



# **COMMUNITY BENEFITS STATEMENT 2025**

## 1. Introduction

Caledonia Housing Association and its subsidiary Cordale Housing Association (“the Group”) are committed to delivering meaningful community benefits for its customers and communities through its procurement activities. This commitment will be realised by incorporating specific Community Benefit Requirements into our procurement contracts.

This Community Benefit Statement supports the Group’s Procurement Strategy and aligns with the Procurement Reform (Scotland) Act 2014. It outlines the Group’s approach to identifying, integrating, and delivering Community Benefits through our procurement contracts.

## 2. Sustainable Procurement Duty

The Sustainable Procurement Duty, as outlined in the Procurement Reform (Scotland) Act 2014, obliges the Group to consider how our procurement processes can enhance the social, environmental, and economic well-being of the areas in which we operate. Specifically, this Duty requires us to use procurement to:

- a. Address and reduce inequality;
- b. Support small and medium enterprises (SMEs), third sector organisations, and supported businesses;
- c. Foster and promote innovation in our procurement practices.

## 3. Community Benefits Thresholds

Community benefit requirements are contractual obligations designed to generate broader social value beyond the primary purpose of a contract. These requirements enable the inclusion of social, economic, and environmental outcomes within contract delivery. For example, they may involve creating job and training opportunities for targeted groups, or contributing goods, services, or professional expertise to support local community initiatives.

The Procurement Reform (Scotland) Act 2014 mandates the inclusion of community benefit requirements in public contracts with a value of £4 million or more. While the Act does not require the inclusion of community benefits for contracts valued below this threshold, it strongly encourages public sector bodies to consider incorporating them when relevant. The Group therefore adopt the following threshold for incorporating community benefits into its procurement processes:

Contract Type	Contract Value	CB Requirements
Goods / Services	£50k	Mandatory or evaluated
Works Contract	£500K	Mandatory or evaluated
Call-off contracts under a Framework/ Contracts based on	£100k	Retrospective, based on annual spend

Schedule of Rates*		
Existing contract with no current CB requirement	£100k	Voluntary, Negotiated where appropriate

\*For Framework Agreements or contracts based on the Schedule of Rates, where contract values are less predictable, the Group will require suppliers to deliver Community Benefits retrospectively annually, based on the actual annual spend incurred under the contract.

#### 4. Community Benefits Themes

The Group will consider community benefits under the following four (4) major themes:

Theme	Description	Examples
Employment, Skills and Training	Creating job opportunities, enhancing skills, and providing training for individuals, particularly in disadvantaged or underrepresented groups.	<ul style="list-style-type: none"> <li>• Hiring local workers</li> <li>• Providing apprenticeships and internships</li> <li>• Offering vocational training, certifications, or continuing professional development (CPD).</li> <li>• Offering work placements or shadowing opportunities for secondary school students</li> </ul>
Supply Chain Development-	Strengthening the capabilities of local businesses and suppliers, often with a focus on small and medium-sized enterprises (SMEs) or Supported businesses.	<ul style="list-style-type: none"> <li>• Prioritising the use of local or regional SMEs as sub-contractors to stimulate the local economy.</li> <li>• Providing training, mentoring, or advice to SMEs or Supported businesses.</li> </ul>
Community Engagement,	Enhance community well-being and contributing to social and economic development, sustainment and regeneration investments within the local communities	<ul style="list-style-type: none"> <li>• Building or investing in community centres, creating or improving the public realm and public shared facilities etc</li> <li>• Funding educational programs,</li> <li>• Supporting local charities and initiatives.</li> <li>• Volunteering time to community projects or initiatives</li> <li>• Offering pro bono services</li> </ul>

Health, Safety and Wellbeing	Improving health outcomes and promoting well-being within communities. Reducing inequalities in health and ensure that projects help create healthier and safer environments for individuals and communities.	<ul style="list-style-type: none"> <li>• Supporting local health initiatives, or ensuring access to essential health services.</li> <li>• Promoting physical activity, healthy eating, and mental health awareness through programs or initiatives</li> <li>• Creating safer, healthier workplaces by promoting mental health awareness, reducing workplace stress, or offering employee wellness programs.</li> </ul>
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Suppliers will be expected to deliver Community Benefits that create a lasting positive impact within the local community the contract is intended to serve, aligning with Scotland's focus on supporting local social, economic, and environmental sustainability through procurement.

## 5. Priority Groups

The Caledonia Group's Community Benefits initiatives are targeted to provide significant opportunities for our customers to improve their circumstances. Our priority groups include but not limited to the following:

- a. lone parents
- b. longer-term unemployed people (6-months or over)
- c. people accessing welfare benefits
- d. people facing redundancy
- e. people with disabilities,
- f. underrepresented groups
- g. people who have experienced homelessness
- h. people who have criminal convictions
- i. people who have a history of addiction
- j. refugees / asylum seekers
- k. veterans
- l. young carers
- m. Low-income households
- n. Elderly residents
- o. Young people and students apprenticeships.
- p. Young people not in education, employment, or training (NEETs)
- q. People facing mental health challenges

## **6. Identifying Community Benefits**

Community benefits are identified based on relevance and proportionality. Relevance means that the benefit identified should be directly related to the nature of the contract, while proportionality means that the benefits should match the value of the contract.

