.uk/toolkit/](http://www.prp.wales.gov.uk/toolkit/)

## **6.(xi) Ensuring opportunities are visible to Wales based businesses**

### **Buyer Contractor Sub-Contract Notices**

The sub-contract notice facility has been developed to allow prime contractors on public contracts to advertise their sub-contract opportunities on the Sell2Wales portal.

The sub-contract notice facility has two main benefits:

1. it provides opportunities to suppliers who may not be in a position to bid for the main public contract but who are capable of delivering works, products or services to the project; and
2. it provides the prime contractor with an opportunity to establish their supply chain in a competitive environment.

Buyer Contractors who are approved to use the sub-contract notice facility are given access to the sub-contract notice suite, allowing them to publish their requirements on Sell2Wales. This can be in the form of publicly advertised notices or request for quotation exercises restricted to those suppliers selected by the contractor.

A variety of additional options are available to the contractor to assist them with their procurement process by having all functions online in the one place – Additional Documents, Questions and Answers and the Post box.

### **Who can use the sub-contract notice facility?**

In some cases the contractor will be obliged by a re-tender clause in their public contract to advertise sub-contracts through Sell2Wales, however any first tier contractor can apply for approval to publish sub-contract notices.

Approval will only be granted to those contractors who have either won a public contract or have pre-qualified to tender on one as each sub-contract notice published must be linked to a public contract notice.

User guidance is available at [www.sell2wales.gov.uk/sitehelp/help\\_guides.aspx](http://www.sell2wales.gov.uk/sitehelp/help_guides.aspx) in the Help and Resources section under User Guides and support is available from Welsh Governments Economy, Science and Transport Department. Queries or requests for help to set up contractors should initially be sent to the Community Benefits mailbox [communitybenefits@wales.gsi.gov.uk](mailto:communitybenefits@wales.gsi.gov.uk) entitled Buyer Contractor Sub-Contract Notice administration.

## **6.(xii) Numeracy Employer Engagement Programme**

This Welsh Government scheme is primarily designed to help pupils in secondary school (KS3 and KS4) recognise the importance of having good numeracy skills in the working world, improving their employability while making them more confident with numbers.

Three organisations; Techniquet, Techniquet Glyndwr, and Steam Powered Stories have been appointed to use their existing links, or broker new links between employers and schools.

Responsible for implementing a bespoke model of employer engagement between schools and businesses, the three providers will be happy to discuss public sector client educational Community Benefit objectives and how they can work with main contractors or suppliers to deliver positive outcomes.

## Contact details

### **Techniquest** (Central South & South East Wales regions)

Dr Anita Shaw  
Techniquest  
Stuart Street  
Cardiff  
CF10 3BW

**Email:** [anita@techniquest.org](mailto:anita@techniquest.org)

**Tel:** 029 2047 5460

### **Steam Powered Stories** (South Mid & South West Wales region)

Hayley Howe  
Numeracy Engagement Co-ordinator  
Unit 4, Harlan Business Park  
Goatmill Road  
Merthyr Tydfil  
CF48 3TE

**Email:** [janro.hayley@gmail.com](mailto:janro.hayley@gmail.com)

**Tel:** 07580 502 295

### **Techniquest Glyndŵr** (North Wales & North Powys region)

Scot Owen  
Education Manager  
PP31, Plas Coch Campus  
Mold Road  
Wrexham  
LL11 2AW

**Email:** [scot@tqg.org.uk](mailto:scot@tqg.org.uk)

**Tel:** 01978 293 584





## Section 7: Other resources

### **7.(i) The CITB Client-Based Approach (CBA) to developing and implementing an Employment and Skills Strategy on construction projects in Wales**

The Client-Based Approach (CBA) guidance offers a simple framework of processes enabling clients to obtain contractual commitments from contractors and developers, which can be monitored and enforced during the construction phase. It complements the themes discussed within this Community Benefits Guidance.

The CBA guidance provides information to clients in Wales on how to incorporate employment and skills requirements into the planning and procurement of construction projects, and explains how this can be evaluated and used as an incentive throughout each individual project. The processes can be applied to any type of and value of construction project and to mixed use developments.

The framework that has been used in the CBA is based on the National Skills Academy for Construction programme. This approach integrates skills development with major construction projects. The National Skills Academy for Construction programme has been established since 2007 and involves over 40 major construction projects throughout the UK. It requires the delivery of an Employment and Skills Plan (ESP) which is developed to reflect the profile of each individual construction project or development.

The guide includes:

- good practice information on the use of an Employment and Skills Strategy and the development of an ESP;
- legal, policy and process advice on procurement of contracts, planning policy and development control;
- template benchmarks for relating to a range of employment and skills areas for 16 categories of construction in 13 value bands from £1,000 to £100 million;
- a National Skills Academy for Construction case study on the development and implementation of ESPs;

- guidance as to the inclusion of small and medium enterprises (SMEs) and supply chain diversity;
- advice on early contractor procurement, reengineering the supply chain under long-term contracts, inclusion of small and medium enterprises (SMEs) and supply chain diversity; and
- appendices, including:
  - a template ESP;
  - a summary of the employment and skills areas and potential issues surrounding them;
  - template procurement, contract and Section 106 Agreement clauses.

CITB have also developed guidance for contractors and developers in Wales.

For further information on the Client Based Approach guidance please go to [www.cskills.org/nsacademy.co.uk](http://www.cskills.org/nsacademy.co.uk) or contact Donna Griffiths at [donna.griffiths@cskills.org](mailto:donna.griffiths@cskills.org)

## 7.(ii) Can Do Toolkit

The Can Do Toolkit guide is directed at how to most effectively implement the Community Benefits process in the Housing Sector and focuses primarily on the Core approach. The Can Do Toolkit is made up of 3 'resources':

- **Resource 1: Introductory guide** – this is an introductory guide and includes a step-by-step guide to implementing community benefit clauses, a draft agenda for the first planning meeting, information on shared apprenticeship schemes and a section on frequently asked questions;
- **Resource 2: Comprehensive guide** – this is a comprehensive guide containing detailed information on legal and policy matters and supply-side support available for downloading on the i2i website [www.cih.org/i2i/publications](http://www.cih.org/i2i/publications) in a PDF format;
- **Resource 3: Model materials** – this contains model materials to use in the contracting process, including a menu for wider Community Benefits.

For more information and to download the resources go to [www.whq.org.uk/i2i/about\\_resources.php](http://www.whq.org.uk/i2i/about_resources.php)

## 7.(iii) Social Engagement Planning Tool

Referenced in the CEW Demonstration case study for the Taff Ely Learning Campus the Social Engagement Planning was tool developed by Laing O'Rourke construction to support their CB proposal.

From a public sector client perspective the SEP can be adapted to help structure Community Benefits proposals around the Community Benefits areas of interest to the public body by using it as a template to help prospective bidders with their Community Benefits proposals.

For more information and a copy of the SEP template contact the Community Benefits mailbox [communitybenefits@wales.gsi.gov.uk](mailto:communitybenefits@wales.gsi.gov.uk)



## Section 8 Case studies – Community Benefits in Action

### 8.(i) Taf Ely Campus, Coleg Morgannwg, Laing O'Rourke



To download a copy of the CEW Demonstration project case study go to the CEW Projector Locator Map ([www.cewales.org.uk/best-practice/best-practice-project-locator/](http://www.cewales.org.uk/best-practice/best-practice-project-locator/))

## Community Benefits Approach – Non-Core

**Size and scope of project** – £40m new college building located on Parc Nantgarw in Treforest, April 2010 – May 2012.

Key features highlighted in the CEW case study contributing to the success of Community Benefits on the project were:

- clear client leadership to engage with external stakeholders and develop strong relationships with the local community;
- appointment of a part time 'Community Liaison Manager' to oversee the programme and delivery of Community Benefits;
- Value Wales Supported Businesses Framework utilised for furniture provision – Contract for £500k fulfilled by Remploy Furniture, Baglan.

During the project the team:

- engaged with 15 education providers;
- organised 45 events for young people;
- the project site was visited by 325 college students and 984 school pupils;
- a 14 hours lecture programme on the project for further and higher education students on built environment courses was delivered by college lecturers and speakers from the contractors working on the site;
- 27 work placements and 3 apprenticeships were delivered.

In addition, four units – a Gymnasium, Coffee Shop, Convenience Store and a purpose built crèche with up to sixty spaces – were incorporated into the design for local SMEs to operate. The development of these units was used to provide hands-on practical experience for Community Benefits recruits and apprentices.

A blood donation session was organised via the 'Welsh Blood Service' for site staff, staff from the college and both residents and people working in the area.

A particularly innovative Community Benefit objective was identified in the loan of tower cranes on the site for Cardiff Fire Service to use for rope access training for rescues from height.

Communication with the local community residents and business owners was a key feature of the project with community forum meetings to discuss any concerns plus regular updates via project newsletters, community engagement boards (and viewing points) located on the site hoarding and a project website all used to maintain good working relationships.

## 8.(ii) Arbed 2, Welsh Government, Melin Homes



Arbed 2 is the second phase of Welsh Government's Strategic energy performance investment programme that aims to support measures to reduce green house gas emissions, help eradicate fuel poverty and boost economic development and regeneration in Wales.

