Community Benefits

Delivering Maximum Value for the Welsh Pound
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This Guide offers advice on the different approaches that procurers are encouraged to take to deliver added value by the inclusion of community benefits in their procurement activities.

With practical support through the use of case studies and examples, the guide will show you how ‘community benefits’ can be legitimately promoted within the policy and legal framework governing public procurement.

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.buy4wales.co.uk/PRP
The public sector in Wales spends approximately £4.3 billion annually on external goods and services. This sum represents a substantial investment and it is essential that every pound spent results in maximum value for the citizens of Wales.

The Welsh Assembly Government is continually looking at ways that even more value can be obtained from this investment, and one of the major themes has been the benefits accruing to the local community from procurement activity.

The community benefits programme covers:

- Recruitment & training of economically inactive people
- Promoting equality in the workplace
- Opening up opportunities for small organisations in Wales, such as SME, Third Sector Organisations and Supported Factories & Businesses
- Ensuring that disadvantaged groups are represented in the supply chain through working with these smaller organisations
- Making a positive impact on the environment
- Contributing to local community in terms of education, regeneration & community engagement

This guide will help those involved in public procurement to build community benefits into their tendering processes and provides information on resources available.
Public Procurement can make an enormous difference to the social, economic and environmental well being of Wales and I would urge all those involved in spending public money to use this guide to ensure they get maximum value for every pound we spend.

Jane Hutt AM
Minister for Business & Budget
Section 1 - Introduction

When taken as a whole, the Welsh public sector is the largest user of services and goods from both the private and voluntary sectors in Wales. For this reason, Procurement is viewed as a key driver for delivering the Assembly Government’s sustainable development commitments for Wales. The Assembly Government, working with the wider Welsh public sector, 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 for Wales means ensuring that our actions contribute in the round to social, economic and environmental well-being now and in the future.

The Welsh Ministers view sustainable development as the central organising principle for Government, with the Assembly Government’s Sustainable Development duties set out in Section 79 of the Government of Wales Act 2006, and illustrated in One Wales: One Planet. This sustainable development scheme sets out how the Welsh Ministers propose, in the exercise of their functions, to promote
sustainable development; it includes such goals as improving the environment, building stronger communities, reducing social exclusion and poverty and encouraging the development of the economy.

The inclusion of ‘community benefits’ or ‘social requirements’ (both terms are used in this Guide as they are essentially interchangeable) in public sector procurement is designed to ensure that wider social and economic issues are taken into account when tendering construction, service or supplies contracts. Value Wales has established the Community Benefits Project to work with the Welsh public sector to influence procurement activities to support delivery of social, economic and environmental benefits. Whilst all public procurement is required to achieve value for money, the Project supports procurers in achieving the very best value for money in economic and social terms. With an approximate annual collective spend of £4.3bn, the Welsh public sector has a huge opportunity to support the Welsh economy and secure maximum value for money in the broadest sense.
Setting the scene

It is important to set the context for social clauses and ‘community benefits’. Sustainable procurement is often primarily associated with environmental issues, but there is now greater awareness of the need to extend this to social and economic issues. This is supported by the recognised definition of sustainable procurement which originated from the UK’s Sustainable Procurement Task Force “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”.

The following hierarchy may be helpful in understanding how “community benefits” fits into the wider picture of sustainable development policy and sustainable procurement activity.
• Sustainable procurement is a key mechanism for delivering toward the Welsh Assembly Government’s sustainable development commitments for Wales;

• ‘Social issues’ are part of the wider context of ‘sustainable procurement’;

• Community Benefits is one element in a wider range of ‘social issues’;

• Creating recruitment and training opportunities from your contract is an example of one community benefit that could achieved.

Social issues in the context of procurement can include core labour standards, access for disabled people, gender and race equality, employment and training issues, fair trade and support for SMEs including social enterprises, black and ethnic minority enterprises and businesses owned by women and disabled people.

The key points to remember, when looking to include community benefits are that their incorporation must be relevant to the subject of the contract, they must be proportionate, deliver value for money and not unfairly discriminate against any potential suppliers.

The pursuit of community benefits in the context of any procurement process must also arise out of the powers and duties of the public sector body undertaking the procurement. It is important to note that without appropriate powers, community benefits cannot form part of a Contracting Authority’s procurement exercise.
Approaches

Assuming that the Contracting Authority has appropriate powers to seek community benefits from their procurement activity, a decision must be made whether to make community benefits “core” or “non-core” to the contract. This is explained below.

Non-core

The non-core approach formed the basis of the Value Wales pilot undertaken in 2006 and continues to be used as a method of delivering community benefits. It is often favoured by those new to the process.

