



Llywodraeth Cymru
Welsh Government

POLICY AND STRATEGY

Community benefits policy: maximising value for the welsh pound

How we want public procurement to include social, economic and environmental requirements.

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Introduction

The Wales Procurement Policy Statement adopts a definition of procurement that ensures value for money is considered in the very widest sense when contracting in the public sector in Wales:

“ - Procurement - the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. ”

The Community Benefits policy approach is principle 4 of the WPPS and seeks to act upon this wider definition of value for money by delivering the very widest social, economic and environmental benefits in the course of securing the goods, services or works required by the public sector in Wales.

Delivery of Community Benefits through public sector procurement is aligned to the Well Being of Future Generations Act and delivers against its goals. It is particularly focussed on delivering:

- A Prosperous Wales – to increase employment, support development of skills and grow SMEs in order to positively impact the Welsh economy
- A Healthier Wales – to create and safeguard employment opportunities that help people enter or remain in work
- A more equal Wales by working to provide employment and training opportunities, and also education and community support across all areas of Wales and across all socio-economic levels

Community Benefits policy provides a route by which procurers can directly contribute to these goals when spending the £5.5 billion annual procurement

expenditure per annum across Wales.

Delivering the policy

When planning a public procurement in Wales the Community Benefits policy approach must be an integral consideration, and should be applied where such benefits can be realised, key considerations include value, duration and nature of the contract, including work force requirements and supply chain requirements.

This means when tendering public sector contracts Community Benefits must be a key consideration in all procurement strategies. Procurers must identify any opportunity to deliver one or more of the following benefits during the course of the contract:

- Job opportunities for economically inactive
- Training opportunities for economically inactive
- Retention and training opportunities for existing workforce
- Promotion of open and accessible supply chains that provide opportunities for SMEs to bid for work; and promote social enterprises and supported businesses
- Contribution to education in Wales through engagement with school, college and university curriculums
- Contributions to community initiatives that support tackling poverty across Wales and leave a lasting legacy within the community
- Opportunities to minimise the environmental impact of the contract and to promote environmental benefits

Principle 4 of the WPPS has set the threshold for application of Community benefits at £1 million for both application of policy and measurement of outcomes.

The Welsh Government has guidance in place, '**Community Benefits: Delivering Maximum Value for the Welsh Pound**', to provide guidance and signpost services to aid procurers in delivering the policy in their organisations. The Community Benefits Measurement tool is in place to allow contract managers to record the benefits their contracts deliver in operation. Both can be found on the Procurement Route Planner.

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