### **6.1. Sustainability Test**

For each regulated contract, the relevant procuring officer will collaborate with the procurement lead to conduct a Sustainability Test using the Scottish Government Sustainability Test Tool. This is good practice for integrating sustainability into regulated procurement. A sustainability test will identify potential community benefits for the contract by assessing how the procurement process and the contract itself can contribute to broader environmental, social, and economic goals.

### **6.2. Stakeholder Consultation**

For each regulated procurement, the procuring officer will collaborate with the procurement lead and consult with relevant stakeholders and the local community to identify relevant and proportionate community benefits to be delivered through the contract.

### **6.3. Group Community Benefits Wish List**

The Group will develop, maintain, and regularly update a list of initiatives that suppliers can support within our local communities. The Group Community Benefits Wish List will be developed in consultation with stakeholders to ensure it addresses the current needs of our communities. The list will be made available on the Procurement intranet page when developed.

## **7. Estimating Community Benefits**

A sliding scale approach will be applied, using the percentage (0.5%-1.5%) of contract value or spend to estimate the expected value of community benefits to be delivered. The percentage used serves as a baseline and is not a strict requirement, allowing flexibility in determining the proportionality of community benefits to be sought from suppliers.

Please note that community benefits can take various forms, including in-kind contributions (e.g., provision of goods, services, or time), financial contributions, or goodwill support such as volunteering or knowledge-sharing.

## **8. Sustainability Weighting in Tender Documents**

Caledonia Group promotes value for money in procurement as being an appropriate balance between cost, quality and sustainability. The total weighting for sustainability within tender documents should be between 10-30% depending on the nature and size of the contract as follows:

- a. Community Benefit: 5-20%

- b. Climate Change/ Net Zero: 0-5%
- c. Equality/Fair Work First (where applicable): 0-10%

The specification and Instructions to Bidders in the tender documents will include requirements addressing community benefits

## 9. Community Benefits Approaches

The Group will adopt the following approaches to securing community benefits through its contracts:

- a. Mandatory Community Benefits
- b. Evaluated Community Benefits
- c. Voluntary Community Benefits

### 9.1. Mandatory Community Benefits

In this approach, a specific community benefit is identified and set as a mandatory requirement in the tender and contract. Bidders must confirm their commitment to deliver the specified community benefits as a condition of participation. The requirements are evaluated on a pass/fail basis, with the Group specifying the type, quantity, or nature of the benefits to be delivered.

### 9.2. Evaluated Community Benefits

In this case, a Community Benefits Menu is provided for bidders to choose from. The Menu, may contain items from the Group's Community Benefits Wish List with each item on the menu assigned a points value based on its impact. A minimum points threshold will be set for bidders to meet or exceed. These points are used to evaluate supplier proposals.

The following Community Benefits Points Allocation Framework will be adopted by the Group:

Contract Value	Maximum Community Benefit Points
£50,000 - £100,000	30 - 50
£100,001 - £500,000	50 - 75
£500,001 - £1 million	75 - 100
£1 million - £2 million	100 - 125
£2 million - £5 million	125 - 150
£5 million - £10 million	150- 200

### 9.3. Voluntary Community Benefits

Voluntary CB requirements are negotiated with the supplier after contract award based on goodwill and mutual agreement, rather than being legally binding.

## 10. Community Benefit Evaluation Model

The evaluation of Community Benefit (CB) questions will follow the Group's procurement process, ensuring transparency and fairness. Responses will be scored based on the following criteria for a balanced assessment:

1. **Impact:** The potential for the initiative to deliver measurable community benefits.
2. **Relevance:** The alignment of the initiative with the Group's goals and community needs.
3. **Feasibility:** The supplier's ability to successfully deliver the proposed benefits.

## 11. Contract and Supplier Management

The Group's standard terms and conditions will include clauses for Community Benefits. These terms, along with the approach to contract and supplier management, will be agreed with the successful bidder(s) prior to contract signing to ensure compliance throughout the contract's duration. These commitments will be integrated into the contract management process, including:

- a. Regular supplier performance reporting.
- b. Community Benefits being part of the agenda at contract review meetings.
- c. If concerns arise regarding compliance, the Group will may audit the contractor's practices, including site visits or interviews with supplier staff.

Monitoring and reporting on community benefit requirements enables us to:

- Show how we, along with our partners and supply chain, are creating meaningful impacts for individuals, strengthening communities, and contributing to broader economic resilience;
- Fulfil our obligation to report annually to the Scottish Government on the community benefits achieved through our procurement activity;
- Highlight and share examples of best practice to encourage continuous improvement.

Contract managers are responsible for ensuring the delivery of community benefit requirements as outlined in the Contract and Supplier Relationship Management Guide. Contract managers must actively monitor and report on community benefit commitments to ensure they are delivered in full. Progress should be recorded in the Community Benefits Register.