

**Achieving social value in public procurement through
“Community Benefits”: can one size fit all?**

A Thesis Submitted in Fulfilment of the Requirements for the
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ABSTRACT

This research examines the drivers, barriers, enablers and benefits related to implementing Community Benefits (CBs) through public sector contracts. Typically, CBs include workforce and supply chain measures, community initiatives such as philanthropy or contributions to education and measures to reduce environmental impact. To date there have been few academic studies into CBs implementation.

Through an in-depth cross-sectoral dyadic study of the issues faced by 29 organisations when implementing CBs, this research expands knowledge of sustainable supply chain management (SSCM) and socially responsible public procurement (SRPP).

A multi-level conceptual model explores the relationship between external, organisational and individual level factors that influence the success of CBs implementation. The research makes a theoretical contribution by combining stakeholder theory, resource-dependence theory and the resource-based view to explain key findings.

This research confirms many previous findings concerned with the drivers, barriers and enablers related to other forms of SSCM or SRPP in the literature. It extends academic knowledge by highlighting a number of novel findings, which may be specific to implementing CBs measures. Workforce measures and supply chain measures directed at including SMEs in the supply chain are most commonly employed but there is no “one size fits all” model for implementing CBs. Small and medium-sized enterprises (SMEs) face more barriers than larger suppliers when providing socio-economic benefits to meet public sector requirements, particularly relating to workforce measures. Whilst many enablers have been suggested they are not always employed.

By examining Community Benefits implementation through a dyadic study, this research enhances the understanding of academics and practitioners on how CBs may be maximised as a form of SRPP. Finally, this research has the capacity to positively influence future CBs implementation by providing key recommendations for policy-makers and practitioners and reporting results to participating organisations.

Acknowledgements

"Therefore, since we are surrounded by such a great cloud of witnesses, let us throw off everything that hinders... And let us run with perseverance the race marked out for us"

Hebrews 12:1 (New International Version Bible)

Completing a PhD is a marathon not a sprint. Each PhD "race" is unique, and every candidate negotiates different hurdles, requiring perseverance, determination and flexibility to complete their research. At all stages of my journey I have been supported by a wonderful crowd of "witnesses" without whose support I would not have reached this stage.

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List of abbreviations

Acronym	Definition
CBMT	Community Benefits Measurement Tool (Wales)
CBs	Community Benefits
CEW	Constructing Excellence in Wales
CIPS	Chartered Institute of Procurement and Supply
CITB	Construction Industry Training Board
CSR	Corporate Social Responsibility
DBS	Disclosure and Barring Service
DCLG	Department of Communities and Local Government (UK)
DEFRA	Department for Environment, Food and Rural Affairs (UK)
EC	European Commission
EHRC	Equality and Human Rights Commission (UK)
HE	Higher education
JRF	Joseph Rowntree Foundation
LA	Local authority
LGA	Local Government Act
LM	Local multiplier
NAO	National Audit Office (UK)
NEETs	Persons aged 16-24 not in education, employment or training
NHS	National Health Service (UK)
OGC	Office of Government Commerce (UK)
PCR 2015	Public Contracts Regulations 2015 (UK)
RBV	Resource-based view (theory)
RDT	Resource Dependence Theory
RSL	Registered social landlord or housing association
SCM	Supply Chain Management
SEUK	Social Enterprise UK
SFT	Scottish Futures Trust
SMEs	Small and medium-sized enterprises
SRA	Sustainable Risk Assessment
SROI	Social return on investment
SRPP	Socially responsible public procurement
SSCM	Sustainable supply chain management
ST	Stakeholder Theory
TCE	Transaction Cost Economics (theory)
TFEU	Treaty on the Functioning of the European Union
TR&T	Targeted recruitment and training
TSOs	Third sector organisations, includes charities, social enterprises and supported businesses
UK	United Kingdom of Great Britain and Northern Ireland
USA	United States of America
VFM	Value for money
WEFO	Welsh European Funding Office
WG	Welsh Government
WHQS	Welsh Housing Quality Standard
WiC	Women into Construction
WPPPS	Wales Public Procurement Policy Statement

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SECTION 1: Setting the scene

This section sets out the background to the empirical research findings reported in Section 2. It is structured as follows:

- Chapter 1 Introduction
- Chapter 2 Overview of the extant literature
- Chapter 3 Literature linked to the research questions
- Chapter 4 Theoretical and epistemological foundations
- Chapter 5 Research design and methodology

1. Introduction

1.1 Research motivation

During twenty years' experience in public procurement I have taken responsibility for ensuring sustainability within a range of projects and across the organisation's procurement activities. Whilst earlier sustainability initiatives focused on environmental aspects, as the political agenda shifted to socio-economic benefits, since 2011 there has been a strong policy steer from the Welsh Government to implement their Community Benefits policy.

Individual procurement professionals play a key role when organisations seek to implement any procurement-related policy or legislative measure, as explained in section 2.2.1. As a public sector Procurement Manager, I read the Community Benefits guidance and attended training provided by the Welsh Government and considered how Community Benefits could be achieved through my organisation's procurement. Following a meeting at a Chartered Institute of Procurement and Supply (CIPS) branch event where I met Professor Helen Walker and Dr. Jane Lynch, I applied for an ESRC PhD studentship through Cardiff University. My motivation was to build on an earlier Masters in Public Procurement Law and Regulation by exploring the drivers, barriers and enablers for socio-economic sustainability in greater depth from a wide range of perspectives. Whilst my previous experience provides certain advantages in terms of some familiarity with the topic, practices and language around public procurement, this also leads to a risk of subjectivity affecting the research approach and methodology. Such issues are addressed in Chapter 5. In this chapter I outline why a

decision was made to focus on Community Benefits implementation through public procurement as a form of socially responsible public procurement.

1.2 Corporate social responsibility and sustainable supply chain management

Within both the academic and practitioners' fields of supply chain management there has been growing interest in corporate social responsibility (CSR). There has also been consideration of these concepts within the literature concerned with public sector supply chain management.

Sustainable supply chain management (SSCM) is a growing area of concern, with reports in the media regularly focusing on conditions for supply chain employees (BBC 'Panorama' Apple's Broken Promises. 2014; BBC 'Panorama' - Undercover: The Refugees Who Make Our Clothes. 2016). Such reports illustrate the interests of the media and shareholders in corporate social responsibility (CSR) and the pressure on organisations to take an active interest in possible breaches within their supply chains as a form of CSR.

Professional procurement publications such as 'Supply Management' have also featured a range of social issues over the last three years (see for example Supply Management May 2015¹). 'Supply Management' has also reflected the concerns of procurement professions on issues relevant to UK social and economic sustainability such as the Modern Slavery Act 2015 (Supply Management June 2017).

¹ <https://www.cips.org/en-GB/supply-management/analysis/2016/november/fusion21-adding-social-benefit-every-step-of-the-way/>

Such reports demonstrate interest in these areas of SSCM and socially responsible public procurement (SRPP) within the procurement profession, exemplifying how public procurement can contribute to CSR.

1.3 Realising Community Benefits through public procurement

More recently ‘Supply Management’ has reflected a growing interest in how UK communities can benefit from public sector procurement (Supply Management, November 2016²). Although the academic literature has not been silent on Community Benefits (CBs) as a form of SSCM, there is a lack of academic studies focusing specifically on CBs as a form of SRPP. Examining CBs implementation will further the understanding of academics and practitioners on how CBs may be maximised through SRPP. Chapter 2 draws on the results of a structured literature review to explain in greater detail why this research focuses on CBs through public procurement.

The definition of “Community Benefits” as set out in section 24 (Procurement Reform (Scotland) Act 2014) is adopted:

“a community benefit requirement is a contractual requirement imposed by a contracting authority— (a) relating to— (i) training and recruitment, or (ii) the availability of sub-contracting opportunities, or (b) which is otherwise intended to improve the economic, social or environmental wellbeing of the authority’s area in a way additional to the main purpose of the contract in which the requirement is included”.

² <https://www.cips.org/supply-management/news/2017/june/prosecutions-under-the-modern-slavery-act-more-that-quadruple/>

1.4 Research contribution

This research contributes to the literature concerned with corporate social responsibility, SSCM, SRPP and CBs as a route to socially responsible public procurement.

Figure 1.1 shows how this research fits within the context of supply chain management.



Figure 1.1 Community Benefits within Supply Chain Management research

Public procurement may be required to serve social and economic purposes (Jones 2011), hence measures to address social exclusion or realise CBs through public procurement may be considered socio-economic.

This research contributes to the academic literature in several ways. First, it addresses a gap in the academic literature by examining how socio-economic benefits may be realised through the inclusion of CBs clauses in public sector contracts.

Secondly, the majority of CSR or SSCM research has been concerned with the environmental aspects (Miemczyk *et al* 2012), although there is a growing body of research concerned with the social aspects of CSR. This research examines an area of SSRP that mainly intersects the social and economic aspects of the triple bottom line by providing socio-economic CBs.

Thirdly, public procurement comprises around 33% of government spend in the UK, around £242 billion during 2013/14, providing the potential to make a greater impact on the communities served; but SRPP is still under-researched. There is a need for greater in-depth research into how public bodies can implement the social and economic aspects of sustainable procurement. This research redresses the balance by conducting research into CBs implementation as a socio-economic SRPP measure within the context of UK public sector procurement.

Despite being included in Preuss' (2009) typology of sustainability initiatives, CBs clauses have to date received minimal attention within published academic research and there is scant published academic research concerned specifically with how CBs may be achieved through public procurement. At the time of writing minimal academic research has appeared through unpublished theses and conference papers (see Chapter 2). This study contributes to the academic literature by studying the implementation of a CBs policy in Wales in greater depth, providing insight into the drivers, barriers, enablers and benefits related to this form of SRPP.

This research confirms many findings in the literature concerned with the drivers, barriers and enablers more generally related to social CSR initiatives or maximising

social value or CBs fits through public sector procurement. Furthermore, it also identifies issues raised in fewer academic studies such as difficulties monitoring, enforcing, measuring and reporting socially sustainable initiatives or conducting reviews to contribute towards continuous improvement. Further information is provided in Chapters 11 and 12.

This research builds on the work of Walker and Jones (2012) where sectoral external enablers and barriers were identified in private sector organisations through SSCM research. It extends their work by finding that differences apply to CBs application within different types of public sector organisations. Previous research into SRPP has largely focused on local authorities and this study extends analysis to three sectors: local authorities, higher education and registered social landlords.

Fourthly, most research within SCM is focused on the perspective of procuring organisations. A limited number of studies focus on the difficulties encountered by suppliers when they seek to respond to clients' demands for improved CSR (see for example Perry and Towers 2013; Huq *et al.* 2014). Examples of dyadic research in the SSCM literature are rare, even though examining supplier perspectives can provide "more practical and insightful implications for the buying firms" (Zorzini *et al.* 2015 p.85).

By adopting a dyadic approach, this research provides deeper insights, exploring the research questions from the perspective of individuals in buying organisations and suppliers with experience of implementing CBs. Research into the issues faced by suppliers or prospective suppliers when implementing CBs are relatively unexplored

in the academic literature. To date research into CBs as a form of SSCM has mainly been examined through unpublished conference papers and predominantly focused on public sector organisations, notably local authorities or municipalities (see for example Jabang 2017, Lynch *et al.* 2016). By adopting a dyadic view, this study highlights issues raised by suppliers that have been largely neglected in previous academic studies. Further information about participating organisations and individuals is provided in Chapter 5.

Fifthly, this research contributes to the literature by conducting a multi-level analysis of the drivers, barriers, enablers and benefits related to CBs implementation. Most previous researchers have differentiated between external or organisational level drivers, barriers and enablers (see for example Walker *et al.* 2008; Walker and Jones 2012). Further details on the development of a conceptual model are provided in Chapter 2. Future research could consider the extent to which external, organisational or individual level factors apply in other contexts when implementing CBs or other measures that realise socio-economic value.

Finally, the majority of studies within SCM, SSCM or SRPP are not theoretically driven or lack reference to specific theories (Chicksand *et al.* 2012; Flynn and Davies 2014; Zorzini *et al.* 2015). It appears that theory is under-utilised within SCM research and even less commonplace in the study of SRPP, an issue that needs to be addressed in this study.

This study makes a theoretical contribution by combining stakeholder theory, the resource-based view (RBV) and resource dependence theory (RDT). This approach

provides greater insight into the underlying factors related to sustainable procurement and CBs in and a higher level of explanatory power for the findings than relying on a single theory. Further information on the development of this multi-theory approach is provided in Chapter 4.

In summary, this research makes a unique contribution by:

- Researching the contribution of Community Benefits in contracts as a form of SRPP within the UK public sector.
- Examining SRPP as it intersects the social and economic aspects of CSR to provide socio-economic benefits.
- Examining Community Benefits implementation through a dyadic study to highlight issues faced by buyers and suppliers.
- Conducting a multi-level analysis to explore the relationship between external, organisational and individual level factors influencing the success of Community Benefits implementation.
- Adopting a multi-theory approach through combining stakeholder theory, the resource-based view and resource dependence theory.
- Making a novel contribution to both academic theory and practice by highlighting findings
- Setting out some key recommendations for policy-makers, procurement practitioners and suppliers.

1.5 The research questions

The research answers the following questions through dyadic research within the context of UK public procurement:

RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?

RQ2: What are the perceived benefits of implementing Community Benefits?

RQ3: What are the perceived barriers to implementing or realising Community Benefits?

RQ4: What are the perceived enablers for implementing Community Benefits?

RQ5: What types of Community benefits are prevalent?

The background to developing these research questions is explained in Chapter 2 and key findings are presented in Chapters 6-10.

1.6 Overview of key findings

A key finding is that “one size does not fit all”. This applies to both CBs implementation and theoretical considerations. A range of external, organisational and individual level factors drive CBs implementation, although the role of the Welsh Government as a key stakeholder in driving this agenda through public procurement is undoubtedly a major external driver.

Many organisational level drivers were found in both public sector organisations and suppliers. In both sectors drivers were often closely linked to the perceived benefits of CBs implementation, suggesting opportunities to maximise goal alignment ensuring

buying organisations and suppliers mutually benefit. Socio-economic benefits for wider society and the intended beneficiaries of measures such as targeted recruitment and training (TR&T) were identified but organisations identified a wide range of benefits. A key finding was the number of participants reporting enhanced job satisfaction as an individual benefit, which may in turn reduce staff turnover and produce wider benefits for the organisation.

This study suggests that public sector organisations tailor the types of CBs sought, often linking them to the organisation's key drivers. TR&T remains the most common form of CBs, even though small to medium sized enterprises (SMEs) often struggle to accommodate clients' requirements. Supply chain measures were also found to be highly prevalent, although the requirement to advertise subcontracts was viewed as a barrier by larger suppliers, conflicting with established supply chain relationships.

A greater number of barriers than enablers were identified, although in many cases participants suggested an enabler that had helped, or potentially could help overcome a key barrier. Many barriers and enablers are external, so beyond the direct control of organisations or individuals. The greatest number of barriers mentioned by suppliers were linked to the provision of TR&T. A key enabler is closer collaboration between organisations and departments within organisations where the devolved nature of key roles often comprises a barrier. Another key finding is that organisational structure or size may be a barrier or enabler, with SMEs identifying a greater number of barriers than larger suppliers.

Most barriers faced by organisations or individuals could be overcome through implementing a suggested enabler; although this does not necessarily occur in practice. For many organisations greater flexibility in methods of implementing and reporting CBs would be a key enabler, reflecting the one size does not fit all ethos.

Legislators, policy-makers, organisations and individuals could all take steps to enable more effective CBs. Key recommendations are included in Chapter 12.

1.7 Structure of this thesis

The remainder of this thesis presents the findings as follows. Chapter 2 presents the findings in the literature concerned with SCM and CSR and discusses in further detail why further research is needed into how socio-economic CBs may be recognised as a way of maximising social value through procurement. Chapter 3 brings together the findings of a more detailed literature review to summarise issues as they relate specifically to the research questions. Chapter 4 explains how consideration has been given to the theoretical and epistemological basis for exploring the research questions. Chapter 5 outlines the research methodology and why the research takes place in two phases: desk research and empirical research through a series of interviews and workshops. The empirical research findings are presented in Chapters 6-10. In Chapter 11 the findings are discussed in depth. Chapter 12 summarises the key conclusions, academic, theoretical and practical contributions made by the study.

The next chapter considers the extant literature in greater detail, providing justification for focusing this research on CBs as a form of SSCM and explaining why the research questions were selected.

2 Overview of the extant literature

Chapter 1 briefly outlined a growing interest in CSR and SSCM and the use of procurement as a tool for socio-economic development within the procurement practitioner community.

This chapter provides a broad overview of the literature concerned with SSCM and briefly examines literature concerned with the social aspects of SSCM and public procurement. It goes on to explain how implementing CBs contributes to the achievement of social value. Finally, this chapter identifies academic and non-academic (grey literature) sources of information relevant to research into CBs implementation. A more detailed analysis of the literature as it relates to the specific research questions developed through this literature review is presented in Chapter 3.

2.1 SCM, CSR and SSCM

Mentzer *et al.* (2001, p.18) define SCM as the

"systematic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across businesses within a supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole."

Supply chain management (SCM) is a growing area of organisational management. A search of ABI/Proquest (28th September 2016) for peer reviewed journal articles containing the term "supply chain management" in the citation, abstract or indexing field yielded 6524 results published between 1985 and 2016. The exponential growth in articles interested concerned with SCM since 1985 is illustrated in Figure 2.1.

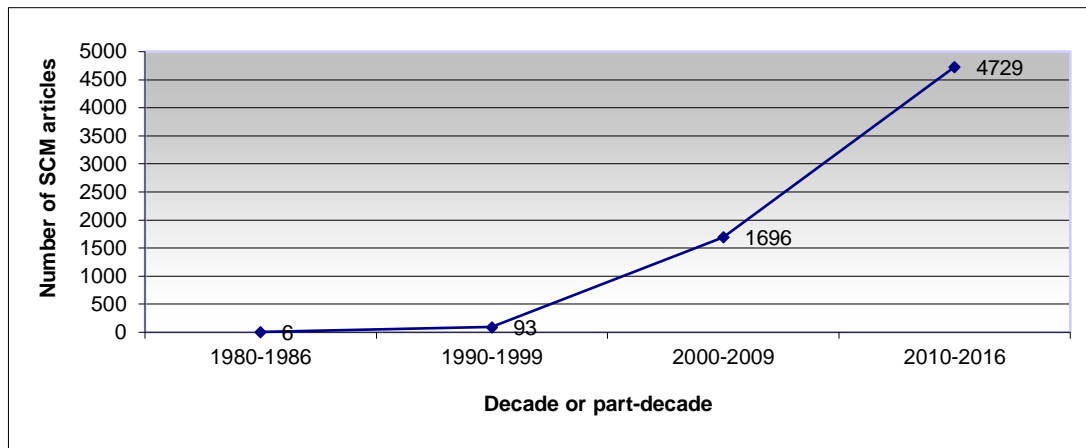


Figure 2.1 Number of articles concerned with SCM 1985-2016

Specialist journals are available, including Supply Chain Management: An International Journal; Journal of Supply Chain Management; Journal of Purchasing and Supply Management. Additionally, SCM is covered in business or logistics journals such as the International Journal of Operations and Production Management and the Journal of Business Logistics.

The notion that firms have social, legal and economic responsibilities can be traced back to at least the 1950s (Bowen 1953; Friedman 1970; Carroll 1979). The concept of the triple-bottom-line (Elkington 1999) has been used to describe the environmental, economic and social dimensions of the firm's corporate social responsibility (CSR).

In the academic literature, Leire and Mont (2010) emphasise the central role of the purchasing function in developing CSR standards and ensuring they are incorporated in selection and award criteria. The link between SCM and CSR has led to literature concerned more specifically with sustainable supply chain management (SSCM). These issues were explored through a structured review of the literature.

2.2 The structured literature review

In February 2015 a structured literature review was conducted following the method of Tranfield *et al.* (2003) to determine the academic landscape in terms of SSCM and socio-economic forms of CSR. Drawing on previous literature reviews in the area of sustainable supply chain management (Seuring and Müller 2008; Gimenez and Tachizawa 2012; Zorzini *et al.* 2015), two sets of key search terms were combined, as shown in Table 2.1.

Table 2.1 Literature search terms

Supply chain related terms	Sustainability related terms
Supply chain	Social responsibility/socially responsible
Sourcing	Corporate Social responsibility or CSR
Procurement	Triple Bottom Line or TBL
Purchasing	Ethical
	Sustainable

A Boolean search combining these terms was conducted in two databases: Scopus and ABI/Inform (Proquest) which between them cover over 23000 peer-reviewed journals. The results from the two searches were combined in a spreadsheet and duplications removed, leaving 588 articles for initial analysis as indicated in Table 2.2.

Table 2.2: Search results

Search engine	Results
Scopus	326
ABI/Inform (Proquest)	461
Total	787
Final number of (unduplicated) records	588

The number of results returned necessitated coding the articles by type of CSR measure (environmental, social or economic) as explained in section 2.5. First a broad overview of the results is provided.

2.2.1 Overview of results: SSCM

When analysed by year of publication, the search results reflect the growth of interest in sustainable supply chain management over more than four decades from 1978 until 2015 when the search was conducted, as illustrated by Figure 2.2:

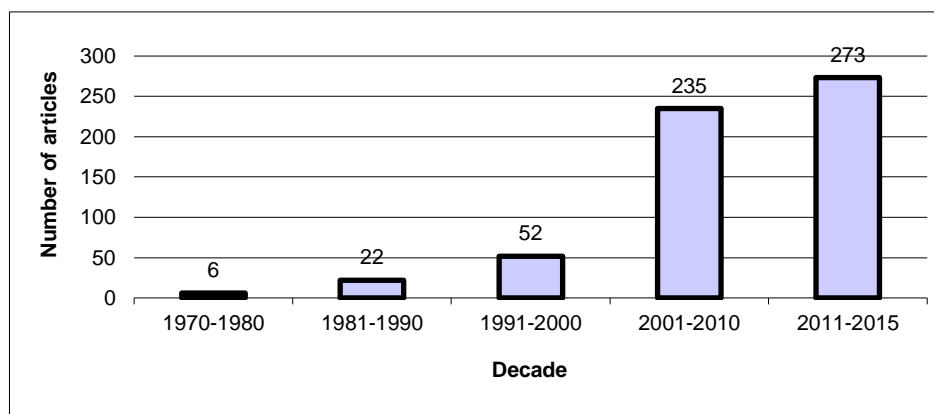


Figure 2.2 Number of SSCM articles by decade 1970 – 2015³

The results of the structured literature review span a wide range of publications including those concerned with ethics or social responsibility; business and

³ The first paper appeared in 1978, search was conducted in 2015

management; consumers; marketing; or specialist areas such as construction, textiles or food. A list of journals returning three or more results is provided in Appendix B.

The majority of academic research has been concerned with the environmental or economic aspects of SSCM (see for example Wolf and Seuring 2010; Bai *et al.* 2012). There is some academic literature concerned with the social aspects of sustainable supply chain management (SSCM). This covers a range of issues, as indicated in Table 2.3.

Table 2.3 Overview of some key social SSCM issues in the literature

Social SSCM issues	Example references
Integrating social criteria into the purchasing process or implementing socially-responsible purchasing	Maignan <i>et al.</i> 2002 Harwood and Humby 2008 Leire and Mont 2010 Schneider and Wallenburg 2012 Azadnia <i>et al.</i> 2015
Factors influencing socially-responsible sourcing, such as organisational factors, stakeholder or cultural pressures	Park and Lennon 2006 Park-Poaps and Rees 2010 Vachon 2010 Goebel <i>et al.</i> 2012
Labour force issues	Lillywhite 2007 Hall and Matos 2010 Wright and Brown 2013
The role of codes of conduct in managing supply chain sustainability	Ellis and Higgins 2006 Preuss 2009
Product, industry or company specific studies	Van Tulder and Kolk 2001
Implementation or enforcement of CSR standards	Colwell <i>et al.</i> 2011 Zakaria <i>et al.</i> 2012
Certification, labelling schemes or codes of practice, for example “Fair Trade” or “Fairtrade” labelling or equivalent certification schemes	Becchetti and Rosati 2007 Colwell <i>et al.</i> 2011 Boiral 2012 Zakaria <i>et al.</i> 2012 Karjalainen and Moxham 2013 Valor <i>et al.</i> 2014

Research into the social or economic aspects of SSCM has been less prevalent and mainly conducted within the private sector, particularly manufacturing (see for example Srivastava 2007; Worthington *et al.* 2008; Vachon 2010; Gimenez and Tachizawa 2012; Hoejmoose and Adrien-Kirby 2012; Thornton *et al.* 2013).

The results were categorised to indicate the countries that were the primary focus of empirical research. Appendix C provides an overview of findings, categorising empirical research by country or regional focus. Purely conceptual papers or literature reviews have been eliminated from this analysis. This analysis indicates only 20 of the 48 empirical research papers reviewed as a result of the structured literature review were concerned with SSCM implementation within Europe and only 4 papers were concerned with research in the UK.

Most studies focus primarily on social SSCM within less developed countries, where labour standards and employee rights are of concern, examining how issues may be overcome by adhering to codes of conduct; labeling; or international standards. The academic literature has historically been less concerned with working conditions or social developments in the UK, although some examples will be highlighted later. This highlights the need for greater in-depth research into the socio-economic aspects of SSCM implementation within the UK.

2.2.2 The role of procurement professionals

There is broad agreement within the academic literature that procurement professionals are in a good position to influence the organisation's corporate social responsibility. Procurement or purchasing plays a central role in developing, setting and putting into operation procurement standards and criteria and managing buyer-supplier relationships (Leire and Mont 2010; Meehan and Bryde 2011; Akenroye 2013). As well as spanning the boundary between the organisation and its suppliers or

potential suppliers, the procurement function frequently works across the organisation, spanning departmental boundaries (Harwood and Humby 2008; Schneider and Wallenburg 2012). Procurement managers need clear guidance from senior management and need to be empowered to make ethical decisions (Goebel *et al.* 2012).

2.2.3 Public Sector procurement

The European Commission uses the term public procurement to describe “the process by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies”⁴. Procurement is one of the major economic activities of government (Thai 2001) and public procurement has been estimated at around 19.4% of GDP across EU member states (European Commission 2010; Amann *et al.* 2014). The UK spends around 18% of GDP and just over 30% of public expenditure as a whole through public procurement (OECD 2015 p.137). UK annual procurement expenditure on goods and services during 2013/14 was £242 billion and comprised 33% of all public sector spend (Booth 2015). Approximately 62% of this procurement spend is attributed to central government with the remaining 38% attributable to sub-central government (OECD 2015).

Public sector organisations face increasing pressure from stakeholders like funding bodies and regulators to “demonstrate sustainability policies throughout their supply chains” (Meehan and Bryde 2011, p. 97). Despite the substantial expenditure of public money through procurement, the structured literature review indicates that there is less coverage of public sector procurement compared to studies concerned with private

⁴ https://ec.europa.eu/growth/single-market/public-procurement_en

sector procurement (Walker *et al.* 2012). There is a growing body of literature examining sustainable procurement within the public sector but research has largely focused on environmental aspects (Eadie *et al.* 2011; Meehan and Bryde 2011; Oruezabala and Rico 2012). Public sector organisations also need to address social and economic aspects of the sustainability through procurement (DEFRA 2011).

Public procurement can be used by a government or public-funded bodies to influence the way that suppliers develop socially responsible supply chains and social clauses can be used to influence the CSR programmes of suppliers (Preuss 2007; Akenroye 2013). This may be termed socially responsible public procurement (SRPP).

2.2.4 Socially-responsible public procurement

There is a much smaller body of literature concerned with socially responsible public procurement (SRPP) which has been defined as:

“procurement operations that take into account one or more of the following social considerations: employment opportunities, decent work, compliance with social and labour rights, social inclusion (including persons with disabilities), equal opportunities, accessibility design for all, taking account of sustainability criteria, including ethical trade issues; and wider voluntary compliance with corporate social responsibility (CSR), while observing the principles enshrined in the Treaty for the European Union (TFEU) and the Procurement Directives.”

(EC 2010 p. 7)

Since the focus of this research is primarily on the social aspects of public procurement, the results were further screened to identify articles that included:

- A focus on sustainable procurement/supply chain management where the social aspects of the triple bottom line (TBL) or corporate social responsibility (CSR) are considered, either in isolation or alongside consideration of economic or environmental aspects.
- A focus on social aspects of sustainable procurement/supply chain management within the public sector.

Less than 10% of the articles examined (48) were concerned with SRPP and most of these articles appeared in journals outside the field of logistics and operations management. Academic interest in SRPP is a growing phenomenon, with the vast majority of results from 2006 onwards. Some examples are provided in Table 2.4.