Working through social housing providers the Arbed programme works to make communities in deprived areas of Wales more energy efficient by retro-fitting homes with measures including solid wall insulation, solar panels and heat pumps.

Melin Homes is the delivery partner for the project across south Wales and used the Community Benefits Measurement Tool to report the impressive outcomes achieved in the initial phase of Arbed 2, between May 2012 and August 2013.

### Community Benefits Approach

**Size and scope of project** – £14.3 m ERDF and Welsh Government funded scheme to retro fit energy efficiency measures for residential properties across south Wales,

Key features of the project:

- 2,068 energy efficiency measures installed in 1,444 properties;
- saving approximately 3,683 tonnes of CO<sub>2</sub> and 13,551,162 kWh every year;
- savings per property calculated to be on average £305 per year on household bills;
- separation of installation works from supply of materials to support opportunities for Wales based SMEs;
- encouragement of joint and collaborative bids to support opportunities for Wales based SMEs;
- Fochriw Community Hall Solar PV – PV panels paid for out of a community fund contributed to by framework contractors and installed by contractors as an in-kind donation utilising their skills for free;
- once installed the PV system was sold to the local community group for £1, to enable them to claim the renewable energy generation feed in tariff for the next 25 years;
- focused effort to co-ordinate employment and training opportunities via regular engagement with 25 training providers, 6 Business Growth Agencies, 13 Government Employment Agencies, Construction Industry Training Board, Development Trust Agency and Construction Youth Trust;

- training included over 2,000 hours of additional non-accredited training – Induction training and Tool Box talks, Health & Safety, site first aid and product specific training ensure correct procedures were followed to maximise the effectiveness of the installations is invaluable.

Community Benefit Measurement Tool results:

- 100% (£14.3m) went to businesses and on salaries to people living in Wales:
  - £9m as revenue to Wales based businesses;
  - £5.35m as salaries to Welsh citizens;
- 45 disadvantaged people helped into employment;
- £256k Savings to HM Treasury;
- 100% sub-contractors paid within 30 days;
- 9 Apprenticeships;
- 238 Apprenticeship weeks.

The Welsh Local Multiplier calculated by the Community Benefits Measurement tool showed £2 for every pound spent and the total benefit to the Welsh and UK economy from the £14.3m spent to be around £29m.

### **8.(iii) 4 Primaries Project, Powys CC, Wilmott Dixon**

#### **Community Benefits Approach – Core**

**Size and scope of project** – £20.4m to build 4 primary schools under a collaborative construction framework for Powys, Ceredigion and Gwynedd County Councils.

The development of the 4 Primary schools, Ysgol Brun deri, Ysgol Golwg y Cwm, Ysgol Bro Tawe and Ysgol y Cribarth formed part of a larger £35m project that included an extension to Ysgol Maesydderwen secondary school, and construction of a clubhouse and football pitch for Cwm Wanderers AFC all in the Maesydderwen catchment area in the south of Powys.

As the single largest leisure and education investment in Powys the County Council recognised this development programme as a golden opportunity to achieve a wide range of corporate goals and to pilot the councils approach to implementing community benefits.

The final report published in March 2013 reported the following achievements:

- 58 jobs for long term unemployed people created;
- 27 weeks of work experience / internships ;
- 5 graduate placements;



- 91% of the goods, services and overheads (£17.2m) of the contract spent with SME sub-contractors based in Wales;
- all of the £1.5m salary costs went to people living in Wales.

Environmental benefits included:

- 7,097 tonnes representing 96% of the total eligible for recycling was successfully diverted from landfill.

The Welsh Local Multiplier calculated by the Community Benefits Measurement tool showed £1.92 for every pound spent and the total benefit to the Welsh and UK economy from the £20.4m spent to be around £39.7m

## 8.(iv) Blaenavon Community Campus, Blaenavon, Torfaen



To download a copy of this CEW Best Practice Case Study go to [www.cewales.org.uk/about-us/publications/best-practice-case-studies/](http://www.cewales.org.uk/about-us/publications/best-practice-case-studies/)

### Community Benefits Approach – Non-Core

**Size and scope of project** – £13.26m Construction of a new 450 place primary school with 130 place nursery and community leisure facilities located in Blaenavon, Torfaen CBC September 2010 – February 2012.

Key features highlighted in the CEW case study contributing to the success of Community Benefits on the project were:

- clear client leadership to engage with external stakeholders and develop strong relationships with the local community;
- engagement with a number of third sector agencies to maximise opportunities for local people to benefit from the investment in the form of training, employment and business opportunities;
- development of a tailored Community Engagement Plan setting out how the project would:
  - deliver employment opportunities;
  - provide training opportunities;

- provide business opportunities;
- engage with the community;
- support the community.

Outcomes reported via the Community Benefits Measurement Tool included:

- 82% of the £13,265,974 spent on goods, services or overheads being won by Wales based businesses, of which;
- 87% £9,463,817 was spent with Wales based businesses who were also SMEs;
- 3 apprenticeships;
- 2 work experience placements;
- 4 graduate placements; and
- 5 previously unemployed people were employed and either up-skilled, trained or mentored.

Environmental outcomes:

- the Site Waste Management Plan implemented for the project ensured;
- 94% of waste was diverted from landfill;
- 21% of the materials used were from recycled sources.

Community outcomes:

- £13,760 in cash or sponsorships; in-kind labour or other in-kind contributions.





# Section 9: The Community Benefits Measurement Tool

## **9.(i) Background to the Community Benefits Measurement Tool**

The Community Benefits Measurement Tool is an Excel spreadsheet, initially developed in 2011 to capture the full range of Community Benefits outcomes not just those aspects that can be easily monetised and to provide a consistent way of measuring Community Benefit objectives.

The tool also represents an effort to focus on where the socio / economic benefits are delivered and a move away from an overly simplistic concern about the location of the main contractors head quarters or an invoice address. Whether the contract is for goods / supplies, services or works Wales based staff and suppliers / contractors are usually involved, with services provided in Wales for the benefit of Welsh residents and in many cases resulting in physical assets such as infrastructure works being developed for the benefit of the Welsh economy and people of Wales.

The tool is built around the concept of the local economic multiplier and uses the outcomes of the range of Community Benefits selected on a procurement project to generate a Welsh Local Multiplier.

It designed to draw only on information that is readily available to contractors and suppliers in their finance and Human Resources / Personnel records plus metrics or outcomes required by the contracting authority for the specific community benefit objectives set for the contract e.g. numbers of apprenticeships; hours spent supporting educational activities etc.

To help with the calculation of the Welsh Local Multiplier and benefits to the HM Treasury and the Welsh and UK economy the tool uses a range of variables that are reviewed annually in April to coincide with UK Budget changes, for example Maximum weekly Job Seekers Allowance; Average taxable wage; Landfill cost in Wales per tonne.

## 9.(ii) How to use the Community Benefits Measurement Tool

While the tool is largely self explanatory and includes an instructions page it is worth noting a few key points and the pitfalls to be avoided.

- The tool is designed to record the outcomes of the Community Benefits objectives set by the contracting authority as part of the overall procurement strategy or plan.
- It is essential that the client takes the lead and is clear about the Community Benefit objectives being targeted. While the main contractor should be encouraged to contribute to the planning of how the Community Benefit objectives will be delivered it should not be left to the contractor to determine these objectives.
- It is important to note that the tool was not designed to be read from end to end and should not be used as an introduction or explanation of Community Benefits policy; it is simply a recording mechanism.
- Recommended best practice in using the tool is for the public body officers involved in implementing the Community Benefits to identify the descriptors for the relevant objectives and extract them into a summary sheet for the contractor.
- This guidance is intended to be the main source document to introduce buyers to and to explain the Community Benefits policy. A separate short Suppliers guide pamphlet is available for suppliers / contractors.
- In addition to this guidance there is a Community Benefits Operational Support 1 day training course as part of the Value Wales training contract to explain how to consider and decide on Community Benefits objectives within the context of the contract or project in question. The course explains the policy and approaches and provides practical advice on implementation.
- Although a reporting tool it is recommended that it be used at regular contract management meetings to track progress and update the metrics and narratives for the Community Benefits objectives. By making discussion of progress on delivery of the Community Benefit objectives part of the ongoing contract management process it allows any problems to be identified and managed as they arise. This avoids the issues that trying to gather the relevant information retrospectively on an annual basis or at the end of a project can cause.

## 9.(iii) Completing the Community Benefits Measurement Tool (CBMT)

The CBMT is made up of a number of self explanatory worksheets. Most aspects of the tool are also accompanied by guidance notes alongside the boxes for data entry. Further support is available from Value Wales via the contact mailbox at the foot of the Contract Header Details worksheets – [communitybenefits@wales.gsi.gov.uk](mailto:communitybenefits@wales.gsi.gov.uk).

- **Contract Header details**

This worksheet captures basic information on the project.

- **General**

This worksheet captures the type of project (goods, services, works or infrastructure) the location of the main contractor and a breakdown of the expenditure by 'goods, services and overheads' and 'staff and labour' during the period covered by the submission.

- **Enterprise**

This worksheet breaks down the value spent on goods, service and overheads; with businesses based in Wales; whether these are also SMEs; and or Third sector businesses. This worksheet also asks questions about policies and performance relating to prompt payment as cash flow is critical to smaller businesses.

