



the **CAN DO** toolkit

Targeted Recruitment
and Training for social
landlords



The Assembly Government has made clear its determination to embed the community benefits approach in public sector procurement throughout Wales and use our influence with partners such as RSLs, suppliers, contractors, SMEs and social enterprises. This means changing procurement and business practices to help deliver wider benefits as set out in the employment and housing visions in One Wales.

This toolkit has been developed at an important time in Wales where there is a real drive and ambition from Registered Social Landlords and Local Authorities to not only achieve WHQS – the Welsh Housing Quality Standard – but as importantly, capture the investment to deliver long term local jobs, training opportunities and wider regeneration benefits. This toolkit shows how what has become known as the WHQS Plus approach can be delivered and achieved. We think it will prove useful to local housing authorities, stock transfer bodies, traditional RSLs, private and third sector organisations committed to social inclusion. Its use should not be limited to WHQS – there are real opportunities to adopt this approach in wider housing and regeneration investment and procurement. We also hope that the process of achieving community benefits will be seen as an opportunity to deliver economies of scale in procurement and to share good practice between organisations.

Some excellent work to 'hard wire' WHQS plus into housing improvement contracts, work programmes and support services is already taking place and we are pleased that this toolkit has been endorsed by a number of organisations leading the field. They are proving on a daily basis that delivering efficiencies and value for money need not be at the expense of WHQS plus but can actually enhance the creation of sustainable communities by maximising local job and training opportunities.

We are pleased to offer our support for the toolkit as an important contribution to efforts to deliver social inclusion through procurement in some of Wales' most deprived communities by using housing investment as a major driver for economic and social regeneration.

Jocelyn Davies AM
Deputy Minister for Housing

Leighton Andrews AM
Deputy Minister for Regeneration

Introduction

This introductory guide for the *Can Do Toolkit* has been produced for social landlords in Wales that wish to achieve wider social inclusion through their improvement and investment programmes. The main drivers behind this work are:

- the determination of the Welsh Assembly Government to get the maximum added value out of public and private sector investment in Wales
- the pioneering work done by Value Wales in developing the Community Benefits step-by-step guide (1)
- the increasing commitment by social landlords to the WHQS plus (2) objectives developed by **i2i** – inform to involve to ensure that housing investment also delivers local regeneration and community ownership of housing
- the potential for the wider social landlord sector to deliver more in terms of regeneration on the back of the Essex Review (3).

The Can Do Toolkit

This toolkit aims to support social landlords to include 'targeted recruitment and training' (TR&T) requirements in WHQS and other contracts.

The Toolkit is divided into three linked resources:

Resource 1 – this **introductory guide** provides key information on using TR&T as core requirements throughout the procurement process and the issues to be considered by potential users

Resource 2 – a **comprehensive guide** containing detailed information on legal and policy matters and supply-side support. This resource is available for downloading on the **i2i website** www.whq.org.uk/i2i in a PDF format

Resource 3 – a series of **model materials** to be downloaded and adapted from the **i2i website** www.whq.org.uk/i2i in a Microsoft Word format

The tools discussed throughout this guide are flexible and while the focus is the Welsh Housing Quality Standard (WHQS), the processes can be adapted for use throughout housing and other sectors. In addition, whilst TR&T is the primary focus of the toolkit, other community benefits may be pursued through WHQS and similar contracts.

IMPORTANT: All three resources that make up the Toolkit provide advice in general terms only. Readers should seek legal advice before use.

