

Community Benefit Statement

What are Community Benefits

Community Benefit requirements are contractual requirements that deliver wider social benefits in addition to the core purpose of a contract. The requirements can be used to build a range of social, economic or environmental conditions into contract delivery. As an example, this can include the provision of jobs and training places for particular groups; or donations of goods, equipment, or expertise to support local community activities.

Elderpark is committed to maximising community benefits for our tenants and residents through the procurement activities we undertake. This Community Benefit Statement supports Elderpark's Procurement Strategy 2022- 2025 and the Association's Community Regeneration Strategy 2023-2026 'Regenerate and Prosper'.



Community Benefits Legislation and Guidance

The Procurement Reform (Scotland) Act 2014 aims to increase the use of community benefits within public contracts and framework agreements. Section 25(1) of the Act, noted it is a legal requirement that community benefit requirements are considered for all regulated procurements with an estimated value of £4 million or more. The Scottish Government has indicated that the £4m threshold may be reviewed in the future, as community benefits may potentially be achieved in lower-value procurements.

Except for the new build housing programme, due to the size of our organisation the mandatory community benefit requirements would generally not meet the statutory value of £4m. However, Elderpark will also strive to achieve small-scale benefits from lower-level goods and service contracts.

In doing so, we will refer to the Scottish Government Guidance that community benefit requirements should:

- **be used where assessed as appropriate,**
- **be proportionate and that requirement should not place a disproportionate burden on economic operators,**
- **not result in unintended effects such as displacement of existing contractor employees.**

Community Benefits Legislation and Guidance continued

In light of the above, Elderpark will assess if it is feasible and reasonable to include any stipulations about community benefits within each contract it seeks to procure. If a community benefit clause is included we will seek to ensure that the clause is a mandatory requirement. It will form part of the contract and non-conformance will be dealt with as a contract performance issue.

The Scottish Government envisages that enacting community benefit requirements will contribute to the achievement of a range of national and local priorities. They suggest that community benefit requirements may include (but are not limited to) the following:

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



Aligning Community Benefit to Elderpark's Community Regeneration Strategy

The priorities in Elderpark's Community Regeneration Strategy "Regenerate and Prosper", mirror those of The Scottish Government including tackling inequality by offering training and employment opportunities and enhancing the appearance of the local environment. In addition, our strategy aims to support community gardens, and community facilities and enhance the range of opportunities for young people or those who are potentially vulnerable.

Elderpark's range of different community benefit requirements will be reflected in our priorities as detailed above. Staff will consult with partners who will help us deliver on our priorities to establish if any of their requirements can be slotted into tender/contract documents. This will depend on whether or not they are deemed appropriate for the specific tender. This will be assessed on a case-by-case basis. Consideration will be given to the value, duration, local factors, and the nature of the supply base. The requirements which are included in the tender documents need to be robust, relevant and proportionate to our Community Regeneration Strategy so that they can be judged on objective and measurable outcomes.

Aligning Community Benefit to Elderpark's Community Regeneration Strategy Continued

The community benefit requirements can be framed in several different ways that are relevant to our community regeneration strategy. It could be either of the following,

- **outcomes valued in weighted points with an associated description**
- **specific building /improvement work**
- **make charitable donations or contributions.**

In terms of community benefit points, the contract will offer a range of community benefit outcomes with an associated point/ value and a minimum level of points will be noted on the tender/ contract document. The contractor can assess which outcomes they wish to deliver, or if they wish to fulfill the contractual clause through their supply chain. Ideally, and especially with knowledge transfer benefits, before the tender documents are prepared, Elderpark will seek to have discussions with our relevant partners to assess what community benefit outcomes would help them achieve their objectives, or resolve a specific issue. This could be tailored to the expertise of the contractor/ supplier /appointee.

In terms of building/improvement work, we offer a building contractor an option to either make a financial contribution based on the contract sum or utilise their skills and expertise to enhance the local environment or improve a community facility, such as our community gardens. The value of any financial contribution will be equivalent to the estimated value of labour and materials for building work and also reflect the amount detailed in the Contribution / Donation Table detailed below.



However, the appointee services may not be easily transferable to the objectives of the Community Regeneration Strategy or support the services delivered by our partners. In such instances, a charitable donation may be more appropriate. This reflects the fact that if we were to add community benefit outcomes that reflect the contractors' services, but not our strategic objectives, we may not be able to elevate or assess them in terms of measurable outcomes. In addition, they may not be "relevant and proportionate" to our strategic objectives.

