



# Sustainable Procurement and Community Benefits Policy

**October 2018**

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# SECTION 1: POLICY AND DEFINITIONS

## Introduction

Aberdeen City Council, Aberdeenshire Council and The Highland Councils (the **partner councils**) participate in a Commercial & Procurement Shared Service (**C&PSS**.)

At a strategic and operational level, approaches to community benefits and sustainable procurement are governed by commitments and aspirations expressed in the 2017-2022 Joint Procurement Strategy. The C&PSS Mission Statement commits to delivery of:

***“ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible.”***

Beyond legislative requirements and public sector best practice, the partner councils actively seek:

***“leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of our communities”***

## Purpose of this Policy

The purpose of this policy is to:

- Define the parameters of community benefits;
- Outline a range of themed community benefit outcomes with scope for inclusion in public contracts (including national frameworks);
- Highlight the limiting effects of “proportionality” and “relevancy” and “localisation of benefits”;
- Identify links and parallels with the sustainable procurement duty, key local priorities and National Outcomes;
- Demonstrate significant potential to improve the social, economic and environmental wellbeing of our citizens and communities;
- Demonstrate consistency with the Scottish Government’s aspirations for Scotland in the medium to longer term.

## Policy Statement

***“Aberdeen City Council aims to act as a role model within the public sector by carrying out activities in a responsible and sustainable manner, considering how the economic, social and environmental wellbeing of the area can be improved and working with all sectors of the business community to achieve increased prosperity. As a responsible and ethical buyer, the Aberdeen City Council aims to embed the key principles of sustainability into procurement activity for the benefit of society, the economy and the environment.”***

The above statement appears prominently in sourcing strategies (guiding procurers) and tender documentation (guiding bidders). Communication and reinforcement of these priorities allows considered, proactive focus on community benefit outcomes at the earliest opportunity. Superior quality, highly innovative responses from bidders offering “more of the same”, different or enhanced community benefits in the bid and during contract performance can result from this approach.

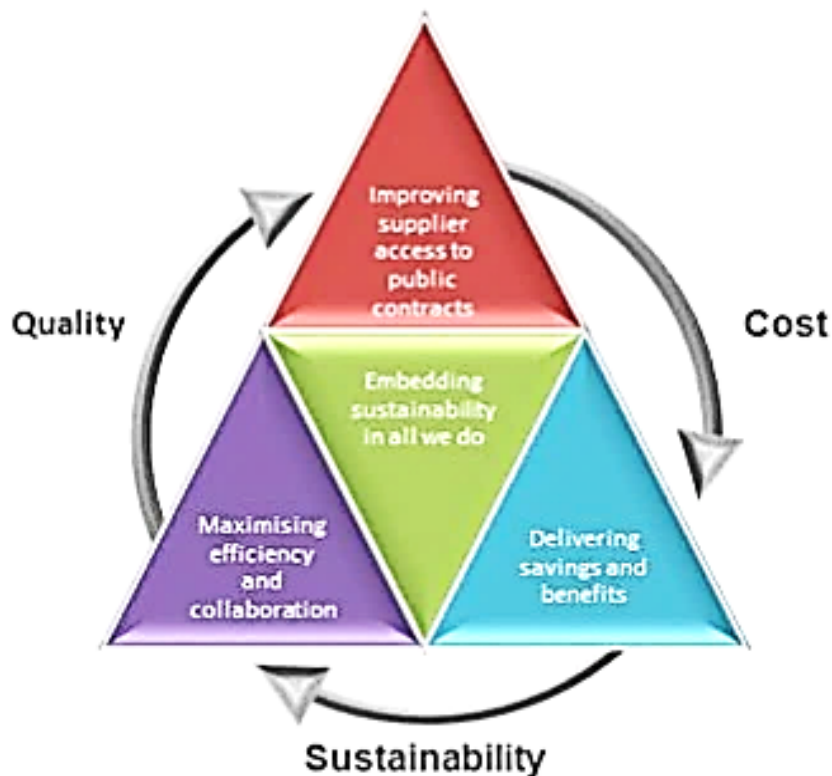
## Scottish Government Aspirations

Policy and approaches to community benefits mirror the Scottish Government's overarching vision for the Procurement Reform (Scotland) Act 2014 i.e.