As with any procurement, EU and UK Public Procurement legislation govern the approach to community benefits. The relevant law draws a distinction between setting the conditions of the contract and setting the award criteria. The social requirements may be included as contract conditions, but will not be assessed either at selection or award stage. In order to include non-core elements, the principles set out below should be observed. The social requirements:-

- Should be referred to in the initial advertisement for the contract and set out as conditions of the contract as advertised;
- Must not be assessed as part of the procurement process (either at selection or award stage);
- In particular, the requirements must not be disguised technical specifications - the requirement for particular skills must form part of the selection for the contract and not be introduced “through the back door” as social requirements;
• Must comply with all other legal requirements (whether domestic or European) including the obligation to achieve transparency and equal treatment of all bidders.

The social requirements will need to arise out of the subject-matter of the contract and so whether or not it is appropriate to include social requirements in the contract will depend on its nature, value and duration. For instance, while it may be appropriate to include requirements as regards offering training to the long-term unemployed in a large construction contract, it may not be appropriate to do so in a contract for supplies or services.

The non core approach relies on working in partnership with the successful contractor to deliver the positive outcomes.

Core

Where community benefits have been identified as a core part of the requirement (the subject-matter of the contract) they can be included in the award criteria. The Contracting Authority, in this scenario, is purchasing the social outcomes 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.

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;
• assessed from the point of view of meeting the contracting authority’s requirements;
• included as contract conditions;
• transparent;
• non-discriminatory (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;
• Included in the original advertisement.
As in any procurement exercise, Contracting Authorities must not mix selection and award criteria. Selection is only a hurdle. Once a bidder has passed that particular hurdle, any issues considered or scoring given at selection stage must be disregarded at award stage. Only factors related to most economically advantageous tender (MEAT) can be taken into account at award stage. This is the usual basis for selecting a winning bidder at award stage as required by the relevant legislation.

An example of a Core approach is the ‘Can Do’ Toolkit, developed for the Housing Sector to support the huge investment and delivery of the Welsh Housing Quality Standards.

For more information on the ‘Can Do’ Toolkit see section 4.
Section 2 - What could we achieve?

Once a decision has been taken on the contractual approach to be taken, the procurer must consider the benefits they hope to secure through the contract.

Procurement has been used as a lever to address long-term unemployment and training issues through the use of ‘community benefits/social requirements’ within contracts for some time.

Whilst training and recruitment outcomes remain a key community benefit with clear scope for use in public sector contracts, there are many wider community benefits which may be achieved. A wide range of social benefits, including supply-chain initiatives and contributions to education can be considered.
Community Benefits

Retention & Training for the Existing Workforce

Training and recruitment opportunities for the economically inactive

Supply Chain Initiatives

Community Initiatives - Resources - Consultation

Promotion of Social Enterprises & Supported Businesses

Contributions to Education
Benefits

1. Recruitment & training for those farthest from the labour market

Under EU & UK public procurement law, it is permissible to address requirements for skills and apprenticeships in public procurement processes; and to specify that a proportion of the hours worked in delivering the contract are undertaken by someone farthest from the labour market e.g. a long term unemployed person, provided those requirements:

- are relevant to the contract,
- are proportionate,
- do not compromise value for money,
- do not unfairly discriminate against prospective contractors.

It is important that the opportunity to promote skills and labour is considered at the very earliest opportunity, pre-procurement, and reinforced at each stage:

- Pre-procurement - when identifying the need, considering procurement approaches and engagement with the market; consider the scope (time and value) that the procurement offers to deliver training or employment.

- When determining the requirement, at specification stage, be clear about the what you want to achieve (the organisation’s suppliers may seek support).
• When awarding the contract - award stage - ensure the successful contractor has returned the required information. While the social outcomes cannot be evaluated when following the non-core approach it is still important that their intentions are made clear.

• In the performance of the contract - contract conditions and relationship management. Following award, it is vital that a clear point of contact is provided for the training and recruitment deliverables. Regular progress reports should form part of the management information of the contract.

The earlier in the procurement process that the need to embed skills and apprenticeships is recognised, the more successful it is likely to be. Where appropriate, in letting a contract it is permissible to use contract conditions, for example, to:

• Require, if using the core approach or request if using the non core approach, that a specified proportion of the workforce employed on a particular contract are apprentices or receiving relevant skills-training such as NVQ level 2

• Specify, if using the core approach or request if using the non core approach, that a proportion of the hours worked in delivering the contract, be undertaken by long-term unemployed persons as trainees, apprentices; etc.

SMEs and larger employers can access a range of support to help them meet the skills and labour requirements in the procurement process. More information is provided in useful contacts section.

2. Supply chain initiatives

The Welsh Assembly Government is committed to ensuring that its contracts remain accessible to small and medium businesses, including those owned and managed by women, disabled people or ethnic minority groups, as well as supported factories and businesses (organisations with a workforce of over 50% disabled persons).
Accessibility for these groups of suppliers can be further improved by engaging with them to find out what they can provide and by ensuring advertisements for contracting opportunities are properly directed to ensure maximum access.