In addition, the benefit of having the option of charitable donations reflects the fact that many of our contracts are short-term and under the statutory threshold level for community benefit. For example, it can be difficult to offer community benefit outcomes, such as training and employment opportunities via an individual contract that can be elevated and assessed in terms of measurable outcomes. In such cases, a charitable donation to a preferred partner or the housing association may be more appropriate, if the option of a knowledge transfer benefit is not appropriate. In structuring the charitable donation, we will provide the contractor with the opportunity to participate in phrasing the clauses. This approach aims to potentially enable them to reduce their tax liability by ensuring that the donation meets the criteria for tax relief as outlined by HM Revenue & Customs (HMRC) guidelines.



The benefit of targeting donations, will avoid duplication and maximise the benefits which can be obtained by working with existing agencies. For example, an organisation that is working with young people who are removed from the jobs market need additional support and mentoring to achieve their aspirations. This person-centred approach can be expertise and to support employment and training a financial contribution to such an agency may be more appropriate to support the objectives of enhancing employment opportunities for young people.

Aligning Community Benefit to Elderpark's Community Regeneration Strategy Continued

Community Benefit Points Weighting table

This will be developed and assessed on a contract-by-contract basis. The Community Regeneration Officer will have to identify a partner who will benefit from specific outcomes and they will be included with the community benefit points.

Examples of Community Benefit Points for Employment and Training

Community Benefit Outcome	Description	Community Benefit Points
Modern Apprentice	Create a new directly employed Apprenticeship Position	20
Apprentice to qualified person	Provide new or continued employment to a person who has completed a modern apprenticeship	10
Job Unemployed	Provide Employment to a new entrant (full time) direct employment offered for a minimum of six months	10

Examples of Community Benefit points for Knowledge Transfers

Community Benefit Outcome	Description	Community Benefit Points
Community Volunteering Activity	Deliver one half day with a named community service volunteering in any given 6 month period to provide including accountancy / IT, governance (relevant to the contractor's expertise	2.5
Community Volunteering Activity	Deliver a structured program with a named of community service volunteering, consisting of a minimum of six half-day sessions in any given 6 month period	15



Community Benefit Contribution/Donation Table

- The Community Benefit Contribution will be based on the final contract sum.
- The value of the donation will be based on a percentage of the contract sum as detailed in the table below. The percentage levied will be reviewed by the Management Team with input from the Community Regeneration Officer on a regular basis.
- The contractual requirement and the timing of the payment will be detailed in the contract, examples of legal clauses are detailed in Appendix 1 .
- The anticipated building works costs will be based on estimated costs for labour and materials and reflect the value of the equivalent of financial donations based on the contract sum.
- The outcomes of community benefit will support our community regeneration strategy, which will be able to measure and assess.
- The Director of Finance and Corporate Services will liaise with the contracting agencies over the wording of the contractual clause to allow the contractor to benefit from any potential tax rebates. This will be support with legal advice if appropriate.

Range	% of the Contract Sum goes to Community Benefit
£20k to £100k	1.25%
£100k to £1m	1.02%
£1m to £5m	0.8%
£6m to £10m	0.5%



Community Benefit Contribution/Donation Table Continued

Examples of the contractual clauses that seek donations are detailed in Appendix I

Internal Procedures Monitoring and Review

- The Contracting Officer will inform the Community Regeneration Officer of the pending service which will be tender.
- In consultation with the Contracting Officer, the Community Regeneration Officer will seek to understand if the services offered in the contract could be encapsulated into community benefit outcomes. The description provided in such outcomes will help achieve the priorities as delivered in our Community Regeneration Strategy.
- The Community Regeneration Officer will seek to identify a partner who will benefit from the community benefit requirement. In identifying potential partners the Community Regeneration Officer, will consider if sections of our community are underrepresented and seek to work with partners to remove potential barriers from certain sections of our communities.
- Based on the recommendations from the Community Regeneration Officer, the Contracting Officer will include the mandatory community benefit within the contract, together with the name of the partnering organisation that will benefit. More complex community benefit clauses they will seek legal advice as to how they should be framed, specifically if we are looking for a charitable donation.
- The Association will seek to apply the above provision as a mandatory requirement. They will form part of the contract conditions. Contractors are required to deliver their commitments with appropriate clauses included in the contract
- The Community Regeneration Officer will seek to ensure that these commitments are delivered, and assessed in line with Elderpark Regeneration Strategy.
- The Community Regeneration Officer will ensure that the community benefit is paid by the schedule in the contract, which will be recorded by the Finance Team.
- The Contractor Officer / Finance Team, where appropriate, will advise the Community Regeneration Officer if the spend on the contract triggers an additional community benefit or donation.
- The community benefit clauses will be included in the contract register.
- The Community Regeneration Officer will integrate community benefits into the quarterly management report, showcasing their alignment and support for a particular project. Such projects, in turn, will be intricately linked to the overarching themes outlined in our community regeneration strategy.”