*“Establish a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering social and environmental benefits, supporting innovation and promoting public procurement processes and systems which are transparent, streamlined, standard, proportionate, fair and business-friendly”*

## Scottish Model of Procurement

The Scottish Model of Procurement puts “embedding sustainability in all we do” at the heart of the model. Sustainability has strong (if not equal) prominence with more traditional elements of public procurement i.e. improving supplier access to public contracts, delivering savings and benefits and maximising efficiency and collaboration. Each element is reflected in the policy and the approach to community benefits adopted by C&PSS.



## Definitions

### Community Benefits

Community Benefits are requirements and commitments imposed in relation to contracts and frameworks under which bidders provide some form of social, economic or environmental benefit in addition to the core purpose of the contract. Community benefits are a key component in meeting obligations under the sustainable procurement duty.

<sup>1</sup>(i) Training and recruitment, or

(ii) the availability of sub-contracting opportunities, or

(b) which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

A contract threshold of **£4 million** applies. At or above £4M, community benefits must be "considered" in the contract. If no community benefits are sought in a contract valued at £4M or more, a statement must be published on the Public Contracts Scotland procurement portal justifying the decision. See later sections on "[Proportionality and Relevancy](#)" and "[Localisation of Community Benefits](#)" for details on limiting factors.

### Sustainable Procurement Duty

<sup>2</sup>It is the duty of a contracting authority before carrying out a regulated procurement, to consider how in conducting the procurement process it can:

(i) Improve the economic, social, and environmental wellbeing<sup>3</sup> of the authority's area,

ii) Facilitate the involvement of small and medium enterprises<sup>4</sup>, third sector bodies<sup>5</sup> and supported businesses<sup>6</sup> in the process, and

iii) Promote innovation

Contracting authorities must comply with the sustainable procurement duty in all "regulated" contracts. The duty is a "due regard" obligation. Regulated contracts are those with a total value of **£50,000** in terms of goods and services contracts and **£2M** in the case of works. Procurers are expected to show that due regard has been given to sustainability criteria in all procurements (including call offs from national frameworks). Therefore, good record keeping in respect of the exercise of the duty is encouraged by C&PSS in relation to all procurement processes.

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<sup>1</sup> Section 24 Procurement Reform (Scotland) Act 2014

<sup>2</sup> Section 9 Procurement Reform (Scotland) Act 2014

<sup>3</sup> Specific reference is made to "reducing inequality in the area" in the context of addressing wellbeing

<sup>4</sup> Businesses with not more than 250 employees

<sup>5</sup> Organisations (other than bodies established under an enactment) that exist wholly or mainly to provide benefits for society or the environment (e.g. registered charities, social firms, social enterprises etc.)

<sup>6</sup> *3<sup>rd</sup> sector organisations providing services where more than 30% of the workers are disabled or disadvantaged persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.*"

## The Common Thread: Improving Wellbeing

Parallels are evident between the definitions of “community benefits” and “the sustainable procurement duty”, e.g. they contain references to improving the social, economic and environmental wellbeing of the authority’s area. Training and recruitment/subcontracting opportunities are forms of “social” and “economic” wellbeing.

The sustainable procurement duty adds “facilitate the involvement of SMEs and 3<sup>rd</sup> sector bodies; supported businesses and promoting innovation.” These components are also forms of “social” “economic” or “environmental” wellbeing. Added value secured under the sustainable procurement duty accordingly broadly seeks to achieve the same goals as community benefits. Such value secured in contracts valued at less than £4M can be viewed as akin to community benefits provided the requirements of the sustainable procurement duty are met in the contract specification or in separate (scored) community benefit clauses.

Freedom of Establishment - EU principles of freedom of establishment and non-discrimination prevent public sector bodies from insisting that bidders must be local organisations within a given postcode, region, from Scotland or the UK. Such obligations cannot be included as questions or contractual conditions. References to SMEs and 3<sup>rd</sup> sector organisations therefore relate to SMEs and 3<sup>rd</sup> sector bodies located anywhere (as opposed to “local” or “Scottish.”)