- **Employment**

This worksheet breaks down the value spent on staff and labour. The decision on which of the contractor and or sub-contractors staff and labour to include is for the client and contractor to agree. For example a project manager employed by the contractor on the contract or project while also managing other projects will need to have their time prorated or may be omitted if the effort to record their hours is considered unreasonable; Also, sub-contractors who provide short-term services e.g. scaffold erectors should not be counted under staff and labour. The value of this subcontract work should however be included in the value of goods, services and overheads on the Enterprise tab. The Employment worksheet records:

- how much of the expenditure on staff and labour relates to people living in Wales who worked on the project during the period covered by the submission – both the permanent staff and labour of the main contractor and sub-contractors and any people taken on as a community benefit objective may be counted;
- if and how many staff were retained due to the project who might otherwise have been laid off; and
- how many people who were previously unemployed have been taken on?

- **Resources**

This worksheet covers energy and resource efficiency aspects linked to the implementation / delivery of the project. These will only need to be recorded were the procurement or project offer the opportunity and are objectives set by the client:

- renewable energy generated and or used in the implementation / delivery of the project. i.e. this will not include renewable energy generated and or used where this is the purpose of the contract / project in question for example were a contract or project is for the installation of solar panels or wind turbines;
- waste diverted from landfill;
- water saved.

- **Community**

This worksheet captures:

- cash donations or sponsorships;
- the value of in-kind labour such as the value of the time spent supporting educational activities on site or in classrooms;
- the value of other in-kind contributions such as the use of plant, machinery or materials supporting community or educational projects.

- **Training**

This worksheet captures all the potential training opportunities that might be targeted as community benefit objectives from apprenticeships to opportunities to support people furthest from the jobs market to get work experience or qualifications to help them improve their employability.

- **Sign off**

This worksheet is for representatives of both the client and contractor to sign off the benefits recorded.

- **Results**

This worksheet requires no data entry as it automatically summarises the Community Benefits achieved based on the information submitted in the earlier worksheets.

- **Commentary**

This is a blank worksheet to allow either the client or contractor to add any additional notes, narrative or commentary on the project not adequately covered or explained elsewhere. Additional supporting documents, especially those that provide a full overview of the project and 'human interest' stories, are also welcomed.

- **Variables**

This worksheet is provided for information only and does not require any actions on the part of either the client or contractor. It details a range of data that are used to help calculate the Welsh Local Multiplier and value of the overall investment in the Welsh and UK economy.

## **9.(iv) Who should complete the tool?**

The tool may be completed by the Client Public body or Main / Tier 1 Contractor / Supplier. However both parties will need to sign off the submission on the Sign Off Form worksheet and the best outcomes are achieved when the client and contractor / supplier work in partnership and maintain a dialogue on progress against the community benefits objectives as part of the general contract management process. For the Employment, Community and Workforce worksheets, data from both the contractor and the contractor's subcontractors is welcome, if appropriate and reasonable for the type and size of the contract. The decision on how far to go down the supply chain is for the client and contractor to agree and should be sensitive to the demands being placed on both contractors and sub-contractors.

## **9.(v) What period should completed tools cover?**

Submissions should be made on an annual basis around the anniversary of the start of the contract or Framework agreement.

- When submitting on this basis i.e. where submissions are made on an annual basis from the first anniversary of the contract or framework agreement start, enter the year the submission covers e.g. Year 1 of 2; Year 2 of 2 etc.
- If the submission covers the whole period of the contract i.e. where a contract is completed when the measurement tool is submitted please state the number of years covered by the submission.
- If the submission covers multiple years for an ongoing contract i.e. where submissions haven't been made on an annual basis from the start of a contract or framework please state the years covered by the initial submission e.g. Years 1 to 3 and submit annual updates thereafter.

## **9.(vi) Which version of the measurement tool should I use?**

The CBMT should be used as part of the contract management process to help monitor outcomes against the CB objectives you have set. In order to do this you should therefore use the version available at the start of the contract or project. However, if you have collated the CB outcomes separately you can still enter those into the version available when you are ready to report.

The current version of the Community Benefits Measurement Tool can always be found on the Procurement Route Planner web site in the Policy and Resources Toolkit, [www.prp.wales.gov.uk/toolkit/](http://www.prp.wales.gov.uk/toolkit/)



## Section 10: Further advice or guidance

Help and advice is available from a number of sources. Advice on Community Benefits Policy, application of Community Benefits or the Community Benefits Measurement Tool can be requested via **Communitybenefits@wales.gsi.gov.uk** mailbox which is monitored by the Value Wales Policy team.

Value Wales has also established a Community Benefits – Community of Practice, that meets on a regular basis to discuss practical issues relating the implementation of Community Benefits. The 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 **Communitybenefits@wales.gsi.gov.uk** and entitle your email *Community Benefits – Community of practice*.

The Community Benefits guidance for public sector buyers, a short supplier guide and the Community Benefits Measurement Tool can be found on Welsh Government's Procurement Route Planner website **www.prp.wales.gov.uk/** in the Policy and Resources Toolkit **www.prp.wales.gov.uk/toolkit/**

The Value Wales Training and Development contract Lot 1 Short course training programme includes a 1 day Community Benefits training course for anyone with a role or interest in incorporating Community Benefits into public contracts.

To request a place on the course email the **Communitybenefits@wales.gsi.gov.uk** mailbox.



# Section 11: Frequently Asked Questions

This section covers some of the questions that are regularly raised in discussions around Community Benefits policy and practise. It should be noted that these FAQs are provided by Value Wales as general guidance only, and are not to be used as a substitute for taking detailed legal advice on specific factual circumstances which may arise.

**Question 1:** What are Community Benefits?

**Answer:** Community Benefits are economic, social or environmental objectives, or a combination of these, achieved as part of the delivery of public procurement contracts. Refer to sections 1 and 2 of this guidance for details.

**Question 2:** Why do we have to incorporate Community Benefits?

**Answer:** The Wales Procurement Policy Statement requires the public sector in Wales to 'apply Community Benefits to all public sector procurements where such benefits can be realised' and to report outcomes to Value Wales via the Community Benefits Measurement Tool which must be applied to contracts over £2m 'where such benefits can be realised'. Measurement tool submissions for contracts below £2m are also welcome.

**Question 3:** How does procurement link to the delivery of Community Benefits?

**Answer:** Procurement has a key role to play in ensuring the value for money is achieved from the £4 billion or so spent annually on the procurement of external goods and services across the public sector in Wales. Applying the Community Benefits Policy approach has the potential to make a significant contribution to the ambitions for jobs and growth and Tackling Poverty in Wales. Building Community Benefits into the procurement planning process is essential to delivering Community Benefit outcomes.

**Question 4:** Aren't Community Benefits only relevant to construction contracts?

**Answer:** Community Benefits were first applied on construction contracts as they offered the most obvious scope for socio-economic and environmental outcomes in deprived areas in Wales. There is no fundamental reason why Community Benefits cannot be incorporated into any type or size of contract and there are a growing number of examples of the application of Community Benefits in contracts for goods and services, for example ePayments, Printer cartridges, Arbed II (energy efficiency improvements in residential properties) and a Dry goods, frozen foods and groceries contract.

**Question 5:** Isn't it the responsibility of contractors and suppliers to offer Community Benefits as 'added value' in their tenders or when appointed?

**Answer:** There are very good examples where contractors or suppliers have proposed and delivered 'added value' community focused outcomes but this situation has arisen largely because public sector bodies haven't approached community benefit objectives in a structured and proactive way, leaving it to the market to propose solutions. Community Benefit requirements should be driven by the client, focusing on the issues to be addressed this time on this contract rather than relying on contractors to offer their standard or generic approaches. This client lead approach can still encourage innovation however through a structured Non-Core approach to the market. The non-Core approach is explained in section 4 of this guide.

**Question 6:** The Wales Procurement Policy Statement says Community Benefits should be applied to all contracts 'where such benefits can be realised'. How do I know if Community Benefits can be realised?

**Answer:** There is no simple answer to this question but the Community Benefits guidance and training that is available explains how to think through the possibilities within any contract. The key step is to consider the activities that the project or contract in question will require. For example:

- Will there be a large labour or high skills requirement with scope for targeted recruitment and training? If so will this offer opportunities for apprenticeships, graduate or low skill entry level opportunities?
- Will there be supply chain opportunities?
- Will the contract generate a high volume of goods requiring delivery or business mileage that would make a focus on reducing environmental impacts a good Community Benefits objective?

**Question 7:** The contract I am working on hasn't previously included Community Benefits so can I assume Community Benefits aren't possible in this category of supply?

**Answer:** No, this will generally be because Community Benefits have not been considered before in the contract or category of supply in question, especially in contracts for goods / products or services which are relatively new areas for Community Benefits. As per question 6 it is important to think through the possibilities within any contract considering the activities that the project or contract in question will generate.



**Question 8:** Can anything be done were a contract has been let without any reference to Community Benefits?

**Answer:** Yes, it may well be possible to achieve Community Benefits on a 'voluntary' basis if you discuss this with the contractor or supplier especially if the contract is in its early stages. Even if this proves difficult it is worth discussing the potential for Community Benefits when the contract is next put out to tender.

**Question 9:** Don't the procurement regulations prevent me from including Community Benefits that are not linked to the subject matter of the contract?