For advice on including social inclusion measures in public sector contracts please contact the Value Wales Policy 'One Stop Shop' at vwpolicy@wales.gsi.gov.uk

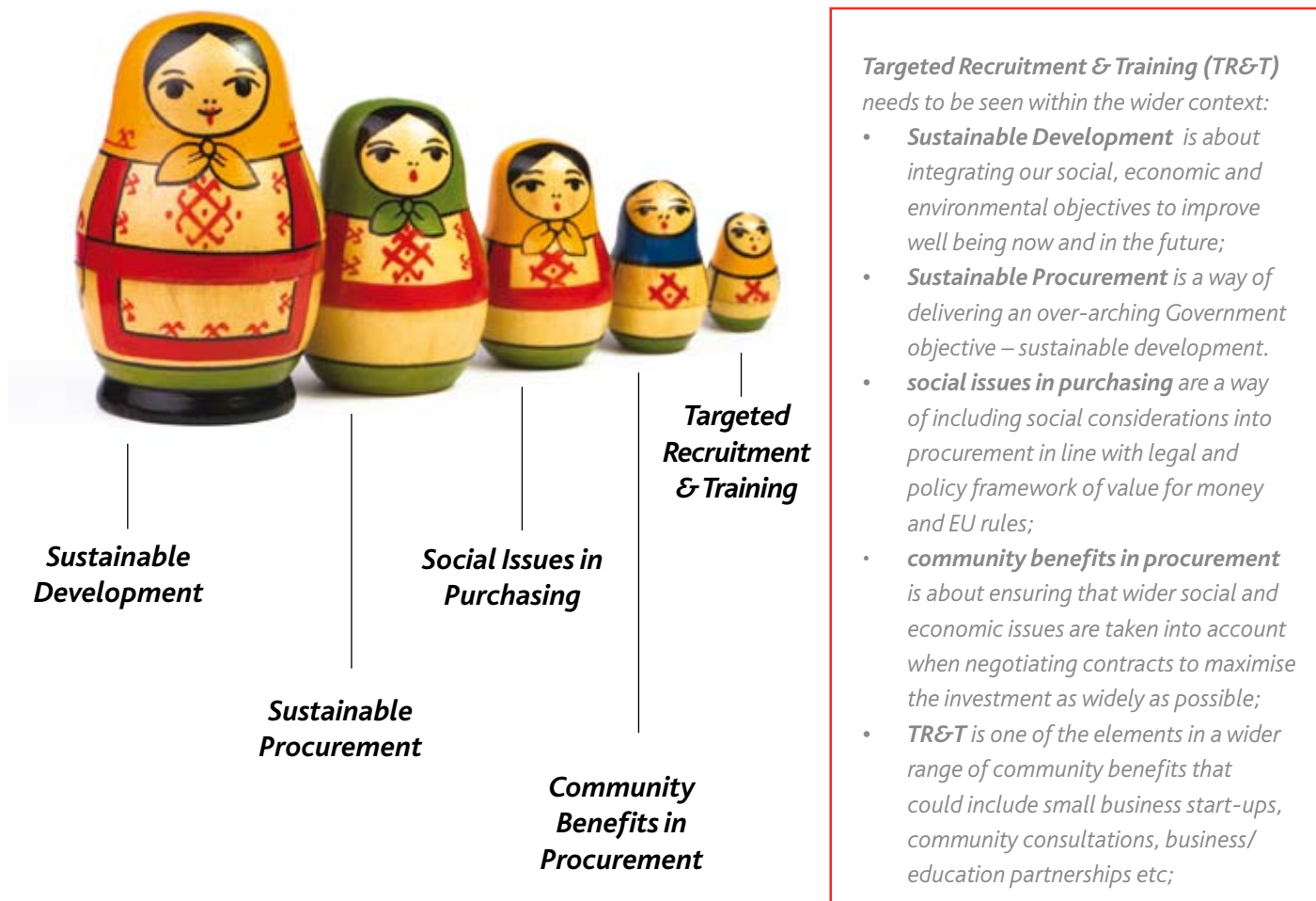
Resource 1

This introductory guide will help social landlords to achieve social inclusion by:

- making social inclusion a **core requirement from** the outset (section 1)
- **Legitimising social inclusion** in procurement by using their constitutions, rules and policies (section 2)
- incorporating social inclusion throughout the **procurement process** – from setting organisational priorities through to implementing contracts (section 3)
- developing effective **monitoring of social inclusion outcomes** from the start (section 4)
- exploring opportunities for cross organisational **collaboration** in social inclusion measures (section 5)

Delivering innovation and good practice needs to be a dynamic process. Section 6 outlines an **agenda for further action** for the Assembly Government and partners to keep up the momentum behind the TR&T toolkit and the wider social inclusion agenda.