Table 2.4 Socially responsible public procurement in the literature

Public sector research interest	Example references (most recent ten year period)
Country/geographic focus	Ntayi <i>et al.</i> 2010 Brammer and Walker 2011 Jones 2011 Tvaronaviciene 2012 Akenroye 2013 Dza <i>et al.</i> 2013 Gormly 2014 McMurray <i>et al.</i> 2014
Construction	Meehan and Bryde 2011 Sourani and Sohail 2013
Public-Private Partnerships (PPPs)	Chan <i>et al.</i> 2010; Kurul <i>et al.</i> 2013 Pearson and Pontin 2013
Local Government (not included in any other category)	Preuss 2007 Thomson and Jackson 2007 Walker and Preuss 2008 Preuss 2009
Non-governmental organisations	Lund-Thomsen and Costa 2011 Wild and Zhou 2011
Health and/or Social care	Erridge and Hennigan 2012 Oruezabala and Rico 2012
Food procurement, including “local” food initiatives	Sonnino and McWilliam 2011 Lehtinen 2012
Business processes	Schiele and McCue 2010 Jefferies <i>et al.</i> 2014 Wang <i>et al.</i> 2014
Public sector tendering	Bratt <i>et al.</i> 2013 Kunzlik 2013 Uttam and Le Lann Roos 2015
Typology of social public procurement	Furneaux and Barraket 2014

This review of the literature highlights the need to examine how social value can be maximised through public procurement within the UK context. The next section reviews the literature in this area and sets out how the research questions emerged. Since this is a nascent area of SSCM research, the following discussion goes beyond the confines of the structured literature review.

2.3 Achieving social value through public procurement in the UK

This section draws on both academic and grey literature, such as guidance to achieving social value through public procurement (for example MacFarlane and Cook 2002) and includes references to relevant legislation such as the Public Services (Social Value) Act 2012.

Within the UK there has been a growing interest in achieving social value through public procurement as a form of SRPP. This has culminated in legislation requiring certain UK public sector organisations to deliver social value through the public procurement of services (Public Services (Social Value) Act 2012). Although the legal requirement to obtain additional social value through public procurement services contracts may be a relatively recent phenomena, Nottingham City Council has been including local employment clauses in its construction contracts alongside a job matching service since the early 1990s (MacFarlane and Cook 2002).

Loosemore (2016) examines how social value may be achieved through construction procurement in the UK, exploring drivers and challenges faced by social enterprises operating within the construction industry and the Social Value Act is cited by several participants as a driver for their inclusion within construction supply chains. Several authors have highlighted potential problems with the implementation of the Public Services (Social Value) Act 2012 (Arvidson and Kara 2013; Davies and Schon 2013; King 2014). The effects of the Social Value Act vary across England, Northern Ireland and Wales and are limited to services contracts valued above the EU threshold (While *et al.* 2016; Jabang 2017). Since 1st September 2015, there has been a requirement for

all UK government contracts for construction and related services valued above £10 million to include apprenticeships (While *et al.* 2016).

To date there has been relatively little published academic research into the links between the Social Value Act and public procurement within the UK or the Act's effectiveness in ensuring the achievement of social value. A number of reports have examined the effectiveness of the Social Value Act (Cabinet Office 2014; Temple and Wigglesworth 2014). Two as yet unpublished theses examine the achievement of social value through public procurement (Riddell 2014; Jabang (2017) and these will be drawn on in Chapter 3 as they relate to the research questions. Jabang (*ibid*) highlights the lack of research into CBs outcomes of the social value legislation reinforcing the need for research in this area.

2.4 Community Benefits as a route to achieving social value

Public sector organisations have the power to use their significant procurement expenditure as a tool for promoting social justice or other policies that can potentially improve the lives of people within communities (Akenryoe 2013). Hence SRPP may be used as a policy tool to stimulate the local economy. Examples include implementing “buy local” policies or targeting economic opportunities at particular community groups such as those deemed to be disadvantaged or to increase supplier diversity (McCrudden 2004; Worthington *et al.* 2008; Nijaki and Worrel 2012; Kanapinskas *et al.* 2014).

Public sector organisations may seek to create social value through skills development, job creation, community development and ensuring the welfare of suppliers'

employees (Akenroye 2013). However, there is little extant research on how public procurement benefits local communities or research examining the barriers faced by organisations that seek to implement social value or realise wider CBs through procurement (Eadie *et al.* 2011; Gormly 2014; Lynch *et al.* 2016).

According to Preuss (2009, p. 217), “Community Benefits Clauses” have been utilised as a process-based approach to incorporating socio-economic criteria into supply contracts. Hence seeking CBs is one method of achieving social and economic value through procurement. Firstly, it is necessary to clarify what comprises CBs within the context of public sector procurement.

2.4.1 Different types of Community Benefits in the academic literature

When reviewing the academic literature, it is necessary to distinguish between the various references to community benefits in other contexts and the achievement of CBs through UK public procurement. Table 2.5 provides some examples of the differing uses of the term community benefits as it generally applies outside procurement.

Table 2.5 Types of community benefits in the academic literature

Type of reference to community benefits	Example reference(s)
Community benefits related to planning applications to mitigate the impact of major developments	Marcello 2007 Wright 2015
Community benefits related to tax-exempt hospitals in the US	Rubin <i>et al.</i> 2015
Local community benefits associated with wind farms or other environmental initiatives including “job creation, skills training, apprenticeships, opportunities for educational visits and raising awareness of climate change”	Regen 2014 p.8
Other references to community benefits associated with climate policy; wildlife conservation; self-build communities; crowd-funding; surplus food redistribution; marine and fisheries; and tourism management	Midgley 2014 Fiscyer <i>et al.</i> 2015 Hamiduddin and Gallent 2016 West 2016 Rylance 2017 Voyer <i>et al.</i> 2017 Zheng <i>et al.</i> 2017

None of these published academic articles have been directly concerned with the achievement of CBs through public procurement. There is no established typology of CBs as they may be achieved through public procurement within the literature. For this it is necessary to reference grey literature such as guidance on implementing CBs.

2.4.2 Types of Community Benefits achieved through public procurement

There are several definitions of CBs directly related to public procurement (see for example Macfarlane 2014, p.18; Close and Loosemore 2014 p. 817). Both Scottish and Welsh governments have set out their understanding of what comprises a CBs measure in their guidance. These are broadly similar as indicated in Table 2.6, so there seems to be agreement, at least within the Welsh and Scottish administrations on what comprises a Community Benefit.

Table 2.6 Components of Community Benefits in the guidance

Scottish Government (MacFarlane and Cook 2008 p.7)	Welsh Government (Welsh Government 2014 p.12)
Targeted recruitment and training (TR&T)	TR&T for economically inactive
Training for existing employees	Retention and training for existing workforce
Supply chain initiatives including ‘considerate contractor’ schemes	Supply chain initiatives
Promoting social enterprises	Promotion of Social enterprises and supported businesses
Community consultation and resources for community initiatives	Community initiatives (resources; consultation)
Contributions to education	Contributions to education
	Promoting environmental benefits (added in 2014)

Whilst the term “Community Benefits” is also related to procurement in England and Northern Ireland, neither the UK Government nor the administration in Northern Ireland have policies for achieving CBs through public procurement. Both the Scottish and Welsh Governments have been promoting CBs policies for several years.

The Scottish or Welsh governments do not include specific reference to equality and diversity within the definition of CBs, although organisations employing disadvantaged groups may fall within the definition of supported business or social enterprises. Such considerations should be taken into account, particularly when considering targeted recruitment and training (TR&T) beneficiaries (MacFarlane and Cook 2002).

This leads to the following research questions

- What types of Community benefits are prevalent?
- What are the perceived benefits of implementing Community Benefits?

The analysis in Chapter 3 will extract information relating to these research questions from both academic and grey literature sources, providing a basis for comparing the findings to the extant literature.

2.4.3 The prevalence of Community Benefits in UK public procurement

Preliminary analysis of information available via the Internet confirms that seeking such wider CBs through public sector contracts is a growing phenomenon. There is evidence that public sector organisations in the UK increasingly request or require the provision of CBs when advertising high value contracts. A search of the Official Journal of the European Union for UK public sector contract notices published between 1st January 2012 and 31st December 2015 including the terms “Community Benefit” and “Community Benefits” yielded 1170 records. Further information on the OJEU search, from which this analysis is drawn, is provided in Chapter 5.

There is also some evidence within the “grey” literature that contractors are delivering CBs within the UK. For example, a review of construction contractors identified an increase in CBs in Welsh public sector contracts over a two-year period and that contractors were “already delivering community benefits – albeit in their own way” (Constructing Excellence in Wales 2012 pp.3–4). More recent research suggests that “Community Benefits clauses are increasingly being used in public sector contracts across Scotland” (Sutherland *et al.* 2015, p. 24).

2.4.4 References to Community Benefits clauses in the academic literature

References to the use of CBs clauses as related to procurement appear in a range of journals. Some examples are provided in Table 2-7.

Table 2.7 Literature referring to Community Benefits through procurement

Examples of CBs through Procurement	Example Reference
Using local labour within public-private-sector partnering projects	Swan and Khalfan 2007
Use of CBs clauses in tender specifications received by social enterprises.	Walker and Preuss 2008
CBs clauses included in tender specifications received by social enterprises. Achievement of 'community benefits' as part of the National Procurement Strategy for Local Government during 2003-2006	Muñoz 2009
Brief reference to community benefit clauses, within a typology of sustainability initiatives in local government procurement.	Preuss 2009
Proposed use of procurement contracts for the 2012 Glasgow Commonwealth Games to provide 'community benefits' for local people.	Matheson 2010 O'Brien 2010
Maximising CBs in relation to promoting the local economy as part of a local authority's corporate procurement strategy	Cabras 2011

These articles include references to CBs in a range of procurement contexts, even though researching the use of CBs clauses is by no means their central theme.

Practitioners have largely led the development of SSCM as a very practical field of study (Burgess *et al.* 2006; Ashby *et al.* 2012). Requiring CBs through public procurement is an area in which practitioners can be said to be leading the field. Theoretical advancements in the literature appear to lag behind what is happening in practice. This research contributes to both academic literature and practice by examining CBs implementation in greater detail.

2.4.5 Community Benefits guidance and reports (grey literature)

Although CBs as they apply within the UK public procurement is not comprehensively covered in the published academic literature, they are covered extensively in guidance documents. Such publications offer practical advice on implementing CBs in procurement, often including reference to case studies. Guidance published by the Joseph Rowntree Foundation can be traced back to 2002 (MacFarlane and Cook 2002), with subsequent guidance issued jointly by Harringey Council and Anthony Collins Solicitors (2005), Anthony Collins Solicitors (2006), the Scottish Government (2008) and by the Welsh Government in 2008 (revised in 2014). Some procuring organisations publish their own CBs guidance for contractors (West Lothian Council 2013) whilst others simply publish a link to the Welsh Government's or Scottish Government's guidance on their website (for example Wales NHS⁵, Social Enterprise Scotland⁶).

Several reviews of CBs implementation have been published in reports, (Constructing Excellence in Wales 2012; Sutherland *et al.* 2015). These reports are not without their limitations. For example, Constructing Excellence (*ibid*) was based on the views of 16 suppliers obtained over a period of two weeks using a mix of face-to-face or telephone interviews. The study by Sutherland *et al.* (*ibid*) was based on 62 e-survey responses from across the whole of the Scottish public sector and detailed analysis only covered 24 projects. Despite their perceived limitations, these documents are useful for establishing some of the drivers, barriers, enablers and perceived benefits of CBs implementation.

⁵ <http://www.procurement.wales.nhs.uk/supply/sd-policy/httpwwwprocurementwalesnhsukeditcontent.aspxcontentid38395>

⁶ <http://www.socialenterprisescotland.org.uk/policy/22>

2.4.6 Drivers, enablers and barriers to Community Benefits

Since there is little extant literature concerned with achieving CBs through procurement, there is a lack of literature examining the drivers, barriers or benefits in this specific area, other than issues reported through formal reviews of CBs implementation. Several articles discuss drivers, barriers or enablers to CSR or SSCM implementation more generally (Harwood and Humby 2008; Walker *et al.* 2008; Worthington *et al.* 2008; Preuss and Walker 2011; Giunipero *et al.* 2012; Blome and Paulraj 2013; Sourani and Sohail 2013; Foerstl *et al.* 2015;).

This leads to the following research questions:

- What factors drive organisations to request or deliver Community Benefits through procurement?
- What are the perceived barriers to implementing or realising Community Benefits?
- What are the perceived enablers for implementing Community Benefits?

Since CBs clauses may be considered a means of maximising social value through procurement or achieving SSCM, the drivers, barriers, enablers and benefits may be broadly similar to those identified in previous research.

2.4.7 Multi-level analysis

Some researchers (for example Walker *et al.* 2008; Walker and Jones 2012) distinguish between external and internal or organisational drivers. Several researchers have explored individual or cultural barriers to SSCM (see for example Walker *et al.* 2008; Preuss and Walker 2011; Ntayi *et al.* 2011, 2013). Carroll (1979) develops four categories of social responsibility: discretionary, ethical, legal and economic which are

not necessarily mutually exclusive, inferring that organisations are driven to adopt CSR measures by more than factor. There is also some research highlighting the relationship between organisational and individual culture. For example, the culture and behaviour of individual employees, influenced by organisational culture, determines the success of government initiatives (Douglas 1987; Preuss and Walker 2011; Ntayi *et al.* 2011).

Since external, organisational and individual level factors are inextricably linked, it makes sense to investigate how external factors influence organisations and how organisational factors influence individuals involved in implementing SRRP measures such as CBs, or how such influences work in reverse from the individual through to organisational or external levels. Based on a review of the literature, this study categorises findings at three levels: external, organisational or individual.

Table 2.8 brings together literature briefly examined in this section to explain the basis for a multi-level conceptual model. There is some crossover between external, organisational or individual boundaries, for example workforce measures.

Table 2.8 Developing a multi-level conceptual model for linking findings to the literature

Factor	Level	Category	Key references
Drivers	External	Political/legal Economic/commercial Sectoral	Carroll 1979 McCrudden 2004 Preuss 2009
	Organisational/ Individual	Ethical/Discretionary	
Benefits	External	Environmental Social	Elkington 1999 Welford and Frost, 2006 Preuss 2009 Worthington 2009 Wild and Zhou 2011 Arvidson <i>et al.</i> , 2013 Perry and Tower 2013 King, 2014 Huq <i>et al.</i> , 2014 Foerstl <i>et al.</i> 2015
	Organisational	Economic/commercial Communication/PR	
	Individual	Social Economic	
Barriers and enablers	External	Legal/political Economic/commercial Sectoral	Walker <i>et al.</i> 2008 Andersen and Skjoett- Larsen 2009 Preuss 2009 Walker and Brammer 2009 Walker and Jones 2012
	Organisational: Strategic	Policy (priorities/goals) Economic/commercial (resource/cost) Performance (measurement) Culture/ethos	
	Organisational: Operational	Functional (eg Procurement) Process	
	Individual	People (knowledge/training/culture or ethos) Communication	
Types of Community Benefit	External	Socio-economic: Workforce measures such as targeted recruitment and training Supply chain measures such as inclusion of local SMEs Community initiatives including philanthropy and contributions to education Environmental benefits Environmental/economic benefits, for example minimising waste	Carter and Jennings 2004 Welford and Frost 2006 Swan and Khalfan 2007 Worthington <i>et al.</i> 2008 Walker and Brammer 2009; Preuss 2011 Akenroye 2013 Perry and Towers 2013 Amann <i>et al.</i> 2014 Huq <i>et al.</i> 2014 Kanapinskas <i>et al.</i> 2014 Welsh Government 2014
	Organisational	Socio-economic: Workforce measures such as retention and training of existing employees	
	Individual	Socio-economic: Workforce measures such as targeted recruitment and training, retention and training of existing employees	

External, organisational or individual level drivers

External drivers may be legal or political and may lead to organisations taking a more strategic approach to SSCM, refocusing their strategic policy priorities, goals and procurement processes (Preuss 2009). Governments have applied political pressure by using procurement policies to exert pressure on public procurers and potential contractors to achieve social objectives (McCrudden 2004). For example, the UK Government has exerted political pressure on local authorities to improve procurement efficiency through competitive tendering and to improve social performance through well-being legislation (Preuss 2009). Businesses must provide economic benefits, generating profits from their activities and are expected to meet legal requirements whilst pursuing their economic goals. Although not necessarily enshrined in law, society also expects businesses to meet certain ethical expectations, which may drive ethical behaviour (Carroll 1979). Such expectations may be considered an external driver.

At the organisational level, businesses may provide discretionary benefits, for example through philanthropic donations or taking voluntary action that goes beyond compliance with legal requirements (Worthington 2009; Leire and Mont 2010). Through corporate social responsibility, organisations may choose to focus on particular social issues, which may differ across industries. An organisation's level of social responsiveness (simply meeting legal requirements or going beyond them based on ethical or discretionary considerations) may be based on philosophical foundations and considered an organisational driver (Blome and Paulraj 2013).

Other researchers have identified individual drivers for CSR or SSCM measures or explored the role played by individual managers or employees in driving the implementation of CSR measures (see for example Carter and Jennings 2002; Swan and Khalfan 2007; Huq *et al.* 2014; McMurray *et al.* 2014). Thomson and Jackson (2001) distinguish between leadership and operational levels in greening public procurement finding that motivated individuals involved in procurement decision-making were a key driving force. This leads to considering whether drivers, barriers or enablers may be categorised as strategic or operational.

External, organisational or individual level barriers and enablers

Walker and Jones (2012) categorise external and internal (organisational) barriers and enablers based on a review of the extant literature. Procurement legislation and policies may be viewed as a barrier rather than enabler by individuals involved in public procurement and could result in a box-ticking culture (Preuss and Walker 2011; Ntayi *et al.* 2013). Organisational barriers and enablers include functional, strategic and people issues, corporate structures and processes; performance management and internal integration or communication (Walker *et al.* 2008; Andersen and Skjoett-Larsen 2009; Preuss 2009; Walker and Brammer 2009; Walker and Jones 2012).

Organisational or individual barriers or enablers may be cultural or linked to organisational or individual ethos (Carter and Jennings 2002; Walker *et al.* 2008; Preuss 2009; Lund-Thomsen and Costa 2011; Hoejmose and Adrien-Kirby 2012). Organisational culture and individual level culture factors such as leaders' or employees' mindsets may result in resistance to sustainability related changes, inhibiting the adoption of sustainable initiatives (Ramirez *et al.* 2014). Psychological

or cultural barriers that potentially limit opportunities for sustainable development may occur when conflict arises between with the priorities of senior managers and individuals responsible for public procurement (Preuss and Walker 2011). For example, an organisation's stated goals regarding sustainable procurement may conflict with the priorities of employees or key stakeholders such as customers (Mont and Leire 2009; Lund-Thomsen and Costa 2011).

Procurement managers may be risk averse and resist sustainability measures (Drumwright 1994) and social sustainability may not be the highest concern for procurers who take multiple factors into account when awarding contracts (Mont and Leire 2009; Rasche 2010; Perry and Towers 2013; Huq *et al.* 2014). For example, procurement staff may have been conditioned to seek the lowest price, potentially conflicting with any sustainability initiatives resulting in higher costs (Walker *et al.* 2008; Lund-Thomsen and Costa 2011; Hoejmose and Adrien-Kirby 2012). Researchers have suggested that senior management commitment and training can assist in overcoming such barriers (Preuss and Walker 2011).

External, organisational or individual level benefits

CSR benefits can be categorised against the triple bottom line (TBL) as environmental, economic or social (Elkington 1999). In addition to providing environmental or social benefits, which may be external, organisations may reap economic/commercial benefits, for example securing contracts, increasing market share or enhancing the organisation's reputation, attracting and employees who share the organisation's ethos (Welford and Frost, 2006; Worthington 2009; Wild and Zhou 2011; Perry and Tower 2013; Huq *et al.*, 2014; Foerstl *et al.* 2015). Fewer researchers have sought to identify

benefits at the individual level although the literature suggests that the beneficiaries of SSCM or SSRP initiatives may find long-term employment (Erridge *et al.* 2005; McDermid *et al.* 2008; Wright 2015).

Types of Community Benefits

The Welsh Government (2014) has provided guidance on the types of CBs, which can broadly be categorised as workforce measures, supply chain measures, community initiatives (including philanthropy and contributions to education) and environmental benefits. It is more difficult to link types of CBs to a multi-level analysis as some measures cross external/organisational and individual boundaries. These have been integrated into Table 2.8.

2.5 Summary

This chapter provides an overview of the academic literature concerned with the social aspects of CSR, identifying a “gap” in the extant literature for further research: CBs through public sector procurement contracts. Thus far, to the best of this researcher’s knowledge, academic research has largely been concerned with how CBs are sought through local authority/municipality procurement. Few, if any academic studies in this area, have examined supplier perspectives, indicating a need for dyadic research encompassing a range of public sector organisations and suppliers.

This research examines CBs from the perspective of a range of actors involved in implementation, including contractors, comparing findings to the extant literature more broadly concerned with SSCM. Figure 2.3 illustrates how research into the types of CBs prevalent is integrated within the context of issues affecting implementation.

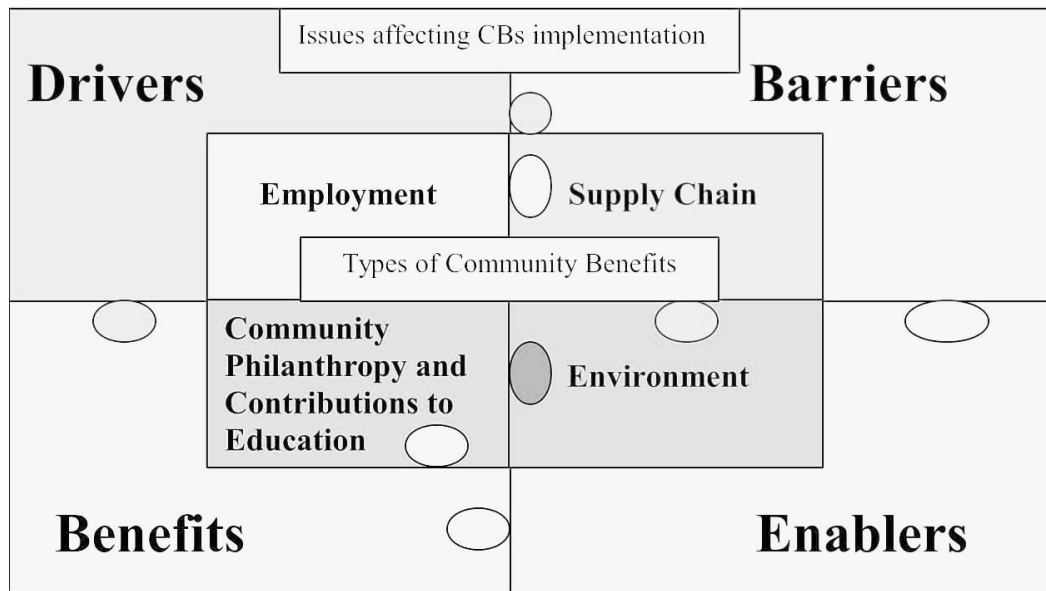


Figure 2.3 The PhD research “jigsaw”: combining literature and findings relating to Community Benefits implementation.

Drawing on this literature review, the research answers the following questions through dyadic research within the context of UK public procurement:

- RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?
- RQ2: What are the perceived benefits of implementing Community Benefits?
- RQ3: What are the perceived barriers to implementing or realising Community Benefits?
- RQ4: What are the perceived enablers for implementing Community Benefits?
- RQ5: What types of Community benefits are prevalent?

The next chapter draws on the academic literature, guidance documents and reports as they relate more specifically to these research questions. This provides a basis for comparing the findings to the extant literature and consideration of how findings may be linked to a multi-level conceptual model.

3 Literature linked to the Research Questions

This chapter examines the literature concerned with SSCM, particularly the socio-economic aspects of CSR, to bring together initial academic findings as they relate to the research questions. This is used to develop an initial system for coding the findings of the empirical research and provide a basis for considering possible theoretical and practical implications. It also attempts to link findings to a multi-level conceptual model as primarily external, organisational or individual factors as shown in Figure 3.1.

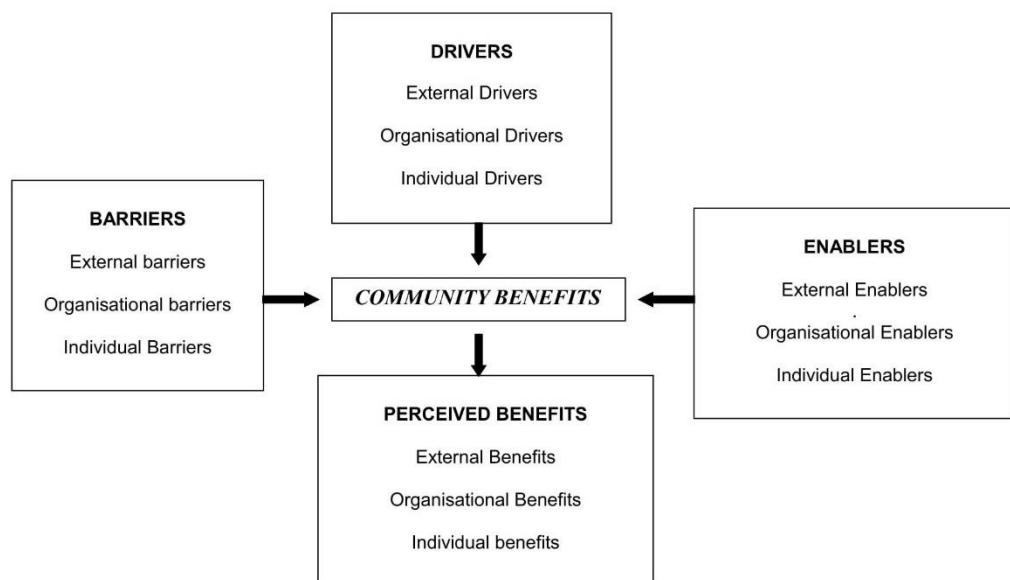


Figure 3.1 Overview of multi-level CBs research

3.1 What factors drive organisations to request or deliver Community Benefits through procurement?

The academic literature suggests several drivers for CSR or SSCM adoption and for CBs implementation. These may broadly be categorised as external, organisational or individual drivers. These are summarised in Table 3.1.

Table 3.1 Drivers of SSCM in the literature

Level	Driver	Examples in the literature
External Drivers	Legislation/policy	Seuring and Muller 2008
	Reputational risk	Sarkis <i>et al.</i> 2011 Wright and Brown, 2013 Huq <i>et al.</i> 2014
	Client driving implementation	Preuss 2009; Walker and Jones 2012 Jabang 2017
	Future business	Cabinet Office 2014
Organisational drivers	Local socio-economic	Wright 2015 Loosemore 2016 Lynch <i>et al.</i> 2016 Jabang 2017 Kuijpers <i>et al.</i> 2017
	Organisation doing anyway	Sutherland <i>et al.</i> 2015 Jabang 2017
	Organisational culture/ethos	Jabang 2017 Kuijpers <i>et al.</i> 2017
	Leveraging the power of procurement spend	Sutherland <i>et al.</i> 2015 Loosemore 2016 Jabang 2017
	Competitive advantage	Welford and Frost 2006 Meehan and Bryde 2011 Perry and Tower 2013 Huq <i>et al.</i> 2014
Individual drivers	Personal commitment	Huq <i>et al.</i> 2014 McMurray <i>et al.</i> 2014
	Doing the 'right thing'	Walker and Jones 2012 Gormly, 2014 McMurray <i>et al.</i> , 2014

These issues are examined in detail next as they relate to the external, organisational or individual levels.

3.1.1 External drivers

Legislative and policy drivers

External drivers may be legal or political, since the literature concerned with CSR implementation suggests that government organisations may drive CSR adoption (Worthington *et al.* 2008; Carter and Jennings 2004; Walker *et al.* 2008; Seuring and Muller 2008). Within the past few years the UK Government and devolved governments, notably in Wales and Scotland, have used legislation to drive the adoption of social SSCM, which has either directly or indirectly driven the implementation of CBs in contracts (McDermid *et al.* 2008; Welsh Government 2015). For example, many public sector organisations in England, Wales and Northern Ireland must comply with the Public Services (Social Value) Act 2012. Public sector organisations in Wales must comply with the Well-being of Future Generations (Wales) Act (2015) and the Wales Public Procurement Policy Statement (WPPPS). Public sector organisations in Scotland have to comply with the Procurement Reform (Scotland) Act 2014 (Anthony Collins Solicitors 2014; Jabang 2017; Welsh Government 2014, 2015).

These legislative and policy drivers lead public sector clients to drive implementation throughout the supply chain through contracting. Public sector organisational drivers identified by Jabang (2017) as linked to the Public Services (Social Value) Act (2012) include maximising value for money through expenditure; improving contracting opportunities for TSOs and SMEs; increasing local employment and training opportunities; and co-operation with local residents. Legislative drivers that may be related to specific CBs measures are examined in more detail in section 3.5.

