



Community Benefit Statement

April 2020

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1.0 Introduction

1.1 This Community Benefit Statement supports **Wheatley Group's Procurement Strategy 2020-2022** and the Group's **Sustainability Strategy**. It ensures compliance with Sections 24 and 25 of the [Procurement Reform \(Scotland\) Act 2014](#), which sets out a requirement that:

- public contracts over the value of £4 million will incorporate appropriate community benefit requirements and opportunities;
- delivering community benefits is a core part of contract compliance.

1.2 Wheatley Housing Group (the Group) is committed to maximising community benefits for its customers and communities through its procurement activities. This will be achieved through the inclusion of specific community benefits and Key Performance Indicators (KPIs) within procurement contracts, known as Community Benefit Requirements.

2.0 What are Community Benefits?

2.1 Community benefit requirements are contractual requirements which deliver wider social benefits in addition to the core purpose of a contract. The requirements can be used to build a range of social, economic or environmental conditions into contract delivery. As an example, this can include provision of jobs and training places for particular groups; or donations of goods, equipment or expertise to support local community activities. [Scottish Government Procurement Guidance](#) suggests that community benefit requirements to be considered in public procurements may include (but are not limited to) the following:

- generation of employment and training opportunities,
- vocational training, up-skilling, equality initiatives;
- SME/supply chain/third sector development;
- building capacity in community organisations;
- educational support initiatives, work experience;
- minimising negative environmental impacts.

2.2 Where appropriate, non-contractual voluntary community benefits may also be sought on a case-by-case basis where there is deemed potential to derive positive community outcomes via existing contracts.

3.0 Community Benefits Legislation

3.1 The Scottish Government envisages that enacting community benefit requirements will contribute to achieving a range of National and Local Outcomes which promote employability, skills development and tackling inequality; and the [Procurement Reform \(Scotland\) Act 2014](#) aims to increase the use of community benefits within public contracts and framework agreements. Under section 25(1) of the Act, it is now a legal requirement that community benefit requirements are considered for all regulated procurements with an estimated value of **£4 million** or more. The Scottish Government has indicated that the £4M threshold may be reviewed in future, as community benefits might potentially be achieved in lower-value procurements.

3.2 In line with Sustainable Procurement, the Scottish Government Guidance advises that community benefit requirements should:

- be used where assessed as appropriate;

- be proportionate and that requirements should not place a disproportionate burden on economic operators
 - not result in unintended effects such as displacement of existing contractor employees.
- 3.3 The Guidance recognises that training and employment opportunities require an adequate contract length in order to be undertaken successfully; and that while activities such as mentoring or curriculum support may be delivered via lower value contracts, most community benefits will derive from higher value, longer term contracts.
- 3.4 Overall considerations should include how procurement can improve the economic, social, and environmental wellbeing of areas or target groups; and facilitate the involvement of small and medium enterprises, the third sector and supported businesses in supply chains.
- 3.5 EU procurement directives state that community benefit clauses can be used provided that suppliers from different member states are not disadvantaged and that contracts comply with government procurement policy and best value criteria.
- 3.6 The formation of the Group's Community Benefit Statement takes note of National and European Guidance, legislation and the need for requirements to be proportionate. To this end, the Group's community benefit requirements will be included in contract specifications and will form part of procurement selection and award procedures where relevant.

4.0 Group Approach to Community Benefits

- 4.1 Contractual community benefit requirements can help provide a wide range of opportunities to disadvantaged groups, communities and neighbourhoods. The ultimate aim of Wheatley Group's community benefits requirements is to secure real economic and social benefit for our customers and communities.
- 4.2 From 2005, Group community benefits requirements were used predominantly in works, construction and investment contracts; utilising a 10% labour requirement for New Entrants. This enabled jobs, training and apprenticeship outcomes to be delivered, derived mainly from GHA investment and development contracts.
- 4.3 To ensure the 2014 legislative requirements are met across all relevant Group contracts, the Group reviewed and updated its community benefits approach in 2018 and 2019. As a result community benefits are now considered for inclusion in all relevant Group procurements, including Works, Goods and Services contracts. Our requirements seek to maximise benefit to Wheatley Group customers, communities and neighbourhoods by expanding and targeting the types of community benefits sought; and by contractually requiring community benefits from a wide range of suppliers.
- 4.4 This approach supports the Group's goal to support economic resilience across Wheatley communities, creating jobs and boosting access to opportunities for customers. Specific objectives are to enable customers to access training and quality, sustainable employment opportunities. Our community benefit requirements therefore supports employability goals and extends community benefit activity across Wheatley neighbourhoods. In line with the legislation, suppliers are also asked to open out supply chain opportunities to SMEs, supported businesses and social enterprises.