Public procurement supports maximising opportunities for SMEs/3<sup>rd</sup> sector to participate in procurement activity (but not SMEs/3<sup>rd</sup> sector from a particular place, region or country.) Measures can be taken to ensure the “inclusive participation” of local SMEs and local 3<sup>rd</sup> sector organisations so that contract opportunities are visible and accessible to the local business community. However, no advantage or disadvantage can be conferred. See later sections on “[Proportionality and Relevancy](#)” and “[Localisation of Community Benefits](#)” for further details on limiting factors and strategies that can be employed to overcome these issues.

## SECTION 2: Community Benefit Themes and Benefit Types

Sustainable procurement and community benefit themes have been combined and condensed into the following table to guide procurers and bidders. The themes link to national and local priorities consistent with the Scottish Model of Procurement. The table is utilised to generate proportionate and relevant outcome focussed themes for bidders to address. The table appears in sourcing strategies, tender documents and [Community Benefit Project Plans](#).

Table of Themes

Improve (Wellbeing)	Promote	Facilitate (Involve)
Social	Innovation	SMEs
Economic	Equalities/reduce Inequality	3 <sup>rd</sup> Sector organisations
Environmental	Ethical trading and social justice	Supported Businesses
Health	Fair Work Practices/The Living Wage	Prompt Payment throughout the supply chain
Food poverty/fuel poverty/energy efficiency	Resource efficiency and the circular economy	Community engagement and community empowerment; community projects
Air quality/reduction of harmful emissions/reduction of waste and packaging	Education; employability and skills training	Collaboration and collaborative working

To supplement the Table of Themes, a comprehensive suite of community benefit outcomes has been developed. Although the full range is based on larger capital projects, depending on the value, nature and length of the contract, “proportionate and relevant” requirements can be adapted to smaller scale goods and services contracts.

## List of 14 Benefits (Goods, Services and Work – General)

Community benefits can be addressed at the following levels: **Local** (Council/area specific); **National** (Scotland/UK) or **Global** (e.g. fairly traded and ethically sourced goods.)

1	Fair Work Practices/Real Living Wage (RLW)
2	Equalities
3	3 <sup>rd</sup> Sector Support
4	Environmental Measures
5	Innovation/Case Studies
6	Apprenticeships
7	Placements
8	Qualifying the Workforce
9	School Visits
10	Curriculum Support
11	Employability Engagement Activities
12	Supplier Development/Subcontracting Opportunities
13	Prompt Payment throughout The Supply Chain
14	Local Economic Development Measures

## List of 13 Benefits (Health and Social Care Contracts)

1	Fair Work Practices/Real Living Wage (RLW)
2	Equalities
3	3 <sup>rd</sup> Sector Support/Collaboration
4	Apprenticeships
5	Placements
6	Qualifying the Workforce
7	School Visits
8	Curriculum Support
9	Employability Engagement Activities
10	Supplier Development/Subcontracting Opportunities
11	Innovation/Case Studies
12	Health
13	Local Economic Development Measures

## SECTION 3 - Approach to Incorporation

### Scoring and Evaluation

Community benefits should be scored in all cases. Each procurement will be considered on its individual merit, but procurers should aim to devote 10% of award criteria (15% in special circumstances) to community benefits where this is possible, proportionate and relevant.

If there is scope to increase the percentage of award criteria devoted to community benefits (particularly in health and social care contracts), this will be considered as part of the business case. If other award criteria general delivery methodology or business continuity genuinely command a higher percentage of award criteria, less than 10% of award criteria can be devoted to community benefits and will be explained in the business case.

Mandating excessive quantities or attempting to introduce community benefit requirements that are not relatable to the contract or do not offer equivalency (where equivalency must be offered) could lead to a challenge that requirements are not [proportionate and relevant](#). If not pitched at an appropriate level, local SMEs and local 3<sup>rd</sup> sector organisations might be disinclined to submit bids and/or this could lead to a procurement challenge.

Community benefit questions must be asked fairly and be capable of fair “like for like” evaluation based on published criteria and no other factors. Method Statements (within Community Benefit Project Plans) represent the preferred approach to communicate requirements to bidders.