Reputational risk

The literature suggests that reputational risk may be a driver for CBs implementation. For example, external stakeholders or campaign organisations may expose human rights breaches within the organisation or its supply chain to force the procuring organisation or contractor to take an interest in the practices of subcontractors (Sarkis *et al.* 2011; Wright and Brown, 2013). Failure to investigate possible breaches further down the supply chain or seek assurances over sub-contracting leaves the ultimate buyer or retailer at considerable reputational risk and potential commercial harm (Huq *et al.* 2014).

Client driving implementation and securing future business

Another driver for suppliers may be the relative power of the buyer to supplier in forcing or encouraging them to offer social SSCM measures such as CBs (Preuss 2009; Walker and Jones 2012; Jabang 2017). On the other hand, from a buyer's perspective, it is important that suppliers compete on a level playing field (Baden *et al.*, 2009). This leads private sector suppliers to consider how they can demonstrate their capacity to comply with CSR/SSCM requirements in order to secure future business (Cabinet Office 2014).

3.1.2 Organisational drivers

Local socio-economic drivers

Organisations may be driven by local socio-economic issues, for example addressing social exclusion. Public procurement is viewed as a strategy for addressing poverty and social exclusion, or other measures to maximize socio-economic benefits from

public procurement (Macfarlane 2014), for example by supporting the Welsh Government's Tackling Poverty Action Plan (Welsh Government 2012; Welsh Procurement Policy Statement. 2015). Measures that cross both the social and economic aspects of the TBL are apprenticeships and skills training; protection of human rights and core labour standards; low unemployment rates, and a diverse supply base (Anthony Collins Solicitors 2014). Local socio-economic drivers may drive employment or supply chain related types of CBs, examined in more detail in section 3.5.

For Scottish public sector organisations, a driver is ensuring that procurement spend “contributes to local or organisational outcomes” and encourages innovation in service delivery, supporting the duties placed on them by the Procurement Reform (Scotland) Act 2014 and contributing to Scottish Government National Outcomes (Audit Scotland 2014, p.5).

A driver for implementing CBs or social value through public sector construction contracts is because this industry's “extensive linkages with other sectors in the economy, the potential economic multiplier effect on job into other sectors of the economy is huge” (Loosemore 2016 p.134).

Leveraging the power of procurement spend

The value of public procurement as a policy tool has long been recognised (McCrudden 2004). For example, the Welsh public sector's combined annual spend of circa £5.5 Billion makes this sector the largest user of goods and services from both the private and voluntary sectors in Wales (Welsh Government 2014). Hence public

procurement is viewed as a key facilitator for delivering sustainability commitments in Wales, with the Welsh Government's CBs policy one of the strategies employed to address and balance the economic, social and environmental aspects of sustainability (Welsh Government 2014, p.9). In Scotland £10.4 Billion was spent on public contracts during 2012/13 (Audit Scotland 2014) presenting a significant opportunity for maximizing the benefits achieved through purchasing power (Sutherland *et al.* 2015). A driver for CBs or Social Return on Investment (SROI) implementation in Wales and the Netherlands is ensuring that public procurement expenditure supports sustainable development in a manner that benefits local communities (Lynch *et al.* 2016).

Competitive advantage

Several authors identify competitive pressure as a driver for SSCM and implementing CSR measures may lead to a competitive advantage (Maignan and McAlister 2003; Seuring and Müller 2008; Gimenez and Tachizawa 2012). Competitive advantage may be gained through enhancing the organisation's reputation and hence expanding the customer base (Perry and Tower 2013; Welford and Frost 2006; Huq *et al.* 2014). A public sector organisation may wish to develop a reputation for leading best practice (Meehan and Bryde 2011).

In a review of the Social Value Act, the Cabinet Office (2014) found that suppliers went beyond their CSR pledges and committed to providing CBs, since they viewed providing social value as providing competitive advantage and adding value.

Organisational culture/ethos and organisation doing anyway

CSR initiatives may be linked to organisational values or culture (Carter and Jennings 2002; Walker *et al.* 2008) meaning that suppliers may provide CBs or other social benefits regardless of any client requirements. Suppliers may commit to social clauses in order to demonstrate their CSR credentials, with adopting CBs practices into their business increasingly viewed as “‘business as usual’” (Sutherland *et al.* 2015, p. 9; Jabang 2017).

3.1.3 Individual drivers

Personal commitment

The literature also suggests that employees and individual managers may drive the implementation of CSR measures (Carter and Jennings 2002; Swan and Khalfan 2007; Huq *et al.* 2014; McMurray *et al.* 2014). Whilst Carter and Jennings (2004) found no direct relationship between employees’ individual values and purchasing social responsibility (PSR) their study suggests this has a mediating effect and consideration should be given to selecting employees whose values align with the organisation’s PSR activities to spearhead initiatives.

Doing the ‘right thing’

Several studies refer to individuals or organisations viewing CSR or SSCM as the ‘right thing’ to do (Carter and Jennings 2004; Welford and Frost 2006; Walker and Jones 2012; Gormly 2014; McMurray *et al.* 2014).

In summary, a range of external, organisational or individual drivers may be instrumental in CBs implementation. Policy makers, organisations or individuals may also be driven by the perceived benefits of SSCM, examined next.

3.2 What are the perceived benefits of implementing Community Benefits?

Several potential benefits and beneficiaries of SSCM or CBs initiatives are suggested in the literature, guidance and reports and these may be classed as external, organisational or individual. These are summarised in Table 3.2.

Table 3.2 Potential benefits of CBs initiatives in the literature

Level	Potential benefits	Literature examples
External	Local socio-economic benefits	McCrudden 2007 Walker and Preuss 2008 Anthony Collins Solicitors 2014 Wright 2015
Organisational	Enhances reputation/PR	Perry and Tower 2013 Welford and Huq <i>et al.</i> 2014 Wright 2015
	Added value benefits	Huq <i>et al.</i> 2014 Welsh Government 2014
	Other commercial benefits, such as competitive advantage	Huq <i>et al.</i> , 2014 Foerstl <i>et al.</i> 2015
	Benefits for recruitment/staff retention or training	Welford and Frost 2006 Perry and Towers (2009) McWilliams <i>et al.</i> (2011) Huq <i>et al.</i> 2014
Individual	Individual benefits for beneficiaries of CBs initiatives	McDermid <i>et al.</i> 2008 Wright 2015

3.2.1 External benefits

Local socio-economic benefits

Several potential benefits may be categorized as external to the organisation, accruing to the local community or individuals, even though realising such external benefits may be closely linked to organisational goals. Public expenditure can be used to stimulate local socio-economic regeneration, with the impact on the local economy quantified using the local multiplier (LM) or “LM3 tool” (New Economics Foundation 2005 p.14).

Public procurement can provide an opportunity to promote the development of skills through training and apprenticeships providing benefits for individuals and their families (Office of Government Commerce 2009 p.3). This frequently takes the form of targeted recruitment and training (TR&T) focusing on socially or economically disadvantaged regions, particularly in higher value contracts (Erridge *et al.* 2005; Swan and Khalfan 2007; Eadie *et al.* 2011; Macfarlane 2014). It is suggested that greater female participation in the construction industry could lead to an improvement in women’s economic position, addressing social exclusion beyond simply providing employment for those previously unemployed (Wright 2015).

3.2.2 Organisational benefits

Enhances reputation/PR

Complying with social standards or enhancing the organisation’s reputation may increase competitive advantage, for example helping suppliers to secure longer-term contracts or an increase market share; or improving the reputation of a public sector

organisation in the eyes of government/elected representatives (Welford and Frost, 2006; Huq *et al.*, 2014; Foerstl *et al.* 2015; Wright 2015).

Benefits for recruitment/staff retention or training

The literature suggests there are links between implementing CSR measures and staff motivation, recruitment retention, and lowering sickness absence. One strand of literature indicates that employees may choose to remain employed in organisations where they are well-treated, so improving social conditions for employees may result in staff retention (Welford and Frost 2006; Huq *et al.* 2014). There may also be links between the organisation's CSR policies or initiatives and benefits for recruiting or retaining employees who share similar values to the organisation. For a more detailed discussion on the links between CSR and potential benefits see Perry and Towers (2009), McWilliams *et al.* (2011) and Bode *et al.* (2015). In both cases benefits may include reduced costs associated with recruitment and training. However, such potential benefits may be intangible and difficult to measure (Jenkins 2006).

Added value benefits and reporting

The literature suggests that organisations may realise added value through SSCM or CBs clauses. The potential benefits include reducing the costs associated with state support, for example payments of social security benefits or in-work benefits (European Parliament 2011). Supporting local SMEs may bring wider economic benefits such as increased tax income through local taxes or higher employment, reduced welfare costs and reduced demand for health services, which may be particularly important for regeneration areas (Preuss and Walker 2008). The ability to report such benefits may be an additional benefit for public sector organisations

(McDermid *et al.* 2008). It is difficult to quantify whether any long-term benefits result from the use of employment related social clauses in procurement contracts and how these relate to cost savings for individual organisations or the State as a whole (While *et al.* 2016).

Other commercial benefits

The literature suggests that organisations may realise other commercial benefits through CSR or SSCM initiatives. CSR standards may improve worker welfare and hence enhance productivity and efficiency, contributing to business success (Welford and Frost 2006; Huq *et al.* 2014). A potential organisational benefit linked corporate philanthropy is competitive advantage (Porter and Kramer 2002). McDermid *et al.* (2008, p.10) suggest a range of possible strategic benefits for registered social landlords (RSLs) through CBs, for example addressing local employability issues; maximising the social return on investment (SROI) and the value of public expenditure; supporting the organisation's own social enterprise goals; and widening the opportunities for TSOs to "meet wider social commitments".

3.2.3 Individual benefits

Individual benefits for beneficiaries of Community Benefits initiatives

The literature suggests that the beneficiaries of SSCM initiatives may find long-term employment (Erridge *et al.* 2005; McDermid *et al.* 2008; Wright 2015). For example, Wright (*ibid*) reported that over a third of the project participants represented ethnic minorities and a high percentage of participants moving into continued employment.

Using female employees to provide domestic maintenance services can offer reassurance to female residents (Wright 2015, citing Nelson 2014).

Contracting with third sector organisations (TSOs) is believed to offer several potential benefits for individuals through bringing about greater equality or addressing inequalities such as those faced by disabled persons, particularly when linked to “businesses employing disadvantaged members of society” (Kanapinskas *et al.* 2014, p.308).

In summary, the literature suggests that public sector organisations, communities, supplying organisations and individuals may benefit through SSCM or CBs initiatives. Barriers that may need to be overcome to ensure such benefits are realised are considered next.

3.3 What are the perceived barriers to implementing or realising Community Benefits?

Through a review of the literature many barriers to SSCM or CBs implementation can be identified. There appears to be greater coverage of barriers than other aspects related to SSCM or CBs in the literature. Key barriers are summarised in Table 3.3.

Table 3.3 Key barriers to SSCM or CBs implementation

Level	Barrier	Literature examples
External Barriers	Legislation/policy related, including political or legal risk/uncertainty	Walker and Brammer 2009 Walker and Jones 2012 Anthony Collins Solicitors 2014 Sutherland <i>et al.</i> 2015 While <i>et al.</i> 2016 Kuijpers <i>et al.</i> 2017
	Supply chain barriers	Walker and Brammer 2009 Walker and Jones 2012 Perry and Tower, 2013 Sutherland <i>et al.</i> 2015 Loosemore 2016
	Failing to understand the implications for contractors and unintended consequences	Constructing Excellence in Wales 2012 Kuijpers <i>et al.</i> 2017
	Lack of contract certainty	Constructing Excellence in Wales 2012 Loosemore 2016
	Market forces/competition	Scottish Government 2008 Walker and Jones 2012 Kuijpers <i>et al.</i> 2017
	Other commercial barriers including late payment	Constructing Excellence in Wales 2012 Walker and Jones 2012
Organisational barriers	Resource-related issues	Preuss 2007 Walker and Brammer 2009 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
	Reporting and measurement issues	Eadie <i>et al.</i> 2011 Nijaki and Worrel 2012 Walker and Jones 2012 Gormly 2014 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
	Cost or perceived cost	Walker and Brammer 2009 Walker and Jones 2012 Sutherland <i>et al.</i> 2015
	Potential conflict between goals/objectives	Walker and Jones 2012 Erridge and Hennigan 2012 Sutherland <i>et al.</i> 2015 Jabang 2017 Kuijpers <i>et al.</i> 2017
	Ambiguous goals/standards/targets	Mont and Leire 2009 Walker and Jones 2012 Lund-Thomsen and Costa 2011
	Lack of consistent approach	Walker and Jones 2012
	Low priority/commitment	McCrudden 2007 Walker and Brammer 2009 Preuss 2011
	Enforcement/monitoring issues	Walker and Brammer 2009 Walker and Jones 2012
	Lack of managerial support	Min and Galle 2001 Walker <i>et al.</i> 2008 Mont and Leire 2009 Walker and Brammer 2009

Level	Barrier	Literature examples
	Lack of policy framework/ process alignment	Preuss 2009 Lund-Thomsen and Costa 2011 Walker and Jones 2012
Individual barriers	Lack of practical guidance/training	Mont and Leire 2009 Preuss 2011 Walker and Jones 2012 Cabinet Office 2014
	Cultural barriers	Preuss 2009 Hoejmosse and Adrien-Kirby 2012 Cabinet Office 2014 Jabang 2017

3.3.1 External barriers

Legislation/policy related

Although legislation is viewed in the literature as a driver for CSR or CBs implementation, there are several potential challenges. Public sector organisations must have appropriate legal powers to implement CBs policies and procedures (Anthony Collins Solicitors 2006; Welsh Government 2014). Several authors have highlighted potential problems with the implementation of the Social Value Act (Arvidson and Kara 2013; Davies and Schon 2013; Anthony Collins Solicitors 2014; Cabinet Office 2014; King 2014). The Treaty on the Functioning of the European Union (TFEU) principles of equal treatment and non-discrimination; transparency; proportionality; and mutual recognition underpin the EU public procurement directives and are designed to remove barriers to trade, ensuring that contractors across the EU can bid for public contracts (Scottish Government 2008; Anthony Collins Solicitors 2014). However, the potential conflict between the TFEU or legislation and a national or local desire to use public procurement to meet social objectives and has been highlighted in several ECJ judgements (Anthony Collins Solicitors 2006, 2014).

Targeting certain groups for recruitment or training may reduce opportunities for individuals who might otherwise be eligible to apply for a position (Kuijpers *et al.* 2017). This relates to another potential barrier, the need to ensure the standard of equal treatment afforded under the Equality Act 2010 and the TFEU. For many years the construction industry has apparently contained a gender bias with male participants vastly outnumbering females (Erridge *et al.* 2005). Whilst there have been increased efforts to increase the number of women in construction (see for example Wright 2015), the decision to favour an unskilled white female over a skilled black male could potentially be open to challenge and it is necessary to balance a range of legal requirements when considering TR&T measures (Macfarlane 2014). There is also concern over what happens to the individual beneficiaries of CBs or social value initiatives once the contract has ended, due to difficulties obtaining information on individuals no longer employed by the contractor or subcontractor (Sutherland *et al.* 2015; NICVA 2013).

Perhaps the greatest legal barrier is the risk of legal challenge, particularly for contracts valued above the EU threshold. Despite the availability of guidance, a lack of understanding concerning CBs and the legal position was cited as a barrier by some Scottish public sector bodies (Sutherland *et al.* 2015). A report by the Centre for Economic Empowerment (NICVA 2013) identified aversion to the risk of legal challenge as barrier for implementing social clauses within NI public sector contracts, based on a perception that unsuccessful bidders for contracts in this region are more litigious. It can be difficult to demonstrate a clear link between the contract and the benefits for the public sector organisations, since social measures are difficult to quantify, making it more difficult to incorporate CBs within the award criteria, where

it is always necessary to demonstrate that value for money is achieved (MacFarlane and Cook 2002). There is also a risk that any change in political leadership may lead to uncertainty (Walker and Brammer 2009).

Supply chain barriers

The literature suggests that supply chain members may not fully support the client's SSCM objectives (Walker and Brammer 2009; Walker and Jones 2012; Perry and Tower, 2013; Sutherland *et al.* 2015; Loosemore 2016). Some specific issues for members of the supply chain are identified next.

Market forces/competition

Several potential SSCM barriers relate to the market or market forces. The buying organisation may be concerned over the effects on competition, for example fearing that suppliers, especially SMEs, may be deterred from bidding (Scottish Government 2008; Walker and Brammer 2009; Lund-Thomsen and Costa 2011). Contrarily, research conducted by Constructing Excellence in Wales (2012 p.6) found that “the presence of ‘social clauses’ has little or no impact on contractors’ willingness to bid for work”. Competition between public sector organisations can lead to reluctance to share best practice around CBs (Lynch *et al.* 2016).

SMEs may face barriers to involvement in the supply chain, as they must compete and prove value for money (VFM) in the same way as larger firms with greater resources (Wright 2013; Cabinet Office 2014; Temple and Wigglesworth 2014). The aggregation of contracts and involvement of purchasing consortia may also mitigate against SMEs, since larger contractors may be favoured in order to manage risk or

significant resources may be required to meet the public sector client's reporting requirements (Walker and Preuss 2008; Preuss, 2011). The mandated use of national or regional framework agreements or contracts may exacerbate the problems already faced by SMEs or third sector organisations (TSOs) through a lack of resources to tender and win public sector contracts (Jabang 2017). Another barrier to including local suppliers within the supply chain is “industry voids”, where there is insufficient skills capacity available regionally within a specific sector (Lynch *et al.* 2016, p. 8). Organisations may experience difficulty moving CSR beyond first-tier suppliers or measures may not “trickle down” the supply chain (Mont and Leire 2009; Hall and Matos 2010; Rasche 2010; Perry and Towers 2013). Exploring such barriers may require a dyadic approach.

Many of the barriers TSOs face are similar in nature to those faced by SMEs, such as difficulty identifying tender opportunities or accessing networks, a lack of resources to negotiate bureaucratic bid procedures, or a perceived lack of capacity or ability to absorb risk (Davies and Schon 2013; Loosemore 2016; Kuijpers *et al.* 2017).

Additional barriers include issues around recruitment and training for the construction industry and the fact that cost savings may accrue to the State when people are helped into work, rather than the organisation that creates the employment or training opportunity through its procurement (While *et al.* 2016).

Failing to understand the implications for contractors and unintended consequences

The contractor's strategic recruitment and retention policies may also be adversely affected by TR&T initiatives imposed by external stakeholders. Whilst contractors may be actively involved in recruiting apprentices to ensure continuity of skills, the demands of clients regarding new entrants can disrupt this process, threaten retention and contractors may not be able to provide sustainable employment for those employed specifically to meet the client's targets (Constructing Excellence in Wales 2012). Under such conditions TR&T obligations may have undesirable effects, for example it may force the contractor to lay off regular staff, while having to hire new (untrained) staff for the contract, labelled the "carousel effect" (Lynch *et al.* 2016, p. 11).

Lack of contract certainty

Uncertainty of workload, resulting from limited forward planning, hinders "the ability of suppliers to provide CBs. Hence a lack of contract certainty can impact on the supplier's ability to provide CBs, particularly through TR&T (Constructing Excellence in Wales 2012; Loosemore 2016). When sectors like construction face an economic down-turn, it may not be possible to sustain targets for apprenticeships (NICVA 2013). One recent report identifies barriers to providing local training and employment through construction contracts (While *et al.* 2016). These include specialist skills that are often provided by mobile workforces, the short duration of contracts and security or health and safety related issues that are associated with working in construction. Such factors make it more difficult to incorporate CBs in smaller or shorter duration contracts.

Ambiguous goals/standards/targets

The literature suggests that clients' goals or targets for SSCM initiatives may be ambiguous (Mont and Leire 2009; Lund-Thomsen and Costa 2011; Walker and Jones 2012). Whilst contractors broadly support clients' CBs aims, they often struggle with the way policies are implemented in practice and express concern that clients tended to "focus on short-term targets rather than longer-term outcomes" (Constructing Excellence in Wales 2012 p.3). Sutherland *et al.* (2015, p.21) found that "contractors were not always clear about what outcomes were to be delivered... [leading to] outcomes being interpreted in different ways, making aggregating of outcomes across contracts difficult". This replicates findings in Northern Ireland (NICVA 2013).

Other commercial barriers

Other commercial barriers may inhibit the supplier's ability to support SSCM initiatives or provide CBs (Walker and Jones 2012; Constructing Excellence in Wales 2012). For example, cash flow problems resulting from late payment may inhibit prompt payment of subcontractors, as main contractors sometimes delay payments to manage their cash flow (Constructing Excellence in Wales 2012 p. 13).

3.3.2 Organisational barriers

Lack of policy framework/ process alignment

The organisation may lack a policy framework, fail to align processes, or try to impose a "top down" approach (Lund-Thomsen and Costa 2011). A lack of clarity or failure to communicate the policy or its goals may also hinder progress. For example, the lack of a strategic policy framework or integration processes were identified by Walker and

Jones (2012) as internal barriers to SSCM. Lund-Thomsen and Costa (2011) found the lack of an overall policy framework a barrier to the United Nations engagement in sustainable procurement. Preuss (2009) found strategic integration to be a prerequisite for SSCM but this was sometimes hindered by a lack of communication across internal boundaries.

Potential conflict between goals/objectives

Organisations face competing objectives, such as the need to balance value for money or obtain goods and services at the lowest cost against other objectives (Walker and Phillips 2009). Public sector organisations may be limited by a legal requirement to achieve “best value” or value for money in procurement (Macfarlane and Cook, 2002; Scottish Government, 2008; Anthony Collins Solicitors, 2006; Preuss 2011; Anthony Collins Solicitors 2014; Welsh Government 2011; Scottish Housing Regulator 2012). Procurement professionals or organisations may struggle with determining how to balance value for money against other issues, particularly where organisations face “increasing pressures from a wider range of stakeholders” (Harwood and Humby 2008, pp.166, 170). Social sustainability may not be the highest concern for buyers who take multiple factors into account when awarding contracts, including supply capacity, conflict between higher costs/lower margins and standards or codes of conduct (Mont and Leire 2009; Rasche 2010; Perry and Towers 2013; Huq *et al.* 2014).

There may also be a tension between efficiency and trying to stimulate the local economy, particularly where the emphasis is obtaining value for money through consortia contracts. The aggregation of contracts may mitigate against SME

participation; and larger contractors may be favoured in order to manage risk in construction contracts (McCrudden 2007; Preuss, 2011).

A number of researchers refer to the trade-offs involved in sustainable procurement, the most frequently cited being that between economic versus social or environmental goals (Lund-Thomsen and Costa 2011; Carter and Fortune 2007; Essa and Fortune 2008; Wu and Pagell 2011). There may be a trade-off may be between sustainability and “cost, time or quality” in terms of project delivery (Meehan and Bryde 2011, p.102). Lund-Thomsen and Costa (2011, p.64) suggest that the social aspects of sustainability such as local capacity building are easier to implement when linked to specific projects. On the other hand, it is often easier to justify procurement decisions based on an evaluation of price than wider social benefits (Thomson and Jackson 2007). When balancing efficiency and social issues, social value may be ignored or given a lower priority (Arvidson and Kara 2013). This has led Meehan and Bryde (2011, citing Winn 2006) to suggest that organisations struggle to translate all three elements of sustainability (economic, social and environmental) into practice despite their inter-related nature and the fact that each element may impact on others positively or negatively. This problem may be compounded at the individual level where members of project teams may not share a commitment to sustainable procurement (Grandia 2015).

It may be particularly difficult to justify social measures in the face of budget cuts where the focus may be on justifying short-term savings and the value of social measures or proving that the whole-life cost is lower may be difficult to quantify

(Oruezabala and Rico 2012; Lynch *et al.* 2016). This leads to discussion of the next barrier, which is the cost, or perceived cost, of implementing SSCM.

Cost or perceived cost

The cost of SSCM or CBs implementation, or perception that such measures increase costs, may also pose a barrier (Walker and Brammer 2009; Walker and Jones 2012; Sutherland *et al.*, 2015). There appears to be a widespread assumption that sustainable procurement results in higher costs, including administrative costs. This may explain why economic objectives are often prioritised (Walker and Phillips, 2006; Harwood and Humby 2008; Walker *et al.* 2008; Austen and Seymour 2009; Mont and Leire 2009; Eadie *et al.*, 2011). This perception also applies to CBs. For example, Sutherland *et al.* (2015) found that participants in Scotland were concerned about a risk that requiring CBs would encourage inflated costs. McDermid *et al.* (2008) recognise that RSLs suppliers may face additional costs, particularly where CBs are linked to supporting severely disadvantaged persons or TSOs that work with them.

Reporting and measurement issues

Difficulties measuring or reporting the benefits related to SSCM or socio-economic CSR initiatives may pose a barrier (Gormley 2014; Walker and Jones 2012; Sutherland *et al.* 2015; Kuijpers *et al.* 2017). Social benefits may be harder to quantify and it is difficult to define social value (Walker and Phillips 2006; Thomson and Jackson 2007; Harwood and Humby 2008; Eadie *et al.* 2011; Lund-Thomsen and Costa 2011; Nijaki and Worrel 2012; Akenroye 2013; Gormly 2014; King 2014). Some aspects of sustainable procurement may be particularly difficult to quantify, such as the indirect impact that may result from an increase to the organisation's reputation (Wild and

Zhou 2011) or the attractiveness of the organisation to like-minded potential employees (Worthington 2009). Suppliers who can provide additional social value through service contracts sometimes find it difficult to demonstrate this to commissioners (Cabinet Office 2014).

Some requirements are hard to define, for example what constitutes long-term unemployed varies between less than three months and more than one year, making it difficult to compare reported outcomes (Eadie *et al.* 2011). Without adequately defining the meaning of social value and ensuring that the creation of such value has taken place, it is difficult for social value to be meaningfully integrated within public procurement procedures (Arvidson and Kara 2013). Here it may be useful to refer to the UK Government's definition of long-term unemployment as 12 months or more with a continuous claim (Department for Work and Pensions 2013).

SROI or LM3 are viewed as valuable methods for organisations to demonstrate how value for money can be achieved through public sector contracts. However, such measurement tools may not be considered 'user friendly'; public sector managers or their suppliers may have limited time to use such tools or analyse all the data collected in order to quantify the benefits; and procurement practitioners may find measures such as the Local Multiplier or SROI hard to quantify (Preuss 2007; Jabang 2017). There is a lack of standard indicators or measures across sectors and a failure to measure longer-term benefits (Eadie *et al.* 2011; Jabang 2017). It is also difficult to identify benefits that would have been delivered regardless of any CBs associated without the contract (Sutherland *et al.* 2015). The academic literature has neglected the problem of measurement or focused attention on sustainability efforts in areas such

as the environment which are more easily measured, leading Walker and Philips (2006, p.577) to conclude that further research is needed into the measurement of sustainable procurement impacts.

Where CBs have been promised, it is necessary to monitor delivery and ensure that any targets are met, with “fear of unscrupulous contractor behaviour” providing an incentive for monitoring (Sutherland *et al.* 2015, pp 6). A number of issues around CBs monitoring have been identified and monitoring and enforcement are not very prevalent (Gormly 2014). It may also be difficult to take enforcement action, with a lack of legal clarity on what penalties may be legally available and concerns over enforcement measures that could be taken against SMEs that may have insufficient resources to invest in social value or adequate support for implementation (NICVA 2013). The devolved nature of procurement and high levels of staff turnover may further inhibit communication or monitoring, impacting on implementation (Jabang 2017).

Lack of managerial support

A lack of support from senior managers, or a lack of training may hinder CSR implementation in public and private sector organisations. Senior managers may not understand what resources are needed to implement and monitor SSCM or fail to demonstrate a commitment, particularly during the implementation phase (Mont and Leire 2009). For example, Min and Galle (2001) found a lack of management commitment was a key barrier to implementing environmental sustainability. Walker and Brammer (2009) found that greater support could be provided for procurement officers in the healthcare sector to implement sustainable procurement. Even where

senior managers are supportive of environmental requirements, a lack of support from mid-level managers could pose a barrier (Walker *et al.* 2008).

Resource-related issues

A lack of adequate human or financial resources may be a barrier and procurement staff may give social CSR issues a lower priority when resources are stretched (Preuss 2011). Senior managers may not understand what resources are needed to implement or monitor SSCM, so the organisation may not make an adequate budget available to accommodate SSCM (Mont and Leire 2009; Walker and Brammer 2009). Public sector managers have limited time to use tools that help determine the impact of SRPP policies or analyse all the data collected (Preuss, 2007). The time needed to report CBs or SROI may also pose a barrier for SMEs or TSOs (Kuijpers *et al.* 2017). Public sector managers have expressed concerns about the resources or capacity needed to implement and monitor Community Benefits in contracts (Sutherland *et al.* 2015).

