

**Report of the Cabinet Member for Enterprise, Development and
Regeneration**

Council – 28 July 2016

CITY & COUNTY OF SWANSEA COMMUNITY BENEFIT POLICY

Purpose:	To update the Beyond Bricks & Mortar initiative to form a Community Benefit policy which covers all the Authority's activities where community benefits can add value, this will include planning applications, works, services and supply contracts, sale of land for development as well as construction and regeneration projects
Policy Framework:	The City & County Swansea Procurement Strategy Corporate Improvement Plan One Swansea: Swansea's new single integrated plan Sustainable Development Tackling Poverty Strategy Swansea Bay City Region Economic Strategy
Consultation:	Access to Services, Finance, Legal, Planning, Commercial Services
Recommendation(s):	It is recommended that the Authority: 1) Widens the original scope of the Beyond Bricks & Mortar initiative to cover all activities where community benefits add value as set out in paragraph 4.1 of this report. 2) Approves the City & County of Swansea Community Benefit policy document appended to this report
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1. Introduction

- 1.1. The Beyond Bricks & Mortar (BB&M) initiative is well established and working well across the Council on procured projects. The initiative contributes to 4 of the 5 council priorities namely:-
 - Safeguarding vulnerable people
 - Creating a vibrant and viable city and economy
 - Tackling poverty
 - Building sustainable communities
- 1.2. This report has been prepared in order to extend the reach of the Council's BB&M initiative to cover all relevant activities where community benefits (social benefit clauses) can be included into agreements, contracts and other relevant documents to achieve added value and added benefits for the residents and businesses in the City & County of Swansea and the City Region.
- 1.3. In 2009 a report was taken to Cabinet introducing the new BB&M initiative, at that time it was restricted to maximise social benefits that can be derived from physical regeneration projects in Swansea and the Cabinet was asked to agree to the inclusion of social benefit clauses (also known as community benefits) within legal agreements whenever possible with developers and contractors in relation to suitable physical regeneration projects.
- 1.4. The clauses can be included in contracts, agreements and other documentation requiring the successful supplier, contractor or developer to undertake measures that will be of benefit to the community and includes:
 - Targeted recruitment and training – focussing on identifying new job and training opportunities for long term unemployed and disadvantaged in our community;
 - Supply chain initiatives, a commitment to local sourcing and making visible opportunities for SMEs and businesses in the area to bid for sub contract opportunities;
 - Contributions to Education – working with schools and colleges, providing short term work experience, mentoring, career talks etc.;
 - Community initiatives – community engagement, the Considerate Contractor scheme, volunteering days, offering of services to support community areas / groups
- 1.5. Since 2009 BB&M has extended community benefit clauses into service and supply contracts, and the initiative has been included previously in s.106 Planning guidance documentation and development agreements.

- 1.6. In order to further maximise opportunities it is proposed a new updated policy is agreed to cover the majority of procurement activity of the Council to include works, services and supplies and any other procurement where benefits can be achieved; all land sale and subsequent development agreements; suitable end use activities; all planning applications where appropriate with a focus on the strategic development areas.
- 1.7. This updated community benefit policy will align with any future emerging apprentice strategy and policy developed by the Council.

2. Background

- 2.1. In March 2009 Cabinet agreed with recommendations of a report from the Cabinet Member for Economic and Strategic Development to the introduction of a new initiative, “Beyond Bricks & Mortar” (BB&M) whose aim was to maximise the social benefits that can be derived from physical regeneration projects in Swansea. Specifically Cabinet agreed to:
 - 2.1.1. Include appropriate social benefit clauses within legal agreements whenever possible with developers and contractors in relation to suitable physical regeneration projects.
 - 2.1.2. Produce and promote a “Beyond Bricks & Mortar” Charter to be used in promotion of procurement opportunities for goods and services in relation to physical regeneration and other projects as appropriate.
 - 2.1.3. Produce a “project pipeline” that will forecast demand and provide a lead time for both public and private sector organisations to prepare in readiness for the opportunities presented by each development.
- 2.2. At that time reference was made to social benefit clauses, these are also known as community benefit clauses and the latter is a more widely used and understood term so hereafter we will refer to the clauses as community benefits.
- 2.3. The original report to Cabinet dated 26 March 2009 (see background document 1) sets out the reasons why the inclusion of community benefits into Council contracts would bring added benefit to the people and businesses of Swansea, the report discussed the well-being powers Local Authorities could rely on in order to include community benefit clauses as core requirements into the procurement of contracts and listed the Council strategies and policies in existence at that time which supported the initiative providing foundations to take forward this new and innovative approach.
- 2.4. Since 2009 Welsh Government has developed a Community Benefit policy applicable to all Welsh public sector bodies, the guidance document “Delivering Maximum Value for the Welsh Pound” was

published in 2010 and updated in 2014 which provides methodology of how to include community benefit clauses into contracts. Welsh Government's community benefit policy is a key policy area and a key focus for the Program for Government. The Wales Procurement Policy Statement, first published by Welsh Government in 2012 and refreshed in 2015, sets out Welsh procurement policies over 10 principles. Principle 9 expects all public sector bodies to include community benefits in all appropriate contracts over £1million. Further, the new EU Directives and Public Contract Regulations 2015 strengthen the inclusion of community benefits into public sector contracts

- 2.5. Welsh Government are currently consulting on plans for the introduction of legislation on public procurement activity undertaken by the Welsh Public Sector, this includes possible regulation around on the inclusion of community benefits in procurement over £1 million. The plans to extend the Beyond Bricks & Mortar Community benefit policy will be in line with any future requirements set out by Welsh Government. The Council is currently responding to this consultation.
- 2.6. Community Benefits are now well established in public sector procurement and many public sector organisations also extend that requirement to s.106 planning agreements, service and supply contracts and development agreements. The BB&M initiative has grown over the past 7 years; it is now proposed an updated policy document will allow further development of the initiative taking advantage of further opportunities from the Council's activities.