5 Wheatley Foundation

5.1 To support community benefit requirements Wheatley's Procurement Team works closely with the Wheatley Foundation Team and Group business leads. Wheatley Foundation charitable trust was established in 2016 to support customer access to social and economic opportunities. The Foundation receives Group support, charitable donations and external grant funding in order to provide employment, education and community programmes for Group customers which reflect 2 key priorities:

- **Maximising access to employment, training and learning opportunities for customers of all ages;**
and
- **Supporting customers by tackling social exclusion and alleviating the impacts of poverty.**

5.2 Foundation programmes support the goals above and must demonstrate benefits to Group customers. The Foundation Team manages Foundation programmes, including community benefits. The Foundation's Community Benefits Officer is the first point of contact for suppliers and contractors, ensuring that community benefits focus on Group communities and customers.

5.3 Maximising job and training outcomes for customers is a key community benefit priority. To support this, the Foundation runs the **Wheatley Works** programme, helping prepare customers for training, work experience and job opportunities arising from a range of employability activities, including community benefit requirements.

5.4 Wheatley Works' employability pathway provides 1:1 support for customers to develop the skills and readiness to take up jobs and training opportunities and is the key mechanism linking customers directly to opportunities. The programme provides pre-employment training in advance of job opportunities that come up through the Group and our suppliers, with a focus on trade apprentices and environmental opportunities. Suppliers are encouraged to contribute their expertise to pre-employment training and to recruit from the pool of customers who successfully complete training.

6.0 Threshold Values

6.1 In order to maximise customer and community opportunities, the Group considers community benefits in contracts at a level below the £4 million threshold required by the legislation. This consideration forms part of the Group procurement approach dependent on contract type, suitability and duration, acknowledging that community benefits are not appropriate to every contract and are included where relevant and proportionate.

6.2 As appropriate therefore, the Group considers including community benefit requirements when tendering a supply and/or services contract at the contract threshold values noted below:

Community Benefit	Contract Type	Contract Value	Community Benefit Requirements
Contractual	Framework	> £500k	Retrospective, based on spend
Contractual	Works Contract	> £2million	Mandatory or evaluated
Contractual	Goods / Services	> £500k	Mandatory or evaluated
Voluntary	Any – e.g. may	> £500k	Negotiated where

	apply to existing contract with no current CB requirement		appropriate
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- 6.3 Further information on how requirements are incorporated is set out in section 9. For most types of work, the number and value of community benefit requirements sought is dependent on contract financial value bandings set out in the appropriate Construction and Goods and Services Value Tables.
- 6.4 There is no requirement to consider or include community benefits within contracts falling below the relevant thresholds. Where applicable however, the Group may explore voluntary community benefits with contractors in order to maximise outcomes.

7.0 Wheatley Group Community Benefits

- 7.1 Successful suppliers are expected to embrace the Group's community benefits requirements throughout the duration of each contract and where relevant, each appointed supplier will agree a Community Benefit action plan with us. As Group requirements apply to a wide range of contractors and suppliers, Group requirements reflect activity suitable to differing contract size and type which benefit local communities. Group requirements target three priority activities - **employability, communities and capacity building**.
- 7.2 **Employability Activities** include delivery of training, work experience, jobs and apprenticeship opportunities, supported by contractor KPIs promoting economic inclusion and skills development. To maximise customer opportunities, contractor engagement with Wheatley Foundation and the Wheatley Works programme includes the advertising and notification of vacancies to agencies named by Group and agreed programmes with employability partners, schools and local communities.
- 7.3 **Community Activities** are delivered via a range of options including charitable donations, events, community programmes and in-kind activities or projects which support Wheatley customers. This can include enhancing community facilities, environmental and gardening projects, or supporting other local activities in Wheatley communities. All projects supported will contribute towards the Foundation's charitable and strategic objectives and supplier contributions to community activities are directed both by the Foundation and locally-decided community priorities.
- 7.4 **Capacity Building/Supply Chain Development.** We expect our suppliers to support activities which develop and widen supply chain opportunities within contracts to the third sector, supported business and SMEs. This may be delivered through mentoring, training, partnership work, events and placing work with such suppliers. Suppliers are expected to build capacity within Wheatley communities, for example by mentoring young people and unemployed customers.
- 7.5 Suppliers are directed to the support available via **Partnership for Procurement (P4P)**. The Scottish Government supports P4P to develop the capacity of social enterprises, supported businesses and the third sector to bid for contracts and work in partnership to improve access to public contracts. P4P provides advice, training, collaborative workshops and updates on procurement opportunities. The website (<https://p4p.org.uk/>) hosts information and procurement tools including the "Ready for Business" Third Sector Register and Supported Business resources.
- 7.6 Access to contractor/supplier Corporate Social Responsibility (CSR) programmes may also assist delivery of agreed community benefits, so opportunities to draw on