### Design of Community Benefit Requirements

Community benefit requirements should be commensurate to the contract opportunity and economic operators bidding for that opportunity. Consideration must be given to prospective bidders who might be smaller, possibly newly established SMEs that might not be familiar with the area or experienced in the delivery of particular forms of community benefits. Ideally, requirements (particularly mandatory requirements) should be pitched conservatively but strongly encourage innovative responses from bidders offering “more of the same”, different or enhanced community benefits in the bid (e.g. the words “or more” can usually be added to a required number of apprenticeships, placements, hours of community support, school visits etc.)

To allow maximum flexibility to bidders, appropriate quantities and timescales relating to community benefits tend to be designed around the entire duration of the contract rather than a more prescriptive approach mandating delivery of certain community benefit outcomes in each year of the contract. Some employability and skills requirements (e.g. apprenticeships and placements) can be fulfilled by the Main Contractor, subsidiary of the Main Contractor, any approved subcontractor or supply chain partner. Bidders are routinely encouraged to volunteer “more of the same”, different or enhanced community benefits in the bid and during contract performance.

Template documents – sourcing strategies, invitations to tender (ITTs) and project plans enable procurers and bidders to focus upon themes linked to key national and local priorities/outcomes. The [Table of Themes](#) is used to generate outcome focussed, proportionate and relevant themes for projects/procurements. Bidders are strongly encouraged to propose additional benefits linked to the project and desired outcomes. This additionality can be incorporated into a [Community Benefits Charter](#) – a living contractual document capturing benefits mandated and volunteered by the bidder.

Bidder responses to community benefit requirements should always look forwards to the contract to be performed (as opposed to looking back to previous achievements.) Community benefits mandated and volunteered should be linked to future deliverables in recognition of the award of contract. An assessment of “[proportionality and relevancy](#)” is essential in designing requirements.



## Specified Benefits

Specified benefits are mandatory contractual requirements generally included within a [Community Benefits Project Plan](#). Specified benefits must have clear definitions and key performance indicators a supplier can be measured against. Failure to deliver a specified benefit may be linked to contractual remedies. Designing “specified” community benefits does not discourage “more of the same” or other, associated “added value” e.g. an increased number of apprentices, topics to address at “Meet the Buyer” events or more than the minimum standard of hours of 3<sup>rd</sup> sector or community support.

## Supplementary Benefits

Supplementary benefits must also be clearly defined but are **target** measures rather than absolute contractual requirements. The delivery of supplementary benefits may be subject to a *reasonable endeavours* obligation. Failure to use reasonable endeavours might result in contractual remedies (but not specified price adjustments unless agreed at contract mobilisation). Failure to meet target measures having used reasonable endeavours would not represent a breach of contract. Within supplementary benefits there can be mandatory elements e.g. an obligation to hold four “Meet the Buyer” events per annum but the topics could be at the discretion of the bidder. Similarly, a supplier could be asked to facilitate visits by secondary school pupils to their premises over a set number of days/hours per annum. The bidder could be given freedom to suggest “an introduction to tax” or “CV surgeries” as topics they will address.

Post award and at contract mobilisation stage, the Council may seek to convert supplementary benefits into specified benefits. The process of conversion should provide greater certainty that benefits will be delivered. To avoid the risk of challenge, such discussions should only take place **after** the contract has been awarded, the standstill period (if any) has elapsed and the bidder has accepted the contract.

## Community Benefit Project Plans

A template Community Benefit Project Plan has been developed to provide a self-contained, consolidated reference document for bidders with definitions and extensive detail on individual community benefit requirements pertaining to the procurement or project. Community Benefit Project Plans clearly indicate benefits that are “specified” and benefits that are “supplementary”, clearly detailing quantities and fully describing requirements.

Community Benefit Project Plans provide all the information needed by a bidder to enable them to submit structured responses capable of “like for like” evaluation. A section of the Community Benefits Project Plan contains full information on local sources of practical and financial support, advice and information (e.g. local colleges, universities, employability partners, government agencies and 3<sup>rd</sup> sector interfaces.) Promotion of local sources of 3<sup>rd</sup> sector/agency support innovatively encourages “local” delivery of benefits and enables bidders without local knowledge or direct experience of delivering social value to enhance the quality of their bids (fairly) and compete on an equal footing.