3. About Beyond Bricks & Mortar

- 3.1. The BB&M team has been including community benefit clauses into City & County of Swansea contracts since 2009, working with contractors to achieve specific targets and engaging with supply side organisations to facilitate the placement of "new entrant Trainees" into projects and coordinate monitoring and reporting on outcomes.
- 3.2. To date BB&M has achieved the following:-
 - 109 number of contracts which have started where community benefit clauses have been included
 - 7914 number of training weeks achieved for unemployed and disadvantaged
 - 254 number of candidates placed into opportunities

A report on outcomes for the last financial year 2015 to 2016 including some good news stories and case studies can be seen Appendix B.

- 3.3. The BB&M team acts as champion for delivery of community benefits wherever possible and including community benefit clauses into all suitable construction, housing, regeneration and infrastructure contracts, including contracts of less than £1million in value. BB&M has also expanded contract areas, including requirements and clauses into

service contracts such as the Council's Security contract, the Regional Essential Skills contract and Civic Centre Café.

- 3.4. Since inception BB&M's main focus has been on targeted recruitment and training and setting specific targets within contracts to ensure job and training opportunities are made available to the unemployed and disadvantaged in our City. A BB&M Charter was produced for Contractors and Developers and a project pipeline is continually being populated with new projects as they are notified.
- 3.5. In 2010 BB&M clauses were included in the Supplementary Planning Guidance Planning Obligations document to require planning applicants on specific projects identified to BB&M to provide targeted recruitment and training places.
- 3.6. BB&M requirements are integral to funding applications to Welsh Government schemes such as Vibrant and Viable Places, 21st Century Schools and any European funded, WEFO projects such as the completed Waterfront City. Welsh Government continues to strengthen its requirement for community benefits in all of its grant areas.

4. Beyond Bricks & Mortar – the changes proposed

- 4.1. The BB&M team has been developing and identifying new opportunities to include community benefit clauses into what the Council does, a few key areas where policy needs to be clear so that opportunities for added benefits can be maximised are:-
 - 4.1.1. BB&M clauses are written into development agreements with a requirement that the obligations are passed by the Developers to contractors who will be building on the land;
 - 4.1.2. BB&M clauses are agreed for significant planning applications, through the s.106 process, to ensure applicants commit to some form of community benefits, particularly TR&T as a condition of planning consent;
 - 4.1.3. Community Benefit clauses are included in Council projects/procurement where suitable e.g. not just construction, infrastructure, regeneration projects but services and supply contracts such as social services and any other procurements where benefits can be achieved;
 - 4.1.4. Engage with end users for opportunities arising from the sale of land, development and regeneration activities.
- 4.2. It is proposed the above areas will engage with the Beyond Bricks and Mortar team to notify forthcoming activities so that community benefits opportunities can be identified, request clauses for tenders and other

agreements and ensure BB&M is included in meetings with applicants, developers, contractors, suppliers etc. in order to secure community benefits. All facilitating and monitoring of the community benefits will be carried out by the BB&M team.

- 4.3. A draft community benefit policy document covering all areas where community benefits can be used to add value can be seen at Appendix A. In addition an officer's guide and guidance note for external organisations will be drafted to describe the expectations around community benefits.

5. Conclusions

- 5.1. BB&M has been the Council's community benefit initiative since 2009 with a focus on construction, regeneration and infrastructure projects, approved by Cabinet on 26 March 2009;
- 5.2. BB&M has expanded and developed over the past 7 years naturally, extending into service and supply contracts where possible, looking at key sale of land and development sites and inclusion into S.106 requirements for planning applications;
- 5.3. It is proposed the policy scope is extended to set out all activities where community benefits will be considered and included in a policy document relevant to both internal staff/departments and external organisations working with the Council in specified areas

6. Equality and Engagement Implications

- 6.1. An Equality Impact Assessment has been produced and is attached see Background document 2.

7. Financial Implications

- 7.1. The BB&M team carries out all facilitation, monitoring and verification of outcomes. The costs and salaries for the team are found in normal budget headings so there are no additional financial implications from extending the BB&M policy.
- 7.2. All community benefits and targeted recruitment and training targets are achieved at no cost to the Council. In addition, by working with BB&M and other supply side agencies, such as Workways +, Job Centre and the Work Programme suppliers and contractors can save on recruitment costs by using the facilities offered.

8. Legal Implications

- 8.1 Following approval of the new policy the BB&M team will work with officers from the Commercial Team to agree which projects are suitable for the initiative.
- 8.2. In order to ensure the Council are acting in a fair and transparent manner, the tender documentation for the applicable projects must include the community benefit requirements.
- 8.3 The Head of Legal and Democratic Services will need to be consulted and approve both general terms and conditions and any special terms for any specific contract or agreement.

Background Papers:

1. Report of the Cabinet Member for Economic and Strategic Development Cabinet - 26th March 2009 "Beyond Bricks & Mortar" Maximising Social Benefits from Swansea's Physical Regeneration Projects.
2. Equality Impact Assessment Report for BB&M
3. BB&M Community Benefit Clauses

Appendix: Appendix A - Community Benefit Policy