**Answer:** EU and UK procurement regulations are primarily concerned with the process, the 'how', rather than the 'what'. Provided your procurement process is fair, open, transparent and non-discriminatory any aspect of Community Benefits can legitimately be made part of the subject matter of the contract.

**Question 10:** Doesn't my organisation have to have specific powers or express duties to be able to seek Community Benefits objectives?

**Answer:** Yes, legal advice is that when considering whether to pursue Community Benefits in the context of any procurement process, a contracting authority must determine whether they have the legal power, express or implied, to do so. Without appropriate powers, Community Benefits cannot form part of a Contracting Authority's procurement exercise.

While this sounds prescriptive, in practice there are already very clear legislative powers that support the inclusion of Community Benefits. See Section 3 (vi) of this guide for more details.

**Question 11:** What are the Core and non Core approaches?

**Answer:** The Core approach is where the Community Benefit objectives are specified as part of the subject matter of the contract, that is, they are evaluated as part of the tender process.

The 'Non-Core' approach is where the Community Benefit objectives are sought outside of the tender process, that is, they are not evaluated in the tender process. See Section 4 of this guide for more details.

**Question 12:** How do you decide whether the Community Benefits will be Core or non Core?

**Answer:** The Community Benefits Task and Finish group concluded in 2013 that the starting point when considering the applicability of Community Benefits to any given contract whether for goods, services or works should be the 'Core' approach. A flow chart has been developed to help with this decision which can be found at Section 4.(ii) of this guide. However it is worth noting that most procurement exercises will offer both Core and Non-Core opportunities and that both approaches can deliver good outcomes. In practice it is rarely a choice between Core or Non-Core approaches but a combination of both.

The decision to follow a Core or Non-Core approach will depend on a number of factors. The key is to consider the activities that the project or contract in question will require or generate. If you have benchmark data or other information to be able to judge what would be reasonable in the context of the value, scope and length of the project or contract and the markets 'readiness' the Core approach may be suitable. It should also be noted that over time as you apply Community Benefits to a wider range of contracts and projects an understanding of what is possible may enable a move to greater application of the Core approach.

Whether a Core or Non-Core approach is adopted good outcomes will depend on good contract management.

**Question 13:** Does the Community Benefits policy approach allow me to restrict employment training and supply chain opportunities to local / Wales based businesses?

**Answer:** No, employment training and supply chain opportunities cannot be restricted to just local people or Wales based businesses as this would contravene the Core EU principle of non-discrimination. However there are steps that can be taken to ensure that such opportunities are visible and available. Refer to Section 2.(i)&(ii) of this guidance.

**Question 14:** Can I specify a percentage of sub-contract business that must be placed with local suppliers?

**Answer:** No, you cannot specify a percentage of sub-contract business to be placed with local suppliers as this would be discriminatory. You may have seen case studies or reports that show the percentages of business related to specific projects that have been won / or placed with businesses within a given radius of the project site. These will not have been specified at the outset but are actually reports of the outcomes achieved by following advice on how to ensure smaller and more local businesses are aware and are kept updated on opportunities as they arise.

**Question 15:** How do I ensure local businesses have opportunities to win business?

**Answer:** The best way to ensure you maximise the opportunities for local businesses is to follow the advice at refer to Section 2.(ii) of this guidance on how to ensure opportunities are visible to local suppliers. You should also make the percentage of sub-contract business placed with businesses based in Wales a Key Performance Indicator (KPI) to encourage your main contractor to make every effort to advertise sub-contract opportunities and actively consider bids and quotes from smaller and more local businesses. By making this a KPI it will ensure that the focus on smaller and more local businesses is part of the ongoing contract management dialogue and providing genuine efforts are being made the outcomes will reflect what was reasonable in the context of the project or contract in question.

It is important to note that contractors and suppliers will have their own established supply chains that contribute to the quality of the main contractors outcomes or products and the decision to use or not to use smaller and more local suppliers or contractors should remain a business decision for them to avoid compromising quality or value for money.

**Question 16:** Is it really the job of procurement to build Community Benefits into contracts?

**Answer:** Not entirely, procurement has a key role to play but successful planning and implementation requires a multi-agency approach drawing on expertise and experience of colleagues working in other parts of the organisation such as economic regeneration, social services, education, facilities or estates. There is also a role for Support Services in the third and voluntary sector who may be working with target groups in the community, for example workless households, long term unemployed or economically inactive people such as young people not in education employment or training (NEETs).

The three Shared Apprenticeship schemes operating around Wales will be able to facilitate apprenticeships or Pathways to Apprenticeship placements as well as lower entry level opportunities. Section 6 of this guidance lists some of the support agencies and services available.

**Question 17:** Can contractors count trainees / apprentices already on their payroll towards Community Benefits objectives / targets?

**Answer:** The key thing to consider here is 'additionality'. In general terms Community Benefits should be things done in addition to what would have been done anyway. However, retention and training of the current workforce are included in the scope of Community Benefits. If it can be established that the continued employment of a contractor's current trainees / apprentices has been secured due to the contract in question then it is reasonable to count these trainee / apprentices weeks towards Community Benefit outcomes.

Were apprentices are concerned this is particularly important as contracts that provide work that allow apprentices to complete the necessary work experience to become fully qualified are very important. The Community Benefits Measurement tool acknowledges this by allowing for both the number of complete apprenticeships that start and finish on a contract or project and the number of apprenticeship weeks that a project may have supported.

**Question 18:** Which Community Benefit objectives should I focus on?

**Answer:** The Community Benefit objectives to focus on will be suggested by the combination of the type and scope of the contract in question. Understanding the scale and character of local social issues will help to make the targeting of Community Benefits more effective and deliver better outcomes. This guidance includes the 'menu' of Community Benefits in Section 2, which can be a useful starting point when considering what to focus on.

For example a high value £50m all Wales framework agreement for the supply of IT equipment over 4 years will offer a different range of targeted recruitment and training, educational, environmental, community and supply chain, Community Benefit opportunities than a 9 month £3m refurbishment of a primary school.

Furthermore the social issues to focus on will also differ widely with the IT contract having to consider national priorities while the school contract will have to focus on the area around the school, for example there may be a concentration of workless households in the locality; a high number of male 16-18 year olds not in education

employment or training; a high number of unemployed people over 50 or who have a disability. Data on these and other issues may already be being used by colleagues in other departments, for example, social service or education / careers departments; or be published in national statistics from the Office for National Statistics or Stats Wales. Local charities or community groups may also have valuable insights into pressing social issues in local communities and be able to offer suggestions on how best to focus Community Benefit objectives.

Also refer to the answers to questions 6, 16. The Value Wales training contract includes a 1 day training course that explains how to think through the possibilities within any contract.

**Question 19:** Who can help me implement Community Benefits?

**Answer:** Ultimately the implementation of Community Benefits will require the coordination of the clients and contractors efforts with support from relevant support agencies and services, for example community groups, local charities, social enterprises etc, plus Job Centre Plus and DWP Work Programme providers who can help you engage with and identify and support suitable candidates from target groups; Local colleges may be able to support classroom based learning linked to the training or employment opportunities, for example training to support NVQ or Apprenticeship studies; Welsh Government also offer a range of schemes to help with wage and training costs that may be available to help contractors take on the Community Benefit recruits. Refer to section 6 of this guidance and the answer to question 16.

**Question 20:** Does implementing Community Benefits add to the cost?

**Answer:** Implementing Community Benefits will obviously require some additional effort and resource, so to that extent, it will add some marginal costs. The key point is that Community Benefit objectives are not a 'bolt on' or 'added extra' and will be linked to and flow from the main procurement or project outcomes rather than being some additional work programme that runs separate too and alongside the main procurement or project activities. Delivering Community Benefit outcomes do not over ride budgetary constraints and the requirement to ensure value for money. Any additional cost claimed by contractors or suppliers due to Community Benefit objectives should be challenged in the same way as additional costs to other elements of the project would be.

As far as possible the main contractor / supplier's role in delivering Community Benefits objectives should focus on how their Core skills can support Community Benefits outcomes, for example on-site supervision or training. Support agencies and services and sources of funding are available to support efforts to achieve Community Benefit outcomes. Refer to section 6 of this guidance.

The Clients role in implementing Community Benefits will require some initial effort in planning the Community Benefit objectives and monitoring outcomes as part of the ongoing contract management process. Checking on the delivery of Community Benefit objectives should be the same as checking whether the procurement or project is meeting its agreed cost, quality and timescales.

In addition colleagues within your own organisation may be able to help and benefit from contributing to the planning of Community Benefit objectives such as those in education, social service or economic regeneration roles.

**Question 21:** How do I know if a contractor / supplier can deliver the Community Benefits I'm after?

**Answer:** The answer to this question is no different to the answer to the question 'how do I know if a contractor / supplier can meet the contract or project requirements?' Delivery of Community Benefits requires no specific technical expertise so with the right support and contract management from the client and relevant support agencies any contractor or supplier will be capable. Whether contractors or suppliers have encountered Community Benefit requirements before will not be as important to the delivery of Community Benefit outcomes as developing a partnership approach and good contract management.

As a general principle, as far as possible the main contractor / supplier's role in delivering Community Benefits objectives should focus on how their Core skills can support the required outcomes, for example on-site supervision or training in their area of expertise. Educational or community initiatives will require direction from the client, educationalists or community groups.