Community Benefit Project Plans allow good practice to be adapted and repeated in other tenders of a similar type, value and duration. C&PSS has developed repeatable Method Statement questions within the Community Benefits Project Plan mirroring the [“List of Benefits”](#) described in Section 2 of this document.

## Community Benefit Charters

A template Community Benefit Charter has been developed to provide a self-contained, consolidated reference document isolating community benefits from the core contract. The Charter is designed to be a living contractual document capturing all community benefits mandated along with supplementary community benefits volunteered by the bidder at the bid stage and at any point during performance of the contract. Community benefits remain a contractual requirement closely associated (and cross-referenced) with the core contract.

The purpose of the Community Benefits Charter is to transparently document any conversion of [supplementary benefits](#) into [specified benefits](#) at contract mobilisation stage in order to document that these community benefits had no impact on bid scoring. This would have the effect of all community benefit requirements having the same status as if they had been mandated in the Contract Notice. The Community Benefits Charter can (by agreement) be shared with delivery partners so that the supplier the Council and any 3<sup>rd</sup> sector organisation supporting aspects of delivery can have their own copy without needing to refer to the bid or full contract. Sections of the Community Benefits Charter allow for a statement to be provided by the bidder and the council showing all commitments and aspirations relating to the delivery of community benefits and anticipated outcomes.

## Contract Management

Depending on the project/procurement and the individual requirements sought, contract management can take the form of a supplier declaration on a monthly, quarterly, annual or “on demand” basis. Validation requirements vary according to the procurement, project and community benefit type.

## Reporting Requirements

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain:

**“a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”.**

In addition to extensive narrative, annual procurement reports require contracting authorities to enumerate and summarise community benefit outcomes sought/secured in contracts advertised in the previous financial year and enumerate and summarise community benefit outcomes delivered in the previous financial year (including community benefits delivered under contracts advertised prior to the previous financial year.)

## Related Duties

- Ensuring regulated procurements contribute to the carrying out of our functions and achieving our purposes
- Delivering value for money
- Treating economic operators equally and without discrimination
- Acting in a transparent and proportionate manner

- Our policy on payment of the Real Living Wage
- Engaging with those affected by our procurements

## SECTION 4 – Legal Issues and Limiting Factors

### Proportionality and Relevancy

Community benefit outcomes sought must not lose sight of the core requirement, be excessive or create any kind of discrimination for bidders. Community benefit requirements must be linked to the subject matter of the contract. Community benefits must be cost neutral to the Council. It is unacceptable for bidders to attach a cost to the delivery of community benefits. Added social, economic or environmental value must be proportionate and relevant to the contract i.e. relatable to the core contract but distinct from elements paid for as a contract sum.

Careful consideration must be given to attaching appropriate quantities to community benefit outcomes. Community benefit requirements must be pitched at an appropriate level to ensure the inclusive participation of SMEs/local SMEs (and potentially the 3<sup>rd</sup> Sector/local 3<sup>rd</sup> Sector.) In construction contracts, the Construction Industry Training Board (CITB) Client Based Approach (V2 July 2017) contains “best practice” benchmarks for certain employability and skills related benefits and is a useful resource.

In addressing the challenge of ensuring requirements are “proportionate and relevant”, not only the value and nature of the contract must be accounted for, but the length of the contract and the physical presence (or remoteness) of the supplier in our communities in performing the contract. For example, some craft/technical apprenticeships take up to 4 years to complete. It would not be “proportionate and relevant” to ask a construction supplier to engage quantities of “new start” apprenticeships of this type through to completion if the construction phase is only 18 months. There may still be a possibility of securing apprenticeships or longer-term placements for particular priority groups.

If at the sourcing stage it is apparent that a requirement (for example professional consultancy) can be delivered remotely (from anywhere in the country), it might not be “proportionate and relevant” to mandate community benefit requirements around school visits, intense community engagement or “Meet the Buyer” events. If the bidder/successful supplier has a single office or base in the South of England, it might be considered disproportionate and could represent an added cost to the supplier and/or contracting authority to address such requirements in a contract of this type. Amongst other considerations, there could be a focus on opportunities for graduates (vocational and academic).