Welsh public sector purchasing can support business to business opportunities and help suppliers to find sub-contracting opportunities.

The Sell2Wales web portal now provides business an opportunity to advertise their second-tier supply chain opportunities - [http://www.sell2wales.co.uk](http://www.sell2wales.co.uk) - and open up their supply chains to new suppliers.

‘Meet the Buyer’ events are aimed at offering local business an opportunity to meet with a main contractor which has won public sector business. This type of event provides a route for SMEs to become part of the main contractor’s supply chain, and potentially win future work. Support is available from the Supplier Development Service and Construct Wales; both part of the Assembly Government’s Flexible Support for Business (FS4B) programme, contact details can be found in the ‘Support’ section.

Prompt payment of suppliers is another good practice that will help businesses with cash flow, and so support the economy. UK government policy is to expect all public sector organisations to pay suppliers within 10 working days of the receipt of a valid invoice. Whilst standard payment terms within contracts remain at 30 days, it is generally accepted that suppliers will be paid within 10 working days.

It is, therefore, good practice to require as part of the contract terms that contractors should pay their sub-contractors within 30 days. These time limits similar to those laid down by the Late Payment of Commercial Debts (Interest) Act 1998, which, in certain circumstances, enables one party to a contract to claim interest against another party for the length of time that invoices remain unpaid beyond the contractually-agreed credit period.
It is also worth encouraging key suppliers to sign up to the prompt payment code (http://www.promptpayment code.org.uk/) and encourage them to pass on the benefits of prompt payment to their supply chains.

Contracting authorities can also consider the opportunity to promote training and skills down through their supply chain; suppliers bidding to be prime contractors can be asked to consider their obligation to ensure training and skills requirements are met throughout their supply chains.

3. Working with the third sector & supported factories and businesses

The Welsh Assembly Government is committed to ensuring that its contracts remain accessible to the third sector, including supported factories and business. Building on the supply chain initiatives with SMEs, public sector procurement offers a lever to promote the advantages that third sector organisations can bring to public service delivery, directly as tier-one suppliers or indirectly as tier-two suppliers.

The UK Government and the Welsh Assembly Government define the third sector as non-governmental organisations which are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. The third sector includes voluntary and community organisations, charities, social enterprises, co-operatives and mutuals. A third sector organisation can also be a supported factory or business (i.e. one where disabled people comprise more than 50% of its workforce).

There are many benefits that third sector organisations can bring to a supply chain:

- A strong focus on the needs of service users
- Involvement of local people to build community “ownership” and benefits
- Increasing trust within and across communities, thereby building “social capital”.

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4. Community initiatives

As well as the opportunity to support communities economically through employment, training and contract opportunities, public sector procurers can deliver additional social benefits directly to the community in which they operate through their contractual arrangements. Community initiatives that could be included are:

- Volunteering days
- Appointing community liaison officers
- Landscaping and building services support to regenerate for communal areas
- Support for local youth groups and other community groups
- Mini sporting tournaments e.g rugby or football
- Community newsletters advising on the impact of the works, etc

The list is almost endless and will depend upon the contract - its type, value and duration. Suppliers, particularly those which primarily operate locally, are usually keen to invest in and engage with the community in which they operate as the long-term benefits are mutual.

5. Contributions to education

Following on from community initiatives, support for education is another important area that can see communities benefiting directly from public sector contractors in their area. As part of building strong, vibrant communities, public sector contracts offer an opportunity to encourage suppliers to engage positively with school-age children. Engagement could be through:-

- Work placements for secondary-school children and college students
- Development of bespoke qualifications with local colleges
- Volunteering at local school events - Careers Day/Sports Day
• Visits to primary schools to engage with younger children e.g. dressed as characters they can relate to - ‘Bob the Builder’ - to talk to the children about Health and Safety, etc
• Landscaping and building services support to regenerate for school playgrounds

Again the list is almost endless and will depend upon the contract, its type, value and duration. Suppliers are most often keen to engage and contribute toward their corporate social responsibility, as discussed above.

6. Environmental

There is a significant amount of guidance available to the business sector to help it comply with legislation and protect the environment. Climate change is already recognised as a significant issue by organisations in sectors like construction. However the public sector cannot be complacent, and procurement affords it a chance to go that extra mile and contribute to the climate change agenda for Wales.