Refer to Section 4 of this guidance on applying the Core and Non-Core approaches and in particular Section 4. (iv) for guidance on consideration of Community Benefits at the supplier selection (PQQ) stage.

**Question 22:** Can I talk to the market without contravening the EU regulations or principles?

**Answer:** Early market engagement on Community Benefits prior to publishing the contract notice does not contravene either EU regulations or principles, provided that communications are open to all. Indeed when introducing Community Benefits into contracts that have not previously included Community Benefits early market engagement to explain the background to Community Benefits and what and why Community Benefits are being applied this time on this contract is essential.

**Question 23:** Where can I find more information and help to implement Community Benefits?

**Answer:** Please refer to Section 10 of this guidance for contact points and other sources of advice and guidance.

# Annex 1: Core approach

## Step by step guide to applying Core community benefits in the procurement process

NB: This guide should be read in conjunction the full Community Benefits – Delivering Maximum Value for the Welsh Pound guidance

Step	Consider	Action
<b>Stage 1 Planning</b>		
1	<p>Determine whether the contract offers an opportunity for the contractor to deliver Socio / economic and Environmental benefits.</p> <p>Undertake a Sustainability Risk Assessment (SRA)</p> <p>And consider the</p> <p>The Wales Procurement Policy Statement – Principle 4 Community Benefits</p> <p>That requires public bodies to:</p> <p>apply Community Benefits to all public sector procurements where such benefits can be realised.</p>	<p>Begin planning early.</p> <p>Familiarise yourself with Community Benefits Policy by reading the Community Benefits : Delivering Maximum Value for the Welsh Pound guidance (referred to hereafter as the CB Buyers Guide).</p> <p>Complete Value Wales Sustainability Risk Assessment (SRA) Template to ensure that social, economic and environmental issues are addressed. This should form part of the overall project risk assessment and will start to inform the potential for community benefits linked to the contract. Engage with Value Wales to obtain advice and guidance.</p> <p>Determine whether the contract offers an opportunity for the contractor to deliver wider social benefits, to:</p> <ul style="list-style-type: none"> <li>● recruit, train and retain economically inactive people;</li> <li>● deliver supply chain initiatives (NB: such initiatives will always be Non-Core see separate process guide);</li> <li>● retain jobs and train the existing workforce;</li> <li>● work with the Third Sector and / or supported factories &amp; businesses;</li> <li>● contribute to Community schemes;</li> <li>● contribute to local education;</li> <li>● contribute to local environmental management.</li> </ul> <p>Use the Community Benefits Flowchart to consider the potential to make the above CBs Core requirements. If working throw the Flowchart moves you to considering the Non-Core approach refer to the Step by step guide to applying Non-Core community benefits to the procurement process guide.</p> <p>Consider Community Benefits Operational Support 1 day training course. For details contact <b>communitybenefits@wales.gsi.gov.uk</b></p>

Step	Consider	Action
2	<p>Consider your Organisation's Powers, Duties and Policies.</p> <p>When considering whether to pursue community benefits in the context of any procurement process, a contracting authority must determine whether they have the legal power, express or implied, to do so.</p> <p>Without appropriate powers, community benefits cannot form part of a Contracting Authority's procurement exercise.</p>	<p>Check to ensure the pursuit of 'community benefits / social requirements' is related to the Organisation's Powers, Duties and Policies. Review all relevant documentation for example:</p> <ul style="list-style-type: none"> <li>• Organisation's Constitution</li> <li>• Standing Orders</li> <li>• Financial Regulations</li> <li>• Business Plans</li> <li>• Establishment Orders or equivalent</li> <li>• Standing Financial Instructions</li> <li>• Organisation's Policies / Procedures</li> <li>• Sustainable Development Policy</li> <li>• Equality and Diversity Policy</li> <li>• Organisation's Goals and Objectives</li> <li>• Community Strategy</li> <li>• Procurement Strategy</li> <li>• Regeneration Programmes</li> </ul>
3	<p>Seek advice and consider existing case studies.</p>	<ul style="list-style-type: none"> <li>• Colleagues – Engage with colleagues within your organisation who may have experience of applying CBs or have data on and insights into the potential CB objectives.</li> <li>• Value Wales – Contact Value Wales to obtain advice and guidance.</li> <li>• CB Community of Practice Value Wales facilitate a CB Community of Practice of public sector practitioners who have practical experience of applying CBs who may be able to advise.</li> <li>• Review any existing case studies for practical guidance on what could be achieved.</li> </ul>
<b>Stage 2 Consultation and Commitment</b>		
4	<p>It is important to engage the organisation.</p> <p>Commitment must be wider than Procurement.</p>	<ul style="list-style-type: none"> <li>• Obtain Senior Management commitment to the application of 'community benefits in procurement arrangements.</li> <li>• Refer to Wales Procurement Policy Statement requirements under Principle 4 – Community Benefits.</li> <li>• Obtain key internal stakeholders commitment, for example, Project Board, legal advisers, Regeneration colleagues, Project Delivery Team.</li> <li>• Engage with Value Wales to obtain further support and / or training for wider stakeholder group as required.</li> </ul>

Step	Consider	Action
5	<p>Key External Stakeholders.</p> <p>If you are setting up a contract or framework that will be open to other public sector bodies gain consensus around CB objectives.</p>	<p>Gain Consensus:</p> <ul style="list-style-type: none"> <li>• communicate the Contracting Authorities commitment to CBs &amp; how that commitment relates to the CAs Powers, Duties and Policies;</li> <li>• explain the rationale for the CBs being sought and expected outcomes;</li> <li>• consider how CB outcomes will be distributed amongst client / users.</li> </ul>
6	<p>Key support agencies</p>	<p>Identify key support partners who are able to support the project, (see section 6 Support Services) for example:</p> <ul style="list-style-type: none"> <li>• Jobcentre Plus (Recruitment);</li> <li>• Welsh Government's Department for Education &amp; Skills (funding training);</li> <li>• Welsh Government's Department for Economy, Science &amp; Transport; Business Wales (Supporting the Client and Contractor);</li> <li>• Careers Wales (All Age Careers Advice);</li> <li>• Construction Skills (advice on Shared Apprenticeship schemes; Pathways to Apprenticeships' Young Recruits Programme; Client Based Approach guidance);</li> <li>• Constructing Excellence Wales (Case studies from the construction sector);</li> <li>• Value Wales (Sustainable Procurement advice);</li> <li>• for larger contracts set up a 'Community Benefits Project Board' to assist in delivery;</li> <li>• for smaller projects ensure an individuals on both the Client and Contractor / Supplier side are charged with liaising on CB implementation issues and recording.</li> </ul>
7	<p>Plan approach</p>	<ul style="list-style-type: none"> <li>• Discuss the extent to which 'community benefits / social requirements' could be applied to the contract.</li> <li>• Decide on which CBs are Core and which are Non-Core CB objectives. NB For Non-Core CB objectives refer to the Applying Non-Core community benefits to the procurement process guide as Non-Core CB objectives cannot be evaluated as part of the tender.</li> <li>• Decide on the award criteria for the contract including the weighting for the Core Community Benefits.</li> <li>• Prepare business case for approval by senior managers, evidencing the value of the proposed approach and demonstrating outcomes are linked to the powers, duties and policies of the Contracting Authority (see step 2).</li> </ul>



Step	Consider	Action
8	Market Sounding	<ul style="list-style-type: none"> <li>• Engage with the supply chain i.e. main contractors and sub contractors. For example consider a Prior Indicative Notice (PIN); Meet the Client / Buyer events.</li> <li>• Share with them the Organisation’s Strategy in respect of ‘community benefits’ and discuss their commitment to achieving the Organisation’s aims and objectives.</li> <li>• Explain the key features of the Core approach – that questions relating to the Core CBs will be included in the tender and will be evaluated.</li> <li>• If Non-Core CBs are also being sought explain that these will be covered by a CB proposal outside the tender and will not be evaluated. (see stage 7).</li> <li>• Engage with the support agencies who may be able to support main contractors and sub contractors to find CB recruits from target groups and support delivery of CBs (see step 6 above).</li> <li>• Encourage prospective contractors / suppliers and support agencies to register on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a></li> </ul>
<b>Stage 3 Procurement and Implementation Tender Process</b>		
9	Prior Indicative Notice (PIN) (This is an optional step in the tender process)	<ul style="list-style-type: none"> <li>• A PIN is a good opportunity to make a clear statement to the market that Community Benefits clauses are being considered as part of the proposed procurement. As you may not know at the PIN stage which CB objectives will be targeted or whether a Core or Non-Core approach or a combination of both will be taken to address socio-economic &amp; or environmental issues it keeps your options open.</li> <li>• This approach is especially useful if CBs are being applied for the first time to a contract or in a particular market segment.</li> </ul>
9.1	Contract Notice (See section 2 Community Benefits in the Contract Notice – Core and Non-Core of the CB Buyers Guide for details)	<ul style="list-style-type: none"> <li>• The relevant Common Procurement Vocabulary (CPV) codes for the goods, services or works for the main requirement AND the CBs need to be selected on the Commodity Categories page of the Contract Notice on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a></li> <li>• Include ‘community benefits / social requirements’ in Contract Notice at the Community Benefits Clauses page on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a> by ticking the ‘Yes’ box and providing detail in the ‘free text box’ on that page.</li> </ul> <p>Make it clear:</p> <ul style="list-style-type: none"> <li>i) which CBs are Core and will be evaluated as part of the tender.</li> </ul> <p>If Non-Core CBs are also being sought make it clear that:</p> <ul style="list-style-type: none"> <li>ii) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>iii) Non-Core CB proposals should be planned on a cost neutral basis;</li> </ul>