Section 1: Core Requirements



TR&T – Targeted recruitment and training is the key to successfully tackling deprivation, particularly economic inactivity, through housing investment including WHQS. The emphasis is on ensuring that numbers of ‘new entrant’ opportunities are provided by the contractors (whether they are locally based or not) with some provision for targeted recruitment, support for supply-chain initiatives and in-service training.

Using TR&T requirements within contracts may be new to your organisation, particularly if you are using TR&T as **core requirements**, but there is support and advice available in Wales to help you along the way. (see resource 2)

The most useful tip to follow, if using TR&T as core requirements, is that this needs to be stated within the main title of what you are procuring. So, for example, if you are procuring 500 new kitchens and would like to include TR&T the title for the contract will be ‘**500 new kitchens and targeted recruitment and training**’. The contract notices and the specification should also form part of the tender appraisal, even if this is given a low weighting. Conversely, if TR&T requirements are not included as a core requirement they should not form any part of the award process.

It is also commonly assumed that the inclusion of TR&T requirements will have an unaffordable additional cost and therefore not provide value for money. However, as the Glasgow Housing Association example below shows, this does not need to be the case as extra costs can be covered by additional funding sources. A key point to remember is that both **affordability and value for money** are best addressed through an early consideration of what TR&T requirements should be included, and how these can be designed so they fit with the resources available.

Glasgow Housing Association

Until the Community Benefit in Procurement pilot study there was not sufficient evidence of the impact of including TR&T requirements in a contract on VfM. However, based on scoring of 344 PQQs and 84 TR&T Method Statements, the Glasgow Housing Association case study indicates that:

- the inclusion of TR&T requirements at all stages of the procurement did not deter bidders;
- the bidders with the highest scores overall – at both PQQ and tender stage – were those that also scored highest on the TR&T requirements.

In each case the community benefits requirements helped the contracting authorities to achieve their policy objectives without additional cost to the contracts.

'Community Benefits in Public Procurement'. The Scottish Government. Edinburgh 2008. Page 22.

Section 2: Legitimising Social Inclusion in Procurement

It is for the purchaser to decide the core requirements for a contract on the basis of their legal powers and policies. It is fundamentally important to realise that the Assembly Government and local authorities in Wales do have the **legal powers** as part of their 'well-being' provisions. In addition, most RSLs will have broad regeneration and community development objectives included in their constitutions or corporate strategies that will enable them to include TR&T requirements within their procurement processes.

European Union law governs the procurement framework. European case law has commented on the use of social and environmental clauses, and the following good practice can be drawn:

1. **it is possible** to include TR&T requirements in public procurement provided that the drafting and the process does not disadvantage non-local bidders, for example by requiring them to have local labour market knowledge, or a local base, or use local material;
2. social requirements that address a policy objective of your organisation are allowed: they do not need to provide a financial or service benefit to the organisation – they can for example benefit the wider community;
3. all requirements must be able to be measured and delivery verified.

Social housing providers can look to a range of sources for their **powers and policies** to include TR&T and other community benefits in their procurement including:

- their constitutions;
- their corporate strategy;
- the Assembly Government's Regulatory Code for RSLs;
- the local Community Strategy of local authorities
- the Assembly Government policies on sustainable development

The rules and constitution of Community Housing Mutuals are particularly well suited to supporting social inclusion:

Extract from RCT Homes Limited Community Housing Mutual Rules of Association

Objects

The objects of the Community Mutual are to benefit people in need by reason of poverty, age, disability or illness in the community, directly or through Local Groups by:

- 3.3 community development through training and the provision of information*
- 3.5 delivering strategies in partnership with the Local Authority for the well-being of the community*
- 3.7 carrying out any other charitable objective that can be carried out by an Industrial and Provident Society registered as a social landlord with the National Assembly for Wales.*

Powers

The Community Mutual shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these Rules.