contractors' existing customer service, CSR programmes or partnerships may be explored.

- 7.7 Where feasible, specific community benefits requirements will be identified as appropriate, to supplier type and specialism. Specific requirements may be included within contracts dependent on local needs, determined on a case by case basis.

8.0 New Entrants and Wheatley Priority Groups

- 8.1 In line with Wheatley Group ambitions, our community benefit approach aims to provide significant opportunities for Group customers to improve their circumstances and prepare individuals to successfully take up opportunities arising through Group investment.

- 8.2 Specifically, Group community benefit requirements will generate employment and training opportunities for **new entrants** and **priority groups**. A new entrant is defined as a person who is leaving an educational establishment or a training provider; or who is not employed and is seeking work. Examples of new entrants include:

- new apprentices registered with an industry-recognised body and started in full or in part as a result of the contract;
- apprentices part-way through or made redundant by an employer, who are recruited and sustained to complete their apprenticeship by a contractor;
- people recruited on training courses or with a trainee contract;
- a person who has been unemployed for 4 weeks or more, prior to commencing employment with a contractor
- a person who is leaving an educational establishment or training provider.

- 8.3 Contractors and suppliers will also be encouraged to provide opportunities to Group customers who have experienced barriers to accessing and sustaining employment including, but not limited to, the following priority groups:

- longer-term unemployed people (6-months or over)
- people accessing welfare benefits; including disability benefits;
- lone parents;
- people who have experienced homelessness;
- people who have criminal convictions;
- people who have a history of addiction;
- BME groups;
- veterans.

9.0 Contractual Community Benefit Requirements

- 9.1 Community benefits can be included within procurement activity on a Contractual or Voluntary basis. Contractual community benefits can be included in procurement processes as **Mandatory or Evaluated requirements**. They form part of contract conditions and contractors are required to deliver their commitments, with appropriate clauses included in the contract. All contractual community benefit requirements must be stipulated in Contract Notices and where applicable will be included in all relevant procurement documentation at tender stage; and as relevant throughout the procurement process in order that they may form part of contractual requirements and KPI monitoring.

a) Quantified Contracts

Where contract value and outputs are quantified and known at the outset, community benefits will be assessed prescriptively via Mandatory requirements; or assessed on the basis of agreed Evaluation criteria. Where Mandatory and Evaluated community benefits are included within tenders, they will form part of the quality criteria. Weighting of community benefits requirements will be agreed and applied on a case by case basis but is likely to range from 5-15% of the quality score. Failure to respond to the Mandated or Evaluated quality section may result in tenders being non-compliant and rejected unconditionally.

For example:
Mandatory – Specified Requirements
<p>At tender stage, the Procurement Team will provide the relevant Community Benefit Value Table and guidance for each contract within the contract notice. The Value Tables include specific community benefits requirements, dependent on contract value. Bidders are required to sign this to demonstrate compliance with the community benefit requirements specific to the relevant value band for the contract.</p> <p>As a Mandatory requirement, this is not evaluated but is scored on a compliance pass/fail basis.</p> <p>As different types of community benefits are likely to be obtained from different contract types, quantified requirements will be based on contract values set out in 2 distinct Value Tables for:</p> <ul style="list-style-type: none">a) New Build/Construction works typesb) Goods and Services.
Evaluated
<p>Community benefit is included as part of contractual obligations and evaluated as part of the tender process. At tender stage the Procurement Team will provide community benefit guidance and agreed community benefit questions which the bidder must answer, and which will be weighted and scored as part of the bidder's submission.</p> <p>The Group may request Community Benefit Method Statements for each contract within the contract notice, which will set out community benefit proposals submitted by the contractor.</p>

b) Framework Contracts

Where contract values and outputs are variable or less predictable (e.g. Framework Agreements), where appropriate the Group will consider the inclusion of contractual, retrospective community benefits. For example, when drawing on Framework suppliers the Group may seek community benefits to be delivered retrospectively based on spend.