Similar creativity must be exercised if the supplier is only delivering goods infrequently and is unlikely to have a strong physical connection with the local area, E.g.:

- It would not be “proportionate and relevant” to ask the provider of ICT digital services to facilitate apprenticeships relating to joinery or electrical engineering.
- In a contract involving the delivery of goods, it would be possible to address environmental considerations such as the emissions class of vehicles, reduced packaging /reduced plastic content of packaging or effective route planning (all of which would serve to reduce harmful emissions and improve “environmental wellbeing”.)
- A construction industry supplier can be invited to address business/admin apprenticeships although the contract might relate purely to construction. A construction supplier/employer

will generally have office infrastructure in place to facilitate this sort of requirement and the requirement can be reasonably expected of a construction supplier of any size.

## Localisation of Benefits – Limiting Factors

Certain principles apply to public procurement to govern fair and transparent competition. TFEU (Treaty on the Functioning of the European Union) principles apply whether the tender is valued at above or below EU financial thresholds. In simple terms, TFEU Principles require:

- **Equal treatment** and non-discrimination: giving every bidder an equal chance to win the contract irrespective of their nationality or whether they are familiar to the Council;
- **Transparency**: stating requirements and award criteria in advance and adhering to them;
- **Mutual Recognition**: giving equal validity to qualifications and technical standards of other Member States, offering “equivalency” where necessary and
- **Freedom of establishment**

## Effect of Limitations

Principles of freedom of establishment and non-discrimination prevent public sector bodies from insisting that bidders must be “local” organisations within a given postcode, region, from Scotland or the UK. Such obligations cannot be included as tender questions or contractual conditions. References to “SMEs” and “3<sup>rd</sup> sector” organisations therefore relate to SMEs and 3<sup>rd</sup> sector bodies located anywhere. Measures can be taken to ensure the “inclusive participation” of local SMEs and local 3<sup>rd</sup> sector organisations so that contract opportunities are visible and accessible to the local business community. However, no advantage or disadvantage can be conferred to local SMEs/local 3<sup>rd</sup> sector organisations in the procurement process.

Summary of Impacts:

- Competition must not be artificially restricted to local contractors
- Competition must not mandate that a supplier has local premises or commits to establishing local premises unless there is a genuine basis or business reason to do so<sup>7</sup>
- The Council cannot insist that all (or a percentage) of staff engaged on the contract must be “local”
- The contract or community benefit requirements within the contract cannot demand the contractor only use locally sourced or Scottish produce/materials where there is no basis or business reason to do so

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<sup>7</sup> For example, if in meeting the requirement it is necessary for the contractor to offer a staffed public office open during business hours then this would form part of the contract. If it would be possible to meet the requirement by offering support over the telephone or to provide a physical response to emergency situations in 1 or 2 hours then this should be considered in the tender design.

## Measures to Ensure Inclusive Participation (SMEs and 3<sup>rd</sup> Sector)

Public procurement does support maximising opportunities for SMEs to participate in procurement activity (but not SMEs from a particular place, region or country.) Where possible and appropriate, public contracts can be **lotted**, so they are as visible and accessible to SMEs (or SME consortia) as possible.

Legitimate “local” support can include:

- Where possible and “[proportionate and relevant](#)” to the requirement, supplier(s) can be asked (in a tender) to demonstrate how they will engage local SMEs/local 3<sup>rd</sup> sector organisations or supported businesses in their supply chain;
- Encouraging suppliers to hold “Meet the Buyer” events promoting subcontracting opportunities to the local supply chain;
- In terms of employability and skills requirements, insist that employment opportunities are advertised in particular (local) publications, websites, places or advertised with particular local agencies (in addition to any other measures the supplier might intend to take)
- Mandate a duty to report on local economic development measures<sup>8</sup> as per the [List of Community Benefits](#) in Section 2

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<sup>8</sup> For example, regarding work packages awarded to local SMEs over £50K as a number or percentage the Contract Notice shouldn’t generally include targets or quotas around a duty to report on local economic measures. Suppliers could submit a nil return, but where the supplier is making positive progress, aspirational targets could be set during contract performance. It must be recognised that bidders have their own established supply chains and to interrupt that could have an adverse impact on price.

