



## **Socio Economic Impact and Community Benefits Strategy**

### ***“The ‘Strathclyde Commitment’ to the 2025 vision”***

#### **1.0 Introduction**

The University of Strathclyde has the power to add value across its campus and the City of Glasgow. By leveraging its £100 million per annum spend on goods, works and services and the capital investment programme funding to include community benefits in all appropriate contracts. As a leading international and technological university with a vision to make a positive difference in the lives of students and society the introduction of the ‘Strathclyde commitment’ will enhance the gross value add (see 3.4) that the university puts into the city and student experience. The Fraser Allander Institute will conduct Socio economic impact assessments to determine results.

This report outlines a proposal to incorporate the mandatory legislation around community benefits with a positive programme the ‘Strathclyde commitment’ to develop a plan to work in partnership with our suppliers to deliver additional benefits over and above the scope of their contract. The benefits offering will include student and university focused initiatives that will not cost the university additional funds but will be delivered by the supplier performing the contract. Benefits received will be collated, monitored and reported in a community benefits forum. Forum members from will support the delivery of benefits across the university.

Community benefits will be in the form of (and not limited to) for example student placements, student internships, PhD funding, graduate internships and project search placements.

#### **2.0 The legislation**

The Procurement Reform (Scotland) Act 2014 establishes a national legislative framework for 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, standardised, proportionate, fair and business friendly.

The Act states that procuring organisations are required to act in accordance with the sustainable procurement duty. This requires procuring organisations to consider how the procurement process can:

Improve the economic, social, and environmental wellbeing of the contracting authority’s area.  
Facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process promote innovation.

Within the Act, a Community Benefit (CB) requirement is a contractual requirement imposed by a procuring organisation relating to:

- Training and recruitment.
- The availability of sub-contracting opportunities.
- Other activities intended to improve the economic, social or environmental wellbeing of the contracting authority's area in a way additional to the main purpose of the contract.

The Act stipulates that where a procuring organisation is to let a contract valued at £4 million or above, it must consider during the design of the tender whether to impose CB requirements as part of the procurement.

Every procuring organisation is then required to prepare an annual procurement report at the end of each financial year on its regulated procurement activities.

## 2.1 The Values of the 'Strathclyde Commitment'

**People-oriented:** Suppliers will be encouraged and evaluated to provide benefits that will provide opportunities for Strathclyde students that will support and invest in their development.

**Bold:** The 'Strathclyde Commitment' will take the mandatory legislation and develop it into a benefit for the organisation. Challenging the boundaries of standard contracts to widen access for our students.

**Innovative:** A Higher Education focus will be applied to the community benefits options offered to suppliers that will encourage them to come forward with creative and new concepts that can be delivered for the University.

**Collaborative:** The 'Strathclyde Commitment' is a collaboration between procurement and the sustainability team, which will be widened to a collaborative forum. The forum will encompass all stakeholders within the University to produce tangible benefits.

**Ambitious:** Adopting this consistent approach will be an ambitious step for the University as the Higher and further education sector has previously only produced pockets of this good practice.

## 2.2 The Commitment

As part of the University's Climate Change and Social Responsibility Policy, the University is committed to ensuring the delivery of socially progressive outcomes through its procurement processes.

[https://www.strath.ac.uk/media/ps/estatesmanagement/sustainability/SD\\_and\\_Climate\\_Change\\_Policy\\_Web\\_Version.pdf](https://www.strath.ac.uk/media/ps/estatesmanagement/sustainability/SD_and_Climate_Change_Policy_Web_Version.pdf)

This commitment includes taking the opportunity to include a range of community based benefits as a result of procurement activity. This will be achieved through the inclusion of specific clauses within procured contracts known as, the 'Strathclyde Commitment' clauses.

These 'Strathclyde Commitment' clauses are requirements, which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social and/or environmental conditions into the delivery of these commercial contracts. In most cases, these commitments will be contractual. Community Benefits must be

directly attributed to the contract and should not be at additional cost to the University. These factors will be highlighted to suppliers during the procurement exercise.