Traditional RSLs have also included social inclusion requirements within their strategies:

Extract from United Welsh Housing Association`s Corporate Strategy

3.1.2 Objective: Support growth by investing in our communities

Targets:

- For all new development schemes review opportunities for adding value through community investment work looking at social inclusion and sustainability alongside the financial appraisal.*
- Develop and implement robust social inclusion clauses for all new development contracts.*
- Respond pro-actively to non-housing activities within the Heads of the Valleys.*
- Promote, through Integrate, the development of local trade skills.*

Section 3: The Procurement Process

It is recommended that recruitment and training should be part of the core requirement of what is being purchased. As indicated above, this is a matter for the purchaser to decide on the basis of its powers and policies, but note that the core elements must be referred to in the Contract Notices and the requirements must not be drafted so that they disadvantage non-local bidders.

Within Resource 2 and 3, there are illustrations of RSLs who have hardwired social inclusion commitments throughout the procurement process and also examples of non-contractual TR&T Protocol that can be used to obtain voluntary commitments after the award of the contract, including within existing contracts.

It is important that each purchaser decides if and how to include social issues in their procurement through each of the following steps:

- Step 1:** adopting clear **Policies** for the activity
- Step 2:** developing the **Business Case** including creating a **Budget** for the actual procurement
- Step 3:** preparing the **OJEU Contract Notice**
- Step 4:** drawing up the **Pre-qualification Questionnaire (PQQ)**
- Step 5:** producing the **Specification**, and the **Invitation to Tender** including involving potential contractors in negotiating and participating in dialogue
- Step 6:** developing an **Award Process** where the social issues are core requirements
- Step 7:** Implementing the contract and applying **Contract Conditions and Monitoring**

Each step is dealt with in detail in resource 2 and 3. The summary flowchart below outlines how each of the 7 steps should be followed throughout the procurement process and the requirements at each stage, including some model phrases that your organisation can use when required.

Step 1:
Adopting
Clear Policies

- TR&T need to be included in Procurement /Corporate/Community Strategy*
- *The policy aim needs to include specific reference to the locality from which beneficiaries will be drawn*
 - *threshold values could be changed; focus effort on the larger contracts that will maximise the community benefits from the officer time invested.*
 - *intentionally non-specific in the benefits and beneficiaries, as the strategy should be durable: it should be capable of lasting for a long time without amendment as priorities change.*

Step 2:
Developing a
Business Case

- *creating a budget that could cover facilitation and advice, monitoring and progress-chasing, and contributions to training costs*
- *define project requirements, ensuring there is a clear and agreed understanding of the business goals*
- *Define contractors requirements to meet those goals;*
- *assess the extent to which the procurement could contribute to community benefit objectives to the purchaser's policies and strategies*

Step 3:
Preparing
the OJEU
Contract
Notice

- *The use of social considerations in contract conditions must be mentioned in the OJEU Contract Notice for the contract*

Step 4:
Drawing up
the Pre
Qualification
Questionnaire

- *TR&T and social inclusion should be included in the sections that deal with technical capacity and ability*

Step 5:
producing the
Specification/
Invitation to
Tender

- *Detailed requirements of the social/community benefits (ideally based on the business case) need to be included at this stage*
- *determine what training and employment (or wider community benefit) requirements are appropriate and deliverable;*
- *clauses need to be unambiguous and provide a 'level playing field' in the tendering process for contractors;*
- *achieving this 'level playing field' may be made possible by the availability of supply-side agencies that can ensure equal access to appropriate trainees, employees and small firms for contractors, wherever contractors are based.*

Step 6:
Developing an
Award
Process

- *ask bidders to submit a method statement with their tender setting out how they will achieve the social requirements;*
- *if seen as core, the method statement can be scored and used in the award.*
- *the weighting given to that statement needs to be agreed early on in the process*
- *If seen as non-core elements the method statement should not be scored.*