## SECTION 5 – Local Outcome Improvement Plans (LOIPs) and National Outcomes

In 2007, the Scottish Government launched its first National Performance Framework (NPF), a 10-year vision through which to measure national wellbeing beyond GDP. The sixteen National Outcomes contained in the framework provided a focus and direction for policy action across the public sector as a whole. NPF outcomes were refreshed and launched by COSLA and Scottish Government in June/July 2018 following extensive consultation. Community Empowerment and human rights were key drivers. The NPF refresh is designed to guide Local Outcome Improvement Plans and assist the Scottish Government to achieve goals that improve the wellbeing and quality of life of the people of Scotland. The outcomes are intended to reflect Scotland's values as a nation and the aspirations Scotland holds for the future.

Figure 1 – National Performance Framework (2018)

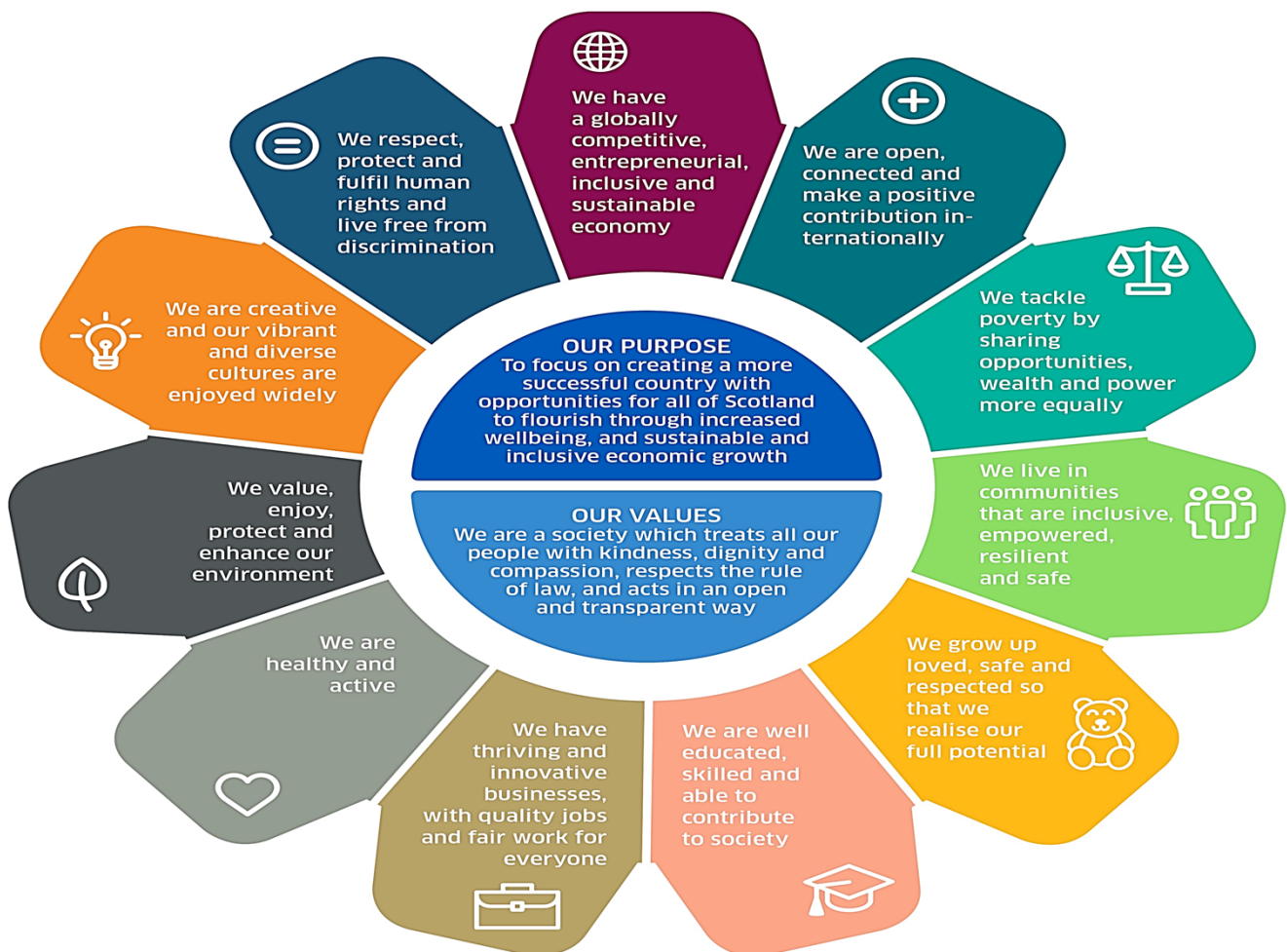


Figure 1 National Performance Framework 2018

## Links and Parallels Between Community Benefits, LOIPs and National Outcomes

Sustainable procurement is a powerful driver for delivering improved economic, environmental and social outcomes whilst still achieving cost effective, innovative solutions using “whole of life” costing capable of benchmark within and between organisations.

The C&PSS approach to community benefits was consistent with the previous list of national outcomes and is consistent with the refreshed [National Performance Framework](#) and socio-economic considerations under the “Fairer Scotland Duty.” The C&PSS approach to community benefits and sustainable procurement has a proactive, forward-looking focus and covers elements of social, economic and environmental value most commonly presenting opportunities in a public procurement context. Some national outcomes or local priorities might never present an opportunity to be addressed in a public procurement context due to the fact it might not be possible to establish a sufficiently strong, “[proportionate and relevant](#)” link between what is being procured/the nature of the supplier’s business and particular local or national priorities.

Just as the Council has influence beyond the geographic areas it serves, sustainable procurement/community benefits can have a positive influence at various levels (local, national and global.) Securing positive local outcomes is strongly encouraged but it is by no means the only way to maximise social, economic and environmental benefits in public procurement. Added value that is considered to be “good for Scotland” is also “good for the local area” and vice-versa.

Promotion of local sources of 3<sup>rd</sup> sector/agency support encourages “local” delivery of benefits and enables bidders without local knowledge or direct experience of delivering social value to enhance the quality of their bids (fairly) and compete on an equal footing.