Some examples of the 'Strathclyde Commitment' that are already being delivered at the University are contained within Appendices 1 and 2.

### **3.0 Scope and Methodology**

The 'Strathclyde Commitment' will be considered at contract strategy stage and further incorporated into goods, works and services tenders for the procurement of the contract. The University will engage with a number of internal and external stakeholders to ensure the delivery of these socio economic and community benefit outcomes.

#### **3.1 Formal Community Benefits**

Consideration will be given to contracts with the total term of contract value threshold where it is appropriate and proportionate to do so. These thresholds are noted below:

- Works Contracts >£2m
- Goods / Services Contracts >£50k

#### **3.2 Voluntary Community Benefits**

These will be considered in all appropriate procurement activities and will be discussed with the successful supplier. This will also form part of the on-going Contract and Supplier Management process as a means to maximise community benefits outcomes.

#### **3.3 'Strathclyde Commitment' Initiatives**

The 'Strathclyde Commitment' will include but not be limited to the following sorts of initiatives:

- Apprenticeships – direct and through supply chain partners
- Internships and work placements for undergraduate and post graduate students
- 'Project Search' placements
- Acting as the client for student projects i.e. enabling students to work on 'live' projects that the contractor or supplier needs to be solved.
- Knowledge exchange by engaging with university research and innovation, and public engagement projects
- Supporting projects that help to deliver the University's 'widening access' agenda for higher education
- Community and Environmental Initiatives
- Supported Business, Third Sector and Voluntary Initiatives
- Social Enterprise and Co-operative Initiatives
- Equality and Diversity Initiatives

- Poverty Initiatives

### **3.4 Socio-Economic Impact Assessment**

Where appropriate an element of the 'Strathclyde Commitment' shall be to carry out a Socio Economic Impact Assessment of the procurement initiative which will look at the economic impact of our activities, including not just the jobs, apprenticeships and investment directly flowing from a project but the wider spill over into the Glasgow and Scottish economies. This work will be carried out in consultation and association with the University's Fraser of Allander Institute. The University has already developed templates for this element and the supplier will be expected to engage with this process. Importantly, the supplier will collate the necessary information and input this into the template and provide this to the University as required.

### **3.5 Contract and Supplier Management**

Robust contract and supplier management will be essential to ensure the successful delivery of the contract and the community benefits committed within the contract. It is intended that the University Procurement and Sustainability teams will work together to record and monitor the delivery and impact of these benefits.

### **4.0 Community Benefits**

Community Benefits should be considered as a benefit to the local economy as a result of the contract being procured by the university. Community benefits should not be an additional cost to the university.

Community benefits can be incorporated in procurement activity in the following ways:

#### **4.1 Contractual**

Community Benefit commitments will form part of the contract and suppliers will have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure of delivery by the supplier.

Contractual Community Benefits will be incorporated where it is appropriate and proportionate to do so in the following ways:

#### **4.2 Evaluated**

Community Benefits evaluated as part of the tender process (e.g. Targeted Employment and Training Initiatives). A minimum weighting of 2 % of the total evaluation criteria for supplies and services contracts and 5% for works contracts will be attributed to Evaluated Community Benefits.

#### **4.3 Mandatory**

Mandatory Community Benefits can be delivered in two ways:

- 4.3.1 Community Benefits proposals will be offered by the supplier but will not be assessed as part of the tender evaluation. Community Benefits offered and accepted by the University will however form part of a supplier's contractual obligations to deliver.
- 4.3.2 Specific mandatory requirements may be stipulated within the specification requiring delivery of the community benefit along with the overarching contract, e.g. advertising sub-contracting opportunities or Targeted Recruitment and Training requirements (Graduate Internships, Student Work Placements etc.).

#### **4.4 Voluntary**

The University may seek to encourage Voluntary Community Benefits or value added services for a particular procurement activity post award. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier however; those offered by the supplier and accepted by the University will be reported in the Procurement Annual Report at the end of that year. Delivery of Voluntary Community Benefits will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.