The sustainable risk assessment (SRA) tool ([http://www.buy4wales.co.uk/PRP/prp/strategy/procstrat/sustainableriskassessmentandperformancemonitoring.html](http://www.buy4wales.co.uk/PRP/prp/strategy/procstrat/sustainableriskassessmentandperformancemonitoring.html)) is an important tool that can be used when planning your main procurement. The SRA, will help you identify benefits for you to build into your contract and work toward with your successful contractor through delivery of the contract. Again the opportunities are vast but some examples include:-

• Use of recycled materials.
• River clearance initiatives led by the project team.
• Wildlife conservation
  - Bat boxes/bird-nesting-boxes built into structures
  - Creating new natural habitats and relocating current habitats - fish passes/otter tunnels & ledges
- Innovative planning of works to preserve mature trees and habitats,
- Minimise tree felling - trees that are removed being replaced ten-for-one
- Minimise and/or avoid truck movements and associated business-mileage
- Minimise waste to landfill

7. Equality & diversity

Public sector organisations are committed to promoting a fair and equal society, which makes best use of its talents and helps the economy perform to its productive potential, even in difficult economic times. Considering equalities issues in procurement is therefore not only about satisfying legal obligations - (such as non-discrimination laws in the fields, for instance, of disability, gender, age, sexual orientation, religion and belief and race) - but can also help public procurers deliver higher quality services and achieve better value.

Business partners are expected to comply with all the relevant legislation which is usually incorporated into all contracts but public procurement spend offers the opportunity to go much further. Equality is an important social policy objective for the Welsh Assembly Government. Achieving value for money by delivering wider benefits such as equality objectives go hand in hand with this. Reaching out to the widest possible range of contractors - including for example, those owned by people from ethnic minority communities, women and disabled people - ensures access to suppliers who can offer real benefits and help deliver these personalised goods and services.

There is also an opportunity to work with suppliers to influence their equality practices and achieve greater transparency about these practices. Encouraging the creation of workplaces with open and effective equality practices helps contractors drive up productivity, through attracting recruits from the widest pool,
better staff retention, and improved morale and performance. Suppliers can consequently ensure the best pool of people are delivering the services procured.

Many Value Wales initiatives currently in place promote equality of opportunity through the procurement process including:-

- **Opening Doors Charter for SME Friendly Procurement**, Encouraging SME friendly procurement practices
- **The Sell2Wales national procurement portal**
- **Action Plan for engagement with Third Sector Organisations and Supported Businesses**
- **The Sustainable Risk Assessment (SRA) tool**

Section 3 - Sample material

Those new to community benefits may find the sample text helpful as a steer when undertaking their first procurement incorporation community benefits.

The sample clauses provided below are in line with the non-core approach. For those wishing to follow a core approach Resource 3 of the ‘Can Do’ Toolkit offers sample clauses that can be used. Resource 3 can be found at: http://www.whq.org.uk/i2i/about_resources.php

Please note that the sample clauses set out below 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.
Sample clauses

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**

The successful contractor will be expected to consider the opportunities to recruit and train long term economically inactive* persons as part of the workforce delivering this contract.

The Employer is keen that the successful contract consider the opportunity to offer (apprenticeships/NVQs/H&S training/etc) during the life of the contract. However other training that could also be considered ...

*Long-term economically inactive’ in this invitation means those who have not been in paid employment in the last 3 months immediately prior to the date of this invitation.

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

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 Sell2Wales
- Using the Welsh Assembly Government’s Supplier Development Service to hold ‘Meet the Buyer’ events

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
At return of tender

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 its ‘Community benefits’ method statement, and in the delivery of the Benefits post contract award. They have been informed of this tender process and are ready to assist you.

List organisations and contact points

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.
**Example contract conditions**

The Contractor shall implement in full its Community Benefits Plan which is attached at Schedule ( ) to this Agreement, within the agreed timescales set out in XXXX subject to the availability of any persons whom it intends to employ in accordance with the Community Benefits Plan.

The Contractor shall not cause any current employee of the Contractor or any current employee of any of its sub-contractors (of any tier) to become unemployed as a result of implementing the Community Benefits Plan.

The Contractor shall keep the Community Benefits Plan under review throughout the Contract and modify it as appropriate in order to achieve the community benefits described in the Community Benefits Plan. Proposed modifications of the Community Benefits Plan shall be discussed with the Employer and are subject to the Employer’s approval. The Employer will consider reasonable requests for modifications in light of current circumstances and the commitments set out in the Community Benefits Plan but reserves the right to reject any proposed modifications which it regards as unreasonable.

The Contractor shall advertise any sub-contracts which arise as a result of the Contract on www.sell2wales.co.uk.

The Contractor shall pay sub-contractors within 30 days of receipt of a valid invoice save that the Contractor may withhold or delay payment where it has reasonable grounds to do so and must communicate those grounds to the sub-contractor within 10 days of receipt of the disputed invoice.
The Church Village bypass will relieve traffic congestion in the settlements of Church Village, Ton-teg, Llantwit Fardre and Efail Isaf within Rhondda Cynon Taf by improving the A473 which is the principal route between Talbot Green and Ton-teg. The road being constructed is approximately 7km of 7.3m wide single carriageway to include the realignment of other minor road and connections via Four Roundabouts. A community route will provide facilities for pedestrians and cyclists, and will cover the full length of the scheme. Environmental improvements include mitigation measures for great crested newts, badgers, bats and marsh fritillary butterfly.
Community benefits in action

The Project Team (PT) have set out to build on the experience and success of their Porth Relief Road project and achieve even greater benefits through the delivery of scheme. The PT has set itself tough targets to achieve during the scheme build across the full scope of Sustainable procurement economic, environmental and social benefits.