Lack of consistent approach

There has also been a lack of consistency in approach across the UK, with public procurement officials applying differing interpretations of EU law and guidance on the use of social clauses in contracts. This may be an issue for larger suppliers that work across regional, organisational or departmental boundaries, since potential suppliers may not be clear about what is required and fail to optimise their offers to maximise social value creation or CBs (NICVA 2013).

Training related issues

There is also a body of literature concerned with possible barriers to targeting recruitment and training (TR&T) at the most disadvantaged, including difficulty defining long-term unemployment or those who are deemed socially excluded (Macfarlane 2014). Although employment opportunities may be targeted at people living in areas with relatively high unemployment, this does not always occur (Erridge *et al.* 2005). Sutherland *et al.* (2015) found a lack of clarity on how to target specific disadvantage groups such as long-term unemployed, BME groups, ex-offenders, and specific communities, particularly for contracts where the production or service does not take place in the local community. This may impact on suppliers who need to implement TR&T or public sector organisations if their TR&T targets are not met.

Other organisational barriers

Other organisational barriers include the need to ensure adequate training for relatively short-term employment contracts, varying levels of commitment, with some contracting authorities paying “lip service”, and a “lack of clarity” over procedures despite the availability of guidance (Erridge *et al.* 2005, pp. 41-42). A cultural shift may be necessary before training and employment schemes can be implemented successfully. This may impact on public sector procurers and suppliers.

Sutherland *et al.* (2015) identified several additional challenges for suppliers that may be specific to CBs. Such clauses are fairly well established in construction contracts but many contracts are not seen as relevant, either due to the nature or value of the contract. For example, contracts for scientific equipment were cited as making CBs more difficult to implement. Organisations also reported difficulty getting internal stakeholders to buy into CBs.

3.3.3 Individual barriers

Lack of practical guidance or training

The literature suggests that a lack of practical guidance or training may inhibit the ability of individuals responsible for implementing CSR or SSCM initiatives (Mont and Leire 2009; Preuss 2011; Walker and Jones 2012; Cabinet Office 2014). For example, staff involved in devolved purchasing may lack skills, resources, information or engagement with CSR or fail to embed social value (The Cabinet Office 2014).

Cultural barriers

Cultural barriers may exist, for example procurement staff may be resistant to change, perhaps having been conditioned to seek the lowest price (Walker *et al.* 2008; Lund-Thomsen and Costa 2011; Hoejmose and Adrien-Kirby 2012). There may be a conflict between the priorities of employees and those of the firm or its customers or between the organisation's stated goals regarding sustainable procurement and the focus of documents guiding procurement manager's actions, which may be on price (Mont and Leire 2009; Lund-Thomsen and Costa 2011). When combined with a lack of resources, this may lead employees in public or private sector organisations to view CSR initiatives as an additional burden (Welford and Frost 2006; Walker and Jones 2012).

Other potential individual barriers

Several individual level barriers exist in relation to TR&T or employment, for example the level of pay compared to state benefits may act as a disincentive for some potential

employees (Erridge *et al.* 2005). It may also be difficult to determine whether the beneficiaries represent those at greatest risk of deprivation (While *et al.* 2016).

In summary, the literature, reports and guidance point to many potential barriers for CSR and CBs implementation, which should be explored through the research. Some of these barriers may be overcome and the next section examines some possible enablers for SSCM or CBs implementation. The literature also suggests multiple enablers.

3.4 What are the perceived enablers for implementing Community Benefits?

Several enablers for SSCM or SRRP have been suggested. These potentially also apply to CBs implementation; and may be external, organisational or individual level enablers. A summary of the key enablers is provided in Table 3.4 and these are discussed briefly.

3.4.1 External enablers

Legislation/policy

Although legislation and policy are most frequently listed as drivers in the literature, many of the legislative drivers already discussed may also be enablers (Henty 2012; Walker and Jones 2012; Anthony Collins Solicitors 2014).

Table 3.4 Potential enablers for CBs implementation.

Level	Enabler	Literature examples
External enablers	Legislation/ policy	Henty, 2012 Walker and Jones 2012 Anthony Collins Solicitors 2014 Jabang 2017
	Buyer's power	Walker and Jones 2012
	Supply chain support	Skarya <i>et al.</i> 2012 Bonwick 2014 Walker and Jones 2012 Loosemore 2016 Davies and Schon 2013 Kuijpers <i>et al.</i> 2017
	Inter-contractor liaison and external liaison/ networking and support	Walker and Jones 2012 Anthony Collins Solicitors 2006 Bonwick 2014 Davies and Schon 2013 Loosemore 2016
	Buyer and contractor communication/ liaison	Bonwick 2014 Walker and Brammer 2009 Constructing Excellence in Wales Report 2012 Kuijpers <i>et al.</i> 2017
Organisational enablers	Strategic/policy focus/ embedding	Walker and Jones 2012 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
	Clearly communicated goals/ targets/ expectations	Preuss 2009 Walker and Brammer 2009 Constructing Excellence in Wales 2012 Sutherland <i>et al.</i> 2015
	Flexibility/ realistic targets	Preuss 2007 Constructing Excellence in Wales 2012 Loosemore 2016
	Strategic role of procurement in implementation	Harwood and Humby 2008 Walker and Brammer 2009 Walker and Jones 2012
	Contract management/ monitoring and enforcement	Sutherland <i>et al.</i> 2015 Macfarlane and Cook 2002 Jabang 2017
	Organisational support/ resources	Walker and Brammer 2009 Andersen and Skjoett-Larsen 2009 Walker and Jones 2012 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
	Cost-neutrality/value for money	Welsh Government 2014
	Organisational structure/size	Walker and Jones 2012
Individual enablers	Guidance/ training	Sarkis <i>et al.</i> 2011 Walker and Brammer 2009 Walker and Jones 2012 Constructing Excellence in Wales 2012

For example, Jabang (2017) found that the Public Services (Social Value) Act 2012 enabled organisations to communicate their social value priorities to potential

contractors, increasing legitimacy and support for proposed measures from contractors and internal departments, helping them to overcome resistance. Certain sectors also have specific legislative powers that might enable them to implement CBs or other social measures through procurement, as outlined in Table 3.5.

Table 3.5 Enabling legislation

Sector	Legislative provisions	Source
NHS	National Health Service and Community Care Act 1990 (targeted recruitment and training) NHS (Wales) Act 2006	Anthony Collins Solicitors 2006 Welsh Government 2014
Local Government	Local Government Act, 2000 (promotion of economic or social well-being in the area)	Preuss 2011
Registered Social Landlords	Housing and Regeneration Act 2008 (Social housing provision by its nature contributes to the social and economic well-being of the area in which it takes place)	DCLG 2010 Welsh Government 2011
UK public sector	EU Public Contracts Directive (2014) (European public procurement legislation enables the inclusion of social considerations in public contracts)	European Commission 2010 European Council 2014

Whilst the UK remains an EU member country, it is also covered by public procurement legislation, which is viewed by some as enabling the inclusion of social considerations in public contracts (Scottish Futures Trust 2015). The European Commission has long viewed social considerations as covering a wide range of issues, including using contract clauses to combat social exclusion (European Commission 2010). The emphasis more recently has been social inclusion and socially responsible public procurement (SRPP), providing a wide range of social considerations to be considered, providing that the TFEU principles and Procurement Directives are observed (European Commission 2010). These social considerations include:

“employment opportunities, decent work, compliance with social and labour rights, social inclusion (including persons with disabilities), equal opportunities, accessibility

design for all, taking account of sustainability criteria, including ethical trade issues; and wider voluntary compliance with corporate social responsibility (CSR) ”
(European Commission 2010, p. 7)

Other changes to UK legislation or policy may also support CBs implementation. For example, moving to Universal Credit may allow more flexibility to access short term or part-time employment opportunities, being based on income rather than the number of hours worked (While *et al.* 2016).

Buyer's power

The relative power of the buyer may be both an enabling factor and driver (Walker and Jones 2012). In particular using the value of public procurement as a policy tool (McCrudden 2007) and the inclusion of CSR requirements in selection and award criteria emphasises their importance (Leire and Mont 2010; Jabang 2017). Public sector organisations may provide additional incentives for contractors to include social benefits in contracts (Jabang 2017). McDermid *et al.* (2008) suggest that RSLs consider how to overcome any potential risk of market distortion. This includes requiring information at the most appropriate stage, clearly communicating the organisation's aims and objectives, considering how CBs will be specified, monitored and measured; and ensuring transparency and equal treatment.

Supply chain support

Several researchers suggest that supply chain support is a key enabler for CSR, SSCM or CBs implementation (Walker and Jones 2012; Davies and Schon 2013; Loosemore 2016; Kuijpers *et al.* 2017). Research among construction contractors (Constructing

Excellence in Wales 2013) identified multiple supply chain enabling factors for CBs implementation. These include:

- consistency in terms of clients' aims and practices
- avoiding the rigid application of targets and ensuring clients are realistic about what can be delivered through the contract; client leadership with less focus on choosing between 'core' and 'non-core' approaches
- a more strategic view rather than "passing on short-term, unrealistic targets to the supply chain"
- greater coordination and support of employment/training agencies

Suppliers call for clients to ensure workload continuity; clearly communicate their CBs expectations to ensure a level playing field; recognise their established existing training and employment programmes; ensure support structures are in place in advance to assist them to provide CBs; and provide a single point of contact for CBs related issues (*ibid.*).

Supply chain support for TR&T measures may be more forthcoming if some of the barriers discussed previously are addressed. A more detailed analysis of data concerned with demographics and identifying barriers faced by groups or individuals with protected characteristics to accessing TR&T opportunities may assist in ensuring that such opportunities are targeted appropriately (i2i 2008; Macfarlane 2014). Potential pitfalls may be avoided, for example specifying targeted recruitment by refraining from specifying that local jobs must be created in order to avoid breaching EU rules (Scottish Government, 2008) and ensuring that including employment or training clauses does not indirectly discriminate against persons with protected characteristics or those from other EU countries (Macfarlane and Cook 2002). Flexibility, tailoring the approach to including employment and training conditions in contracts; closer inter-organisational liaison between those working within the public sector, agencies providing links to potential trainees or employees and private

employers; and avoiding an “overly prescriptive approach” that could lead to a box-ticking mentality are also proposed (While *et al.* 2016, p.37).

Just as a lack of contract certainty can inhibit CBs implementation, certainty or greater transparency over work pipelines may be an enabling factor (Constructing Excellence in Wales 2012).

Inter-contractor collaboration

Suppliers can facilitate the implementation of TR&T clauses by working with other suppliers or external partners; ensuring mentoring support is available for target beneficiaries and those responsible for their supervision; and ensuring that any employees with responsibilities for contract performance are aware of the requirements (Anthony Collins Solicitors, 2006; Walker and Jones 2012). Shared apprenticeships may help overcome the barriers associated with traditional construction apprenticeships (While *et al.* 2016). Networking, benchmarking, training courses and seminars are useful for sharing sector specific information and assisting the development of policies and procedures (Leire and Mont 2010).

Buyer and contractor communication/ liaison

The literature suggests that good communication and liaison between buyers and contractors may enable more effective implementation of CSR, SSCM or CBs (Walker and Brammer 2009; Constructing Excellence in Wales Report 2012; Bonwick 2014; Kuijpers *et al.* 2017). For example, Anthony Collins Solicitors (2006) suggests consulting the market, setting realistic targets, ensuring the market is briefed in

advance of any social clause and working closely with suppliers may help successful CBs delivery.

3.4.2 Organisational enablers

Strategic/policy focus/embedding

Several authors suggest that ensuring a strategic policy focus on CSR, SSCM or CBs may be a key enabler (Walker and Jones 2012; Sutherland *et al.* 2015; Kuijpers *et al.* 2017). The sustainable procurement goals of the organisation may be aligned to national goals, such as economic development (McMurray *et al.* 2014). Perceiving clear links between the sustainable procurement and the organisation's or agency's goals can help justify an increased focus on sustainability in tenders and help procurement managers to relate social aspects of sustainable procurement to specific projects, taking local social concerns into account (Lund-Thomsen and Costa 2011).

It is important to strategically align CBs with the organisation's policies and practices, including the procurement process and put in place policies, processes or systems to support their effective use (McDermid *et al.* 2008; Sutherland *et al.* 2015). A policy of integrating CBs clauses within procurement processes is one way of ensuring processes are aligned with the organisation's SRPP policies (Preuss 2009). Considering how to address CBs before the tender commences and ensuring a sound business case allows the organisation more scope to take a proactive approach stage and will help ensure that any CBs targets specified by the contracting authority are "proportionate and deliverable" (Macfarlane and Cook 2002; Scottish Futures Trust 2015, p. 11).

Clearly communicated goals/ targets/ expectations

The buying organisation needs to clearly communicate its goals, targets and expectations to potential suppliers (Preuss 2009; Walker and Brammer 2009; Constructing Excellence in Wales 2013). Sutherland *et al.* (2015) suggest linking CBs implementation to the procurement cycle. Working with key stakeholders can help identify and record local priorities or benefits, to tailor CBs clauses accordingly. The organisation will also need to set out any support available to the contractor and indicate how the contractor's response will be assessed. It is also important to ensure that targets are realistic, and it may be necessary to allow some flexibility for suppliers in determining how targets may be met (Preuss 2007; Constructing Excellence in Wales 2012; Loosemore 2016).

Organisational support/resources

Just as a lack of managerial support may comprise a barrier, organisational support, for example the availability of training and adequate staff resources to implement the policy may be crucial to successful implementation (Carter and Jennings 2004; Walker *et al.* 2008; Walker and Brammer 2009; Alvarez *et al.* 2010). Procuring and contracting organisations need to ensure adequate resources are available to collect, analyse and report against targets or the commitments made by contractors (Sutherland *et al.* 2015). The time and resources needed for training and embedding CBs in the organisations policies and procedures may be viewed “as an investment rather than a cost” (McDermid *et al.* 2008, p.20).

Strategic role of procurement in implementation and early internal involvement

The strategic role of the purchasing function, aligning CSR with organisational goals, procurement processes and procedures may also be important factors for successful implementation (Harwood and Humby 2008; Large and Gimenez Thomsen 2011; Gold *et al.* 2010; Walker and Brammer 2009; Walker and Jones 2012).

Although procurement plays a key role in embedding social value within procurement and providing guidance and support to other key stakeholders, the procurement function needs to recognise the specialist knowledge held in other departments, such as those involved in commissioning, and work more closely with them, combining their specialist knowledge to maximise opportunities to achieve social value (Jabang 2017).

Contract management/ monitoring and enforcement

Performance of the contract should be monitored to ensure that CBs are delivered, and that action is taken to ensure that reports are submitted in a timely manner, since suppliers may prioritise CBs clauses that are more tightly monitored by procuring organisations (Macfarlane and Cook 2002; Sutherland *et al.* 2015; Jabang 2017).

Cost-neutrality/value for money

Ensuring that CBs are implemented in a cost-neutral way and demonstrating affordability may be an enabling factor (Anthony Collins Solicitors 2006). Although a perceived barrier is cost, Jabang (2017) found that seeking additional social benefits through contracts did not result in increased costs for the local authorities involved in his study, except for social care contracts. It was not clear whether costs were borne by contractors or what additional financial value was being generated for the public sector client. McDermid *et al.* (2008) suggest that TSOs may use grant funding to subsidise costs associated with supporting disadvantaged persons. Embedding measures to address social exclusion in the tendering process may deter contractors from significantly increasing costs (Scottish Government 2008). Many of the social considerations that may address social exclusion may be linked to CBs measures. It may be possible to demonstrate a direct link between reducing local unemployment and hence reducing the local government organisation's expenditure on benefits such as Housing Benefit. Applying a local multiplier formula (LM3) may demonstrate local socio-economic benefits, for example £1 spent locally could be worth up to 400 percent more (Preuss 2009; Arvidson *et al.* 2013; King 2014; Jabang 2017; Rimmington *et al.* 2006).

Organisational structure/size

Organisational structure, size or SME readiness are other factors that may be relevant to both buying organisations and suppliers (Walker and Brammer 2009; Preuss 2011; Sarkis *et al.* 2011; Walker and Jones 2012).

Tools/templates etc.

Several authors suggest that tools and templates may assist in implementation (Eadie *et al.* 2011; Davies and Schon 2013; Bonwick 2014; Loosemore 2016; Kuijpers *et al.* 2017). For example, Eadie *et al.* (2011, p. 42) refer to a possible “catalogue of clauses to be shared by the public sector” but is important to recognise that clauses may need to be tailored for different types of contract.

3.4.3 Individual enablers

Guidance/training

There is guidance on implementing CBs in public sector contracts, some of which has been tailored to sectors such as social housing or construction (MacFarlane and Cook 2002; i2i 2008; Scottish Government 2008; Welsh Government 2014; Scottish Futures Trust 2015). There is also specific guidance on integrating equality considerations into contracts (for example WGLA 2011; Equality and Human Rights Commission 2014). Guidance and case studies can help the buying organisation to implement social measures through procurement (Walker and Brammer 2009; Sarkis *et al.* 2011; Walker and Jones 2012; Constructing Excellence in Wales 2012; Jabang 2017). The availability of training and guidance for suppliers has also been identified as enabling CSR or SSCM implementation (Walker and Brammer 2009; Sarkis *et al.* 2011).

Identifying organisational social value or CBs ‘champions’ who can support implementation or help gain support across the organisation is another enabler (Sutherland *et al.* 2015; Jabang 2017).

In summary, many potential enablers for CSR or CBs implementation have been identified through the academic literature, reports and guidance documents. These factors may assist organisations in overcoming some of the barriers to SSCM or CBs implementation. The next section considers the literature applicable to different types of Community Benefit initiative.

3.5 What types of Community Benefits are prevalent?

As outlined in Chapter 2, the Welsh Government has defined the types of CBs as falling into seven categories, as indicated in Figure 3.2



Figure 3.2 Welsh Government's components of Community Benefits (Welsh Government 2014, p. 12)

The components of CBs encompass TR&T for economically inactive persons, retention and training for the existing workforce; supply chain initiatives including the promotion of social enterprises and supported businesses, community initiatives, contributions to education and promoting environmental benefits (MacFarlane and Cook 2008 p.7; Welsh Government 2014 p.12).

Since equality and diversity legislation applies to public sector procurement activities, it is also assumed that such considerations underpin procurement decisions and processes including the implementation of CBs (Welsh Government 2014).

3.5.1 Overview: references to specific Community Benefits measures in the literature

Here the literature is linked to CBs measures set out in the Welsh Government's model (Welsh Government 2014 p.12). Some CBs may be categorised as socio-economic, providing both social and economic benefits. These include workforce measures; supply chain measures; community initiatives and philanthropy, including contributions to education. Some benefits may be environmental or yield additional economic benefits, for example recycling, which reduces the costs associated with waste disposal.

These issues have been covered in the literature although not necessarily referred to as CBs. Not all the literature relevant to specific forms of CBs such as targeted recruitment and training or the inclusion of local SMEs within supply chains was found through the structured literature review or in the supply management literature. Swan and Khalfan (2007 p.128) found that such issues were increasingly appearing "in the

consideration of policy drivers relating to sustainable communities”. This makes it necessary to draw on literature from fields such as construction, engineering and project management, economics and finance and human resources management. Some examples are provided in Table 3.6:

Table 3.6 Articles relating to CBs in the academic literature

Type	Type of Community Benefits measure⁷	Literature examples
Workforce measures	Targeted Recruitment and Training	Swan and Khalfan 2007 Austen and Seymour 2009 Eadie <i>et al.</i> 2011 Constructing Excellence in Wales 2012 Erridge and Hennigan 2012 Kurul <i>et al.</i> 2013 Kanapinskas <i>et al.</i> 2014 Sutherland <i>et al.</i> 2015 Wright 2015 Lynch <i>et al.</i> 2016 Kuijpers <i>et al.</i> 2017 While <i>et al.</i> 2016
	Training for existing employees	Welford and Frost 2006 Huq <i>et al.</i> 2014
Supply chain initiatives	Supply chain: SMEs	McDermid <i>et al.</i> 2008 Preuss 2011 Wright and Brown 2013
	Supply chain: Local suppliers	Preuss 2007 Morgan 2008 Walker and Brammer 2009 Brammer and Walker 2011 Lehtinen 2012
	Supply chain: Third sector organisations (TSOs)	Davies and Schon 2013 Wright and Brown 2013
Community and philanthropy	Community initiatives and philanthropy	Carter and Jennings 2004 Worthington <i>et al.</i> 2008 Walker and Brammer 2009 Brammer and Walker 2011
Environmental Benefits	General environmental benefits	Preuss 2007 Swan and Khalfan 2007 Meehan and Bryde 2011 Gormly 2014

TR&T has been considered as a workforce measure to reduce unemployment (Swan and Khalfan 2007; Walker and Brammer 2009; Preuss 2011; Akenroye 2013; Amann

⁷ Linked to CBs types set out in Welsh Government 2014, p. 12

et al. 2014; Kanapinskas *et al.* 2014). The retention and training of existing employees is less well covered (Welford and Frost 2006; Perry and Towers (2009); Huq *et al.* 2014). Supply chain measures, particularly those aimed at the inclusion of local SMEs is also well covered in the academic literature (Brammer and Walker 2011, 2009; Jones 2011; Preuss 2011; Davies and Schon 2013; Wright and Brown 2013; Amann *et al.* 2014; Kanapinskas *et al.*, 2014).

There are fewer references to community initiatives, philanthropy and education (Carter and Jennings 2004; Worthington *et al.* 2008; Walker and Brammer 2009; Brammer and Walker 2011; Perry and Towers 2013; Huq *et al.* 2014). The academic literature also addresses issues such as equality or access to training and unemployment through construction procurement. This is not surprising, given that 26% of expenditure on construction is funded by the public sector and total spend on this category comprises around 6.7% of the economy and 6.3% of all jobs (Rhodes 2015).

3.5.2 Workforce measures

Targeted recruitment and training

The inclusion of training and skills development as a form of CSR appears in the academic literature. For example, Swan and Khalfan (2007) found an increase in the use of public purchasing as a lever to drive the inclusion of social objectives in partnering projects, including the creation of training opportunities. Eadie *et al.* (2011) examine the use of labour clauses in contracts, linking training plans and apprenticeships to social value. Amann *et al.* (2014) include promoting employment

opportunities as one of the SRP requirements that may be integrated into tenders. Workforce measures may be used to reduce unemployment (Swan and Khalfan 2007; Preuss 2011; Akenroye 2013; Amann *et al.* 2014; Kanapinskas *et al.* 2014). For many public sector organisations, and in particular local authorities, there is a political emphasis on local goals such as reducing long-term unemployment or increasing local employment (Walker and Brammer 2009).

3.5.3 Supply chain measures

Including SMEs within the supply chain

The inclusion of SMEs, local suppliers and venture companies within the supply chain has been well covered in the literature (see for example Thomson and Jackson 2007; McDermid *et al.* 2008; Walker and Brammer 2009; Brammer and Walker 2011; Jones 2011; Preuss 2011; Wright and Brown 2013; Amann *et al.* 2014). Contracting with small suppliers has emerged as a high priority for public sector organisations (Brammer and Walker 2011, Walker and Brammer, 2009) but not necessarily for private sector organisations (Thornton *et al.* 2013; McMurray *et al.* 2014).

Several measures may be used in different countries to support SMEs or venture firms, viewed as essential to building a stronger economy and providing employment. Such provisions are found in developing countries and examples include quotas; contract set-asides; multiple award schedules and preferential payment terms (Jones, 2011). However, such forms of support may come at a cost, for example stimulating fraudulent claims to meet required quotas or satisfy other requirements (Kananpinskias *et al.* 2014). Other measures include ensuring contracts are advertised, dismantling unnecessary barriers such as disproportionate turnover or insurance requirements;

removing duplication of information required and providing training for potential suppliers (Preuss 2007; Preuss and Walker 2008).

Including local suppliers in the supply chain

There is also be an emphasis on including local suppliers within the supply chain, for example by procuring locally grown food (Preuss 2007; Morgan 2008; Preuss 2009; Walker and Brammer 2009; Brammer and Walker 2011; Jones 2011; Lehtinen 2012). Engagement with local suppliers may be enhanced by events such as supplier workshops or meet the buyer events (Anthony Collins Solicitors, 2006; Scottish Government 2008; Equality and Human Rights Commission 2014; Jabang 2017).

Promoting social enterprises and supported businesses through the supply chain

The EU legislation allows certain contracts to be reserved for organisations employing disadvantaged persons (reserved contracts). The importance of providing methods for organisations employing “disadvantaged” persons to tender for public sector contracts has been emphasised by the EU and transposed into UK law by the Public Contracts Regulations (2015). This provides that contracting authorities may reserve contracts for:

“sheltered workshops whose main aim is the social and professional integration of disabled or disadvantaged persons [or for such contracts] to be performed in the context of sheltered employment programmes, provided that at least 30% of the employees... are disabled or disadvantaged workers” provided this is properly referenced in the call for competition.”

(Public Contracts Regulations 2015, Regulation 20)

Such measures may be viewed as a means of bringing about greater equality or addressing inequalities such as those faced by disabled persons or the long-term unemployed. The term “disadvantaged persons” includes

“unemployed, people with disabilities, long-unemployed women aged more than thirty years, domestic violence victims, mentally ill, unemployed single parents, immigrants unemployed (more than one year) or unemployed young people”

(Kanapinskas *et al.* (2014, p.313, citing European Parliament 2011).

Third sector organisations (TSOs) are defined as organisations that are independent of government; that primarily pursue social goals; and that reinvest surpluses to meet these social goals (National Audit Office 2016).

Several drivers have been identified for involving social TSOs in the supply chain. These include the Public Services (Social Value) Act 2012, increased reporting requirements relating to social impact, political trends such as outsourcing, changes in social expectations or scrutiny; and the diminishing size of the public sector due to funding cuts (Loosemore 2016, p. 138). More recently, academic literature has included a focus on contracting with such organisations, (Davies and Schon 2013; Kanapinskas *et al.*, 2014). The Welsh Government’s CBs model includes widening access to public sector contracts to social enterprises and supported businesses, since they may represent a “critically important” aspect of social procurement (Loosemore 2016, p.134).

Support may be needed to enable TSOs to become more competitive within bidding processes (Sutherland *et al.* 2015). Examples include maintaining an awareness of the requirements that such organisations can meet and ensuring they are aware of contract opportunities; providing training or support so they better understand how to comply with requirements and the bidding process (Kanapinskas *et al.* 2014).

Some reported barriers may be specific to including such third sector organisations (TSOs) within the supply chain (Erridge and Hennigan 2012; Wright 2013; Macfarlane 2014; Temple and Wigglesworth 2014; Sutherland 2015). Furthermore, TSOs cannot be given preferential treatment and must bid on a level playing field in the same way as all other bidders, unless a contract is reserved for businesses employing a significant percentage of disadvantaged persons (Macfarlane 2014).

3.5.4 Local community initiatives and philanthropy

Under the “well being” powers included within the Local Government Act 2000, local authorities may “require contractors to provide certain benefits for the local community” (Preuss 2007, p. 360). Focus on the wider community may include the use of local suppliers or local labour as a way of supporting the local economy and fostering local employment (Preuss 2007; Swan and Khalfan 2007; Thomson and Jackson 2007; Preuss 2009; Walker and Brammer 2009; Brammer and Walker 2011; Kurul *et al.* 2013; McMurray *et al.* 2014). Where this has been included as a question in surveys, it has emerged as one of the highest priorities (Walker and Brammer, 2009; Brammer and Walker, 2011, McMurray *et al.*, 2014). In developing countries, there may be benefits for the local community such as new roads and street lighting being provided when factories are built (Jones 2011; Perry and Towers 2013).

This area of research has recently been extended to include supporting social inclusion, social economy organisation and the social integration of socially vulnerable groups (Amann *et al.* 2014; Kanapinskas 2014).

Philanthropy has long been considered a form of social responsibility, with many references to philanthropic measures in the literature (for example Carter and Jennings

2004; Worthington *et al.* 2008; Walker and Brammer 2009; Brammer and Walker 2011; Perry and Towers 2013; Huq *et al.* 2014). The priority afforded to this varies considerably according to these studies and a lower priority has apparently been given to volunteering at local charities, making philanthropic donations or supporting community organisations. Possible exceptions have been found in studies covering the US (Carter 2004), public sector organisations in the UK and some other countries (Brammer and Walker 2011) and private businesses in Malaysia (McMurray *et al.*, 2014).

3.5.5 Environmental benefits

Although examining environmental benefits was not initially an aim of this study, which was designed to consider socio-economic CBs, the inclusion of such benefits in the Welsh Government's updated CBs guidance (2014) necessitates its brief inclusion in this and subsequent chapters. The Welsh Government's most recent guidance (2014) suggests that environmental benefits have historically been focused mainly on construction contracts but could be captured across other contract types. The guidance suggests recording environmental benefits such as using renewable energy, reducing water usage, reducing travel (provided this does not restrict competition) and diverting waste from landfill including packaging. Since the environment was not included in the original CBs guidance this aspect of the literature was not explored in depth prior to the research being conducted.

