

Community Benefits Statement

Hillcrest is committed to investing in our local communities by delivering a community benefits programme through a range of activities for our customers and communities.

By setting out our ambition for investment clearly, we hope a wide range of stakeholders from our tenants, suppliers, contractors and investors will share our approach to work in partnership and make a difference for the communities we work within.

1. Community Investment at Hillcrest

This Community Benefits Statement supports Hillcrest to delivery its Procurement Strategy 2019-2024. It ensures compliance with Sections 24 and 25 of the Procurement Reform (Scotland) Act 2014, which sets out a requirement that:

- public contracts over the value of £4M will incorporate appropriate community benefit requirements and opportunities;
- delivering community benefits is a core part of contract compliance.

Community Benefits are clauses or requirements that bring about wider community benefits over and above the core delivery of the contract. The benefits can be of social, economic and environmental in nature, for example to agree to deliver an apprenticeship placement as part of the contract, donation of goods or money, or providing expertise to develop local community activities. Scottish Government Procurement Guidance suggests that community benefit requirements to be considered in public procurements 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 impacts.

The Procurement Reform (Scotland) Act 2014 aims to increase the use of community benefits within public contracts and framework agreements. Under section 25(1) of the Act, it is now a legal requirement that community benefits are considered for all regulated procurements with an estimated value of £4million or above.

Although the level of contract values within the legislation, for mandatory benefits, is fairly significant, Hillcrest are striving to achieve small scale benefits from low level contract values too. These benefit levels will be set to ensure that SME and Micro businesses, are as able to support the delivery of these as well as large or national scale business.

In line with Sustainable Procurement, the Scottish Government Guidance advises that community benefit requirements should:

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

To ensure that we gain maximum relevance for all community benefits collected, Hillcrest will look to include benefit clauses across all different types of procurement activity for Works, Goods and Services, when relevant.

2. Hillcrest Approach

Our approach will entail the consideration of community benefits at differing levels of procurement and contract values. We will include stipulations about benefits when Hillcrest feels it is feasible and reasonable and in the best interest of the contracts being sought.

Hillcrest aim to secure community benefits that support and contribute to a wide range of opportunities for our wider stakeholder community. Therefore, it will not only be Hillcrest projects or initiatives that can benefit from the activity. This will be part of our drive to provide a range of services which, along with housing and support services, bring about inclusion and social regeneration.

There is no 'one size, fits all' model for community benefits. Hillcrest will deliver a mixed approach to investment in our communities using a thematic framework of cross cutting activities.

Community benefits can be included as clauses within procurement routes on a contractual or voluntary basis depending on the needs of the contract. Any mandatory requirements will be considered to form part of the contract and non-conformance will be dealt with as a contract performance issue.

When voluntary clauses are included and are agreed to as part of the contract, then Hillcrest will endeavour to support the delivery of the community benefits by providing time and advice in order for the benefits to be achieved. Failure of voluntary clauses will not breach the contract.

Bidders must hold the relevant PVG status, insurance and health and safety documentation in order to carry out community benefits as appropriate. Hillcrest Procurement Team will monitor and action these requirements prior to the programmes commencing.

Hillcrest Foundation

The establishment of a Foundation to receive monetary donations from community benefits, aims to increase access to social and economic opportunities for the wider community. The Foundation will support community development programmes, educational activities, advice services and much more. The Foundation has a set of criteria, around which donations will be managed and bid for.

The Senior Corporate Services Officer will work closely with the Fundraising and Grants Officer to implement the community benefits approach through the Foundation.

All Foundation programmes will fall under one of the themes identified in the Community Benefit Matrix in section 3 of this statement.

3. Hillcrest Community Benefits Matrix

The following matrix describes our initial themes that Hillcrest will drive the implementation of community benefit through.

| Theme | How we will deliver |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Theme 1 Skills development and employability | <ul style="list-style-type: none"> • Secure commitment from contractors with whom we work that they will provide additional work, training and learning opportunities for people in our local communities • Apprenticeship programme delivery • Supporting student placements • Further develop school liaison programme • Job tasters and employability placements |
| Theme 2 Local Investment/Supply chain development | <ul style="list-style-type: none"> • Providing regular opportunities for local SMEs to submit tender awards included increased scoring for local delivery. • Delivering SME and social enterprise bid training and guidance to encourage local supplier competition • Using framework/lot based tendering to encourage local businesses to bid • Donation of materials equipment, facilities, goods, time or expertise |
| Theme 3 Community Development | <ul style="list-style-type: none"> • Securing Hillcrest Foundation donations through community benefit contributions as clauses within tender contracts (see value table appendix 1) • Deliver community investment through distribution of |

| | |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Hillcrest Foundation funds</p> <ul style="list-style-type: none"> • Provide a range of support in education, recreation, knowledge transfer or skills workshops and through Hillcrest Futures Hubs to local community groups, schools and colleges • Provision of contractor time/skills or training support to help build capacity for new business and social enterprise |
| <p>Theme 4 New Business</p> | <ul style="list-style-type: none"> • Provision of contractor time, skills, mentoring or training support to help build capacity for new business and social enterprise development within locality areas • New business advice and incubation via Hillcrest Enterprise Ltd |

4. Monitoring and Evaluation

The Procurement Team will manage the community benefit process and recording and monitor with lead officers, to ensure fulfilment of community benefit clauses within the contract.

The Procurement Team will be the first point of contact for any supplier or contractor seeking to develop or offer community benefits.

Any monetary donations will be passed to the Hillcrest Foundation to be managed. The Fundraising and Grants Officer will report to Committee and Board cycles annually on the allocation and securing of Hillcrest Foundation funds.

The securing and allocation of community benefits as a whole will be reported yearly in the Annual Procurement report submitted to A&GP and Scottish Government.

Community Benefit Contribution Value Table

The Community Benefit Contribution will be based on the final contract sum from the contractor/supplier/consultant to be used only for local Community Works and Community Support Projects in the local area of operations of Hillcrest. The value will be calculated based on the contract sum (split into agreed instalments payable to at the end of each agreed period). Please note that Community Benefit Contribution is for the contract duration and can be in the form of a financial sum, gift or service. The Community Benefit Contribution will be a contractual requirement under this contract.

Example table below

| Value Band | Estimated Contract Value per Annum (excluding VAT) | % of Spend | 2% CB Contribution |
|----------------|----------------------------------------------------|------------|--------------------|
| £10k to £250k | 10,000.00 | 2.00% | 200.00 |
| £10k to £250k | 20,000.00 | 2.00% | 400.00 |
| £10k to £250k | 40,000.00 | 2.00% | 800.00 |
| £10k to £250k | 50,000.00 | 2.00% | 1,000.00 |
| £10k to £250k | 100,000.00 | 2.00% | 2,000.00 |
| £10k to £250k | 250,000.00 | 2.00% | 5,000.00 |
| £250k to £500k | 500,000.00 | 1.50% | 7,500.00 |
| £500k to £750k | 750,000.00 | 1.35% | 10,125.00 |
| £750k to £1m | 1,000,000.00 | 1.25% | 12,500.00 |
| £1m to £2m | 2,000,000.00 | 1.00% | 20,000.00 |
| £2m to £5m | 5,000,000.00 | 0.75% | 37,500.00 |
| £5m to £10m | 10,000,000.00 | 0.50% | 50,000.00 |

The minimum level Community Benefit to be delivered from each procurement activity will be dependent on the budget contract value irrespective of contract duration. The Association has developed an assessment system to consistently quantify the requirement. This will also ensure that performance against the contractor/supplier/consultant's proposals is measurable during contract delivery.