Step	Consider	Action
9.1 Cont'd		<ul style="list-style-type: none"> <li>iv) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>v) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> <li>• Submit Contract Notice via <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a> (The notice will automatically go to OJEU).</li> </ul>
9.2	<p>Pre Qualification Questionnaire (PQQ)</p> <p>NB. The PQQ stage is only applicable to the Restricted Procedure and the Core approach.</p>	<ul style="list-style-type: none"> <li>• In the context of Community Benefits, it is recommended that the PQQ stage should not be used, however the PQQ stage is relevant to CBs only in the limited respect of legal compliance with equalities law.</li> <li>• The SQuID question set includes a question for use only when applying the Core approach. (See section 2 Pre-Qualification Questionnaire (PQQ) stage and Community Benefits of the CB Buyers Guide for more detail, however the key points are: <ul style="list-style-type: none"> <li>• relevance to CBs at the PQQ stage is limited to legal compliance with equalities law;</li> <li>• the ability to deliver CBs is not a general technical competency so should not be used as a selection criterion;</li> <li>• the contract specific nature of CB objectives makes previous experience of delivering CBs less relevant than the more technical aspects of the requirements.)</li> </ul> </li> </ul>
9.3	Briefing Tenderers	<ul style="list-style-type: none"> <li>• Organise meetings to brief tenderers.</li> <li>• Explain the wider policies / objectives of the Contracting Authority and how the application of 'community benefits' could help in achieving the organisation's policies and objectives.</li> <li>• Ensure prospective bidders understand that.</li> </ul> <p>Make it clear:</p> <ul style="list-style-type: none"> <li>i) which CBs are Core and will be evaluated as part of the tender.</li> </ul> <p>If Non-Core CBs are also being sought make it clear that:</p> <ul style="list-style-type: none"> <li>ii) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>iii) Non-Core CB proposals should be planned on a cost neutral basis;</li> <li>iv) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>v) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> </ul>

Step	Consider	Action
9.4	Invitation to Tender	<ul style="list-style-type: none"> <li>• Ensure details of the CB objectives are included in Invitation to Tender.</li> <li>• Explain the wider policies / objectives of the Contracting Authority and how the application of the specific 'community benefits' objectives being targeted fit in with the social and environmental issues within the communities in which and for which the contracted goods, services or works are being procured. This will help prospective contractors and suppliers to understand the CAs ethos and values and how the CB requirements reflect these.</li> <li>• Ensure those invited to tender understand that. Make it clear: <ul style="list-style-type: none"> <li>i) which CBs are Core and will be evaluated as part of the tender.</li> </ul> </li> </ul> <p>If Non-Core CBs are also being sought make it clear that:</p> <ul style="list-style-type: none"> <li>ii) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>iii) Non-Core CB proposals should be planned on a cost neutral basis;</li> <li>iv) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>v) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> </ul>
9.5	Tender Evaluation	<ul style="list-style-type: none"> <li>• Evaluate the tender against the cost and quality award criteria (which will include the CB element) for the delivery of the contract in question.</li> </ul>
9.6	Contract Award	<ul style="list-style-type: none"> <li>• Award the contract.</li> <li>• If Non-Core CBs are being sought 'agree' the CB proposal (see step 10).</li> </ul>
10	Community Benefits Plan	<ul style="list-style-type: none"> <li>• Draw up a Community Benefits delivery plan with the contractor / supplier covering both Core and 'agreed' Refer to the Non-Core Step-by-Step guide and full Community Benefits guidance if necessary.</li> <li>• Core CBs will be deliverable against the requirement set out in the specification and evaluated in the tender.</li> </ul> <p>If Non-Core CBs have been sought in addition to Core OBJECTIVES:</p> <ul style="list-style-type: none"> <li>• the winning bidder's CB proposal should be opened and following discussion with the contracting authority the CBs to be delivered should be agreed and be turned into conditions of contract.</li> </ul> <p><b>NB The contracting authority will have access to the unsuccessful bidders CB proposals and may wish to use this information to judge what the market considered reasonable at the time of tender and to bear this in mind when agreeing the winning bidders Non-Core proposals.</b></p>

Step	Consider	Action
11	Support for Contract	<ul style="list-style-type: none"> <li>• Re-engage with Key external stakeholders and Support agencies identified at Steps 5 and 6 above.</li> </ul>
12	Monitoring, Measuring and Reporting of success	<ul style="list-style-type: none"> <li>• Ensure performance against the CB Plan is a standing agenda item for Contract Management meetings.</li> <li>• For contracts over £2m reporting of CB outcomes via the Community Benefits Measurement Tool is a requirement under the Wales Procurement Policy Statement, Principle 4 Community Benefits.</li> <li>• For contracts below £2m reporting of CB outcomes via the Community Benefits Measurement Tool is optional.</li> <li>• Use the Community Benefits Measurement Tool to capture progress.</li> <li>• The Community Benefits Measurement Tool should be submitted to Value Wales via <b>communitybenefits@wales.gsi.gov.uk</b> at: <ul style="list-style-type: none"> <li>i) annually; OR</li> <li>ii) on completion of the contract / project.</li> </ul> </li> </ul> <p>The Community Benefits Measurement Tool is available via the Procurement Route Planner &gt; Policy and Resources toolkit &gt; More Tools <a href="http://prp.wales.gov.uk/toolkit/">http://prp.wales.gov.uk/toolkit/</a> and is explained in more detail in section 7 of the CB Buyers Guide.</p> <p>Although the Community Benefits Measurement Tool includes the facility to add additional details / narrative to elaborate on numbers / outcomes reported additional supporting documents, especially those that provide a full overview of the project and 'human interest' stories, are welcomed.</p>
<b>Stage 4 Promotion of Best Practice</b>		
13	Feedback from Client / Contractor / Trainees	<ul style="list-style-type: none"> <li>• Assess feedback from all parties involved in the project.</li> </ul>
14	Case Study / Sharing experience	<ul style="list-style-type: none"> <li>• Develop a 'Case Study' including human interest stories and project narrative to compliment the quantifiable results captured in the CB Measurement Tool.</li> <li>• Share good practice with other Organisations and the CB Community of Practise to promote the use of 'community benefits' in public sector procurement.</li> <li>• Submit copy of 'Case Study' to Value Wales for inclusion on the Procurement Route Planner.</li> </ul>
15	Lessons Learned	<ul style="list-style-type: none"> <li>• Capture and then apply lessons learned from the process to retender process and other tender exercises.</li> </ul>

# Annex 2: Non-Core Approach

## Step by step guide to applying Non-Core community benefits in the procurement process

NB: This guide should be read in conjunction the full Community Benefits – Delivering Maximum Value for the Welsh Pound guidance

Step	Consider	Action
1	<p>Determine whether the contract offers an opportunity for the contractor to deliver Socio / economic and Environmental benefits.</p> <p>Undertake a Sustainability Risk Assessment (SRA)</p> <p>And consider the</p> <p>The Wales Procurement Policy Statement – Principle 4 Community Benefits</p> <p>That requires public bodies to:</p> <p>apply Community Benefits to all public sector procurements where such benefits can be realised.</p>	<p style="text-align: center;"><b>Stage 1 Planning</b></p> <p>Begin planning early.</p> <p>Complete Value Wales Sustainability Risk Assessment (SRA) Template to ensure that social, economic and environmental issues are addressed. This should form part of the overall project risk assessment and will start to inform the potential for community benefits linked to the contract. Engage with Value Wales to obtain advice and guidance.</p> <p>Determine whether the contract offers an opportunity for the contractor to deliver wider social benefits, to:</p> <ul style="list-style-type: none"> <li>• recruit, train and retain economically inactive people;</li> <li>• deliver supply chain initiatives (NB: such initiatives will always be Non-Core);</li> <li>• retain jobs and train the existing workforce;</li> <li>• work with the Third Sector and / or supported factories &amp; businesses;</li> <li>• contribute to Community schemes;</li> <li>• contribute to local education;</li> <li>• contribute to local environmental management.</li> </ul> <p>Use the Community Benefits Flowchart to consider the potential to make the above CBs Core requirements. If working throw the Flowchart moves you to considering the Core approach refer to the Step by step guide to applying Core community benefits to the procurement process guide.</p> <p>Consider Community Benefits Operational Support 1 day training course. For details contact <a href="mailto:communitybenefits@wales.gsi.gov.uk"><b>communitybenefits@wales.gsi.gov.uk</b></a></p>