3.6 Summary

The literature covers drivers, perceived benefits, enablers and barriers related to CSR or SSCM implementation. Many of these factors may also apply to CBs implementation and the literature, guidance and reports have been used to provide an overview of these issues.

Although there is clear guidance on the types of CBs that public sector organisations within Wales and Scotland are encouraged to achieve through public expenditure (Table 3.6), it is by no means certain to what extent these are included within contracts. Holmes (1976, cited in Carroll, 1979) suggests that selecting which social issues to focus on may be linked to the level of social need; matching social need to the organisation's ability to help; interest of senior management; public relations value and government pressure. This may tie into types of CBs. There is some evidence in the literature review to suggest that public sector organisations favour measures linked to employment and training, supply chains, and philanthropy. The literature has been relatively silent on ensuring training and retention for existing staff.

The findings of this literature review are used to develop a coding system for analysing the results of the empirical research. A copy of the original coding system is presented in Appendix D. The literature summarised in this chapter is also used to compare the results of the empirical research to the literature review and identify potentially novel findings in Chapter 12.

The next chapter considers the epistemological and theoretical assumptions that underpin the research.

4 Theoretical and Epistemological foundations

This chapter outlines the theoretical assumptions that underpin the research and findings. The need for a theoretical approach and the justification of a multiple theory approach is discussed. The chapter then sets out how it is envisaged that combining stakeholder theory, the resource-based view and resource dependence theory will potentially maximise the explanatory power of this research.

4.1 What is a theory?

“[t]he function of theory is to link rich empirical description to more general processes and concepts which can be mobilized in future studies on similar and very different empirical cases”.

(Schweber 2015, p. 845)

A theory is “a supposition or a system of ideas explaining something, especially one based on general principles independent of the particular things to be explained” and the word has its origins in Latin from the Greek word *theōria*, via *theōros*, which means spectator (Oxford English Dictionary 1996). Through a theoretical lens, researchers can observe the world and contemplate or speculate on the causes underlying their observations. Zorzini *et al.* (2015 p.87) propose that “theory suggesting and explanation [can strengthen] the explanatory power associated with research findings”. This ties in nicely to the dictionary definition of theory.

Despite the apparently strong argument for underpinning or evaluating research through theory, much research is a-theoretical. For example, in their study of theory within logistics Defee *et al.* (2010) reported that just over 53% of the articles reviewed were based on at least one theory. Walker *et al.* (2015) found that 46% of the

operations management literature reviewed in their study was underpinned by a specific theory or had developed a conceptual model. Within public procurement research, Flynn and Davies (2014) found that only 29% of the articles reviewed contained reference to any identified theory. There is clearly a need for empirical research to be more grounded in theory.

4.2 Choice of theory

According to Zorzini *et al.* (2015, p. 86) “the choice of theory can make a difference to the conclusions drawn” and it is important to acknowledge that theories provide different ways of examining issues and interpreting the implications for practice and it is necessary to clearly justify the choice of theory. No single theory is considered broad enough to explain multiple factors relating to CBs implementation such as drivers, barriers and enablers. This research combines several theories: stakeholder theory, resource dependence theory (RDT) and resource-based view (RBV) to potentially offer a higher level of explanatory power for the empirical results than relying on one grand over-arching theory. The next section explains the need for a multi-theory approach.

4.3 Multi-theory approaches

“when done well, such blending of diverse, complementary, and even overlapping theories can help to better develop hypotheses, add rich insights to the interpretation of findings, and help better understand the boundaries of where these theories apply”.

Carter and Easton (2011 pp.55–56)

Frynas and Yamahaki (2016 p.273) propose that “multi-theory studies can certainly enrich our understanding of CSR in ways that single-theory studies are often unable to do”. Zorzini *et al.* (2015, p.86) suggest “using one theory alone may introduce bias to the conclusions”. There are several examples of multi-theory approaches in the extant literature. Table 4.1 provides examples of how a multi-theory approach has previously been adapted to CSR or SSCM research.

Table 4.1: Multi-theory approaches in CSR or SSCM research

Author(s)	Application to CSR, SSCM research
Pedersen and Andersen 2006	Mainly utilise agency theory but also mention network theory and transaction cost economics (TCE) theory in their examination of the use of codes of conduct to manage social issues in SSCM
Carter and Rogers 2008	Link RDT, TCE, RBV and population ecology to develop a theoretical concept of SSCM
Walker and Brammer 2009	Combine stakeholder theory, RBV and power-dependence perspective to inform their conceptual framework for examining influences on sustainable public procurement
Pagell <i>et al.</i> 2010	Combine TCE, RBV and stakeholder theory to develop a strategic tool for managers to implement SSCM within sourcing strategy
Perry and Towers 2013	Combine TCE and RBV with agency theory, the theory of competitive advantage and psychological or sociological theories to identify barriers and enablers to CSR implementation within fashion garment supply chains

Since managing CBs implementation could be theorised as a managerial issue, particularly a sustainable supply chain management issue, using established management theory may explain the drivers, barriers and enablers related to CBs implementation.

Some authors caution against adopting a multi-theory approach. For example, theoretical pluralism may be harmful within the context of paradigm development, and the field of organisational management (which includes logistics and supply chain

management) is in danger of becoming “more of a weed patch than a well-tended garden” (Pfeffer 1993, p. 616, citing Pfeffer 1982).

There is clearly a balance to be struck between theoretical diversity and rigidly complying to a single theory that may be very context-dependent. It is important not to develop too many potentially conflicting theories. The choice of theories in this research is limited to three key theories, which are well established within the field of organisational management and are considered capable of providing the greatest explanatory power when combined. Building on examples of effectively applying a multi-theory approach to examine CSR or SSCM within both public and private sectors, the next section explores how combining stakeholder theory with RDT and RBV may offer a more holistic explanation for the research findings.

Stakeholder theory often appears in literature concerned with CSR drivers, whereas RDT and RBV are more often covered in business research. Each of these theories has been used in the extant literature to conduct research concerned with CSR or SSCM and Table 4.2 provides some examples.

Table 4.2 Summary of theories used in CSR and SSCM research

Theory	References	Application to CSR, SSCM research
Stakeholder theory	Walker and Brammer 2009	Drivers and barriers to sustainable procurement in the public sector.
	Park-Poaps and Rees 2010	The role of stakeholder forces within socially responsible supply chain management orientation such as consumer, media, government and industry pressures
	Thornton <i>et al.</i> 2013	The relationship between socially responsible supplier selection and firm performance
Resource-based view	Perry and Towers 2013	SSCM in fashion garment supply chains
	Torugsa <i>et al.</i> 2013	How the firm's capabilities in relation to shared vision, stakeholder management capabilities and strategic proactive capabilities are associated with SMEs' proactive adoption of CSR
	Meehan <i>et al.</i> 2017	Barriers to a value-based approach within UK healthcare procurement
Resource dependence theory	Touboulis <i>et al.</i> 2014	The balance of power and use of power within supply chain relationships
	Foerstl <i>et al.</i> 2015	Use RDT to examine drivers and barriers in the supply chain and to explain why first-tier suppliers may implement sustainability practices

4.4 Combining Stakeholder, RDT and RBV theory

This section briefly outlines the main propositions of Stakeholder, RBV and RDT theories and discusses how they may contribute to interpreting the results of this research.

4.4.1 Stakeholder theory

The development of stakeholder theory is generally attributed to Freeman (1984). Although the term stakeholder may have contested meanings (Phillips *et al.* 2003), stakeholders are generally considered to be individuals or groups “who can affect or are affected by the achievement of the firms objectives” (Freeman, 1984, p.46). Donaldson and Preston (1995 p.69) identify a number of different stakeholders or

stakeholders related to the firm: investors; political groups; suppliers; customers, trade associations, employees and communities. Henriques and Sadorsky (1999) add the government to the list of potential stakeholders and a government, its agencies or its programmes may have different stakeholders (Donaldson and Preston (1995).

Stakeholder theory is more commonly used in business management literature and has been closely linked to CSR research, since organisations behave in a socially responsible manner in order to gain stakeholders' trust (Chang 2015; Frynas and Yamahaki 2016). It may be useful for examining external factors that influence SSCM adoption and explaining organisational drivers for CBs implementation, since employees are included as stakeholders (Donaldson and Preston 1995; Walker and Jones 2012). Hence stakeholder theory may help explain some external and organisational drivers for CBs implementation and why or how meeting different stakeholder requirements leads to different reasons for implementing CBs and varying methods of doing so.

Key (1999 p.321) presents several key criticisms of Stakeholder theory, sometimes considered a management tool rather than a theory, inadequately explaining processes and failing to consider other motivations.

Additionally, Key (*ibid.*) contends that Stakeholder theory:

- Does not completely link external and internal variables
- Pays insufficient attention to “the system within which business operates and the levels of analysis within the system”
- Fails to recognise that a stakeholder may fall into multiple categories or networks
- Does not adequately assess the business environment, which does not remain static, or the organisation’s behaviour within society.

Antonacopoulou and Méric (2005) conclude that whilst stakeholder theory may be useful, it lacks scientific rigour and some of its underpinning assumptions concerning power and stakeholder relationships are open to challenge. Nonetheless, stakeholder theory remains widely used within management and has been extended by Donaldson and Preston (1995) in their stakeholder framework.

For the purposes of this research stakeholder theory may help explain how stakeholders such as the Welsh Government or public sector clients drive the implementation of CBs. On the other hand, stakeholder theory may not be capable of satisfactorily explaining all the drivers of CBs implementation or the wide range of barriers faced by organisations seeking to implement CBs.

Stakeholder theory is similar to resource dependence theory (RDT), since paying “attention to the interests and well-being of those who can assist or hinder the achievement of the organisation's objectives” is central to stakeholder theory (Phillips *et al.* 2003 p.481) and also applies within RDT. External organisations or stakeholders may hold essential resources, the availability of which can act either as barriers or enablers to the achievement of organisational objectives. This leads to consideration of how RDT can supplement stakeholder theory in the analysis.

4.4.2 Resource dependence theory

Resource dependence theory (RDT), attributed to the work of Pfeffer and Salancik (1978), purports that organisations depend on other organisations for essential resources and that such dependencies may be reciprocal (Drees and Heugens 2013). RDT suggests that having control over resources on which another organisation is dependent leads to the ability to influence that organisation's behaviour (Cox 2007; Touboullic *et al.* 2014).

There is a clear link between RDT and stakeholder theory, since organisations will seek legitimacy from external stakeholders such as investors, clients and regulators, legitimacy being defined as:

“a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”

(Suchman 1995 p.574)

Legitimacy may help the organisation attract external resources such as funding, since legitimate organisations are viewed as reliable (Baum and Oliver 1991; Meyer and Rowan 1997).

An organisation's buying power, combined with an understanding of supply chain management, may provide the buyer with the opportunity to coerce suppliers to implement sustainability; but coercive power can negatively affect implementation, since the supplier may only comply with the buyer's minimum requirements (Boyd *et al.* 2007; Handley and Benton 2012; Touboullic *et al.* 2014). RDT may help explain why buyers are concerned about actions that could potentially reduce competition or

reduce their power, such as mergers, takeovers or supplier collusion (Pfeffer and Nowak 1976).

Drees and Heugens (2013) present some critiques of RDT, which has been described as “more of an appealing metaphor than a foundation for testable empirical research” (Casciaro and Piskorski 2005 p.167). Studies have often been based on “narrative reviews” which could be subject to researcher bias and have not always supported RDT’s assumptions (Drees and Heugens 2013, p.1667).

Despite such criticisms, the implications for buyer-supplier relationships are obvious, since buyers depend on suppliers to provide goods or services and suppliers rely on clients to sell those goods or services. This dependence extends to the supply chain as suppliers depend on sub-contractors or suppliers. Hence RDT helps explain an organisation’s relationships with other organisations within its external environment.

RDT may explain why demonstrating CBs can help public sector organisations attract future funding, by achieving legitimacy in the eyes of funding bodies such as the Welsh Government. For suppliers, achieving legitimacy in the eyes of potential clients by demonstrating the achievement of CBs may lead to future contracts. As well as explaining symbiotic relationship between buyers and suppliers, RDT may help explain why and how public sector organisations depend on suppliers to deliver and report CBs. It may also help explain why organisations collaborate to implement CBs and why suppliers rely on supply chain networks in the delivery and reporting of CBs.

RDT arguably examines inter-dependence and legitimacy in terms of an organisation's external environment and relationships and may fail to explain organisational factors driving CBs implementation. RDT suggests that organisations will seek to reduce their dependence on other organisations and increase the dependence of other organisations on them (Pfeffer and Salancik 1978; Shook *et al.* 2009). They may do this through increasing their own resources or using them to reduce reliance on external organisations. The next section outlines the necessity to supplement stakeholder theory and RDT with the resource-based view (RBV).

4.4.3 Resource-based view

It is difficult to attribute RBV's development to a single individual but its roots may be traced to the work of Penrose (1959), Porter (1980), Wernerfelt (1984) and Barney (1986). The firm's resources includes both "tangible" and "intangible assets", including the organisation's culture, which could influence how organisations adapt to cope with external changes in order to seek competitive advantage (Barney 1991; Arian 2001 p.138; Schein 1992; Denison and Mishra 1995). Adopting a proactive approach to CSR can contribute to competitive advantage, provided that CSRs environmental, social and economic dimensions are adopted and integrated (Torugsa *et al.* 2013).

RBV may help explain how organisations exploit their organisational resources such as their assets, competencies, dynamic capabilities, processes and knowledge when seeking competitive advantage and sustainable competitive advantage (Kraaijenbrink *et al.* 2010; Chang 2015). RBV may also explain how organisations seek to

complement their own resources with those available from other members of the supply chain (Skjoett-Larsen 1999), resulting in inter-organisational collaboration or co-operation. RBV theory and stakeholder theory are sometimes combined (Frynas and Yamahaki 2016).

It has been suggested that RBV “is not a theory of the firm” (Kraaijenbrink *et al.* 2010, p.354). Kraaijenbrink *et al.* (2010) present several other criticisms of RBV saying it has limited managerial implications being mainly applicable to larger firms with more significant power in the marketplace or those seeking to attain greater strategic competitive advantage. Furthermore, RBV is of limited application to emergent markets or technologies and it is difficult to define value or resources. Finally, RBV “does not sufficiently recognize the role of the individual judgments or mental models of entrepreneurs and managers” but human resources may be recognised separately to other tangible resources (Kraaijenbrink *et al.* 2010, p. 356).

For the purpose of this research, RBV may potentially explain organisational or individual drivers, barriers and enablers related to CBs implementation. For example, it may explain why organisations invest in training and apprenticeships, regardless of any client requirements, to ensure the longer-term sustainability and competitive advantage of the organisation. Competitive advantage may be sought by public sector organisations competing for government funding or legitimacy and suppliers competing for public sector business, so RBV may explain why or how organisations seek to improve performance or more proactively implement CBs.

When linked to RDT, RBV may help explain why organisations work with other external organisations to ensure they have the necessary resources to successfully implement CBs, providing competitive advantage compared to other organisations that do not possess or have ready access to such resources.

In summary, this section has considered the research approach to theory and outlined the methods for potentially increasing the level of explanatory power of the empirical findings through a multi-theory approach combining stakeholder theory, RDT and RBV. The next section considers the application of these theories in more detail in terms of their potential explanatory power and the development of an interview protocol.

4.4.4 Applying theoretical considerations to Community Benefits research

As outlined above, combining Stakeholder, RDT and RBV theory may offer a more holistic explanation for the research findings. Table 4.3 provides a summary of the potential explanatory power of each theory within CBs research.

Table 4.3 Theory and explanatory power

Research area	Potential theoretical contribution of Community Benefits research		
Research Question	Stakeholder theory	RDT theory	RBV theory
RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?	Explain the role of key external or organisational stakeholders in driving CBs implementation.	Explain the role of external organisations on which organisations depend for resources in driving CBs implementation.	Explain how a lack of resources drives organisations to provide certain types of CBs to develop organisational resources and gain competitive advantage.
RQ2: What are the perceived benefits of implementing Community Benefits?	Explain the benefits for key stakeholders such as funding bodies, clients, citizens or individual employees.	Explain why or how external benefits and CBs are reported to external stakeholders on which organisations depend for resources.	Explain how organisations benefit through CBs initiatives
RQ3: What are the perceived barriers to implementing or realising Community Benefits?	Explain barriers linked to external or organisational stakeholders.	Explain barriers linked to a lack of external resources or organisational liaison/collaboration.	Explain barriers linked to a lack of organisational resources.
RQ4: What are the perceived enablers for implementing Community Benefits?	Explain enablers linked to external or organisational stakeholders.	Explain enablers linked to external resources or liaison.	Explain enablers linked to organisational resources
RQ5: What types of Community benefits are prevalent?	Explain how the selection of CBs types may be linked to external or organisational stakeholder pressure.	Explain how CBs types are linked to the need for external resources.	Explain how CBs types are linked to organisational resources.

To maximize the potential of combining these theories to explain the research findings, it is necessary to consider their contribution to the development of an interview protocol.

4.4.5 Development of interview protocol/questions

This section considers how theoretical considerations may contribute to the development of the interview protocol and the questions used to obtain information from key informants. Considering the role of theory in developing an interview protocol may enable the findings to be related to the theoretical propositions,

enhancing the research's theoretical contribution. Table 4.4 presents some possible interview questions as they link to the research questions and theoretical considerations.

Table 4.4 Linking interview questions to theoretical considerations

RQ area	Interview questions	Link to theory *
RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?	Can you identify any drivers or pressures that have led the organisation to include CBs in contracts? Why does your organisation include CBs in contracts? Who has driven adoption of CBs by the organisation? Who has influenced your approach to CBs? Has your organisation felt pressured into implementing CBs?	To examine: The role of key stakeholders in driving CBs implementation (ST) The role of dependence on external resources such as funding or supply contracts in driving CBs implementation (RDT) The role of coercive pressure or buying power in driving CBs implementation (ST, RBV) The role of competitive pressure in driving organisations to allocate resources to CBs implementation (RBV)
RQ2: What are the perceived benefits of implementing Community Benefits?	What do you perceive the benefits have been to your organisation from implementing CBs? What do you perceive the benefits have been to others from implementing CBs? Can you give any examples of sharing your approach of the benefits organisationally or externally? Are you required to report CBs? Has your organisation provided case studies either to a client or other external body demonstrating your approach and benefits to your organisation? What kind of competitive advantages does including CBs provide when tendering? What types of benefits have arisen from advertising subcontracts or other supply chain initiatives?	To examine: Requirements of key stakeholders such as funders or clients for CBs to be reported and how key stakeholders such as citizens or local business benefit (ST and RDT). How organisations obtain competitive advantage through providing or realizing CBs (RDT and RBV). How organisations benefit by working collaboratively across the supply chain to provide CBs (RBV and RDT).
RQ3: What are the perceived barriers to implementing or realising Community Benefits?	What kinds of barriers has your organisation encountered in implementing CBs? (organisational, external?) Which aspects of providing CBs are most difficult? What sort of costs to your organisation are incurred through providing CBs?	To determine: Types of barriers linked to stakeholders or those depended on for resources (ST and RDT). Barriers linked to lack of external or in organisational resources including costs of implementation (RDT and RBV).

RQ area	Interview questions	Link to theory *
RQ4: What are the perceived enablers for implementing Community Benefits?	<p>How is the approach, or expectation that CBs will be considered for suitable contracts, communicated to those involved in procurement, both within and external to the department?</p> <p>How is the approach/goals communicated to potential suppliers?</p> <p>How have suppliers responded to your approach?</p> <p>What is your experience of training in CBs?</p> <p>What is your experience of using guidance on CBs?</p> <p>What about senior level support within your organisation?</p> <p>What kind of resources does your organisation have in place to support CBs?</p>	<p>To determine:</p> <p>Types of enablers linked to stakeholders or those depended on for resources (ST and RDT).</p> <p>Enablers linked to external or in organisational resources (RDT and RBV).</p>
RQ5: What types of Community benefits are prevalent?	<p>What are the organisation's main goals in implementing CBs, for example determining the approach?</p> <p>Are there any ways in which the approach taken to CBs supports the organisation's strategy?</p> <p>How have CBs been integrated within the wider organisation's strategy, policies or procedures?</p> <p>Does the organisation take a core, non-core, voluntary approached or mix?</p> <p>In terms of adopting a core/non-core approach or determining the types of benefits sought, how does the approach vary based on the contract type?</p>	<p>To examine:</p> <p>Links between drivers and benefits (ST, RBV and RDT).</p> <p>Types of CBs sought/provided and links to external or organisational drivers (ST, RBV and RDT).</p> <p>Links between CBs types and related barriers or enablers (ST, RBV and RDT).</p>

* ST = Stakeholder theory; RDT = Resource dependence theory; RBV = Resource-based view.

Next, the epistemological assumptions underlying the research are outlined.

4.5 An Interpretative approach

“Interpretivism is an epistemology that advocates that it is necessary for the researcher to understand differences between humans in our role as social actors”
(Saunders *et al.* 2012 p.8).

The aim of this study is to collect data mainly through interviewing key informants, combining, comparing and contrasting buyer and supplier perspectives and interpretations of the phenomena through a dyadic study. This reflects an interpretative approach. Interpretivism can be closely linked to phenomenology, how people make sense of the world around them, how they interpret the actions of those with whom they interact and how they adjust their own meanings and actions as a result (Saunders *et al.* 2012).

An interpretivist approach is deemed suitable for understanding supply chain management behaviour, since it captures “members’ subjective experiences, their interpretation of that experience, and the actions that result from that interpretation” (Lewis and Suchan 2003 p. 299). It has been adopted to examine reverse logistics (Sharif *et al.* 2012); supplier networks and relationships (Robson and Rawnsley 2001); services outsourcing (Sridarran and Fernando 2016); or buyer-supplier relationships in global electronic markets (Standing *et al.* 2007).

Like any epistemological position, interpretivism is subject to criticism. Participants interpret and filter information and experiences through their own bias and the responses of participants may also be interpreted by the researcher in particular ways, reflecting the researcher’s background or experience (Lewis and Suchan 2002 p.311). This leads to a risk of double bias, since “we as researchers are interpreters of interpreting subjects” (Halldorsson and Aastrup 2003 p.329). Another consideration is the value accorded to each participant’s views, since unless the views of all participants are accorded equal value, the researcher needs to determine the standards for judging

differing interpretations as better or weaker than other interpretations (Easton 2010).

The measures taken to minimise this risk of double bias are set out in Chapter 5.

4.6 Summary

The decision to adopt a multi-theory approach combining stakeholder, RBV and RDT theory has been explained and consideration given to how these theoretical implications may impact on the discussion of the research findings. Appendix O shows how the researcher considers these theoretical propositions apply to the study's findings and the theoretical implications are discussed in Chapter 11.

Considering the credibility, dependability, confirmability and transferability of the findings offers a way of putting safeguards in place to ensure quality and reliability and mitigate the risk of bias. These issues are discussed in the next chapter, which explains the research design and methodology.

5 Research Design and Methodology

This chapter provides an overview of research design, discusses measures to ensure credibility, dependability, confirmability and transferable of the findings and explains the selected research methods. It also explains how participating organisations were selected and provides an overview of participants. Finally, the researcher explains how the epistemological approach, theoretical propositions and the findings of the literature review were implemented in the analysis of the results.

5.1 Overview of research design

Figure 5.1 summarises the research methodology from the first stage (literature review) to the final stage in which the findings are discussed.

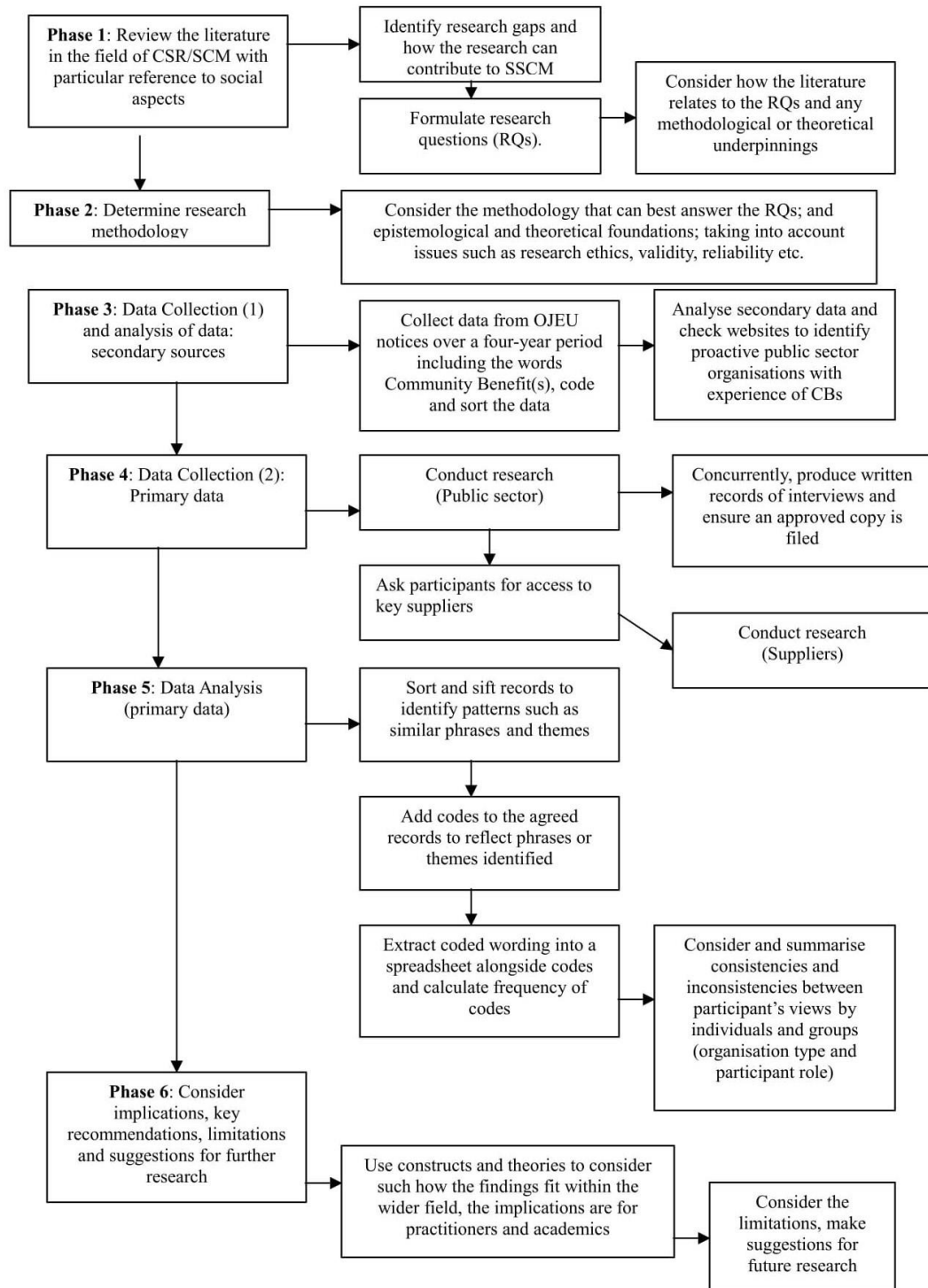


Figure 5.1 Overview of the research design and process

5.2 Credibility, dependability, confirmability and transferability

In positivist research references are made to considerations such as internal and external validity, reliability and objectivity. Internal validity is relevant when variables can be controlled whereas external validity is concerned with generalisations of causes and effects. Reliability is concerned with consistency and predictability and objectivity assumes that research can be free of bias (Guba and Lincoln 1989). It is easy to see how such notions relate to positivist-based forms of research. On the other hand, Guba and Lincoln (*ibid.*) suggest that when research is approached from a non-positivist paradigm, issues such as credibility, dependability, confirmability and transferability may be more relevant. When dealing with softer issues related to logistics research, researchers should consider these alternative criteria since “the philosophical context significantly influences the discussions of quality and quality criteria” (Halldorsson and Aastrup 2003, p.322).

5.2.1 Credibility

In qualitative research it is important to ensure that the results are credible from the participant’s perspective, the researcher’s perspective and in the judgement of those who will read or review them. According to Halldorsson and Aastrup (2003, p. 327), “it is the degree of the match between the respondent’s constructions and the researcher’s representations of these that determined credibility”. This required the researcher to check her understanding with the participants to ensure such a match is present, enhancing credibility by confirming the accuracy of reports (Preuss 2007). Where multiple participants attended an interview, the researcher attributed comments to individual participants by colour coding and checking their accuracy with individual participants.

Gosling (2011) highlights one of the difficulties analysing group interviews or forum events, since it is difficult to identify the contributions of perceptions of individual participants when data is collective within groups. When using a group discussion to highlight a finding the researcher indicates this by the code attributed to the group (eg A1 or A2). A contextual link is retained since each forum event involves participants from a single organisation (LA3,A1 or RSL3,A2). To ensure that participants are deemed credible, they were selected from within public sector organisations deemed proactive in terms of CBs implementation and generally proposed by someone within the organisation. The proposal of suppliers by public sector participants ensured they were considered experienced in providing CBs.

