

City Deal Community Benefits Strategy

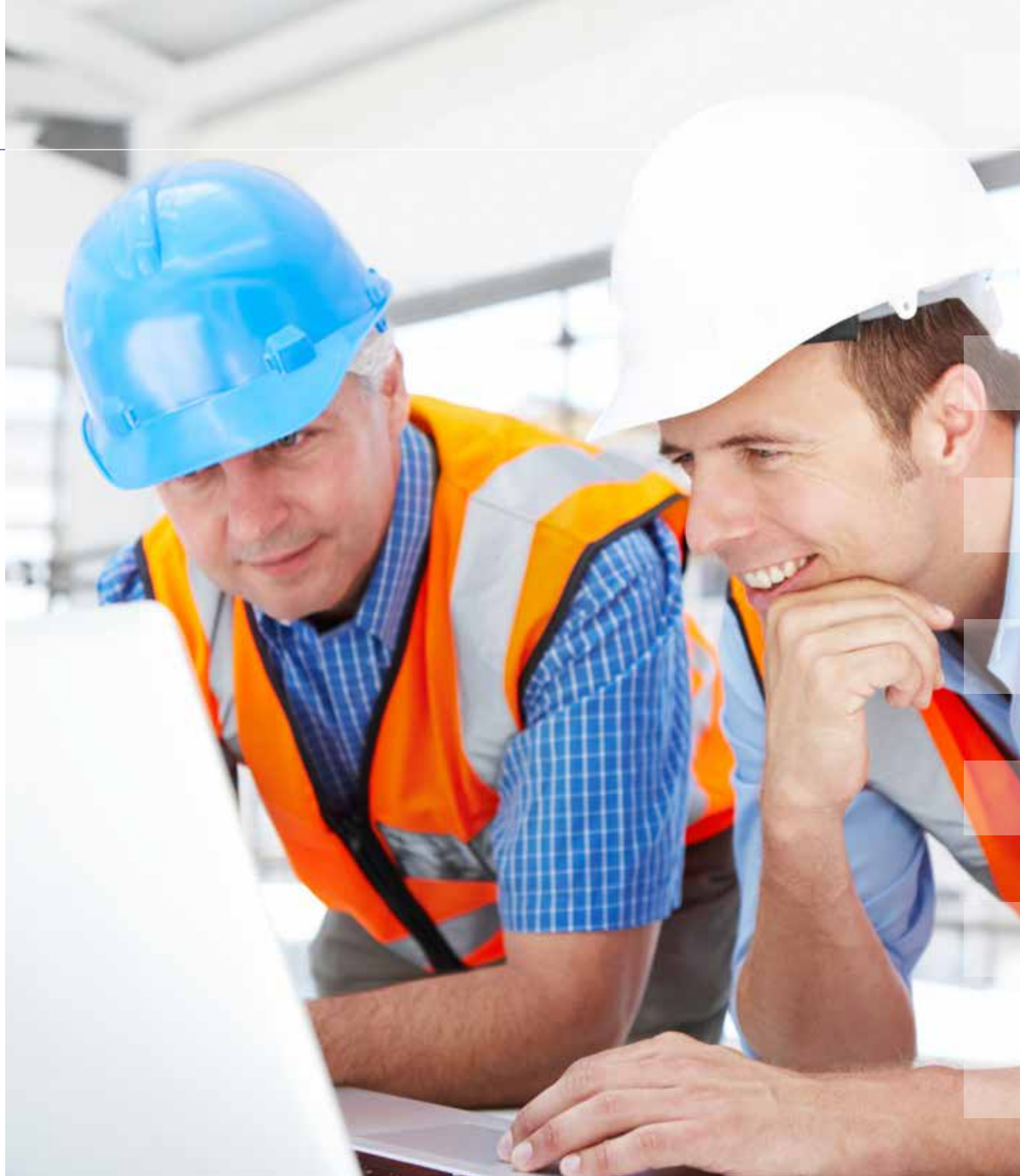
2015 to 2020

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Foreword

The City Deal is an agreement between: the UK Government; the Scottish Government and eight Local Authorities across Glasgow and the Clyde Valley.

The partnership of eight neighbouring Local Authorities (East Dunbartonshire; East Renfrewshire; Glasgow City; Inverclyde; North Lanarkshire; Renfrewshire; South Lanarkshire; and West Dunbartonshire) has secured a £1.13 billion City Deal, the largest in the UK, which will drive economic growth in the Glasgow and the Clyde Valley.

Community benefits are a key component in maximising social, economic and environmental benefits within the City Deal programme.