Step	Consider	Action
2	<p>Consider your Organisation's Powers, Duties and Policies.</p> <p>When considering whether to pursue community benefits in the context of any procurement process, a contracting authority must determine whether they have the legal power, express or implied, to do so.</p> <p>Without appropriate powers, community benefits cannot form part of a Contracting Authority's procurement exercise.</p>	<p>Check to ensure the pursuit of 'community benefits / social requirements' is related to the Organisation's Powers, Duties and Policies. Review all relevant documentation for example:</p> <ul style="list-style-type: none"> <li>• Organisation's Constitution;</li> <li>• Standing Orders;</li> <li>• Financial Regulations;</li> <li>• Business Plans;</li> <li>• Establishment Orders or equivalent;</li> <li>• Standing Financial Instructions;</li> <li>• Organisation's Policies / Procedures;</li> <li>• Sustainable Development Policy;</li> <li>• Equality and Diversity Policy;</li> <li>• Organisation's Goals and Objectives;</li> <li>• Community Strategy;</li> <li>• Procurement Strategy;</li> <li>• Regeneration Programmes.</li> </ul>
3	<p>Seek advice and consider existing case studies.</p>	<ul style="list-style-type: none"> <li>• Colleagues – Engage with colleagues within your organisation who may have experience of applying CBs or have data on and insights into the potential CB objectives.</li> <li>• Value Wales – Contact Value Wales to obtain advice and guidance.</li> <li>• CB Community of Practice Value Wales facilitate a CB Community of Practice of public sector practitioners who have practical experience of applying CBs who may be able to advise.</li> <li>• Review any existing case studies for practical guidance on what could be achieved.</li> </ul>
<b>Stage 2 Consultation and Commitment</b>		
4	<p>It is important to engage the organisation.</p> <p>Commitment must be wider than Procurement.</p>	<ul style="list-style-type: none"> <li>• Obtain Senior Management commitment to the application of 'community benefits in procurement arrangements.</li> <li>• Refer to Wales Procurement Policy Statement requirements under Principle 4 –Community Benefits.</li> <li>• Obtain key internal stakeholders commitment, for example, Project Board, legal advisers, Regeneration colleagues, Project Delivery Team.</li> <li>• Engage with Value Wales to obtain further support and / or training for wider stakeholder group as required.</li> </ul>

Step	Consider	Action
5	<p>Key External Stakeholders.</p> <p>If you are setting up a contract or framework that will be open to other public sector bodies gain consensus around CB objectives.</p>	<p>Gain Consensus:</p> <ul style="list-style-type: none"> <li>• communicate the Contracting Authorities commitment to CBs &amp; how that commitment relates to the CAs Powers, Duties and Policies;</li> <li>• explain the rationale for the CBs being sought and expected outcomes;</li> <li>• consider how CB outcomes will be distributed amongst client / users.</li> </ul>
6	<p>Key support agencies</p>	<p>Identify key support partners who are able to support the project, (see section 6 Support Services) for example:</p> <ul style="list-style-type: none"> <li>• Jobcentre Plus (Recruitment);</li> <li>• Welsh Government's Department for Education &amp; Skills (funding training);</li> <li>• Welsh Government's Department for Economy, Science &amp; Transport; Business Wales (Supporting the Client and Contractor);</li> <li>• Careers Wales (All Age Careers Advice);</li> <li>• Construction Skills (advice on Shared Apprenticeship schemes; Pathways to Apprenticeships' Young Recruits Programme; Client Based Approach guidance);</li> <li>• Constructing Excellence Wales (Case studies from the construction sector);</li> <li>• Value Wales (Sustainable Procurement advice);</li> <li>• for larger contracts set up a 'Community Benefits Project Board' to assist in delivery;</li> <li>• for smaller projects ensure an individuals on both the Client and Contractor / Supplier side are charged with liaising on CB implementation issues and recording.</li> </ul>
7	<p>Plan approach</p>	<ul style="list-style-type: none"> <li>• Discuss the extent to which 'community benefits / social requirements' could be applied to the contract.</li> <li>• Decide on Non-Core CB objectives and consider how to structure CB proposals from bidders. Consider use of the Social Engagement Planning tool (see section 2 Structuring Non-Core Community Benefits proposals)</li> </ul> <p><b>NB Non-Core CB proposals cannot be evaluated as part of the tender however it is important to set out the CB areas of interest to the contracting authority against which bidder should draw up their Non-Core proposals.</b></p> <ul style="list-style-type: none"> <li>• Consider making submission of a CB proposal along with the tender documents a condition of a compliant bid.</li> <li>• Prepare business case for approval by senior managers, evidencing the value of the proposed approach and demonstrating outcomes are linked to the powers, duties and policies of the Contracting Authority (see step 2).</li> </ul>

Step	Consider	Action
8	Market Sounding	<ul style="list-style-type: none"> <li>• Engage with the supply chain i.e. main contractors and sub contractors. For example consider a Prior Indicative Notice (PIN); Meet the Client / Buyer events.</li> <li>• Share with them the Organisation’s Strategy in respect of ‘community benefits’ and discuss their commitment to achieving the Organisation’s aims and objectives.</li> <li>• Explain the key features of the Non-Core approach:               <ol style="list-style-type: none"> <li>i) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>ii) Non-Core CB proposals should be planned on a cost neutral basis;</li> <li>iii) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>iv) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> </ol> </li> <li>• Engage with the support agencies who may be able to support main contractors and sub contractors to find CB recruits from target groups and support delivery of CBs (see step 6 above).</li> <li>• Encourage suppliers to register on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a>.</li> </ul>
<b>Stage 3 Procurement and Implementation Tender Process</b>		
9	Prior Indicative Notice (PIN) (This is an optional step in the tender process)	<ul style="list-style-type: none"> <li>• A PIN is a good opportunity to make a clear statement to the market that Community Benefits clauses are being considered as part of the proposed procurement. As you may not know at the PIN stage which CB objectives will be targeted or whether a Core or Non-Core approach or a combination of both will be taken to address socio-economic &amp; or environmental issues it keeps your options open.</li> <li>• This approach is especially useful if CBs are being applied for the first time to a contract or in a particular market segment.</li> </ul>
9.1	Contract Notice	<ul style="list-style-type: none"> <li>• Include ‘community benefits / social requirements’ in Contract Notice at the Community Benefits Clauses page on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a> (see section 2 Community Benefits in the Contract Notice – Core and Non-Core of the buyers guide for details).</li> </ul>



Step	Consider	Action
9.1 Cont'd	Contract Notice	<p>Make it clear that:</p> <ul style="list-style-type: none"> <li>i) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>ii) Non-Core CB proposals should be planned on a cost neutral basis;</li> <li>iii) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>iv) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> </ul> <ul style="list-style-type: none"> <li>• Submit Contract Notice via <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a> (The notice will automatically go to OJEU).</li> </ul>
9.2	<p>Pre Qualification Questionnaire (PQQ)</p> <p>NB. The PQQ stage is only applicable to the Restricted Procedure and the Core approach.</p>	<ul style="list-style-type: none"> <li>• In the context of Community Benefits, it is recommended that the PQQ stage should not be used, however the PQQ stage is relevant to CBs only in the limited respect of legal compliance with equalities law.</li> <li>• The SQuID question set includes a question for use only when applying the Core approach. (See section 2 Pre-Qualification Questionnaire (PQQ) stage and Community Benefits of the buyers guide for more detail, however the key points are:</li> <li>• relevance to CBs at the PQQ stage is limited to legal compliance with equalities law;</li> <li>• the ability to deliver CBs is not a general technical competency so should not be used as a selection criterion;</li> <li>• the contract specific nature of CB objectives makes previous experience of delivering CBs less relevant than the more technical aspects of the requirements.)</li> </ul>
9.3	Briefing Tenderers	<ul style="list-style-type: none"> <li>• Organise meetings to brief tenderers.</li> <li>• Explain the wider policies / objectives of the Contracting Authority and how the application of 'community benefits' could help in achieving the organisation's policies and objectives.</li> </ul> <p>Ensure prospective bidders understand that:</p> <ul style="list-style-type: none"> <li>i) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>ii) Non-Core CB proposals should be planned on a cost neutral basis;</li> <li>iii) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>iv) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> </ul>

Step	Consider	Action
9.4	Invitation to Tender	<ul style="list-style-type: none"> <li>• Ensure 'community benefits / social requirements' are included in Invitation to Tender.</li> <li>• Explain the wider policies / objectives of the Contracting Authority and how the application of the specific 'community benefits' objectives being targeted fit in with the social and environmental issues within the communities in which and for which the contracted goods, services or works are being procured. This will help prospective contractors and suppliers to understand the CAs ethos and values and how the CB requirements reflect these.</li> <li>• Ensure those invited to tender understand that:               <ol style="list-style-type: none"> <li>i) submission of a Non-Core CB proposal along with the tender documents will be a condition of a compliant bid;</li> <li>ii) Non-Core CB proposals should be planned on a cost neutral basis;</li> <li>iii) as a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender; and</li> <li>iv) the successful contractor(s) will be required to implement the CB proposals once agreed with the Contracting Authority.</li> </ol> </li> </ul>
9.5	Tender Evaluation	<p>No action required – As a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender.</p> <p>However:</p> <p>you may conduct tender presentations and if necessary clarify each tenderer's approach to achieving 'community benefits / social requirements' as contained in their proposal.</p>
9.6	Contract Award	<ul style="list-style-type: none"> <li>• Evaluation of tenders will be against the cost and quality award criteria for the delivery of the contract in question.</li> </ul> <p><b>As a Non-Core approach is being taken the Non-Core CB proposal will not be evaluated as part of the tender and so does not affect the outcome of the tender exercise.</b></p>
10	Community Benefits Plan	<ul style="list-style-type: none"> <li>• When the successful bid is identified as the Most Economically Advantageous Tender the winning bidder's CB proposal should be opened and following discussion with the contracting authority the CBs to be delivered should be agreed and be turned into conditions of contract.</li> </ul> <p><b>NB The contracting authority will have access to the unsuccessful bidders CB proposals and may wish to use this information to judge what the market considered reasonable at the time of tender and to bear this in mind when agreeing the winning bidders Non-Core proposed.</b></p>