5.2.2 Dependability

This replaces the notion of reliability in positive research, which is often linked to replicability (Guba and Lincoln 1989). It is rarely possible to completely replicate context specific qualitative research, although it may be possible to replicate the findings within different studies or contexts. One measure of dependability could be the extent to which the findings of this study replicate those in the extant literature regarding the drivers, barriers and enablers to CSR initiatives, so the results will be compared to the extant literature.

Another aspect of dependability is considering any changes in research context. Since the research is conducted in a range of contexts, a chain of evidence can be created by ensuring that participants can always be linked back to their organisation by their reference (for example participants LA1.1, LA1.2 hold different roles within the

organisation labelled LA1), allowing the analysis of data to recognise differences in findings that may be context specific. Several participants reflected on their experience within more than one organisation (for example RSL1.1; S1).

A third method of increasing dependability is ensuring “trackability” by recording “the logic of process and method decisions” so that they can be subject to scrutiny (Halldorsson and Aastrup 2003). The detailed recording of such decisions within this chapter is an attempt to do so.

5.2.3 Confirmability

Within the positive paradigm confirmability is related to objectivity (Halldorsson and Aastrup 2003). In qualitative research it is inevitable that the researcher’s own perspectives will impact on or be reflected within the study, allowing researcher bias to creep in. There is a particular risk of this occurring since the researcher’s background is in the sphere of public procurement. To minimise the risk of such bias, the researcher developed an interview protocol and ensured that data was copied directly from the verified interview records into the coding spreadsheet. It is still possible that the records contain biases of the participants, which may be reflected in their views, but such is the nature of interpretivist research. The codes assigned to participant’s opinions were checked to ensure that they reflected the nature of the opinions expressed by participants. Opinions that appeared to contradict the views of other participants were noted. Through these methods, it is possible to trace the interpretations, findings and conclusions directly to their sources (Erlandson 1993).

5.2.4 Transferability

This relates to generalisability, the lack of which is often a criticism of qualitative research. Through empirical qualitative research the researcher may study and describe the real-world context within the research takes place in greater detail (Halldorsson and Aastrup 2003). The downside is that the findings may not be readily transferable to other contexts; a reason comparable case studies are often used by researchers to increase the likelihood of generalisability. To overcome this potential drawback, a range of public sector organisations and suppliers were included in the study. The public sector organisations cover three sectors: local authorities (LAs), registered social landlords often referred to as housing associations (RSLs) and higher education (HE) institutions, three key categories of the public sector. Suppliers ranging from multi-million-pound construction firms to SMEs were also included.

The extent to which findings are mirrored across different categories, reflected in the number or percentage of participants who identified a particular driver, barrier, enabler or benefit, may also indicate transferability. This means that when responses are compared and coded the percentage of participants expressing the same opinion is recorded and reported. Table 5.1 provides a summary of how these issues were considered in the research design, participant selection, data collection and analysis research stages described in the remainder of this chapter.

*Table 5.1 Ensuring credibility, transferability, dependability and confirmability*⁸

Quality criteria	Research design and methodology (Section 5.3)	Participant selection (Section 5.4)	Data Collection (Section 5.5)	Data Analysis (Section 5.6)
Credibility	Multi-theory approach utilising recognised management theories.	Purposive selection to ensure experience of CBs.	Accuracy of reporting addressed through verification of records.	Ensure verified records are used for analysis with “opinions” directly taken from verified records.
Transferability	Provide a detailed description of the contexts to maximise chance of transferability.	Ensure participants fall within purposive pre-defined categories.	Collect data on the same issues from all participants by ensuring the interview protocol focuses on the research questions.	Compare results across sectors against key issues note number or percentage of participants expressing similar opinions.
Dependability	Compare CBs implementation in a range of contexts.	Purposive selection to ensure a range of organisation types is included.	Collect data from a range of organisational contexts and where possible include several participants with different roles from the same organisation.	Chain of evidence linking records to the coding of findings. Link to literature review findings.
Confirmability	Develop interview protocol.	Ensure participants have a range of backgrounds and experience.	Follow the interview protocol and try to ensure that researcher bias is minimised when collecting data.	Copy data directly from interview records when coding, check and re-check codes correctly related to opinions.

5.3 Research design and methodology

In order to aid consideration of the research methodologies most appropriate for conducting this research, a review into the methods used in the CSR and SSCM literature was conducted.

⁸ adapted from Touboullic *et al.* 2014, p. 591

5.3.1 Review of methods in the extant literature

It is important to link findings to those in the literature and to theoretical propositions. Firstly, in order to determine the most appropriate methods of answering these questions, the key research articles used to develop the literature review were analysed to identify the main research methods used to research SSCM. Papers that did not include empirical research, or conceptual papers unsupported by empirical research were eliminated from this analysis, leaving 71 papers. Each paper was coded to denote the main research method utilised, as stated in the abstract. Where the research method(s) could not be identified from the abstract, the research methods section of the paper was checked. Examples of qualitative research are summarised in Table 5.2.

Table 5.2 Selected examples of qualitative research methodology in the literature

Methodology	Topic	Author(s)
Case Study	Drivers for adopting SRP practices	Worthington <i>et al.</i> 2008 Reuter <i>et al.</i> 2010 Moore <i>et al.</i> 2015
	Challenges faced by public or private sector implementing SRP measures	Aritua <i>et al.</i> 2009 Zakaria <i>et al.</i> 2012
Document Analysis	Sustainability in public sector supply chain management	Amann <i>et al.</i> 2014
Focus Groups	Emerging issues in SRP	Walker and Phillips 2009
	The role of social enterprises to achieve social goals	Muñoz 2011
Participative Research	The adoption of a sustainable strategy	Crespin-Mazet and Dantenwill 2012
	A sustainable public procurement project in Northern Ireland	Erridge and Hennigan 2012
Mixed Methods	Psychological barriers to sustainable procurement: Focus groups and semi-structured interviews	Preuss and Walker 2011
	Relationship between culture and ethics in buyer-supplier relationships: Focus groups and a survey	Carter 2000

This review indicates that surveys, case studies and mixed methods were most frequently used in SSCM research, followed by document analysis, semi-structured interviews, and focus groups. Action or participative research and structural equation modelling have less frequently been used to examine SSCM.

5.3.2 Selection of research methodology

Each research method offers advantages but also presents its own challenges. Document analysis is considered more objective than surveys or interviews when based on official documents and obtaining data via several different methods and sources can also assist in providing triangulation. The main drawback is that accessing and analysing documents can be time consuming (Denzin 1989; Rocco *et al.* 2003; Jones 2011; Amann *et al.* 2014; McMurray *et al.* 2014).

Case studies are valuable for answering “how” or “why” questions and for exploring real-life issues and complex factors within a particular context. The main problems can be generalising the results to other contexts and a potential researcher bias towards verifying preconceived views (Eisenhardt 1989; Flyvbjerg 2006; Preuss 2009; Easton 2010; Perry and Towers 2013; Yin 2014). Semi-structured interviews are often utilised either independently or combined with other methods since the research can become a two-way process, providing an opportunity to further explore complex issues. As with other methods where views are sought from participants or respondents social desirability bias may influence their responses (Carter and Jennings 2004; Hall and Matos 2010; McMurray *et al.* 2014).

Involving organisations to produce case studies is problematic, since there is a significant time element involved for participating organisations when public sector organisations are coping with reductions in resources.

Document analysis allows the researcher to compare the different policies and strategies employed by organisations in relation to CBs implementation but does provide an opportunity to question the organisations on their reasons for including or excluding certain text. Accessing and analysing material freely available on the Internet in Official Journal of the European Union notices, where public sector organisations notify suppliers of requirements is straightforward but analysing the text of documents is quite time-consuming.

Conducting semi-structured interviews and forum events or workshops based on purposive selection allows the research to become a two-way process, providing opportunities to discuss a range of complex issues with participants who have gained experience in CBs implementation. This points to a research methodology including mixed methods and a two-stage collection process. The next section explains how participants were selected via a two-stage process combining secondary data and desk research.

5.4 Purposive selection of participants

The aim of the research is to conduct an in-depth examination of the drivers, barriers, enablers and benefits related to CBs implementation. The selection of participants is purposive (Eisenhardt 1989) since the research is qualitative and it is important to identify organisations considered leaders in their field to participate in the research

(Preuss 2007; Leire and Mont 2010). The researcher also seeks to compare different types of organisations to explore the phenomena under investigation in a range of contexts. In terms of identifying the participants within each organisation to be included in the study, it is useful to think in terms of “key actors” (Grandia 2015 p.121), particularly where examining contracts containing CBs clauses. This ensures the involvement of employees across the organisation, not just within the Procurement function as well as facilitating consideration of the supplier’s personnel involved.

Ensuring the involvement of suppliers through a dyadic research process may identify issues less likely to be highlighted by buyers but which are important to suppliers and may impact on successful implementation (Huq *et al.* 2014). The participants should be selected “on the basis of their ability to offer theoretical insight and hence generate deeper levels of understanding of the phenomenon” (Perry and Towers 2013 p.485). Thus, a purposive approach is taken to selecting participants based on a proactive approach to CBs implementation.

5.4.1 Identifying proactive organisations

The first challenge of a purposive approach is to identify public sector organisations that have experience of implementing CBs. Establishing the potential research participant’s prior experience of using CBs clauses in contracts may assist in the selection of participants as well as being used to develop interview questions (Sobh and Perry 2006).

Secondary data was considered the best method of identifying proactive organisations, achieved through searching and analysing contract notices placed by contracting authorities (CAs) in the Official Journal of the European Union (OJEU).

Each time a public sector organisation covered by EU public procurement legislation contracts for a procurement requirement above a certain threshold a notice must be placed in the OJEU⁹ a freely available source of secondary data containing copies of all EU contract notices over a five-year period. This is to ensure transparency and that economic operators across the EU have equal opportunities to bid for contracts. Including the wording “Community Benefits” in an OJEU notice is considered proactive, since it sends a clear signal to the market that the CA seeks to maximise CBs through a particular contract. The main drawback is that an organisation may include the term “Community Benefits” in a tender evaluation without mentioning it in the OJEU notice. This is possible because the EU rules state that social considerations must be mentioned in the OJEU notice OR the tender documents. Nonetheless the OJEU notices are still a valuable source of secondary data.

5.4.2 Collection and analysis of OJEU notices

To obtain an indication of the prevalence of CBs wording across the UK and identify the regions of the UK where this is highest, an ‘expert was conducted to identify all OJEU notices containing the specific terms “Community Benefit” or “Community Benefits” published by UK contracting authorities (CAs) covering calendar years 2012-2015. The first search found many ‘false positives’ containing the phrase

⁹ <http://ted.europa.eu/TED/main/HomePage.do>

“Community Benefits do not apply to this contract”. An expert search was devised to eliminate these notices:

CY=[UK] AND (FT=["Community Benefits" OR “Community Benefit”] NOT FT=["Community Benefits do not apply to this contract"]).

After data cleansing, for example to eliminate cancelled notices, 1170 records were analysed. Data collated from the notices returned by these searches were stored in a spreadsheet to facilitate analysis of the types of CBs being considered and determine which organisations include references in the OJEU notices.

The notice imparts key information to potential contractors which was extracted to the spreadsheet including:

- Identity of the Contracting Authority (CA)
- Type of notice: eg contract notice, Prior Information Notice (PIN), award notice etc.
- OJEU notice reference number; and reference numbers of associated notices (eg if an award notice, the original OJEU contract notice reference)
- Date of notice publication
- Nature or scope of the contract and CPV code(s)
- Main objective: Works, Services or Supplies
- Whether the notice concerns a contract or framework agreement
- Whether the CA is procuring on behalf of other CAs (collaborative or consortium procurement)
- Estimated value (pre-award), or final price, range of prices (post-award)
- Further information, for example any social value sought, CBs, etc.

The results were coded, enabling analysis by region; year, organisation type, organisation name and category spend. The codes are set out in Appendix E. The highest concentration of the search term was found in notices placed by public sector organisations in Scotland (44%) and Wales (38%). None of the OJEU notices placed by CAs in Northern Ireland (NI) contained the specific search terms and only 18% of the notices were place by CAs in England. These results may reflect the political

pressure applied by the Welsh and Scottish governments in this area, as discussed in the Chapter 2. The data was further categorised by sector. The results by sector and year are shown in Figure 5.2.

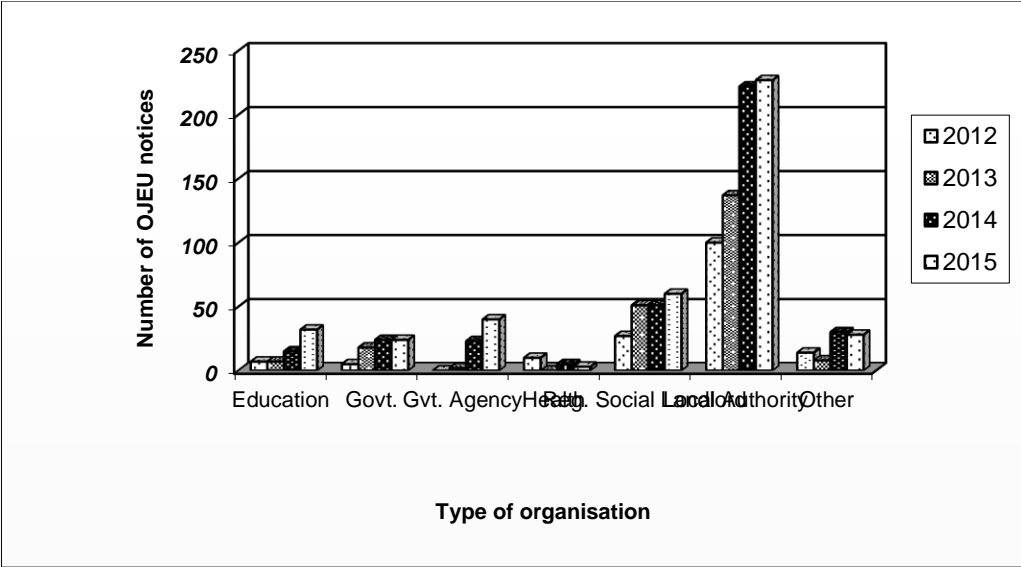


Figure 5.2 Analysis of OJEU UK notices between 2012-2015 by year and organisation type

This analysis indicates that the two most proactive sectors during the five-year period were local authorities (LAs) and registered social landlords (RSLs). Whilst growth in the number of notices has been steady, the level of growth was more accelerated in these sectors during the first two years for which notices were analysed (2012-2015).

5.4.3 Coding data extracted from the OJEU notices

To facilitate analysis whilst maintaining anonymity, to identify activity patterns, and to allow the researcher to consider the strength of the wording relating to CBs, the researcher assigned each organisation a unique code, for example LA1 is Local Authority 1, HE1 is Higher Education institution 1, etc. These code numbers/letters

were used to refer to CAs in the further analysis. To check that organisations were not simply including the search terms in all their OJEU notices, regardless of relevance to the contract, a search of the OJEU for the same period was conducted to determine the total number of OJEU notices placed by the CA during the period.

The dataset of 1170 notices represents only 7% of the 16685 notices placed by all the CAs combined in the sample during the four-year period. This implies that the term “Community Benefits” is generally only included in contracts considered appropriate for CBs, supporting a presumption that CAs are adopting a proactive approach when organisations advertise contracts.

5.4.4 Determining which organisations appear most proactive

Social responsiveness may be viewed as a continuum (Clarkson 1995). The concept that firms may respond reactively, proactively or somewhere in between can be traced back through the literature to Wilson’s (1975) classification of responsiveness as reaction; defence; accommodation; or proactive. These classifications have been adopted or adapted by other researchers interested in corporate social responsibility, primarily to examine CSR responses to environmental issues. These have mainly been used to examine the environmental aspects of CSR. Some examples are detailed in Table 5.3.

Table 5.3 Approaches to corporate social responsiveness

Researchers	Focus of research	Approach to classifications
Winn and Angell 2000	Internal processes of corporate environmental development	Deliberate reactive, Unrealised, Emergent active, Deliberate proactive
Van Tulder <i>et al.</i> 2009	Developing and implementing codes of conduct	Inactive; reactive; active and pro/inter-active
Grosvold <i>et al.</i> 2014	Sustainability: relationship between management, measurement and performance	Reactive; Defensive; Accommodative; Proactive
Gosling <i>et al.</i> 2017	Review SSCM literature and propose a revised classification for SSCM strategy	Reactive, contributive and proactive

A coding system was devised to identify the types of CBs sought by organisations and to classify organisations on a reactive – proactive scale (Wilson 1975). The analysis is naturally subjective, but it is combined with less subjective elements of the analysis, such as the frequency of notices and number or type of contracts covered. To give a sample of the range of wording and how the coding links to Wilson’s Reactive/Proactive scales some examples are provided in Table 5.4.

The results for each CA were aggregated and a median score for the strength of wording was added to the results for each organisation. Alongside this, the number of notices placed by the CA was considered, to provide an indication of experience in including CBs in tenders.

Table 5.4 Scoring the wording in OJEU notices on a reactive-proactive scale

Category (based on Wilson model 1975)	% of notices coded	Typical wording to meet the criteria	Example of wording meeting the criteria
Reactive: Score 1	18%	Mix “require” with “may” or aspirational wording	“...The provider chain may be required to actively participate in the achievement of social and community benefit.” (HA14)
Defensive: Score 2	29%	Uses wording such as “to take reasonable steps to...” or “actively participate” or “encouraged”. May set out expectations or requirements; but no specific targets. Proposals likely to be “requested” on a voluntary basis.	“...while the requirement to do so will not be mandatory, the successful contractor will be encouraged to consider opportunities to achieve community benefits” (LA11)
Accommodative: Score 3	31%	Reference to the specification of Community Benefits in the ITT or a requirement to submit a Community Benefits plan;	“...Tenderers will be required to submit a Community Benefits Plan as part of the tender process” (LA27)
Active: Score 4	4%	Suppliers are required to meet certain targets, or the wording includes reference to the tender process with core requirements. It is clear that PQQs or ITTs will be evaluated for experience or ability to provide benefits.	“...has built in a Targeted Recruitment and Training Clause as part of the core requirement of this contract” (LA38)
Proactive: Score 5	18%	Award notices indicating that Community Benefits have been scored as part of award criteria.	“...Community Benefits. Weighting 5 ” (LA77)

This analysis demonstrates that most notices were coded 3 (accommodative) but over a fifth of notices were coded either Active or Proactive. It also indicated that CAs in Scotland and Wales are deemed more proactive than those in England.

Research restrictions and the decision to conduct dyadic research mainly through face-to-face interviews led to the purposive selection of three sub-categories of the Welsh public sector. These were local authorities (LAs), registered social landlords (RSLs) also known as ‘housing associations’ and higher education institutes (HEs) within Wales and suppliers proposed by the participating organisations.

A summary of Welsh public sector organisations scoring 3 or more in this evaluation is provided in Appendix F. This analysis produced a short-list of potential organisations for inclusion in the research. Documentation downloaded from websites of short-listed organisations was also evaluated to confirm the prospective participants organisation's classification and suitability for inclusion in further primary data collection via interviews.

5.4.5 Ethical approval

The researcher obtained ethical approval and designed a consent form and interview protocol prior to contacting the short-listed organisations (Appendix A).

5.5 Empirical data collection

The next stage of data collection involved the collection of empirical data, wherever possible through face-to-face through interviews or workshops. The aim was to obtain the views of public sector participants and their suppliers on the drivers, barriers, enablers and benefit linked to CBs implementation.

5.5.1 The invitation to participate

Selected organisations in the three sub-sectors (LA, RSL and HE) were invited to participate in the empirical research, to take place between May 2015 and November 2016. An example email inviting public sector participation is provided in Appendix H.

Obtaining the views of suppliers, to determine the drivers, barriers, enablers and benefits of CBs implementation from their perspective was deemed essential, since they impact on the ability of public sector organisations to maximise the potential for CBs to be provided through public sector contracts. Participating organisations were asked to propose suppliers who could be invited to participate in the research, providing a dyadic study. Appendix I provides a sample email subsequently inviting supplier participation.

The time participants were asked to commit was carefully considered, so as not to comprise a barrier to participation. A review of the literature suggested that interviews lasting between an hour to one hour and thirty minutes is the average for CSR studies (Preuss 2007; Perry and Towers 2013; Grandia 2015). All participants were asked to allow one hour for the interview, although in some cases interviews were slightly shorter and in others the interview time was extended, with the participant's agreement, to ensure thorough discussion of the issues.

5.5.2 Interview protocol

Semi-structured interviews were used to maximise opportunities for obtaining the experience, interpretations and perceptions of participants using an interview guide used to explore the key research questions:

RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?

RQ2: What are the perceived benefits of implementing Community Benefits?

RQ3: What are the perceived barriers to implementing or realising Community Benefits?

RQ4: What are the perceived enablers for implementing Community Benefits?

RQ5: What types of Community benefits are prevalent?

A copy of the interview guides for public sector and supplier participants are provided (Appendices J and K). These build on theoretical considerations outlined in Chapter 4. The funnel method was employed, starting with broad, open-ended questions and then seeking greater detail and insight through follow-up questions (Voss *et al.* 2002; Preuss 2011).

In order to ensure that participants could speak freely, wherever possible each interview was carried out separately. The literature suggests that time can be saved by interviewing several participants within the same organisation at the same time (Preuss 2007; Mont and Leire 2009). For example, one supplier (S4) requested a joint interview covering three staff with different roles in CBs implementation. To minimise the costs and travel time involved, multiple interviews were scheduled at each organisation's location during the same day or over several consecutive days where feasible. In a few cases where face-to-face interviews could not be arranged, telephone interviews were utilised. Further information is provided in Appendix L.

All interviews were recorded, with written consent obtained to ensure the researcher could devote attention to listening carefully to responses, noting issues that could further be explored or clarified during the discussion (Preuss 2007, Preuss 2011; Perry and Towers 2013; Huq *et al.* 2014). In order to encourage frank and open discussion, assurances were provided concerning confidentiality (Hoejmose and Adrien-Kirby

2012) and this is reflected in the use of code numbers. To remove the link between the OJEU notices and the participating organisations, each participating organisation was re-numbered prior to the empirical research taking place.

5.5.3 Multi-participant events

Two organisations (LA3 and RSL3) agreed to hold a workshop for procurement staff or other key individuals involved in implementing CBs to explore the drivers, barriers, enablers and benefits associated with implementation. This alternative research method, similar to focus groups, was employed as neither organisation could commit time or resources to facilitate a series of face-to-face interviews with employees. They were willing to participate in an event that facilitated discussion of how CBs could be maximised within their organisation subject to the provision of a summary report. This provided benefits for the researcher and the focal organisation but the main drawback for the researcher was not being able to contribute statements to individual participant roles. The results of these events were provided to the Procurement Director in each organisation and are also included in the findings chapters (referred to as LA3,A1 and RSL3,A2).

5.5.4 Producing verified records

The interview and workshop records were converted to written records, using the research questions as headings to structure each record (Miles and Huberman 1994). Individual participants were asked to confirm the accuracy of the record relating to them, which was attributed a code name to ensure anonymity. This process ensured that all records held the verified interpretations of the participants. Once all the agreed records had been collected, the researcher read through them several times to gain an

overview of the phrases and wording within each section, identifying patterns such as similar phrases and themes, allowing the researcher to begin to interpret the participant's perspectives and answer the research questions.

5.5.5 Details of participants

As explained in section 5.4, purposive selection was used to invite proactive organisations to participate in this research. Each organisation was asked to identify several individual participants who had been involved in CBs implementation from across the organisation. It was considered important to involve non-procurement staff to obtain their views. This resulted in 54 public sector participants across 12 public sector organisations participating, mainly through face-to-face interviews or workshops. Public sector organisations were asked to suggest suppliers with experience of implementing CBs. Through this method of ensuring the research was dyadic, a total of 20 supplier participants representing 17 organisations were involved in the research, mainly through face-to-face or telephone interviews. An overview of all participants is provided in Table 5.5 and Table 5.6, which provides a summary of participants by organisation, research method and their main role within their organisation. To ensure consistency, suppliers were classed as SMEs if they held an SME exemption on their Companies House registration.

Table 5.5 Number of organisations and participants by research method

Sector	Organisations	Interviews	Interviewees	Forum event	Total Participants
Local Authority	5	11	13	14	27
Registered Social Landlords	4	4	4	16	20
Higher Education	3	7	7	N/a	7
Large/Main contractors	5	5	8	N/a	8
SMEs	12	12	12	N/a	12
Total	29	39	44	30	74

Table 5.6 Number of participants by key role

Sector	Procurement Director	CBs Co-ordinator	Contract Manager	Other ¹⁰	Total Participants
Local Authority	4	4	5	14	27
Registered Social Landlords	2	2	0	16	20
Higher Education	3	0	3	1	7
Large/Main contractors	0	5	2	1	8
SMEs	0	3	9	0	12
Total	9	14	19	32	74

Figure 5.4 shows the relationship between key participating public sector organisations and suppliers, with five or six suppliers linked to each sector.

¹⁰ Refer to Table 5.7

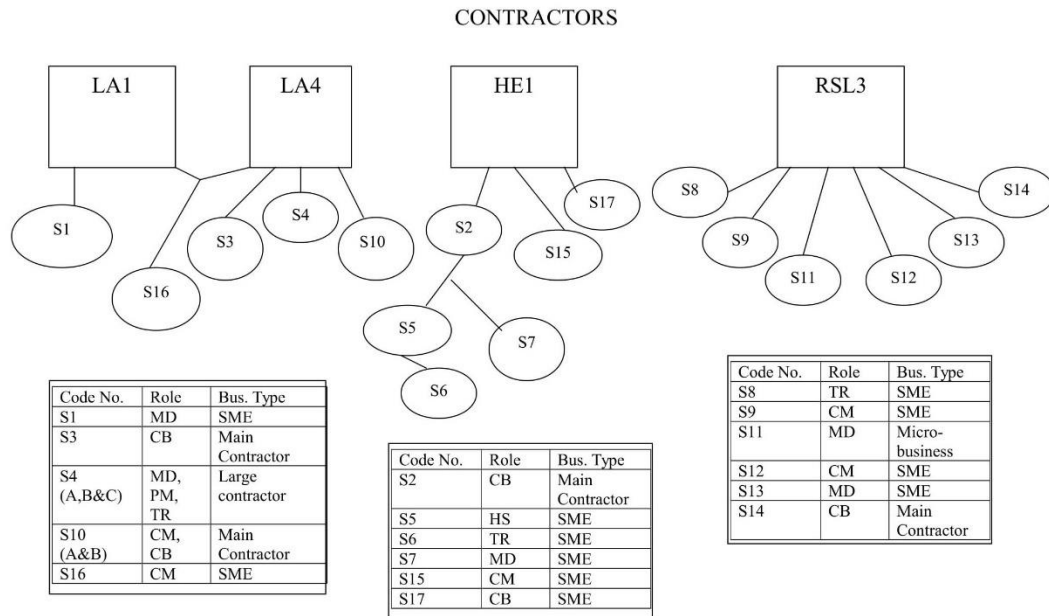


Figure 5.3 Overview of relationships between participating organisations

There are 22 local authorities across Wales¹¹, so the sample represents almost a quarter of them. The sample represents over a third of the seven higher education institutions in Wales¹². It is not possible to quantify the number of registered social landlords although Community Housing Cymru (CHC) has over 70 members in Wales¹³, so the sample included in this study (4) is very small.

5.6 Analysing the findings of the empirical research

This section outlines the methods for analysing the data collected during the empirical research phase. It also outlines how theory; epistemology and the extant literature were integrated within the research analysis. It is difficult to categorise the “unit of analysis” being analysed within this study. The unit of analysis is the individual, since the perceptions of individuals involved in CBs implementation are analysed. The research

¹¹ <http://gov.wales/topics/localgovernment/unitary-authorities/?lang=en>

¹² <http://www.hepcw.ac.uk/members/>

¹³ <https://chcymru.org.uk/en/about-us>

questions are addressed through studying the data collected through interviews and workshops and categorising the perceptions of individuals involved in CBs implementation. This data is further analysed by reference to the type of organisation represented by the participant: public sector or supplier and within that narrower categorising according to the sub-group.

5.6.1 Coding participants

To ensure that all participants remain anonymous, a summary of participants coded by organisation type and their main role within their organisation is provided in Tables 5.6 and 5.7.