The targets will include:

• Creation of 70 posts and training to a minimum standard of NVQ 2

• Creation of 3 jobs targeted toward the employment of prolific offenders (working in partnership with Community Safety Partnership, the probation services and the Prison Service)

• Facilitate New Start of at least 2 new businesses in the area

• Achieve a target of 75% of all subcontracts awarded to local companies in Wales and 75% of supplies sources locally (and to develop and improve those companies through the establishment of a Church Village Business Club)

• Subcontract opportunities to be advertised on Buy 4 Wales as a pilot with meet the buyer events planned

• Provide work experience to 15 pupils sourced from local secondary schools

• Provide 100 days of support for the Safety Zone a partnership to provide construction site safety training to 1000s of school children
• Work via the Education Business Partnership providing input to the ‘World of Work’ programme and work with local school to establish an education zone within the visitor centre. This will have interactive displays showing how the team are working hard to minimise their impacts on the local environment, ecology and geology

• Eliminate Off-Site disposal of surplus inert material excavated from the work. This includes the re-use of over 500,000 tyres along the route of the site and the reuse of 250,000m³ of earthworks on the site

• Achieve CEEQUAL (the environmental standard for road schemes) excellent rating

• Segregation of any waste and recycling to approved sources

• A waste measurement tool to measure the carbon footprint on the scheme and utilisation of state of the art energy efficiency facilities at their site offices

• Use Recycled content in materials at a minimum of 50% for the scheme

• Achieve an offsite skip waste disposal of only 1 skip per £1m or project expenditure

Progress: 65% of materials delivered to site are recycled.
Welsh Assembly Government and Pochin - Llandudno Junction Office


The main contractor, Pochin, through the tender process, committed to maximising the benefits of the project for the community. Pochin focused on creating opportunities, including for local companies to compete for business, and delivered positive results. Some examples include:

- Following a ‘Meet the Buyer’ event in 2009, over £400,000 worth of work has been won by local businesses; and
- Of the £13.6million spent on the project to date, 64% of this, £8.7million, has been committed locally.

Through difficult economic times Pochin were able to secure
- 52% of the workforce on site from the local area; and
- Local people have also secured employment providing security and catering services to the site.

The project team at the Assembly Government have worked closely with Pochin to engage the local community.
• Pochin were audited twice as part of the Considerate Contractors Scheme, achieving the score of 38 out of a possible 40 on the second audit;

• Four local schools are working with the Project Team to gather contents for a time capsule which will be buried in the foyer of the building in the spring. The capsule will be unearthed in 50 years time;

• Engagement with local community groups, for example the Colwyn Bay Lions Club;

• Sponsorship of a mini rugby tournament; and

• Open Day attended by 350 local people and people potentially working in the new building.
Success in the housing sector

The ‘Can Do’ Toolkit

The Can Do Toolkit was launched by Ministers in September 2008. The toolkit includes practical guidance for social landlords on using targeted recruitment and training (TR&T) as a core requirement of contract. As an essential part of the contract, TR&T is therefore reflected in the specifications and conditions of contract and is central to the subject of a procurement exercise. The guidance encourages purchasers to use their purchasing powers to enable job and training gains where procurement is used as a policy tool.

There are 3 different resources included as part of the Can Do Toolkit which can be accessed via the links below:

- **Resource 1** is an *introductory guide* which provides a general overview of TR&T and the housing sector

- **Resource 2** is the *technical guide* and includes references to relevant EU procurement case law and EU procurement rules whilst also providing a step by step methodology to using TR&T at different stages of the procurement process

- **Resource 3** includes a suite of *model material* that can be used by purchasers to include TR&T from the business case through to monitoring performance

http://www.whq.org.uk/docs/i2i/english/aboutDocE22.pdf
http://www.whq.org.uk/docs/i2i/english/aboutDocE23.pdf

There is a strong policy drive from the Welsh Assembly Government increasingly to use procurement as a driver to creating job and training opportunities, which further legitimises the use of TR&T as an essential part of contracts. The Government of Wales Act 2006 permits Welsh Ministers to do anything which they consider appropriate to achieve the promotion or improvement of the economic, social or environmental well-being of Wales.
The Local Government Act 2000 gives local authorities power to promote the improvement of the economic, social and environmental well-being of the area for which they are responsible.