We want to ensure this spend not only provides infrastructure that encourages economic growth but delivers benefits which assist in building a stronger economy, with provision of a range of initiatives which include targeted training and employment opportunities, educational support initiatives, supply chain development, community CSR and environmental initiatives, equality and diversity initiatives and initiatives which assist Supported Businesses, the third sector and voluntary sector, as a direct consequence of the contracts delivering this spend.

This strategy aims to build on existing good practices across the eight local authorities to deliver community benefits, and ensures a consistent and collaborative approach is adopted across the City Deal Programme, maximising the opportunities and benefits delivered to the community.

Successful suppliers delivering City Deal contracts will be expected to embrace the ethos of the City Deal and deliver a range of community benefits relevant to the contracts. Guidelines and support will be issued from the Legal and Procurement Support Group and relevant key stakeholders to tenderers, providing a clear message of the social, economic and environmental expectations.

community benefits are a key component in maximising social, economic and environmental benefits

Gerry Cornes Chief Executive East Dunbartonshire Council	Lorraine McMillan Chief Executive East Renfrewshire Council	Annemarie O'Donnell Chief Executive Glasgow City Council	John Mundell Chief Executive Inverclyde Council	Gavin Whitefield Chief Executive North Lanarkshire Council	Sandra Black Chief Executive Renfrewshire Council	Lindsay Freeland Chief Executive South Lanarkshire Council	Joyce White Chief Executive West Dunbartonshire Council
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Summary from City Deal Agreement 2014

Glasgow and Clyde Valley benefits from several economic assets including:

- strengths in financial services, life sciences, engineering, manufacturing and creative and media industries;
- successful universities and research institutes; and
- a skilled workforce.

However the city and wider region also faces a number of challenges that have acted as barriers to economic growth.

These include:

- high rates of long term unemployment;
- poor survival rates for business start-ups, when compared to similar UK cities;
- stalled development sites in key locations; and
- weaknesses in the area's transport infrastructure.

This deal provides an example of what can be achieved when all levels of government, businesses, universities and the voluntary and community sector work together to promote economic growth.

Over its 20 year lifetime, local leaders in Glasgow and the Clyde Valley estimate this City Deal will:

- support an overall increase in the economy of around 29,000 jobs in the city region.
- work with 19,000 unemployed residents and support over 5,500 back into sustained employment.
- secure £1 billion of Scottish Government and UK Government capital funding to support the proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from Glasgow and Clyde Valley local authorities.
- move an estimated £3.3 billion of private sector investment into the proposed infrastructure investment programme.
- spread the benefits of economic growth across Glasgow and Clyde Valley, making sure deprived areas benefit from this growth.

The Glasgow and Clyde Valley believe that the planned investment in infrastructure will result in the creation of around 29,000 new jobs in the city region by 2035. During the first five years of the programme the jobs created will primarily be in the construction sector. The use of Community Benefit clauses in the procurement of all contracts will maximise the number of opportunities for new entrants, trainees and apprenticeships and this Community Benefits Strategy confirms our joint commitment to explore proposals to maximise the economic impact

Community benefits delivered under City Deal contracts should aim to build on the existing strengths but more importantly should aim to address the challenges faced in the Glasgow and Clyde Valley. The delivery of community benefit initiatives should develop our communities in preparation for the outcomes of the City Deal Programme, ensuring maximum benefits are secured for Glasgow and Clyde Valley communities.

1. Background

Aim

This Community Benefits Strategy has been developed to align with the City Deal Procurement Strategy and the City Deal local authorities' existing approaches to delivery of Community Benefits within their contracts.

The Legal and Procurement Support Group (LPSG) have identified opportunities to deliver sustainable outcomes to improve the local economy in terms of delivery of community benefits as a direct consequence of the £1.13 billion of external spend on works, goods and services contracts as part of the City Deal Programme. An innovative approach to ensure delivery of community benefits within our contracts, which helps to deliver the greatest economic benefit to our communities, is required.

Community benefits will contribute towards improvements in economic, social and environmental issues, supporting the sustainable development of the economy within the Glasgow and Clyde Valley region.

Community benefits will be incorporated in City Deal Programme contracts providing a clear direction of the key socio-economic priorities and issues to be addressed in the Glasgow and Clyde Valley region at the time of the contract.

This strategy will be reviewed on an annual basis to ensure it continues to evolve with the City Deal Programme.