Step 7:
implementing
Contract
Conditions &
Monitoring
frameworks

- *Specific contract conditions can be developed on a project by project basis. In procurement processes that allow scope for negotiation (for example based on a service delivery plan or method statement), specific clauses can be incorporated into contract documentation to tie the contractor to specific targets and outcomes.*

Model Text

(enter name) is committed to achieving economic, social and environmental well-being for its residents and implementing the Community Strategy so as to ensure a better quality of life for everyone, now and for generations to come. To achieve this it commits to the following actions to the fullest extent possible within the relevant legal and policy frameworks and the available funding:

- i) to consider what recruitment and training, equal opportunities and supply-chain opportunities could be obtained from each works contract with an estimated value exceeding [£...m] and each services contract with an estimated value exceeding [£....];
- ii) to include training, equal opportunities and recruitment requirements, and supply-chain opportunities in its service requirements, where it considers this appropriate;
- iii) to include other social and environmental matters in its service requirements, where it considers this appropriate; and
- iv) to use these requirements in all stages of the selection and contract award process, and as contract conditions.

Business Case Text

In preparing a business case a contracting authority must consider many issues, including:

- i) confirming that it has the powers and policies to undertake the procurement, including the social issues;
- ii) ensuring that financial provisions are made for the entire project, including social outcomes such as training needs;
- iii) ensuring that its social objectives can be quantified and measured, which will help evaluate how far they represent value for money; and
- iv) identifying the intended beneficiaries of the TR&T requirements and at what scale, and checking that the requirements can be delivered in the context of the supply-side resources and the facilitation and monitoring arrangements.

OJEU Text

"Under this [procurement / project] the [contractor / developer] is required to participate actively in the economic and social regeneration of the locality of and surrounding the place of delivery for the [procurement / project]. Accordingly contract performance conditions may relate in particular to social and environmental considerations."

PQQ Text

Please give examples of your involvement in each of the following:

- generating employment and training opportunities for long-term unemployed people;
- providing training opportunities for young people and retaining them after the completion of training;
- promoting supply-chain opportunities to new and small enterprises;
- the development of trade skills in your existing workforce; and
- equal opportunities recruitment procedures.

1 What was your exact involvement in each of the above activities?

2 Which of the examples you have cited have been more successful, and which have been less successful, and why?"

Specification Text

Examples of possible text for inclusion in specifications are included in the resource 3 in Templates 1, 3 and 4.

While the details will vary from contract to contract there are a number of common elements that are included in 'community benefit' specifications.

These include:

- some reference to the policy or legal underpinning for the requirements;
- measurable performance indicators, relating to:
 - the required outputs, and/or
 - a recruitment process that has to be followed (e.g. for site vacancies);
- monitoring and performance review requirements; and
- a disclaimer to protect the client from 'claims' relating to any supply-side interventions they make.

Award Process Text

A Method Statement template is included in Resource 3

Where the social/TR&T elements are to be scored a scoring framework should be used to ensure a robust and fair evaluation of TR&T Method Statements – A Scoring Framework template is included in Resource 3

Contract Conditions Text

The model clauses in Resource 3 can be used as a starting position for all procurements, including those covered by the EU rules. They are drafted on the basis that the contractor will have supplied a service delivery plan / method statement satisfactory to the employer, concerning how it will generate employment opportunities.

Section 4: Monitoring Social Inclusion Outcomes

Considerable thought needs to be given to the TR&T requirements that are included in the procurement process – **ideally at the business case stage**. The key questions in determining this should be:

- what is the minimum size (in terms of duration and value) of contract where TR&T outcomes will be sought?
- what are the priority 'community benefits' that can be addressed through this particular commitment?
- what are the cost implications of including different community benefits, and different output targets, and how are these costs to be met?
- what community benefits can be included without putting at risk other key priorities e.g. Value for Money, quality and the timetable for completion?
- what is the best way of measuring the community benefit requirements – for both target setting and monitoring? and
- how will the client team manage monitoring information and who will undertake progress-chasing on the community benefit elements?