The C&PSS approach to community benefits has particularly strong parallels with community empowerment. There can also be significant scope for co-design involving communities to ensure that outcomes secured are welcomed and valued by citizens and communities (rather than **assumed** to be welcomed and valued by citizens and communities.)

Clearly, many national strategic objectives and local priorities can be meaningfully addressed at a local level through community benefits. Depending on the value, nature, length and the physical presence (or remoteness) of the supplier in our communities, there is significant potential to improve wellbeing in the following in the following key areas:

- Education, employability and skills training;
- Community engagement/empowerment/co-design
- Socio-economic considerations under the “Fairer Scotland Duty”
- Fair Work Practices (including Real Living Wage considerations)
- Equalities/reducing inequality
- Ethical trading and social justice
- Anti-poverty initiatives (including food and fuel poverty)
- Health and wellbeing,

- Climate Change reduced road miles/reduced carbon emissions etc);
- Resource efficiency and the circular economy

## Future Objectives - Community Benefits:

The Council will continue to develop and enhance a themed approach to community benefits aligned to the needs and priorities of the communities it serves, socio-economic considerations under the “Fairer Scotland Duty” and alignment to the National Performance Framework. Despite presenting challenges to evidence capture, bidders will be offered maximum creative freedom and flexibility in meeting requirements or supporting the delivery of community benefit requirements. This will ensure the inclusive participation of SMEs and the 3<sup>rd</sup> sector (based locally or elsewhere) without compromising the scale or range of community benefits secured and delivered through public contracts and national frameworks.

The Council intends to make more proactive use of forward-looking workplans and pipelines to identify the potential for added social, economic or environmental value at a much earlier stage. A strategic, integrated approach of this nature will not only allow for earlier market engagement but also highlight additional gains in terms of collaboration or aggregation opportunities. A key priority is to explore increased scope for community benefit inclusion in health and social care contracts.

Closer ties with the 3<sup>rd</sup> sector and community planning partners identifies areas where there might be an active role for community planning partners; 3<sup>rd</sup> sector organisations and our communities to shape, support or deliver requirements.