Registered Social landlords (RSLs) in Wales are charitable organisations, with many defining themselves as social enterprises but it is the policies that are of critical importance to promoting community benefits in the procurement process. Furthermore, it is the object of a Community Housing Mutual, which is a unique form of RSL in Wales to benefit people in need in the community.

When using the toolkit as a core requirement, purchasers will ask bidders to submit a ‘TR&T Method Statement’ (included in Resource 3) where bidders will set out how they aim to achieve TR&T objectives. Where TR&T is core, this method statement can then be scored and included in the qualitative assessment of the tender (weighting is usually around 15%).

**Progress to date**

The toolkit is increasingly seen as an effective way of maximising TR&T gains. Organisations that have successfully adopted the approach include stock transfer organisations, traditional RSLs, housing consortia and more recently local authorities and the Welsh Assembly Government in their housing and regeneration activity.

A large number of housing organisations are currently using or considering adopting the approach at a time when an estimated £500 million investment is likely to take place in social housing in Wales in each of the next 3 to 5 years. Contractor commitment has also improved at a time when competition for maintenance and development work is heightened.

- Merthyr Valleys Homes will be spending £69m on Welsh Housing Quality Standard (WHQS) over the next 5 years. Thanks to the Can Do Toolkit, **136 additional training and employment opportunities** will be created within the locality through partnering with Merthyr Jobmatch.
• Newport City Homes has specified within its contracts that for every £1m spent, 250 person weeks of training will be created on a £100m contract.

• Valleys to Coast Housing has specified in its contracts that 20% of all labour on site have to be new entrant trainees from the Caerau Construction Skills Centre, which is part funded by the Welsh Assembly Government.

• United Welsh currently has 68 trainees on site having used the Can Do toolkit requirements and approximately 70% of these have secured employment through their training programmes.

• One of the most successful routes is that targeted recruitment and training has now been included as a core requirement of the dualing of the Heads of the Valleys Road. Because of this, during 2012-2020, approximately 4000 additional training and job opportunities will be created across the region. This is the first ever Government contract within the UK to include targeted recruitment and training as a core requirement.
Section 5 - Support services available

It is important that the Contracting Authority considers the benefits which they would like to see achieved through the contract, e.g:-

• recruitment and training for long term economically inactive
• supply chain initiatives
• contributions to education
• contributions to the community

and then support tenderers to achieve this by providing as much information as possible within the tender documents. It is particularly important to highlight the support services available to suppliers. The support services identified are aimed at helping ensure the community benefits outcomes can be achieved, and delivered on a cost-neutral basis for the supplier and procurer.

A network of partnering organisations offers assistance to procurers and suppliers in the delivery of Community Benefits.
Recruitment & training provision

Jobcentre Plus

Labour market recruitment adviser (LMRA)

The role of the LMRA provides a crucial link in delivering Jobcentre Plus services to employers and customers. This includes recruitment guidance to employers, servicing and managing vacancies, and advice on the availability of potential applicants. LMRAs also offer enhanced recruitment advisory support for those employers who demonstrate a commitment to developing diversity in their workforce.

Recruitment services

Jobcentre Plus offers a professional, modern free vacancy advertising service to employers to get their jobs notified by the right people. Their services are designed for businesses that demand flexibility and reliability. Whether there is one vacancy or many to fill, they can help employers reach the talent they need by promoting their jobs to over 2 million people each week.

Vacancies can be placed online via Employer Direct, by email or phone. Individual recruitment needs can also be discussed
in-depth with Labour Market Recruitment Advisors based in local Jobcentres.

**Redundancy help**

For employers in redundancy situations, Jobcentre Plus can provide tailored solutions to suit individual business circumstances, to minimise the impact, and provide help and advice when redundancies are taking place. They can also develop training and redeployment plans for groups of employers from specific industries.

**Employers supporting young people**

Backing Young Britain Initiative - is about bringing businesses and public and voluntary sectors together to ensure that the valuable skills and experience of young people aren’t being wasted.

Young Persons Guarantee & The Future Jobs Fund - The 2009 Budget announced the Young Person’s Guarantee. This guarantees all 18 to 24 year olds who are approaching the 12 month stage of their JSA claim to Jobseekers Allowance:

- a new job created through the Future Jobs Fund
- help with getting an existing job in a key employment sector (Routes Into Work)
- a place on a Community Task Force, delivering real help within their local community.

The guarantee will be in place by early 2010, with some elements of the offer available in some locations from October 2009 onwards.

**The information above provides a snapshot of some of the services provided by Jobcentre Plus.**

In addition, see employer section on Jobcentre Plus website:- http://www.jobcentreplus.gov.uk/JCP/Employers/index.html
**Recruitment subsidy**

The Recruitment Subsidy is a £1,000 payment to employers for recruiting eligible 6 month plus JSA customers into jobs which will last for 26 weeks or more, and average at least 16 hours per week. It is mainly intended for smaller employers who will employ less than 12 people a year. The employer will receive an initial payment of £500 when the customer starts work and a further £500 if they have not returned to claim a work related benefit in the following 26 weeks.