Step	Consider	Action
11	Support for Contract	<ul style="list-style-type: none"> <li>• Re-engage with Key external stakeholders and Support agencies identified at Steps 5 and 6 above.</li> </ul>
12	Monitoring, Measuring and Reporting of success	<ul style="list-style-type: none"> <li>• Ensure performance against the CB Plan is a standing agenda item for Contract Management meetings.</li> <li>• For contracts over £2m reporting of CB outcomes via the Community Benefits Measurement Tool is a requirement under the Wales Procurement Policy Statement, Principle 4 Community Benefits.</li> <li>• For contracts below £2m reporting of CB outcomes via the Community Benefits Measurement Tool is optional.</li> <li>• Use the Community Benefits Measurement Tool to capture progress.</li> <li>• The Community Benefits Measurement Tool should be submitted to Value Wales via <b>communitybenefits@wales.gsi.gov.uk</b> at: <ul style="list-style-type: none"> <li>i) annually; OR</li> <li>ii) on completion of the contract / project</li> </ul> </li> </ul> <p>The Community Benefits Measurement Tool is available via the Procurement Route Planner &gt; Policy and Resources toolkit &gt; More Tools <a href="http://prp.wales.gov.uk/toolkit/">http://prp.wales.gov.uk/toolkit/</a> and is explained in more detail in section 7 of the CB Buyers Guide.</p> <p>Although the Community Benefits Measurement Tool includes the facility to add additional details / narrative to elaborate on numbers / outcomes reported additional supporting documents, especially those that provide a full overview of the project and 'human interest' stories, are welcomed.</p>
<b>Stage 4 Promotion of Best Practice</b>		
13	Feedback from Client / Contractor / Trainees	<ul style="list-style-type: none"> <li>• Assess feedback from all parties involved in the project.</li> </ul>
14	Case Study / Sharing experience	<ul style="list-style-type: none"> <li>• Develop a 'Case Study' including human interest stories and project narrative to compliment the quantifiable results captured in the CB Measurement Tool.</li> <li>• Share good practice with other Organisations and the CB Community of Practise to promote the use of 'community benefits' in public sector procurement.</li> <li>• Submit copy of 'Case Study' to Value Wales for inclusion on the Procurement Route Planner.</li> </ul>
15	Lessons Learned	<ul style="list-style-type: none"> <li>• Capture and then apply lessons learned from the process to retender process and other tender exercises.</li> </ul>

# Annex 3: Sample Clauses

Please note that these sample clauses are provided as examples only and may not be appropriate for every project. It is vital that organisations seek legal advice as to the clauses which they intend to use to ensure they are appropriate to the project. Note also that the law changes from time to time and so legal advice is necessary to ensure that clauses reflect the current legal position.

## **Example of extract for contract notice (OJEU advert)**

*The organisation is committed to contributing to the social, economic and environmental well-being of the wider community. Accordingly, while the requirement to do so will not be mandatory, the successful contractor will be expected to consider opportunities to recruit and train long term economically inactive persons as part of the workforce delivering this project.*

## **Example extract for invitation to tender (non Core)**

*Procurement is viewed as a key driver for delivering the organisations Sustainable Development commitments. The organisation is striving to develop a vibrant Welsh economy capable of delivering strong and sustainable economic growth by providing opportunities for everyone in Wales. Sustainable Development means ensuring that our actions contribute in the round to social, economic and environmental well-being now and in the future; improving the environment, building stronger communities, reducing social exclusion and poverty and encouraging the development of the economy. The organisation's commitment to deliver 'community benefit' outcomes from our procurement activity is designed to ensure that wider social and economic issues are taken into account when spending public money. The intention is to achieve the very best value for money in the widest sense.*

*At award of contract, the successful contractor will be expected to work with the contract manager to maximise the community benefits delivered through the contract. This will include:-*

### **1. Training and employment opportunities**

*1.1 The successful contractor will be expected to consider the opportunities to recruit and train persons from the following target groups as part of the workforce delivering this contract.*

### **[Note for public sector contracting authorities, project managers]**

Target groups – these should be specific to social issues in the locality or in the area covered by the contract / project in question

A useful starting point when considering specific target groups for community benefit opportunities are the EU definitions<sup>9</sup> of disadvantaged, severely disadvantaged and disabled workers. See Annex 2.

<sup>9</sup> Article 2.18 to 20 of the Regulation (EC) 800/20083 Categories of workers considered to be disadvantaged or disabled

A **'disadvantaged worker'** is any person who:

- (a) has not been in regular paid employment for the previous 6 months; or
- (b) has not attained an upper secondary educational or vocational qualification (ISCED 3); or
- (c) is over the age of 50 years; or
- (d) lives as a single adult with one or more dependents; or
- (e) works in a sector or profession in a Member State where the gender imbalance is at least 25 % higher than the average gender imbalance across all economic sectors in that Member State, and belongs to that underrepresented gender group; or
- (f) is a member of an ethnic minority within a Member State and who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining access to stable employment.

A **'severely disadvantaged worker'** is any person who:

- a) has been unemployed for 24 months or more.

A **'disabled worker'** is any person:

- (a) recognised as disabled under national law; or
- (b) having a recognised limitation which results from physical, mental or psychological impairment.

Statistics are available from a range of sources that may help to highlight social and demographic issues in a locality.

*and to*

*1.2 provide opportunities for ..... during the life of the contract*

**[Note for public sector contracting authorities, project managers]**

Name specific opportunities that the contracting body considers reasonable and practicable in the context of the procurement or project.

These may include specific formal training or qualifications e.g. Apprenticeships, Pathways to Apprenticeship, specific NVQs or equivalent, or more general opportunities such as graduate opportunities, traineeships, internships etc

*1.3 in addition to the training listed at 1.2 [name of the contracting body] invites successful contractors / suppliers to also consider opportunities for .....*

**[Note for public sector contracting authorities, project managers]**

The following is a list of the training opportunities listed in the Community Benefits Measurement Tool but additional opportunities may present themselves for specific projects for example opportunities to develop 'heritage' skills such as working with stained glass, dry stone walling, hedge laying etc Opportunities to support local community projects could also be considered.

The key point is that any training or work placement should provide an opportunity for skills development and experience that will improve the employability of people taking up Community Benefit related placements.

## **2. Maximise supply chain opportunities for SMEs**

*2.1 The successful Contractor will be expected to work with the Employer to open up opportunities for SMEs, including social enterprises, to bid for 2nd & 3rd tier supply chain opportunities arising from this contract. It is expected this will include:-*

- *advertising subcontracting opportunities on the Buyer Contractor Sub-Contract Notice facility on [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk) [see Section 6 Support Services of this guide];*
- *using the Welsh Government's Business Wales service to hold 'Meet the Buyer' events for SMEs including social enterprises, to bid for 2nd & 3rd tier supply chain opportunities arising from this contract;*
- *using the Welsh Government's Business Wales service to holdm 'Meet the Buyer' events for 'social suppliers / community groups and support agencies' who operate in the intermediate labour market\* with an interest and role to play in engaging with target groups and preparing them for training and employment opportunities.*

### **[Note for public sector contracting authorities, project managers]**

\* Intermediate Labour Market providers / programmes focus on tackling long-term unemployment and promoting community-based regeneration by working with those who are most removed from the labour market to improve participants' general employability and prepare them to enter or re-enter the labour market.

## **3. Other benefits**

*'The successful contractor will be encouraged to secure other positive outcomes that would benefit the community they operate within, for example:*

- *working with local schools and colleges – work experience/ work placements;*
- *contributing to community regeneration schemes;*
- *contributing to community environmental initiatives.*

## **4. To be used in the Invitation To Tender (ITT) documentation when following the 'Non-Core' approach.**

*'As part of their tender response, potential contractors are asked to submit a Method Statement in the form of a Community Benefits Plan setting out how they will deliver 'Community Benefits' through the contract.*

*The Community Benefits Method Statement will not be evaluated and scored as part of the tender process. However contractual clauses will set out specific targets for delivery to be agreed within 60 days of commencement of the contract.*

*The following agencies are available to support the successful contractor in preparing a Community Benefits Plan and in the delivery of the Community Benefit objectives through the life of the contract. They have been informed of this tender process and are ready to assist you.'*

### **[Note for public sector contracting authorities, project managers]**

See Section 6 Support Services for examples of support agencies. This is not an exhaustive list and local agencies may be better placed to assist. It is recommended that the public sector contracting body engage with potential support agencies prior to going to tender. This can be done by running 'meet the buyer' events for social suppliers who may be able to fulfil the role of support agencies. For example local charities, voluntary and community groups, Social Enterprises etc

#### **5. Disclaimer to be used relating to Community Benefit requirements in the tender**

*'The Employer intends that the above requirements should fulfil and be compatible with all applicable legal obligations (whether European or domestic) relating to equality, non discrimination, openness and transparency, and these requirements are to be read and construed in such a manner.'*