Section 5: Collaboration

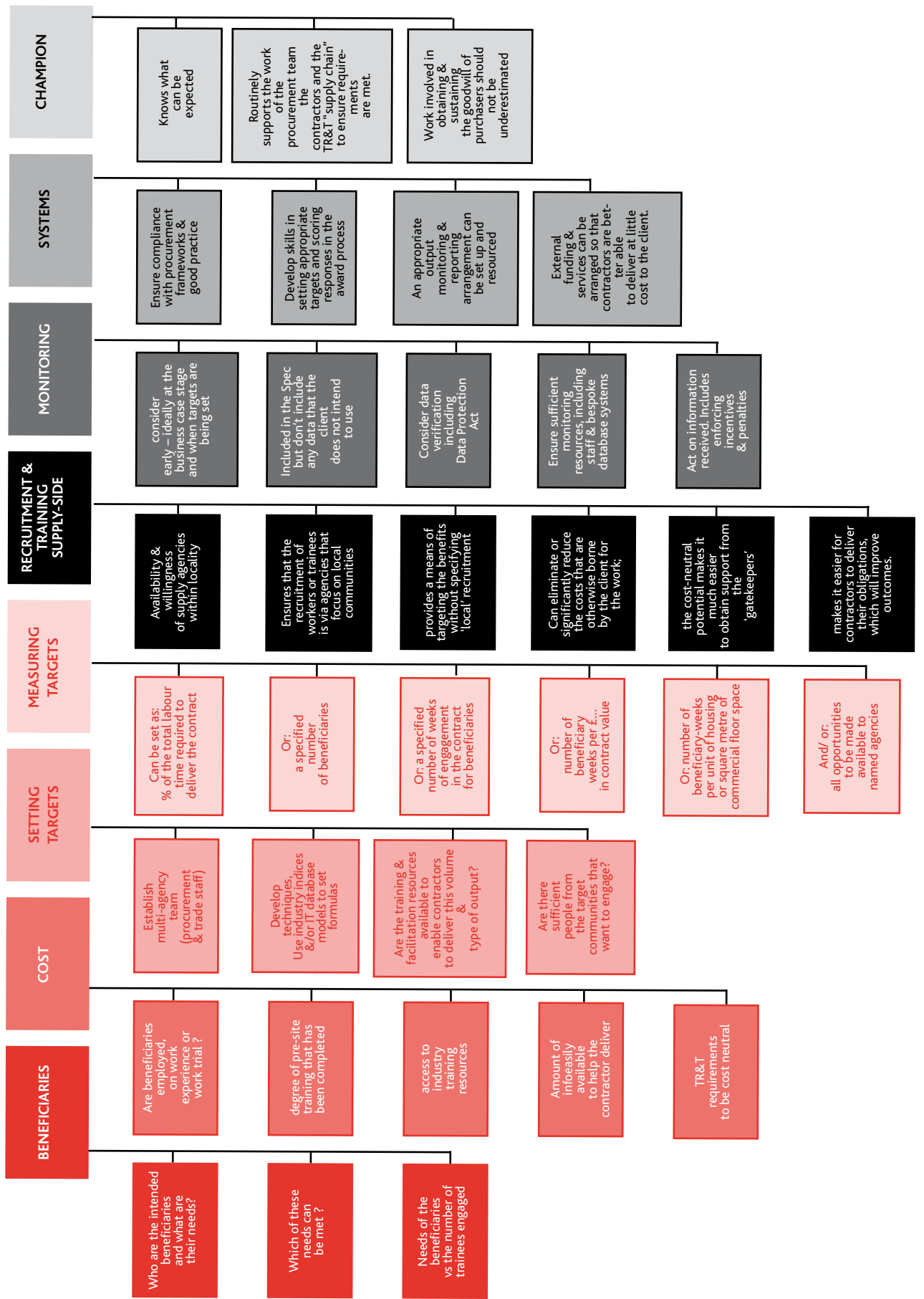
The scope for cross organisational collaboration on monitoring social inclusion, particularly in relation to WHQS Plus progress is extensive. The monitoring requirements will need to be considered very early in the procurement process and have the flexibility to deliver locally but also ensure cross organisational benefits.