9.2 Voluntary (non-contractual) Community Benefits

Where appropriate, the Group may seek to encourage voluntary community benefits for a particular procurement activity, and may request good-will community benefits from an existing supplier where deemed reasonable, relevant and proportionate. This may occur where community benefits were not included as part of an existing contract (for example, because the contract pre-dates the legislation or the value falls below a threshold). The Foundation's Community Benefits Officer may therefore discuss non-contractual requirements and agree voluntary Community Benefits with contractors.

9.3 **Mandatory New Build/Construction Value Table**

Community benefit jobs and training clauses have previously been employed successfully within Investment and New Build contracts. This Statement recognises that the majority of community benefit jobs and training opportunities continue to be delivered via the construction sector.

9.4 The Group's New Build/Construction Value Table is based on Construction Industry Training Board (CITB) community benefit ratios, with a focus on maximising employment opportunities - jobs, work placements, apprenticeships and training places. Dependent on contract value, there is also a requirement to support the third sector/SME supply chain. New build contractors also provide contributions to enhance the impact of the new build programme on customer and community opportunities.

9.5 **Mandatory Goods and Services Value Table**

Goods and Services contracts and frameworks can be varied in nature, delivery, duration and structure. The community benefit requirements set out within the Group's Goods and Services Value Table therefore recognise that a supplier of goods-only potentially has less capacity to support new jobs and apprenticeship places, but could support a local community project with time, expertise or services; host a work experience placement, or make a charitable donation to the Foundation.

9.6 Where relevant to the contract, bidders are required to confirm they can meet relevant requirements with regards to insurance, health and safety and Protecting Vulnerable Groups (PVG) relating to any relevant community benefit activities; and to confirm that delivery of community benefit requirements does not compromise or imply any promise on the part of the Group or their partners to provide suitable trainees, labour or resources.

9.7 Bidders must confirm that proposed community benefit requirements do not result in displacement of existing employees or apprentices by recruiting new entrants. The successful tenderer will be held to have included for all associated management and supervision costs required to deliver the community benefit requirements for the project.

10 **Monitoring, Partnership & Communication**

10.1 The Group works with contractors and suppliers to deliver agreed and proportionate community benefits that provide added value and create opportunities for our customers and communities. Monitoring and reporting on these requirements allows us to demonstrate that we, our partners and supply chain are making a positive difference to the lives of our customers and enhancing wider communities; and helps us share best practice.

10.2 The Group may be open to legal challenge if effective community benefit monitoring procedures are not in place. As such, contractors/suppliers are required to complete quarterly Progress Reports incorporating case studies, photographs or certification documents where relevant. Contractors are also required to ensure that New Start Forms are completed to assist with verification of any jobs, training, apprenticeship or placement opportunities taken up by individuals, including Wheatley customers. These are submitted to the Foundation's Community Benefits Officer.

10.3 The Group is required by the Procurement Reform (Scotland) Act 2014 to produce and publish an Annual Procurement Report. This must include a summary of any community benefit requirements included in contracts and fulfilled during the year, which will be published on the Group website.

- 10.4 There may be instances where community benefit requirements are not appropriate for inclusion in a contract. The Group will always consider their use by taking into account the nature of the contract, its duration and local factors. Where the Group decides not to include any community benefit requirements, we will include a statement of the reasons for this in the Contract Notice, in respect of the legal requirement to do so where any public contract over the £4 million threshold does not include a community benefit requirement.
- 10.5 In addition, summary quarterly performance information will be provided to Wheatley Foundation Board and community benefits performance will be monitored both by the Foundation Team and Procurement Quarterly Contract Monitoring processes, forming part of overall contract KPI performance review. Failure to achieve target outcomes may impact on supplier KPIs and reduce Supplier Performance Scores. The appointed supplier will therefore be held to their agreed Community Benefit action plan targets and timescales. The Community Benefits Officer will liaise with relevant Group Business Leads and Procurement Team on supplier community benefit performance so that any failure to achieve target outcomes can be addressed.
- 10.6 Success stories will be shared in the Annual Procurement Report, as well as in quarterly reporting to the Foundation Board and through internal and external communications channels. Partnership working with contractors and suppliers to deliver community benefits will also support contractors' Corporate Social Responsibility objectives, providing further opportunity to recognise and celebrate a wide range of individual and community impacts.