**Local employment partnerships (LEPs)**

Local Employment Partnerships (LEPs) are a deal between Government and business to tackle the increasing recruitment and skills challenges of our labour market and economy. They are a means of working with employers to provide our priority group customers with an opportunity to obtain work, whilst developing the skills needed to stay and progress.

Jobcentre Plus advisers will identify potential LEP employers, and engage with those who may have vacancies for our priority groups. Jobcentre Plus can provide mentoring, arrange work placements, and link pre-employment training to recruitment. See link for more information. [http://www.jobcentreplus.gov.uk/JCP/Employers/lep/index.html](http://www.jobcentreplus.gov.uk/JCP/Employers/lep/index.html)

**Extra support for disabled jobseekers**

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

For those employers that are reviewing their approach to employing disabled people, or trying to create a more diverse workforce, you can contact Jobcentre Plus to discuss your needs with a DEA beforehand.
By recruiting disabled people, employers will be making it clear that job applications are welcome from this priority group, and that their abilities are viewed in a positive way. To existing employees it confirms their employer values their contribution to their business, and that they will be treated fairly should they become disabled. For more information on Jobcentre Plus disability programmes see attached document.

**Jobcentre plus disability programmes**

**Work trials** - This is a trial in an actual job for up to 15 days at no cost to the employer. To be eligible most jobseekers must have been unemployed for 26 weeks or more and remain on benefits during the trial. Both employer and candidate take part without obligation, and the job is offered only if both parties are satisfied after the trial period.

In summary, the benefits of a Work Trial to an employer are as follows :-

- Work Trials do not cost the employer
- They are quick and easy to set up
- They allow the employer to see what the customer is capable of before committing to paying a wage
- Can save employer time and money in recruitment costs
- Employer can assess candidates skills and abilities
- There is no obligation to offer a job if candidate not suitable, so nothing to lose
- Gives employer opportunity to make a decision based on actual experience rather than perceptions

**Work preparation** - is a programme that is tailored to assist disabled individuals deal with barriers associated with their particular disability. It provides support and guidance to employers who offer work placements to disabled people. Placements
arranged through one of our Contract Providers enables customers to sample different job roles in a real working environment for anything up to 13 weeks at no cost to the employer.

**Work step** - Workstep offers tailored support for people with disabilities who have more challenging barriers in obtaining and retaining a job. It provides a wide range of opportunities for supported jobs with mainstream employers, or in supported factories and businesses. By helping to develop and improve a person’s job skills, the opportunity to move into employment or to receive long term support can become achievable. Workstep also offers practical support to employers to encourage them to develop disabled employees.

**Access to work** - Assists disabled people about to start work, or trial by providing practical support with overcoming work related obstacles arising from disability. Access to Work funding encourages employers to recruit and retain disabled people by offering practical, and financial help towards the additional costs of employing a disabled person. Links to Wales Access to Work Team can be found below.


ConstructionSkills are the Sector Skills Council and Industry Training Board for the construction industry, working to deliver a safe, professional and fully qualified UK construction workforce.

As the Sector Skills Council (SSC) for Construction, ConstructionSkills is a partnership between CITB-ConstructionSkills, the Construction Industry Council (CIC) and CITB Northern Ireland (NI). As such covers the whole industry from craft to the
professions, the whole of the UK, and all of the issues that the industry faces.

The ConstructionSkills remit is to work towards:

- reducing skills shortages
- improving business performance
- bringing a diverse range of people into the industry
- improving learning for apprenticeships, higher and further education
- developing professional occupational standards

We work with construction companies to help them improve skills to increase their competitive edge. These are difficult times for the industry and we are working with employers to provide support and to help them to train through the recession so that they are prepared for the upturn when it happens.

We have a network of Company Development Advisors who visit employers across the country, providing advice on how to get the best from their workforce.

ConstructionSkills Wales carry out extensive consultation with employers through the development of their Sector Skills Agreement to identify priority areas for short, medium and long-term action to meet the challenges of improving industry performance and productivity. The Wales Construction Skills Group and regional Employer Forum’s in North, South West and South East Wales are an essential part of these consultation networks. The Welsh Built Environment Forum, brings together employers and other industry stakeholders including WAG, also feed into these networks and ensures that ConstructionSkills strategies are truly industry focused.

ConstructionSkills Wales also partner the Welsh Assembly Government department for Economy and Transport (DE&T) in the delivery of the Construct Wales programme. The Construct Wales programme provides companies with the opportunity to learn about
improved business practices, including environmental awareness and can provide help to companies in understanding the standards and requirements of working with clients such as Local Authorities.