The WHQS Plus report identified training and employment support services as a potential area for collaboration. WHQS works and services have usually been procured independently or by linking into existing consortia. To date, there are no arrangements for joint monitoring to, for example deliver TR&T requirements.

The opportunity exists to develop a forecasting model to assist RSLs and LAs to set targets around TR&T. Using a formula or database to forecast the likely opportunities that would arise from a contract also provides the option to set the targets as a number of weeks' employment rather than just a percentage of total weeks. This has advantages in the deposit-sum approach (see resource 2 and 3) and can make monitoring easier.

Considerations

Setting & Monitoring Targets



Section 6: Recommendations for Further Action

The Targeted Recruitment & Training (TR&T) toolkit aims to help social landlords and others interested in capturing real benefits for communities. Given how support for this agenda and the specific approach outlined in the toolkit continues to grow, we hope it will have enduring value.

Producing the toolkit is only the first stage in ensuring a TR&T approach is hard-wired into the procurement and programme delivery practices of social landlords. The following are recommendations for further actions to secure successful implementation.

High Level Support

The toolkit has been endorsed at Ministerial level. The Assembly Government should ensure that:

- the toolkit is promoted as good practice in wider **public sector procurement** and where possible incorporated as a requirement
- it becomes a key component of the Assembly Government's **Integrated Approach to Tackling Economic Inactivity**
- a framework for **measuring regeneration outcomes** for RSLs is developed following the **Essex Review on affordable housing**

Corporate Commitment

Local authorities, stock transfer organisations and traditional RSLs have welcomed the toolkit. Within each organisation there needs to be commitment:

- at **Cabinet / Board** and **Senior Management Team** level to TR&T in procurement and programme delivery
- to effective **monitoring** of performance and **evaluation** of outcomes

Common Standards and Good Practice

The toolkit and underpinning approach should become the industry standard for social housing. To effect this, social housing organisations should:

- develop **collaborative networks** to share learning and promote good practice
- explore opportunities for **joint procurement** of services based on a TR&T approach
- Create a '**Champion**' role within the organisation to routinely support the work of the procurement team, the contractors and the community benefits "supply chain" to ensure that the requirements are met.

Advice and Support

A range of Assembly Government supported and external organisations will have important roles in providing advice and support in this area. This will include

- national umbrella organisations such as WLGA, Community Housing Cymru and the Welsh Tenants Federation organisations **promoting a TR&T approach**
- endorsement and **support for TR&T implementation** from Value Wales, Construct Wales, Contract Shop, Constructing Excellence, Construction Skills and **i2i** – inform to involve

Measuring performance

The effectiveness of the toolkit particularly focussing on outcomes, will need to be assessed:

- by organisations **measuring outcomes** against targets and cross organisational benchmarking
- as part of **regulation** for local authority and RSL performance including appropriate independent verification

Learning and Improving

Mechanisms need to be developed to capture learning and support improvement. This should include:

- publication of TR&T outcomes in **performance reports** for individual organisations
- **periodic reviews** led by the Assembly Government and involving national umbrella organisations

Contacts

i2i

www.whq.org.uk/i2i

elin.jones3@wales.gsi.gov.uk or 07792 267654

Value Wales

vwpolicy@wales.gsi.gov.uk

ANTHONY COLLINS solicitors

Mark.cook@anthonycollins.com or 0121 212 7472

Richard Macfarlane

Rmacfarlanesalt@aol.com or 020 8964 2416

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References

- (1) Value Wales <https://www.buy4wales.co.uk/PRP/strategy/procstrat/communitybenefitsinpublicsectorprocurement.html>
- (2) "WHQS Plus report: maximising the benefits of housing investment" (2008) Savills/i2i
- (3) "Affordable Housing Task & Finish Group: Report to the deputy minister of housing" (2008) Welsh Assembly Government