Table 5.7 Public Sector participants by code, organisation type and role

Organisation type	Participant Code	Main role
Local Authority (LA)	LA1.1	Contract Manager (Estates)
	LA1.2	Contract Manager (Social care)
	LA1.3	CBs Co-ordinator
	LA1.4	Procurement Director
	LA1.5	Contract Manager (Catering)
	LA2.1	CBs Co-ordinator
	LA3.1	Procurement Director
	LA3.2	CBs Co-ordinator
	LA3.1 A1	Workshop with 14 participants covering a range of responsibilities including the procurement, environment, education, social services, construction, buildings maintenance and corporate services
	LA4.1	Contract Manager (Property Maintenance)
	LA4.2	Contract Manager (Housing)
	LA4.3	Procurement Manager
	LA4.4	CBs Co-ordinator
Higher Education (HE)	LA5.1	Procurement Director
	HE1.1	Contract Manager
	HE1.2	Director (Estates)
	HE1.3	Contract Manager
	HE1.4	Procurement Director
	HE1.5	Director (Finance)
	HE2.1	Procurement Director
	HE3.1	Procurement Director

Organisation type	Participant Code	Main role
Registered social landlord (RSL)	RSL1.1	Procurement Director
	RSL2.1	CBs Co-ordinator
	RSL3.1	Procurement Director
	RSL3 A2	Workshop with 16 participants covering a variety of roles including procurement, contract management, employability skills, community engagement.
	RSL4.1	CBs Co-ordinator

Table 5.8 Supplier participants by code, organisation type and role

Organisation type	Participant Code	Main role
Large suppliers (LS)	S2	CBs Co-ordinator
	S3	CBs Co-ordinator
	S4A	Managing Director
	S4B	Contract Manager
	S4C	CBs Co-ordinator
	S10A	Contract Manager
	S10B	CBs Co-ordinator
	S14	CBs Co-ordinator
Small to Medium-sized Enterprises (SMEs)	S1	Managing Director/Contract Manager
	S5	Contract Manager
	S6	Managing Director/Training Manager
	S7	Managing Director/Contract Manager
	S8	Contract Manager/Health & Safety Co-ordinator
	S9	Contract Manager/Business Development Manager
	S11	Managing Director/Contract Manager
	S12	Contract Manager
	S13	Managing Director/Contract Manager
	S15	CBs Co-ordinator/Contract Manager
	S16	Contract Manager
	S17	CBs Co-ordinator

These tables demonstrate the variety of organisation types and participant job roles covered by this research and how coding participants retains a link to the organisational/sector context (Miles and Huberman 1994).

5.6.2 Coding key findings

A coding system was developed to facilitate a comparison between the findings based on the perspectives of participants (Chapters 6-10) and the detailed literature review (Chapter 3). The original coding system was presented to the researcher's supervisors

during the draft methods chapter. The agreed coding was then used to code sentences within each record to highlight the patterns and themes identified against the research questions (Appendix D). As it emerged that some words or phrases could not be linked to a pre-defined code, additional codes were developed. This was particularly relevant to the coding of supplier participants' records, since most of the extant literature is based on research within buying organisations. Codes were added to reflect frequently occurring words or themes (see Appendix M).

Care was taken to link the findings to individual participants, their organisations and their sector through their code numbers, enabling a link to be maintained to the context within which data was collected. Once the coding was complete, by maintaining a link to the participant's identity, the researcher was able to consider consistencies and inconsistencies in responses, within organisations, across groups of participants, and by sector or the participant's job role (Miles and Huberman 1994).

5.6.3 Categorising drivers, barriers and enablers

Chapter 2 set out the initial development of a conceptual model for categorising findings based on a review of the literature. A spreadsheet was developed to link the findings to this model and Table 5.9 provides an extract showing how results were linked to drivers, barriers, enablers and benefits in the literature and categorised at three levels (external, organisational or individual).

Table 5.9 Categorising findings at three levels linked to the literature review

Factor	Example description	Example code	Example level	Conceptual model category	Key reference(s)
Driver	Personal commitment, "passion"	DRPC	Individual	Discretionary	Carter and Jennings 2004
Barrier	Legal or regulatory concerns	BL	External	Political/Legal	Walker and Preuss 2008
Enabler	Strategic role of purchasing function	ESR	Organisational	Functional	Walker and Jones 2012
Benefit	Enhanced reputation, PR etc	BFPR	Organisational	Economic/Communication	Perry and Tower 2013 Welford and Frost 2006 Huq <i>et al.</i> 2014

5.6.4 Comparing findings across participant groups

A challenge of this research is comparing findings across groups to identify similarities or differences and consider underlying factors that may contribute to the findings. This explains why researchers frequently study a single sector, such as local authorities (see for example Thomson and Jackson 2007; Walker and Preuss 2008; Preuss 2009; Kurul *et al.* 2013). It can be difficult to compare local authorities from different parts of the UK, so some studies are often confined to a single region such as England (see for example Thomson and Jackson 2007; Walker and Preuss 2008).

The problems of comparison are magnified when researching different types of organisation, even where they are based in the same region. This is because they are subject to different legislation or sector rules even if when required to support the same national or regional legislation/policy initiatives. For example, Table 3.5 previously summarised the legislative measures that enable different sectors to take socio-

economic factors into account when awarding contracts. This emphasises differences between public sector organisation types and highlights that there is no specific UK legislation that enables HEs to take socio-economic factors into account when awarding contracts. Indeed, all UK public sector organisations covered by the EU Directives have restricted freedom in this respect as discussed in Chapter 3.

This also highlights the challenge of comparing organisations in different sectors, a reason for previous studies being confined to a single sector such as local authorities (Walker and Preuss 2008), RSLs (Hall and Purchase 2006), French hospitals (Oruezabala and Rico 2012) or SMEs (Baden and Harwood 2009). A key challenge for the researcher is that this study includes participants in 5 types of organisation: LA, HE, RSL, large suppliers and SMEs. Since there are different numbers of participants in each group, simply comparing the number of participants making statements fitting a particular code is less useful than considering the percentage of participants in a group doing so.

This results in analysing each code by the percentage of participants in a particular group and aggregating findings across groups to compare all public sector participants with all suppliers. Finally, consideration is given to the percentage of all participants supporting a statement. This is demonstrated in Table 5.10, which summarises external level drivers across participant groups.

Table 5.10 Sample summary: comparing findings across participant groups

Level	Driver	Code	% Public Sector (PS)				% Suppliers (S)			%All
			HE	RSL	LA	PS	SME	Large	S	
External	Legislative/policy drivers	DRL	71.43	60	75	70.83	8.33	37.5	20	47.73
	Funding requirements	DRF	28.57	80	50	50	8.33	12.5	10	31.82
	Client driving implementation	DRCR	0	0	0	0	50	25	40	18.18
	Evidencing Community Benefits for future bids	DRFB	0	0	0	0	41.67	25	35	15.91

This method demonstrates that although only 47.73% of all participants mentioned legislative/policy drivers, they were an important driver for 70.83% of all public sector participants. Similarly, 40% of supplier participants mentioned clients as driving implementation but this was much higher among SME participants than larger suppliers. It is important to emphasise that using this method does not infer any attempt to claim statistical significance. It is adopted to highlight similarities or differences in perceptions of participants across categories, supporting the interpretivist approach taken to this research. A much larger quantitative research would need to be conducted on a larger scale to claim any significant statistical differences between sub-sectors.

5.7 Research impact

Through detailed analysis of the issues faced by public sector or contractor organisations and individuals when implementing CBs through public sector procurement, the findings should make an academic and theoretical contribution but also have a real impact. For example, identifying how organisations identified as engaging in “best practice” have overcome barriers, or perceived barriers, may assist other organisations that have hitherto been reluctant to include CBs in contracts. Identifying how contractors have overcome barriers may also be of value to potential

suppliers, particularly SMEs that have struggled to win tenders where CBs are required. Some key recommendations for policy makers, buying organisations and suppliers are set out in Chapter 12. The research has already had impact through the provision of workshop reports to two participating organisations and all participating organisations will be sent a summary of the research findings and key recommendations.

5.8 Summary

This chapter provides an overview of the research design and methodology and how issues such as credibility, dependability, conformability and transferability were considered within the research design. The decision to combine documentary analysis with interviews and workshops to involve a range of participants with experience of implementing CBs was explained. An outline of the participating organisations and individuals was provided and methods for coding and analysing data were explained.

Chapters 6 to 10 present a summary of the key findings as they relate to the research questions. This is followed in Chapter 11 by a discussion of the overall findings and consideration of the implications for theory and practice. Finally, Chapter 12 summarises the conclusions, academic and theoretical contribution, provides some key recommendations, discusses the research limitations and presents recommendations for future research.

SECTION 2: Key findings

Chapters 6 – 10 presents key findings supported by a selection of statements made by participants. All statements have been anonymised and are linked to participant code numbers as set out in Tables 5.6 and 5.7.

Chapter 6	Drivers for Community Benefits implementation
Chapter 7	Perceived Benefits of implementing Community Benefits
Chapter 8	Barriers to Community Benefits implementation
Chapter 9	Enablers for Community Benefits implementation
Chapter 10	Types of Community Benefits and related issues

6 Drivers for Community Benefits implementation

The first research question explores the factors driving organisations to request or deliver CBs through procurement. The literature concerned with drivers for SSCM/SRPP was explored in Chapter 3 and drivers were categorised as external, organisational or individual. This chapter presents the key findings from dyadic research. A more detailed discussion of these findings and comparisons between the public sector and suppliers are presented in Chapter 11.

6.1 Findings in the review of primary data

A summary of the drivers identified through coded analysis of the responses to interview questions is provided in Table 6.1. As outlined in Section 5.6.4, presenting the percentage of participants within each sector citing a driver does not infer statistical significance, rather it helps overcome difficulties arising due to the different number of participants representing each sub sector.

A greater number of organisational drivers were identified than external or individual level drivers. Policy and legislative or funding drivers are far stronger for public sector organisations than suppliers. Conversely, client requirements and the need to demonstrate the ability to deliver CBs are more important drivers for suppliers.

Value for money is a key organisational driver for public sector organisations. A higher percentage of suppliers stated they would be providing some form of CB regardless of client requirements; and in many cases this tied into organisational challenges such as recruiting trainees. Doing the right thing was mentioned at both organisational and

individual levels. Here it is included as an organisational driver since individuals can drive the organisation to view CBs measures as “doing the right thing”. Individual or leadership commitment was a key driver across participant groups but highest among RSL participants. The next three sections provide greater insight into these findings.

Table 6.1 Drivers by percentage of participants per sector mentioning each driver

Level	Driver	Code	% Public Sector participants (PS)				% Supplier participants (S)			% All
			HE	%RSL	LA	PS	SME	Large	S	
External	Legislative/policy drivers	DRL	71.43	60.00	75.00	70.83	8.33	37.50	20.00	47.73
	Funding requirements	DRF	28.57	80.00	50.00	50.00	8.33	12.50	10.00	31.82
	Client driving implementation	DRCR	0.00	0.00	0.00	0.00	50.00	25.00	40.00	18.18
	Evidencing CBs for future bids	DRFB	0.00	0.00	0.00	0.00	41.67	25.00	35.00	15.91
Organisational	Local socio-economic goals	DRLE	28.57	40.00	58.33	45.83	41.67	37.50	40.00	43.18
	Organisational challenges	DROC	0.00	20.00	41.67	25.00	66.67	37.50	55.00	38.64
	Organisational policy/strategic goals	DOP	57.14	60.00	41.67	50.00	25.00	12.50	20.00	36.36
	Organisation doing / would do anyway	DRDA	14.29	20.00	25.00	20.83	33.33	50.00	40.00	29.55
	Organisational culture/ethos	DOC	14.29	20.00	33.33	25.00	25.00	12.50	20.00	22.73
	Raising profile of organisation/ department	DROP	28.57	20.00	16.67	20.83	8.33	37.50	20.00	20.45
	Maximising value for money	DRV	0.00	60.00	50.00	37.50	0.00	0.00	0.00	20.45
	Doing the 'right thing'	DRT*	0.00	40.00	8.33	12.50	16.67	25.00	20.00	15.91
	Leveraging the power of procurement spend	DRP	14.29	0.00	16.67	12.50	8.33	25.00	15.00	13.64
Individual	Individual or leadership commitment	DRPC	42.86	80.00	50.00	54.17	50.00	25.00	40.00	47.73

(PS = Public Sector; S = Suppliers; A = All participant groups)

6.1.1 External drivers

Legislative/policy drivers

Most public sector participants mentioned government or policy related drivers. Several participants referred to more recent Welsh Government legislation as a driver, for example the Well-being of Future Generations (Wales) Act 2015.

“As you know we are enforced to do it, with the Welsh Government driving us” (RSL1.1)

Most prominent were references to the Wales Public Procurement Policy Statement (WPPPS).

“Community Benefits is part of the Welsh Procurement Principles policy, included in the ten Welsh Government principles so that’s another driver” (HE1.1)

Although a powerful driver, the WPPPS is a statement of the Welsh Government’s policy position rather than legislation and at the time of the interviews the Welsh Government was consulting on potential future legislation. The UK Government’s Public Services (Social Value) Act 2012 was also viewed as a driver by some participants, with CBs implementation viewed as a route for achieving social value. Questions around how social value is measured are considered in Chapter 8. However, several participants called for a more “joined up” approach to implementing legislation, with closer links between CBs, social value legislation and the Well-being of Future Generations (Wales) Act 2015.

Several supplier participants, mainly representing larger contractors, also mentioned legislative or policy drivers including the Well-being of Future Generations (Wales)

Act 2015, the Public Services (Social Value) Act 2012, the Conservative Government's commitment to apprenticeships and Universal Credit.

"As part of the Social Value Act we need to, we have to do it anyway, we're legally obliged to do it" (S4A)

Funding requirements

Another form of policy driver is the Welsh Government's requirement that recipients of 'hypothecated' grant funding report CBs. This condition is frequently built into grant funding conditions and the need to report benefits actively drives organisations to ensure that CBs are built into the relevant contracts. Half the public sector participants referred to CBs being a condition of funding, with this policy driver most frequently by procurement directors or CBs co-ordinators in LAs or RSLs.

"Part of the funding conditions for Welsh Government monies is a requirement to complete the Community Benefits Measurement Tool on a regular basis or at the end of a project" (LA1.1, Contract Manager)

Hence the funding requirement to report CBs directly drives organisations to include CBs reporting in contracts. Reporting obligations are passed through the supply chain indicating that supplier participants were also aware of the Welsh Government's reporting requirements.

Client driving Community Benefits implementation

Whereas public sector participants reported external government or policy related drivers, a key external driver for supplier participants, particularly SMEs, is that public sector clients, or main contractors working on their behalf, request or require CBs implementation, although one main contractor reported starting to see private sector clients requesting CBs.

"The client wants it, basically" (S14)

Subcontractors are frequently driven to deliver and report on CBs, since main contractors generally pass their CBs commitments through the supply chain.

Sometimes involvement in a community scheme is driven by a request from the main contractor (S7)

Evidencing Community Benefits for future bids

Since public sector clients or main contractors drive CBs implementation through competitive bidding, it is not surprising that another key driver for suppliers is being able to evidence CBs.

“Being able to evidence CSR and Community Benefits is important for winning bids” (S2)

Several suppliers also mentioned the importance of photographic evidence, in demonstrating achievements.

“...you can show a lot with a photograph and it proves that it’s not just something we’re talking about, now we can say ‘look, here’s the photograph’.” (S9)

Linked to this driver, a few participants referred to the effects of competition and the importance of being able to compete on a level playing field.

“Every tender these days is looking for ‘what are you doing?’” (S15)

6.1.2 Organisational drivers

Findings against this code are closely related to other findings in this section such as supporting local socio-economic goals; organisational culture; maximising value for money or meeting organisational challenges.

Local socio-economic goals

The organisation's local socio-economic goals were mentioned as a driver by all categories of participants but particularly those representing LAs, RSLs and SMEs. This includes goals associated with creating employment opportunities for tenants and community members, social inclusion and sustainable local employment and training.

“There is a recognition that Community Benefits can help meet the social and economic needs of the area” (RSL,A1)

Recycling public money back into the local community, tackling youth unemployment and creating contract opportunities are other key drivers for LA participants.

“we'd all like to think that our value set, working for local government, is that actually anything we can do to support social economic well-being is something that we like to think we do” (LA4.3)

Organisational challenges

Supply chain participants linked CBs to ensuring long-term organisational sustainability by addressing organisational or supply chain challenges. For example, it is essential to recruit and train for the future, with a direct link between capacity and winning contracts, even when the economic climate is uncertain.

“...to ensure a steady flow of the different trades to meet current and future business needs, for example as existing staff reach retirement age” (S8)

Several public sector participants also recognised the need to address skills challenges as intrinsically linked to local socio-economic sustainability.

Organisation policy or strategic goals

A key driver across most participant groups, particularly public sector participants and contract managers, was that implementing CBs was viewed as supporting their organisation's aims and values or being linked to the organisation's core purpose.

"Some of the beneficiary targets have been driven from above by corporate objectives, for example the desire to include veterans, NEETs, etc." (LA4.2)

Organisation is doing or would do anyway

Several participants, particularly those representing larger firms, stated that they or their suppliers were already providing CBs, or would do so regardless of government or client requirements, even though CBs were not always reported or quantified.

"...but even if we weren't doing that, we'd be putting that community engagement plan together for any project that we deliver" (S10A)

During the research, the researcher identified several participants who themselves had been supported through apprenticeships or other forms of training, demonstrating their organisation's own commitment to staff development.

Organisational culture or ethos

Providing CBs or other CSR measures is part of the organisation's culture or ethos, particularly for LA participants.

"The main driver is the organisation's ethos, particularly for housing projects, with tenant relationships viewed as important, so Community Benefits have always been a big part of any housing delivery project". (LA4.2)

Several supply chain participants also suggested that organisational culture or ethos is a key driver. One larger firm participant had moved from a social housing organisation to take up a role as CBs co-ordinator:

“The reason I took the post was because I’d worked with them previously [as a client]. It was really obvious that the ethos is embedded across the organisation” (S3)

Raising the profile of the organisation or department

Another driver, mentioned across all groups of participants but particularly by HE or larger suppliers, is raising the profile of organisation/department. For public sector participants, implementing CBs provides opportunities to raise the profile of procurement across the organisation, changing perceptions of where procurement can add value to what the organisation is trying to achieve and ensuring procurement is viewed as relevant and contributing to strategic value.

“over the next year we’ll have some really great successes that we can raise our profile” (LA4.3)

For suppliers, raising the organisation’s profile may lead to winning future business or attracting employees.

“the company’s reputation and we might gain a bit more business in future from

Maximising value for money

For public sector participants, particularly procurement directors representing LAs or RSLs, another key driver is maximising value for money through their organisation’s procurement, which is emphasised to potential suppliers.

“Community Benefits is one route to achieving social value. It’s recognising that we’re spending money on procuring on this contract, and we’re adding into that contract social value. We could spend that money just on a project and deliver social value but we have to deliver [services]... so Community Benefits are a way of capturing that value through the spend that we make on our contracts” (RSL 3.1)

Doing the ‘right thing’

Closely linked to organisational culture is viewing delivering CBs as the "right thing" to do. This was particularly evident from the responses of several RSL participants and could also be linked to organisational goals such as maximising the benefits for tenants.

“We do it because we want to do it, because it’s the right thing to do, as opposed to having to do it”. (RSL2.1)

Leveraging the power of procurement spend

Several public sector participants referred to using procurement spend to leverage CBs.

“value of the contract at an estimated £40M over four years of public money” (LA1.2)

For suppliers, the inclusion of CBs in tenders, either by the public sector client or their main contractor when tendering subcontracts, is a driver.

“I don’t think we’d be doing it if it wasn’t being asked for” (S9)

6.1.3 Individual drivers

Individual or leadership commitment

Although it is possible to debate the extent to which individuals are motivated by external or organisational pressure to implement CBs, several participants, particularly among those representing public sector or SME organisations, mentioned personal commitment as a driver. This was broadly spread across job roles and participants referred to their personal commitment or that of someone else within their organisation driving CBs implementation. In some cases, the participant’s commitment was linked

to living within the local community, the culture of their organisation or seeing the benefits first hand.

“I’m passionate about Community Benefits, I really am, I love to see people back in work, I like to see people happy and the community... you drive past a place and you say look at it... then you see people playing in the park or benches, the litter’s gone... and that’s what I like to see.” (RSL1.1)

Although not a theoretical perspective being explored through this research, several public sector participants made comments indicating that public service motivation may be a driver.

“I think anybody’s who’s involved in public service has this little thing about them that they would quite like to do good... I’m from this community, the community has looked after me and there is a feeling that you should try and put something back in... if you can do that through your profession, through your work, and I’m convinced you can... there’s lots of other people doing it, so why not do it?” (LA1.4)

Several participants were driven by a genuine belief that CBs could be realised and that this was not limited to certain types of contracts. Sometimes this stems from the personal commitment of someone else in the organisation and this passion can be contagious.

“I can’t name one person I work with who isn’t passionately committed to the construction industry and passionately committed to making sure that we’re encouraging young people to come up through it” (S2)

Implementation may be driven through the commitment of a senior manager or procurement officer. Several suppliers also indicated that personal commitment is a driver, either for them or someone else within their organisation such as a managing director, rather than being driven by client requirements.

“I was amazed to be honest... one of the family members, one of the Directors, would pop in to see what was going on, not just for PR purposes, they would just come along and seem genuinely interested in what’s going on... then they’d want to meet people who benefited from the schemes as well.” (S3)

Individuals view as “the right thing to do”

Although “doing the right thing is included in the organisational drivers section of Table 6-1, some references indicated this was an individual driver. This is one example of a boundary-spanning driver.

For example, a CBs Co-ordinator said:

Because I want to and because I feel it is the right thing to do (RSL3.1)

6.2 Discussion

Some drivers were more frequently referred to than others. For example, individual commitment or “passion” was reported as a driver by almost half the participants, covering both public sector and suppliers. In many cases this conveyed a personal commitment; but responses were also based on the commitment of someone else within the participant’s organisation, for example a managing director or procurement manager. Local socio-economic goals were also highly cited as a driver across participant types. HE participants and those representing larger firms mentioned raising the profile of their organisation or department as a driver. To some extent organisations in both categories were also driven by organisational ethos or a belief that delivering CBs is the right thing to do.

It is possible to distinguish between findings from the public sector participants and those representing suppliers. Most public sector participants referred to the Welsh Government’s strong policy steer and the inclusion of CBs in the WPPPS as a strong driver for CBs implementation. Public sector participants were also driven by the Welsh Government’s policy of linking funding to CBs reporting and by a requirement

to maximise value for money through procurement. Public sector participants were also driven by organisational goals.

Suppliers were at least partially driven to offer and implement CBs by client requirements, be they directly from the public sector client or filtered down the supply chain by a main contractor. A related driver is providing evidence that the supplier can deliver CBs, particularly when competing for future business. Whereas public sector participants were driven by organisational goals, suppliers were more likely to be driven by organisational challenges, such as the need to recruit and train future employees and ensure long-term sustainability of the business. Half the participants representing large firms said they would be delivering CBs anyway, regardless of any client requirements. Interestingly, although some public sector participants claimed to be leveraging the power of procurement, this was mentioned as a driver by a quarter of participants representing larger firms. This indicates that some organisational pressures are more powerful drivers than external pressures.

Chapter 2 suggested linking the findings to a model drawn from the work of Carroll (1979, 1991) and Walker and Jones (2012). Table 6.2 summarises how drivers may be categorised as political/legal; economic; sectoral; or discretionary or may span these boundaries.

Table 6.2 Categorising drivers

Level	Categorisation	Driver	Key references
External	<i>Economic/Commercial</i>	Funding requirements	Carroll 1979 McCrudden 2004 Preuss 2009
	<i>Economic/Political</i>	Client driving implementation Evidencing CBs for future bids	
Organisational	<i>Discretionary</i>	Organisational culture/ethos Organisation doing / would do anyway Organisational policy/strategic goals Doing the 'right thing'	
	<i>Economic/Communication</i>	Raising profile of organisation/department	
Individual	<i>Discretionary</i>	Individual or leadership commitment	

The next chapter sets out the benefits of CBs delivery as perceived by research participants.

7 Perceived benefits of implementing CBs

The second question examines the benefits of implementing Community Benefits. Many potential external, organisation or individual level benefits were identified in the review of the literature (Chapter 3). This chapter summarises the findings of empirical research.

7.1 Findings in the review of primary data

A summary of the benefits identified through coded analysis of the responses to interview questions is provided in Table 7.1.

Most benefits are classified as organisational with the majority of participants citing benefits for reputation or public relations. Key benefits for public sector organisations were the ability to report benefits to key stakeholders and obtaining added value or maximising the value of procurement expenditure. Suppliers reported a range of commercial benefits including some related to staff recruitment, retention or training. All participant groups reported individual benefits for the intended beneficiaries of CB measures or personal job satisfaction. The next three sections explain these findings in greater detail.

Table 7.1 Benefits by percentage of participants per sector

Level	Benefit	Code	% Public Sector participants (PS)				% Supplier participants (S)			% ALL PS and S
			HE	RSL	LA	PS	SME	Large	S	
External	Local socio-economic benefits	BFLE	28.57	60.00	75.00	58.33	33.33	37.50	35.00	47.73
Organisational	Enhances reputation/PR	BFPR	57.14	60.00	66.67	62.50	33.33	37.50	35.00	50.00
	Added value benefits	BAV	14.29	40.00	50.00	37.50	8.33	25.00	15.00	27.27
	Ability to report benefits	BFR	28.57	60.00	33.33	37.50	16.67	0.00	10.00	25.00
	Other commercial benefits	BOC	0.00	0.00	0.00	0.00	50.00	12.50	35.00	15.91
	Mutual benefits for clients and contractors	BFBP	14.29	20.00	16.67	16.67	16.67	0.00	10.00	13.64
	Benefits for suppliers	BFS	14.29	60.00	0.00	16.67	16.67	0.00	10.00	13.64
	Benefits for recruitment/staff retention or training	BFSRTS/ BFST	0.00	0.00	0.00	0.00	25.00	25.00	25.00	11.36
Individual	Individual benefits for beneficiaries of CBs initiatives	BFDR	57.14	80.00	58.33	62.50	91.67	37.50	70.00	65.91
	Personal benefits such as job satisfaction	BJS	28.57	40.00	50.00	41.67	58.33	37.50	50.00	45.45

(PS = Public Sector; S = Suppliers; A = All participant groups)

7.1.1 External benefits

Local socio-economic benefits

Being able to demonstrate benefits to the local economy, either through an increase in expenditure through the local supply base, economic regeneration or donations to local communities is a key benefit for public sector chief executives or council members, as cited by the majority of RSL and LA participants. Large projects aimed at stimulating local regeneration that include CBs help realise such benefits. Local suppliers, or

national suppliers with a large local presence, are included in the supply chain, providing employment for local residents and assisting local economic regeneration or addressing socio-economic inequalities, which may link to organisational drivers.

The local economy also benefits through having a more highly skilled workforce. A contract manager cited a wholesaler based in Wales having grown from a small family firm to employing around 400 or more employees that successfully includes local producers in the supply chain, just one example of growing local SMEs. Another participant said a benefit was

“seeing suppliers grow, for example one contractor has gone from around 20 staff to around 60, with the associated benefits for the local economy” (RSL2.1)

A supplier participant claimed that one West Country based project had increased the radius for potential contractors to include South-East Wales due to the prevalence of skilled local firms and employees. Similarly, a public sector participant pointed out that Welsh companies often bid successfully for contracts across the border. A regeneration project managed by a participating organisation is expected to yield an estimated £14M worth of social value via CBs over 10 years. Several public sector participants referred to maximising each £1 spent in the region.

Several participants also mentioned leaving a legacy that extends beyond the single contract or project, sometimes working with other public sector organisations or contractors to determine how this can be achieved.

“Often it is the softer side that I feel is giving the biggest advantages, and trying to see the legacy behind the project, leaving behind something meaningful.” (LA1.3)

One supplier referred to the importance of leaving a legacy in the city in which the firm was founded, highlighting their investment in training and employment and use of local subcontractors. Other legacy projects, such as refurbishing local facilities using donated labour and goods may not be of such significant monetary value; but are still immensely valuable in the eyes of the communities, schools or groups that benefit. Relatively small donations can make a huge impact, as a supplier explained after providing a garden shed for a local school:

“... they’re absolutely over the moon, I mean they can’t believe that we’ve done it.”(S7)

A local charity was supplied ex-demonstration desks by a furniture supplier, allowing them to rent the facility to other organisations, and then to set up a café so trainees could have lunch, generating income and providing volunteering opportunities which may lead to longer-term employment. It is not possible to quantify the full value of such external benefits when completing CBMT reports.

7.1.2 Organisational benefits

Enhanced reputation, PR etc.

Implementing CBs is viewed as a powerful marketing tool, raising the profile of the organisation externally, as highlighted by public sector participants. Examples include publicising the organisation’s work in the local community, addressing skills shortages or increasing local employment opportunities with participants making references to using stories or photos on the organisation’s website.

“A photograph of a staff member in Wellington boots planting donated pond plants is just as important as other corporate images or pictures of contractors handing over community facilities” (RSL2.1)

In some cases, participants mentioned that implementing CBs had raised their personal profile or the profile of their department across their organisation and had changed perceptions of what procurement is about.

