



COMMUNITY BENEFITS IN PUBLIC PROCUREMENT

Purpose

1. The purpose of this note is to provide guidance on the use of 'community benefits' in public sector procurement. The note draws on the findings of the Scottish Government's pilot Community Benefits in Procurement Programme.
2. 'Community Benefits' in this context are contractual requirements which deliver a wider social benefit within the contract; in particular, requirements in relation to targeted training and employment outcomes.

Background

3. It has become clear over recent years that there is scope within the EU legal framework to use contracts to deliver wider social benefits. However, notwithstanding the legal possibilities, there are significant practical and value for money issues around adopting this approach.
4. The Government established a pilot programme to examine these issues in a practical context (the 'CBIP Programme'). The pilot programme commenced in 2003 and included participation in pilot contracts by five authorities: Glasgow Housing Association, Raploch Urban Regeneration Company, Inverclyde Council, Dundee City Council and Falkirk Council.
5. In addition to the targeted training and recruitment requirements, the pilot projects involved the procurement of a wide range of works and services on varying scales. The Community Benefits in Procurement Report summarises the pilot projects and analyses the use of community benefit clauses and the effectiveness of the procurement process in obtaining a contractor that is committed to delivering the

required community benefits. The report also describes the supply-side initiatives (e.g. training and recruitment services) that were needed to help contractors deliver their obligations under the various contracts. Also included are recommended model clauses to assist public bodies in recruitment and training matters in their contracting processes. The full Community Benefits in Procurement Report was published on 19th February 2008 and is available on the Scottish Government's website at <http://www.scotland.gov.uk/Publications/2008/02/13140629/0>.

6. A Guidance Note is also published at <http://www.scotland.gov.uk/Resource/Doc/212259/0056492.pdf>. This Note is not a comprehensive guide to the use of community benefit clauses; it is intended to provide an overview of the legal and practical issues. Those considering including community benefit clauses in contracts are advised to take appropriate legal advice.

Dissemination

7. Please bring this SPPN to the attention of all relevant staff within your field of responsibility to whom this Note may be of interest.

Enquiries

8. Any enquiries in relation to this guidance should be addressed to: Josephine.Mitchell@scotland.gsi.gov.uk

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