The aim of the programme is to:

- improve customer satisfaction
- reduce defects
- reduce cost
- increase turnover and profit
- improve safety
- improve supplier relations and enhance collaborative working

Construct Wales

Construct Wales support is provided through several delivery strands including:

Supply chain networks

The Construct Wales Supply Chain Networks programme provides support at each key stage of a construction project. At the design stage, our practitioners can support the minimisation of costs through the use of ‘value engineering’ tools and techniques. Our specialists then work with clients and their supply chain partners to provide

- an introduction to collaborative approaches for performance improvement
- diagnostic tools to examine current working relationships between clients, main contractors and sub contractors to pinpoint areas for change
- help in identifying performance improvement targets for improving project costs, quality and/or timescales
• risk management advice to support the identification of project risks, and measures to minimise their impact on project costs, quality and speed of completion

One-to-one support

Construct Wales provides support specifically designed to meet the company’s needs. Topics include

• site planning and monitoring
• continuous improvement best practice
• use of ‘Lean Construction’ techniques
• support for Tendering & Framework Agreements
• understanding your costs
• stores and inventory control
• data collection and analysis
• health and safety assistance
• site logistics
• Environmental Standards

Seminars and events

As well as providing networking opportunities, these events deliver a fresh insight and practical solutions to issues facing construction companies throughout Wales. They aim to demonstrate business improvement tools, and provide an insight into topics such as sustainable construction.

Sourcing

Construct Wales can help source potential local suppliers for your supply chain. Our consultants will work with you to draw up a list of required supplies and services and cross-match with company databases. You will then have the opportunity to assess the prospects of potential suppliers for the supply chain through a ‘Meet the Buyer’ event.
For further information regarding ConstructionSkills please contact:
Wyn Prichard, ConstructionSkills Wales Director  wyn.prichard@cskills.org 0344 994 7000

For further information regarding the Construct Wales programme please contact:
David Elsmere, david.elsmere@cskills.org 0344 994 7000

Constructing Excellence

Constructing Excellence Wales (CEW), is an independent organisation, funded by the Welsh Assembly Government that promotes best practice and knowledge across the Welsh construction industry.

CEW works with all parts of the industry from Welsh Assembly Government, local government and health authorities, through to developers, construction firms and SMEs to promote best practice.

CEW support individuals, companies, organizations and supply chains to improve the way they do business via a range of services. All projects and plans are intended to raise awareness, gain commitment, support action and share information.

The built environment generates 40% of Wales total carbon emissions. CEW are striving to educate industry of new ways to reduce carbon and minimize waste, and to improve the built
environment in Wales. They run the waste programme on behalf of the Government, and their aim is to ensure that 85% of construction and demolition waste is re-used or recycled.

Contact: 029 2049 3322
www.constructingexcellence.org.uk/regions/wales/
Job match programme

Jobmatch’s mission is to help create a highly skilled and motivated workforce in the former coal and steel industry area of the Heads of the Valleys that can support businesses throughout the region.

Jobmatch provides the following areas of support:

- Help to address existing and future recruitment needs
- Support for client/contractor to identify skills gaps in the individual business
- Up skill and re-skill suitable candidates to meet current, medium and long term recruitment needs
- Access to business support services
- A single point of contact for sourcing additional help and support from Jobmatch partners

Contacts:

Rhondda Cynon Taf, Merthyr and Caerphilly areas
Steve Millard  Tel: 07870 407675
Email: Stephen.millard@rhondda-cynon-taff.gov.uk

Torfaen and Blaenau Gwent areas
David Mosely Tel: 07970 378086

Careers Wales

Careers Wales, funded by the Welsh Assembly Government is an all Wales service that provides free careers information, advice and guidance across Wales. Careers Wales contributes to the Government’s Lifelong Learning Agenda, encouraging people to engage in learning, improving skills, and career development, leading to economic prosperity for individuals and the nation as a whole.
Through this service support is available for individuals to gain further qualifications, obtain training, and be given support and guidance for future learning opportunities. The development of programmes which encourage social inclusion is central to their work. Careers Wales also co-ordinates services such as the Learning and Careers Advice telephone helpline, Workforce Development, Education Business Partnerships, Business Support Services, Youth Gateway and CLIC, and the national information and advice service for young people aged 11-25.

To contact your nearest centre call: Free phone 0800 1830283

**Flexible support for business (FS4B) - supplier development service**

The Supplier Development Service, funded by the Welsh Assembly 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, subcontracting opportunities.

Central to this support is a team of regional Supplier Development Champions and Project Co-ordinators.

**North Wales**

**Menter a Busnes**

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For further advice and guidance on community benefits please contact Lisa Thomas-Lewis at Value Wales, Welsh Assembly Government.

Lisa can be contacted by telephone or email and is happy to offer support and guidance to organisations wanting to embed community benefits within their procurement practices.

Email: lisa.thomas-lewis@wales.gsi.gov.uk
Tel: 01685 729 120
    0798 000 7146