What this strategy aims to achieve

- A joined up approach to implementation and monitoring of community benefits across the Glasgow and Clyde Valley local authorities, ensuring maximum value for the spend on the City Deal Programme.
- Provide a framework which ensures the inclusion of realistic and achievable community benefit contractual clauses in all applicable City Deal contracts.
- Ensure compliance within legislative framework when incorporating community benefits into the contracts and agreements. The core procurement principles of transparency, proportionality, equality and non discrimination set out within the Public Contracts (Scotland) Regulations 2012 still apply. Community Benefits must be relevant to the subject matter of the contract.
- Through guidance and the application of agreed approaches, deliver real and lasting benefits to our stakeholders and assist the overall aim of the City Deal Programme, to grow the Glasgow and Clyde Valley economy, including delivery of sustainable employment outcomes for residents.
- By working together, we will avoid duplication of effort, share best practice, maximise opportunities for leveraging community benefits from suppliers and provide a more common and consistent experience for suppliers.

2. Community Benefit Definitions

Community Benefit clauses are contractual requirements which deliver wider benefits in addition to the core purpose of the contract. These clauses can be used to build a range of social, economic or environmental conditions into the delivery of council contracts.

Community benefits which will be targeted for delivery include, but are not restricted to, delivery of the following:

- Targeted Employment and Training Initiatives
- Educational Support Initiatives
- Supply Chain Development Activity
- Vocational Training
- Community, Corporate Social Responsibility (CSR) and Environmental Initiatives
- Supported Business, Third Sector and Voluntary Sector Initiatives
- Equality and Diversity Initiatives

Community benefits can be incorporated into contracts in two ways:

1. CONTRACTUAL

All contractual community benefits form part of the contract and suppliers have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure to deliver contractual community benefits. Contractual community benefits can be incorporated in the following ways:

- **Evaluated**

Community benefit proposals are assessed as part of the tender evaluation using Community Benefit criterion.

- **Mandatory**

These may be delivered in 2 ways.

1. Community benefit proposals will be offered by the supplier but will not be assessed under Community Benefit criterion as part of tender evaluation.
2. Specific requirements may be stipulated within the specification, e.g. advertising sub contracting opportunities.

2. VOLUNTARY

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



3. Community Benefit Commitments

Aim

Applying a consistent approach to delivery of community benefits has the potential to make a considerable contribution towards the expansion of the economy in the Glasgow and Clyde Valley region from the £1.13bn spent on the City Deal Programme.

We commit to adopting a consistent approach towards delivery of community benefits across the City Deal Programme contracts to maximise the opportunities for Gross Value Add by inviting employment and economic gain initiatives within community benefits clauses in all applicable tender documents. We will deliver a clear message to the market place of our expectations and approach to delivering community benefits in our contracts.

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

How will we do this?

- Community benefits will be targeted in all City Deal contracts, adopting an appropriate approach which is proportionate and relevant to the contract.
- Work towards a consistent approach for delivery of community benefits in City Deal contracts.
- Based on the programme of procurement activity and industry benchmarks for delivery of community benefits, a target of Community Benefits to be delivered will be forecast and progress against this will be monitored.
- Inclusion of clauses within all relevant City Deal Programme contracts, which places an obligation on tier 1 contractors to advertise sub-contracting opportunities on Public Contracts Scotland tender portal, providing greater access to SME's where such suppliers have no established supply chain already in place.



4. Community Benefit Method Statement

Aim

Community Benefit Clauses will build a range of economic, social or environmental obligations for the delivery of City Deal contracts.

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

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

How will we do this?

- Stakeholder engagement: We will ensure continuous liaison with key relevant stakeholders who will include local support agencies, voluntary and third sector agencies, the City Deal Legal and Procurement Support Group, Local Authority Economic Development teams, the City Deal Labour Market Group, the City Deal Innovation Working Group and Police Scotland.
- Market Engagement: provide a link between suppliers delivering community benefits and economic development priorities for the Glasgow and Clyde Valley region. We will attend PMO City Deal Roadshows, outlining our approach and promoting our expectations of delivery of community benefits aligned to City Deal. Utilise relevant opportunities to promote the priorities of the Labour Market Group.
- Community Benefits Menu will be developed based on key stakeholder engagement, primarily the Labour Market Group and Local Authority Economic Development teams. This should be refreshed on a regular basis to ensure it provides an emphasis on the key priorities and programmes available.
- Contractual clauses: Draft standard documentation for inclusion in tenders and contracts which also consider financial and reputational consequence for failure to deliver the agreed Community Benefits.
- A points based evaluation model, aligned to the Community Benefits Menu, along with consideration for the method statements supporting these outcomes being offered, will be used to assess Evaluated Contractual Community Benefits.
- Provision of a portal to promote community benefits initiatives, case studies and positive outcomes.