#### **5.0 Supported Businesses and Charities**

The University works with a number of supported businesses through a variety of voluntary support and academic and social enterprise engagement and outreach. For details of these organisations, please contact the University Procurement and the Sustainable Strathclyde Team.

#### **6.0 Contact Details**

Fiona Hughes, Head of Procurement

Roddy Yarr, Assistant Director (Sustainability)

## Appendix 1

### Combined Heat and Power District Energy Scheme – ‘Strathclyde Commitment’ Example



**University of Strathclyde CHP & District Energy Network  
VC50455  
‘Strathclyde Commitment’ Report**

<b>No.</b>	<b>Commitment</b>	<b>Recommendations</b>	<b>Progress/ Target Date</b>
1	Employ local staff	<ul style="list-style-type: none"> <li>• VE have already employed local Staff, with a new local PM starting w/c 13<sup>th</sup> Feb</li> <li>• Continue to source local staff</li> </ul>	May/June 17
2	Employ 4 direct apprentices and 10 sub-contractor apprentices	<ul style="list-style-type: none"> <li>• HR department to work with project team &amp; supply chain partners to reach target</li> </ul>	May-July 18
3	Offer 4 paid work placements for a minimum of 12 weeks	<ul style="list-style-type: none"> <li>• VE to work with UoS to establish best use of placements</li> </ul>	April 18
4	Offer 4 undergraduate/ graduate internships	<ul style="list-style-type: none"> <li>• VE to work with UoS to establish best use of placements</li> </ul>	April 17
5	Engage with the Townhead & Ladywell Community Partnership Project (initially by attending their monthly meetings)	<ul style="list-style-type: none"> <li>• Communications meeting already taken place. Attendance &amp; best way to engage to be agreed</li> </ul>	On-going
6	Hold Open Days/ participate in fundraising	<ul style="list-style-type: none"> <li>• Communications meeting already taken place. Attendance &amp; best way to engage to be agreed</li> </ul>	June 18
7	Utilise SME for local businesses	<ul style="list-style-type: none"> <li>• Project team already utilising SME for work packages</li> </ul>	On-going
8	Facilitate an analysis of local supply chain impact for the project so that a socio-economic	<ul style="list-style-type: none"> <li>• Communications team to develop this further with Roddy Yarr/VE</li> </ul>	July 17

	assessment can be made		
9	65% target for local spend on project	<ul style="list-style-type: none"> <li>Procurement team developing strategy to meet/exceed target</li> </ul>	On-going

## Appendix 2 – Sport, Health and Wellbeing Development

### University of Strathclyde students complete construction mentoring scheme

A group of engineering students studying at the University of Strathclyde were given a special construction site tour of the institution's new £19.6m sport, health and wellbeing facility.

The third-year students have completed a seven-month mentoring scheme supported by GRAHAM Construction, the company building the state-of-the-art facility for the university.

Students were given an introduction into many different aspects of the construction process, shadowing surveyors in GRAHAM's Glasgow office and completing tours of active sites including the company's 13-storey Bath Street Student Accommodation project.



UoS Mentoring Programme - 3<sup>rd</sup> Year Engineering Student



UoS First year students visiting Bath Street Student accommodation project

The final session of the mentoring initiative offered participants the chance to get a behind-the-scenes glimpse of the building phases which are underway within the new facility – learning about piling, foundations and sub-structures.

Another GRAHAM employee working on the site is 24-year-old Daryn McCallum from Knightswood. Daryn completed a degree in Construction Management at Glasgow Caledonian University in May 2016 before undertaking a 4-week work placement in January. He was then offered a permanent contact as a Trainee Site Manager for the construction company.



Daryn McCallum,  
Construction Management Graduate

Tony Dixon, Contracts Manager at GRAHAM Construction said: "Congratulations to each of the students who have completed the mentoring scheme, learning first-hand about the intricacies of major building projects.

"GRAHAM holds extensive expertise within the university sector, whether it be student living, teaching or social space. We are pleased to be working in partnership with the University of Strathclyde, creating new infrastructure while also sharing our experience with the industry's rising stars of the future.