5. Monitoring and Reporting

Aim

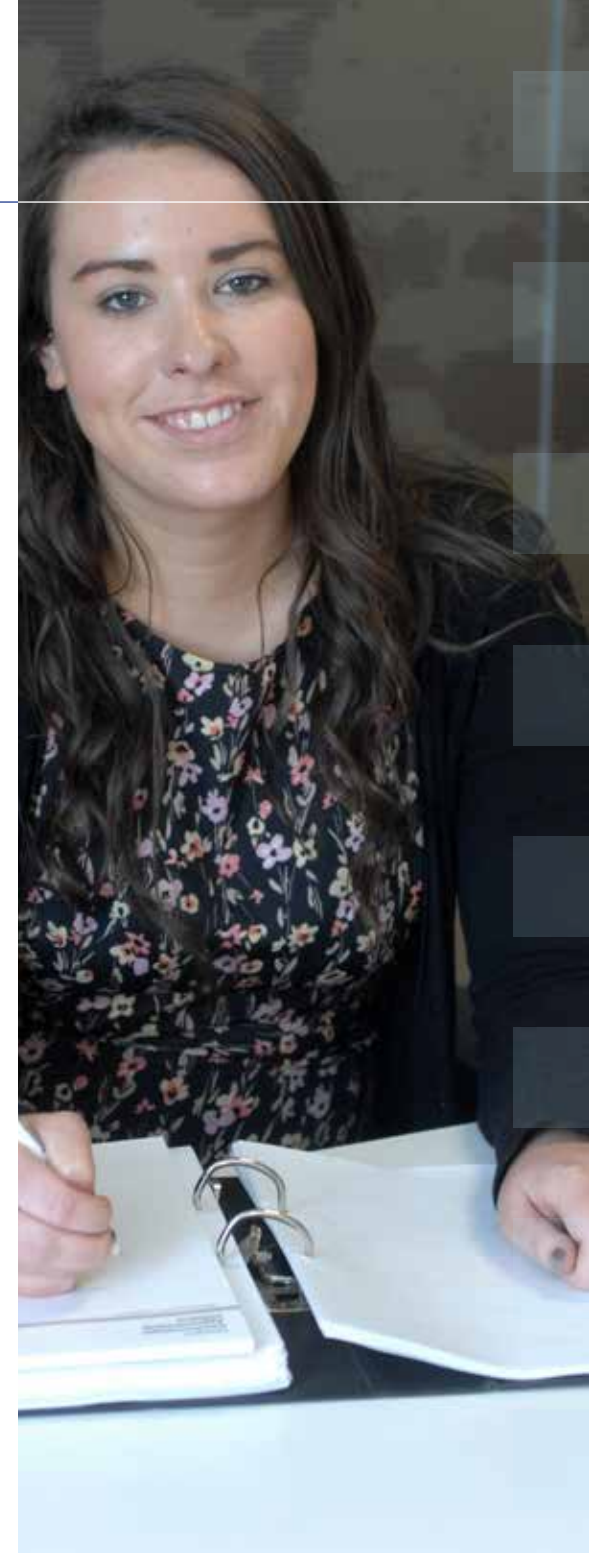
Set out clear responsibilities for regular monitoring and reporting of the achievement and outcome of community benefits for the City Deal Programme.

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

This monitoring will be reported on a City Deal Programme basis to capture additional opportunities and identify common issues. This will be utilised to inform future requirements, ensuring the City Deal Programme provides sustainable community benefit outcomes.

How will we do this?

- Achievement against community benefit commitments should be reported as part of contract and supplier management conducted by local authority contract owners, on a regular basis (recommend that this is monthly). Achievements will be recorded within a shared portal.
- Central co-ordination and reporting of programmed community benefits should be undertaken by the Project Management Office (PMO).
- Regular forum to review and negotiate voluntary community benefit opportunities where aggregate spend is identified across the City Deal Programme.
- Provide employer support post contract award to ensure smooth delivery aligned to key priorities.
- Provide regular case studies to highlight and promote the benefits being achieved.



6. Next Steps

- Develop a guidance note for suppliers that explain the commitments and the ethos of this Community Benefits Strategy and encourages a proactive approach. This guidance note will identify employability partners, relevant agencies and wider support available who can assist in the delivery of community benefits;
- Develop a guidance note to support member local authorities in implementing the commitments within this Community Benefits Strategy in a consistent manner. This will include suggested evaluation criteria weightings and benchmark community benefit outcomes which take cognisance of value and disciplines within the contract. This guidance note will also provide an evaluation model and monitoring & reporting tools;
- Provide standard contractual clauses;
- In consultation with key stakeholders, create a menu of community benefits;
- Develop a monitoring and reporting framework. This will include quarterly reports to provide updates of commitments and achievements.