“...people do look at you in a different sort of way, a more positive sort of way... so you’re not just seen as someone who procures things but someone who can add some value” (HE1.4)

Several participants gave examples of organisations winning awards, or putting suppliers forward for awards, as a result of delivering CBs.

“That was absolutely fantastic... it was not only rewarding. This [award] had good media coverage and was supported by [a well known personality], who is a fantastic role model for young people” (LA1.2)

In one case the perceptions of a supplier were reportedly changed, influencing supplier behaviour, as a result of seeing a public sector organisation “*does things differently*” (RSL2.1). For a catering manager, one benefit was promoting school menus that include locally supplied or seasonal food.

Added Value benefits

Added value benefits include meeting recycling targets, student sponsorships and additional free software licences, as mainly reported by RSL and LA participants. For example, a key benefit for RSLs is increasing tenant satisfaction, for example when work takes place to improve the environment.

“The value (of Community Hall refurbishment) has been calculated at £1000, which would have otherwise come from the community fund” (RSL2.1)

An additional benefit for social landlords is that rent arrears fall when tenants find employment.

Ability to report benefits

A key benefit for public sector participants is the ability to report benefits to the Welsh Government or its agencies and funding bodies using the CBs Measurement Tool (CBMT). This provides evidence of the CBs realised through the contract, obtained from external sources such as suppliers. In many cases the same benefits are reported to multiple organisations, such as WEFO (a funding body that manages EU funding) and the Welsh Government. Several participants felt that reporting CBs increased the confidence of external organisations or funding bodies, which could lead to future funding or support future bids.

“The Welsh Government can be confident that funds will be invested in the community as a result of funding awards” (RSL,A1)

A whole sector may benefit from such reporting since within the social housing and higher education sectors information from submitted CBMTs is aggregated and disseminated through internal sector-wide reports.

Although benefits are reported externally, for example to the Welsh Government or its agencies, recording and reporting CBs benefits also allows participants to internally report the wider benefits achieved through procurement or expenditure on major projects. This helps demonstrate how wider corporate objectives or the requirements of legislation such as the Well-being Act have been met through CBs.

“[Community Benefits reporting] helps the Members explain to members of the community how the organisation’s work benefits their local economy in a very direct way”. (LAI.4)

Other commercial benefits

A third of suppliers, including half the SME participants, also mentioned other commercial benefits, including lower levels of sickness absence; developing good relationships with clients, the public sector or subcontractors; and decreasing stock-holding costs through donating unused materials.

“By donating unused stock and ex-demonstration furniture, space is released for stock that can be turned around quickly” (S15)

Mutual benefits for clients and contractors

Suppliers and clients may realise mutual benefits when they work together to maximise CBs. In some cases, both the public sector organisation and its suppliers win. For example, contractors often find good employees through offering training or work experience placements.

“An example that benefited both contractor and a resident was the need to find a receptionist, with [organisation] providing an experienced receptionist, and the contractor saying ‘I didn’t think of coming to you’” (RSL 1.1)

Some suppliers have a large graduate intake and benefit from access to students. Both the public sector organisation and suppliers can benefit from community engagement, for example including CBs can help gain support for projects or planning applications, helping public sector organisations and their suppliers to overcome the concerns of local residents and businesses.

Benefits for suppliers

Public sector participants viewed suppliers as benefiting from implementing CBs, with benefits thought to include good references from clients and a means of providing evidence that the supplier can provide similar benefits for future clients. There may be intrinsic benefits for suppliers. For example, when the organisation handed over a

facility refurbished through community donations by contractors, the user group asked all the contractors involved along to a buffet to thank them and meet the clients, enabling them to understand how the clients were going to use the facility. Such initiatives can also motivate contractors to be involved in future collaborative projects. Suppliers were more specific about the benefits for their organisation, as reported next.

Benefits for recruitment/staff retention or training

A quarter of supplier participants reported benefits for staff recruitment, retention or training, hence offering CBs can be a recruiting tool or reduce staff turnover.

“... and it is a big recruiter tool... it's a huge buy-in for them that we're doing something which is outside of what they expect us as a company to deliver... it retains our staff and allows people to get involved” (S4A)

One participant explained how using volunteers had helped them expand their services across a wider geographic area. This also reduced costs associated with staff recruitment, as volunteers were encouraged to apply for jobs as opportunities arose. Suppliers also referred to benefits associated with in-house training, for example ensuring that employees are embedded in the organisational culture, that they learn the organisation's work methods and ensuring that quality procedures are followed from day one.

“Sometimes it's about finding good people, and if you recruit a fully trained person, they will come with their own 'baggage', they're used to doing things a certain way, and that's fine, but if we can influence that from day one then potentially we're getting a better quality person, taught in things the way we want to do them” (S9)

Suppliers benefit from shared apprenticeship schemes through being able to contribute to an apprenticeship programme and comply with TR&T targets without having to take on an a directly employed apprentice. They also benefit from exposure to work

methods used elsewhere, as trainees pass on skills or techniques picked up in other organisations.

7.1.3 Individual benefits

Individual benefits for beneficiaries of Community Benefits initiatives

There seems to be real conviction that implementing CBs results in benefits for individual recipients across all sectors of participants. Persons who benefit from TR&T and other employment related initiatives include students, tenants, local residents, NEETs, long-term unemployed or disadvantaged persons who obtain work experience, training, apprenticeships or employment opportunities. The benefits include gaining real work experience, obtaining transferable skills or qualifications, developing confidence and interpersonal skills and a realisation that the benefits of working outweigh those of living on state benefits.

The benefits for trainees in shared apprenticeship schemes include experiencing different methods of operating, developing employability skills, travelling to various locations, developing relationships, and working for potential future employers. There are also benefits for people who may lack basic skills or formal qualifications upon leaving school for whatever reason, as they are brought up to a basic skills level.

“It’s nice to see those kids coming from nothing and going somewhere rather than going down the wrong road.” (S6)

Numerous examples were provided of work experience trainees or apprentices going on to longer-term employment, either with the organisation that provided the experience opportunity or other employers. Someone who took up a voluntary placement in a local authority now manages multi-million-pound schemes. A supplier

(S5) spoke highly of an ex-labourer who is now “one of the best” quantity surveyors in the firm, having gained a wider appreciation of the issues involved in construction than graduate trainees, who may never visit a site during their training. A dyslexic trainee remained on a work placement after the employer made significant adjustments (RSL2.1). Prisoners were allowed day-release attendance on a grounds-workers training course to enhance their job prospects when leaving prison (S6). Another participant (S13) spoke of a trainee’s life “being turned around” by work experience after creating a work placement as a favour to a friend. Hearing about the benefits for individuals first-hand can also motivate key individuals within the organisation to support CBs.

“Where you get success stories, and you’ll have an individual stand up... and say ‘look I came in not having any hope, not having any prospect of getting a job, now I’ve got a job and I’m proud for my son to see me working’, that human story, the most hard-bitten directors will have a tear in their eye” (LA 1.4)

Personal benefits, for example job satisfaction

Almost half of all participants mentioned job satisfaction as a benefit, with some using the specific terms “*feel-good factor*” (HE1.4), “*good feeling*” (LA4.1, S7), getting a “*buzz*” (S2, S3, S7) or a “*kick*” out of it (S15), or explained what motivates them to work for their organisation:

“I love coming to work, and I’ll tell you another thing, it totally is the ethic of [the organisation] because not only do we do this stuff, and I’ll go to nice presentations, nice awards... but then you also get to go to do a litter-pick with residents, so you kind of see the other side of it as well” (RSL2.1)

Several participants spoke about the benefits of learning transferable skills, adding variety to the job, having an opportunity to get out of the office and into the community to work alongside members of the community or seeing the difference projects have made within the local community. A number of participants also mentioned that their

perceptions had changed as a result of working with beneficiaries and gaining an insight into the challenges they faced, for example due to long-term unemployment.

“When you get the person in front of you, well that’s what made me want to keep on doing this... when they’re back in work their whole life changes, and people think you’re being melodramatic when you say these things; but when there’s somebody there who actually says ‘yes, this is what happened to me’ and what a difference it’s made, then it’s amazing and people just get it then, don’t they?”
(RSL4.1)

7.2 Discussion

This chapter presents the participants’ perceptions of benefits. The ability to report external socio-economic benefits is a high priority for local authorities and RSLs, perhaps reflecting the level of accountability to external stakeholders and the importance of achieving benefits linked to organisational goals. This is linked to the perceived benefits for beneficiaries of CBs schemes. All groups of participants reported PR benefits for their department or organisation. The most surprising result is the number of participants who reported increased job satisfaction. This may be linked to recruitment and decreased staff turnover, since many suppliers reported these benefits.

Chapter 2 suggested linking the findings to a model drawn from the work of Carroll (1979, 1991) and Walker and Jones (2012). Table 7.2 summarises how key benefits may be categorised as political/legal; economic; social; sectoral; communication or performance and may span these boundaries.

Table 7.2 Categorising key benefits

Level	Categorisation	Benefit	References
External	<i>Economic/Social</i>	Local socio-economic benefits	Elkington 1999 Welford and Frost, 2006 Preuss 2009 Worthington 2009 Wild and Zhou 2011 Arvidson <i>et al.</i> , 2013 Perry and Tower 2013 King, 2014 Huq <i>et al.</i> , 2014 Foerstl <i>et al.</i> 2015
Organisational	<i>Economic</i>	Added value benefits Benefits for suppliers Other commercial benefits	
	<i>Economic/Communication</i>	Enhances reputation/PR	
	<i>Economic/Performance</i>	Ability to report benefits Benefits for recruitment/staff retention or training	
Individual	<i>Economic/Social</i>	Individual benefits for beneficiaries of CBs initiatives Personal benefits such as job satisfaction	

The next chapter considers barriers to CBs implementation or delivery.

8 Barriers to Community Benefits implementation

The third research question is concerned with barriers to CBs implementation. CBs can only be fully realised if barriers to implementation are identified and addressed. A number of barriers to SSCM or SRPP were identified in the review of the literature (Chapter 3). This chapter presents the findings of dyadic research with further discussion comparing the findings presented in Chapter 11. It is notable that many more barriers emerged than other factors considered in this study. Whilst the majority were classified as organisational, a significant number of external barriers were also identified. Key external barriers for all participant groups were supply chain issues, difficulties identifying external support and legislation or policy related issues although public sector participants mentioned these more frequently. Many external barriers were mentioned more frequently by suppliers and particularly by SMEs. At the organisational level, the majority of participants identified barriers related to resources; and reporting issues were identified. Chapter 11 includes a more detailed comparison of the barriers faced by different groups of participants.

8.1 Findings in the review of primary data (interviews and forum events)

A summary of the barriers identified through coded analysis of the responses to interview questions is provided in Table 8.1.

Table 8.1 Barriers by percentage of participants in each sector

Level	Barrier	Code	% Public Sector participants (PS)				% Supplier participants (S)			% ALL PS and S
			HE	RSL	LA	All PS	SME	Large	All S	
External	Supply chain issues	BSC	42.86	60.00	83.33	66.67	66.67	50.00	60.00	63.64
	Identifying external support	BIA	0.00	40.00	66.67	41.67	58.33	62.50	60.00	50.00
	Legislation/policy related	BL	71.43	40.00	66.67	62.50	41.67	25.00	35.00	50.00
	Training related issues	BTRI	0.00	20.00	8.33	8.33	91.67	75.00	85.00	43.18
	Lack of contract certainty	BFC	28.57	20.00	16.67	20.83	66.67	50.00	60.00	38.64
	Political risks/uncertainty	BPSF	14.29	0.00	50.00	29.17	41.67	37.50	40.00	34.09
	Health and safety related issues	BHS	14.29	20.00	0.00	8.33	75.00	25.00	55.00	29.55
	Failing to understand the implications for contractors and unintended consequences	BLU	0.00	20.00	16.67	12.50	25.00	62.50	40.00	25.00
	Lack of consistent approach	BLOC	0.00	0.00	8.33	4.17	33.33	50.00	40.00	20.45
	Lack of feedback	BLF	0.00	0.00	25.00	12.50	41.67	12.50	30.00	20.45
	Other commercial barriers	BOCB	0.00	0.00	0.00	0.00	41.67	25.00	35.00	15.91
	Late payment	BCF	0.00	0.00	0.00	0.00	50.00	0.00	30.00	13.64
	Market forces/competition	BMF	0.00	20.00	33.33	20.83	8.33	0.00	5.00	13.64
					100.00					
	Resource-related issues	BR	85.71	100.00	0	95.83	58.33	50.00	55.00	77.27
Organisational	Reporting and measurement issues	BIT	57.14	100.00	91.67	83.33	66.67	62.50	65.00	75.00
	Cost or perceived cost	BC	28.57	20.00	33.33	29.17	91.67	62.50	80.00	52.27
	Potential conflict between goals/objectives	BCE	42.86	40.00	91.67	66.67	8.33	0.00	5.00	38.64
	Ambiguous goals/standards/targets	BT	14.29	60.00	58.33	45.83	25.00	25.00	25.00	36.36
	CBs too construction focused	BCBP	71.43	60.00	41.67	54.17	0.00	25.00	10.00	34.09
	Tokenism or 'box-ticking'	BBT	42.86	20.00	41.67	37.50	33.33	12.50	25.00	31.82
	Process related issues	BPR	14.29	40.00	25.00	25.00	41.67	37.50	40.00	31.82
	Devolved responsibilities and related issues	BDP	28.57	60.00	33.33	37.50	8.33	12.50	10.00	25.00
	Lack of consistent approach	BLOC	0.00	0.00	8.33	4.17	33.33	50.00	40.00	20.45
	Low priority/commitment	BLC	0.00	0.00	33.33	16.67	25.00	12.50	20.00	18.18
	CBs are not publicised	BLPR	0.00	20.00	25.00	16.67	16.67	12.50	15.00	15.91
	Enforcement/monitoring issues	BE	0.00	20.00	41.67	25.00	0.00	0.00	0.00	13.64
	Lack of managerial support	BLS	0.00	40.00	25.00	20.83	0.00	12.50	5.00	13.64
	Sector specific issues	BSS	14.29	40.00	8.33	16.67	16.67	0.00	10.00	13.64
	Lack of policy framework/process alignment	BPF	0.00	40.00	8.33	12.50	8.33	0.00	5.00	9.09
In di vi	Lack of practical guidance/training	BLG	57.14	60.00	50.00	54.17	8.33	0.00	5.00	31.82

Level	Barrier	Code	% Public Sector participants (PS)				% Supplier participants (S)			% ALL
	Cultural barriers	BCC	14.29	20.00	16.67	16.67	16.67	25.00	20.00	18.18
	CBs viewed as additional burden	BAB	28.57	20.00	25.00	25.00	0.00	12.50	5.00	15.91
	Personnel changes	BLES	0.00	0.00	25.00	12.50	0.00	12.50	5.00	9.09

(PS = Public Sector; S = Suppliers; A = All participant groups)

8.1.1 External barriers

Supply chain issues

Participants across all sectors reported supply chain-related barriers and enablers. Such barriers may arise from a lack of transparency, barriers to local procurement or subcontracting and specific issues relating to involving third sector organisations (TSOs) in the supply chain.

“There are a couple of suppliers who aren’t as co-operative... this doesn’t necessarily result in them declining to tender, they’ll just think that you’re going to let them get away with it” (RSL3.1)

There are several barriers to local procurement, including a lack of capacity within certain sectors such as scientific equipment, food, or specialist construction services such as piling. Whilst it is important to recognise the value of pre-market engagement, this may be inhibited by a lack of resources, knowledge or by supplier influence.

“[local SMEs] couldn’t cope with the work...they can’t expand on the timelines we give them” (LA3.1).

There is also a lack of information on third sector organisations (TSOs) that could provide goods or services, with no single point of information such as a directory of organisations.

Several public sector participants reported concerns that some TSOs have found it difficult to make the transition from grant holders to contractors.

“Social enterprises are not well engaged” (RSL,A1)

There are also a number of barriers to subcontracting and many suppliers said they prefer not to subcontract, due to reasons related to quality, reputation or a lack of the resources that are required to manage subcontracts. Stipulating a requirement for main contractors to advertise subcontracts locally may be counter-productive where there is no local availability or suppliers do not have the necessary capability. Some subcontractors said that main contractors just pass on their CBs responsibilities to them whilst some main contractors had experienced problems passing CBs requirements onto subcontractors.

Another strategy for involving SMEs in the supply chain is by encouraging joint bidding. In this study collaborative bidding was rarely referred to by suppliers and several participants highlighted barriers to such supplier collaboration. Despite the efforts of some participants, there is still some reluctance on the part of some suppliers to share information.

“They don’t want to work together... the reluctance is huge... that’s what we try to drum into people, that there are benefits in bidding jointly”. (LA3.1)

The willingness of suppliers depends on the nature of the contract and industry; and the time available for suppliers to hold discussions and form alliances.

Identifying external support

An issue for suppliers and some public sector organisations is identifying support agencies or the best people to approach within them, as there are so many organisations

delivering similar services related to TR&T. Public sector participants and suppliers outlined difficulties recruiting employees or trainees from certain areas. Suppliers reported a number of barriers to identifying the right candidates for employment or training, or organisations that could assist them.

“... it is difficult for a local contractor or a regional contractor to go into an area and know who the best people are to approach... and the local authority should be the best people to suggest that.” (S10B)

A number of participants reported issues accessing support from Business Wales or finding the right people to speak to in organisations such as the CITB or the Welsh Government.

Legislation and policy related barriers

For participants across all sectors, legal risk or risk aversion may be a barrier to CBs implementation. Just as public sector participants mainly referred to political or legal drivers for CBs implementation, they also mentioned concerns. For example, a lack of certainty on how to ensure that CBs were implemented in compliance with legislation was viewed as a barrier, coupled with the lack of access to procurement legal advice that could provide greater legal surety.

“...understanding how far we could go from a legal perspective... it does sometimes feel that you’re flying by the seat of your pants” (LA1.4)

Despite the availability of guidance, participants were concerned about the risk of legal challenge, particularly in terms of expressing the desire for local suppliers. In fact, legal restrictions on the ability to specify “local” requirements in tenders was one of the legal barriers most highly cited by LA participants. Some participants said other employees within their organisation fail to grasp the challenges involved in ensuring legal compliance or minimising the risk of legal challenge.

“...there’s still some old school that would like us just to give people work through no process” (LA3.1)

The Welsh Government’s consultation on potential procurement legislation, or the threat of further legislation, was also of concern. Suppliers were more concerned about health and safety related legislation, considered separately later.

Training related issues

Suppliers, particularly SMEs, were particularly concerned about external barriers to realising their organisation’s goals related to training, apprenticeships or work placements. These mainly relate to the construction industry, since the majority of supplier participants are involved in construction or related trades. There is a great deal of work to do in terms of breaking down barriers or raising the profile of trades.

[In the UK] “trades are looked down on, if you’re a tradesperson you’re either a ‘cowboy’ if you’ve got your own business, or you ‘just work on a building site’ as if it’s not something that anybody really wants to do... which is a real shame because that means we’ve got skills shortages all over the place at the moment, especially in construction” (S3)

Schools, careers advisers and parents, suggest pupils with low levels of academic achievement for work placements or careers in construction. Supplier participants also expressed concern about the general lack of basic skills like literacy and maths displayed by many NEETs, resulting in a need for additional support, and a failure to appreciate all the different careers and future prospects available from working towards a trade qualification.

“... schools typically will say ‘if you’re a boy, and if you’re underachieving, construction is for you’... so when they send you someone for a work placement, they will always send you the people that they think are really low achievers.” (S10B)

Another problem is persuading young people to forgo higher pay for the prospect of higher earnings later, with suppliers competing against jobs in retail or other industries that pay wages above the NMW for apprentices. Accommodating long-term unemployed can also present barriers, due to a need

“to put people on the site who are trained and capable of doing it.” (S7).

Suppliers referred to problems accessing training funds and the changing nature of training grants and the apprenticeship levy. The CITB came in for a good deal of criticism, with a recent reorganisation leading to the loss of some key contacts; and uncertainty over how the apprenticeship levy scheme would work in Wales.

“The point is that the industry training board should be led by the industry and it’s the other way round at the moment. CITB are dictating what the industry does but it should be working much closer with it to drive best practice and real improvements... As far as we understand it, Welsh Government is going to collect all the [apprenticeship] levy and then decide what they’re going to do with it. There is no guarantee that all of that levy goes back into training” (S10B)

Suppliers also highlighted problems working with colleges that provide training for apprenticeships. Suppliers, even representatives of larger firms, find it difficult to influence the direction of training to meet requirements for training that is not currently available through local colleges, as methods of construction evolve and certain trades remain under-represented. The availability of suitable courses is a key enabler for raising skill level but to put a new college course on takes at least two years of planning.

“One problem is that the course content doesn’t necessarily reflect current trends , eg rag-rolling coming back into fashion, spray painting is common-place, so skills are needed by painters and decorators, on the other hand plastering is taught but this is skill is not needed on the major construction projects” (S2)

The lack of an apprenticeship for ground-workers led to one supplier working with a local training firm to develop a course despite a number of barriers, including funding.

Public sector participants were also concerned about barriers to recruiting trainees or employees into construction or social care, since a lack of capacity in the supply chain inhibits their ability to provide essential services and can also impact on local socio-economic development. There are particular barriers to recruiting and training under-18s or over-25s into social care due to the way college courses or training grants are structured.

Construction is generally male dominated and persons with physical disabilities are not well represented in the workforce, so the majority of suppliers had experienced problems widening access to jobs. There was little evidence of disabled employees working in construction, particularly in site-based roles, and in many cases it may not be practical to accommodate disabled persons on site.

“Working on a building site requires a certain element of physical strength or ability, without wishing to discriminate... [it] is not something that really lends itself to people with severe physical disabilities but there may be more scope on the managerial side” (S9)

Much depends on the requirements of the job, with the type of equipment used on site, mitigating against persons with certain disabilities:

“... unfortunately the construction industry is known as a physical trade. You have to be able to climb a ladder, so you need balance, you have to walk upstairs on the scaffold, so you have to be mobile” (S10A)

Sometimes having female employees can be an advantage, for example when carrying out property maintenance in tenant’s homes but the main barrier attracting women into construction seems to be “getting them to see that there is something there for them” (S14). One supplier said that this is very slowly changing, and there are now more women in the construction-related professions like surveying and project management

but there are still few females in construction site roles, with people “*choosing their own stereotypes to a certain extent*” (S9). Another supplier alluded to structural barriers to inclusion in an industry where employees work long hours, with few opportunities for part-time work making it hard for employees with caring responsibilities to work on site.

Lack of contract certainty

One of the most frequently discussed barriers, for larger suppliers and SMEs alike, is a lack of information on work pipelines or a lack of contracts with sufficient scope for CBs to be maximised. This was of most concern to contract managers or CBs co-ordinators, including those representing public sector organisations. A lack of contractual certainty and the fluctuating nature of construction work may prohibit suppliers from making longer-term commitments to TR&T, for example taking on apprentices. This is exacerbated by the short-term nature of many contracts that do not allow sufficient time for an apprentice to qualify. This lack of scope for including some types of CBs is also linked to the size or scope of the contract and possible economies of scale.

Although contract value is important, the timing of jobs is more important in terms of taking on apprentices and ensuring the range of work needed to qualify. For example, there is a difference between a large housing scheme, allowing apprentices to move from property to property, and one-off construction projects or contracts where a particular trade is only needed for a short time.

“...it’s just trying to manage the workflow really, and also, if we can’t manage that workflow and know what’s coming up, it’s then difficult to know for trainees and apprentices as well, because every tender that you put in for, especially in Wales which with the public funding, you have to provide all of these numbers” (S14)

Several public sector participants also recognised this barrier.

“SMEs complained about the structure of the current agreement, so this needs to be addressed” (LA4.1)

Such problems are further exacerbated by the nature of frameworks, which by their nature are not firm contracts. Being on a four-year framework agreement, as opposed to being awarded a long-term contract, does not provide any guarantee of work, even though public sector participants generally considered a framework agreement, with its higher value over a longer term, more suitable for CBs. Some framework agreements are much shorter, for example only lasting two years, increasing uncertainty for suppliers.

An additional problem is that if a supplier does win contracts on a framework agreement, these may be very sporadic. Sometimes there may be 3 or 4 weeks where there is no work for existing teams between contracts. It isn't possible to predict future contract requirements from past requirements and the client requirements may also be influenced by funding availability, which may be linked to the client's financial year end or start. Such uncertainty makes it more difficult to support direct apprenticeships and may hinder the provision of training, as one supplier on a framework agreement explained:

“I've had this discussion for the last 7 years, they're [the client] on about Community Benefits, like taking somebody on, and I say, 'I've been here seven years, if you'd said to me from the start 'we've got x amount of work here', then I could plan and take apprentices on' but I get three months' continuous work, then I don't know when I'll next get anything,' so I said 'how can I plan when I've got no structure there?'" (S11)

Suppliers and public sector participants mentioned the threat posed by larger, longer-term construction projects such as Hinkley Point or the proposed Swansea Barrage. Contractors may focus on such projects, which offer greater contractual certainty, to the detriment of public sector framework agreements, which offer little, if any, certainty of winning contracts. There is a risk that public sector organisations will lose potential CBs due to their inability to commit to contracts. The nature of this problem, particularly for SMEs, was also recognised by some public sector participants, particularly local authorities, although to some extent this is outside their control as it is difficult to establish work pipelines when the organisation is also facing reductions in funding. One supplier explained the effect on existing staff of a contract's scope being reduced, which led to a need to make redundancies in the run-up to Christmas.

The threat posed by a shift of political power or in policy was raised by participants across all sectors except social housing, the majority of whom were CBs co-ordinators.

*“There is a danger the Community Benefits agenda will drift as the Government moves onto other things... possible changes to boundaries, political uncertainty”
(LA2.1)*

Continuing budget cuts and the potential loss of EU funding following Brexit were mentioned, along with concerns over the future of the Welsh Housing Quality Standards (WHQS) or other major funding grants. Some suppliers also referred to possible reductions in public sector funding, as this would reduce the amount of public sector work available. Furthermore, reductions in schemes such as Community First, Lift (which aims to provide persons in workless households with employment and skills opportunities) or similar schemes like Workways could impact on their ability

to provide training or apprenticeships, since such schemes can reduce suppliers' costs

¹⁴.

Health and safety related issues

Suppliers, particularly SMEs, were concerned about legal barriers but their concerns more heavily focused on health and safety legislation or anything that adds cost.

"I'd say probably that every year somebody invents another course they've got to go on to... When unexpected requirements come up that weren't included in the original cost, you've just got to take it on the chin" (S7)

For suppliers with staff in customer-facing roles, such as property maintenance or social care, ensuring Disclosure and Barring Service (DBS) clearance may inhibit the supplier's ability to offer work placements, particularly for under-18s or persons with physical disabilities, although there may be opportunities in support roles.

"You can't use unskilled labour on demolition, for example, it's way too dangerous" (S2)

The need for close supervision may also restrict the number of trainees that can be taken on within a given project. The extent to which such issues pose a barrier is related to the nature of the contract, with construction-related contractors raising the majority of concerns. There is also a knock-on effect, since the number of operational employees is reduced when employees attend mandatory training courses. Some suppliers' health and safety related concerns were also recognised by public sector participants.

Failing to understand the implications for contractors and unintended consequences

¹⁴ <https://businesswales.gov.wales/skillsgateway/lift> and <http://www.workways.wales/>

Almost half supplier participants, including two thirds of those representing larger firms, said that clients did not understand the implications for the supply chain of requiring CBs. Some of the consequences resulting from CBs implementation were mentioned by suppliers and also by a few public sector participants. Suppliers felt that some public sector clients did not really understand the challenges that suppliers could face when setting out targets, particularly those related to TR&T.

“The other issue is with the targeted recruitment and training and the way it’s written and set out at the moment. It’s almost encouraging you to employ people for a project and then let them go at the end so that you can employ new people for a different project just so they can be ‘counted’ against a target... more public sector clients need to understand this” (S10B)

Additionally, some clients did not appreciate the difference between a project that is suitable for TR&T and one that is less suitable. This could be attributed to a disparity in terms of client knowledge and experience of CBs. One supplier explained the potentially unintended consequences of a ‘one lot rule’, which impacts heavily on the tendering organisations, particularly those offering a range of services that cross a number of lots in the tender, which could severely impact on the firm’s ability to retain staff.

“[those putting tenders together] do not understand the content, so they’ll put lots together which involve all sorts of strange things” (S16)

Another supplier suggested that clients may need training, for example to understand the impact on deliverability; the availability of local suppliers; and on the programme. Sometimes clients use a toolkit and put CBs requirements in without understanding whether or not they are suitable for a particular contract or the effect on suppliers of trying to deliver essentially unrealistic targets. Clients don’t necessarily understand the impact of their design decisions, for example reducing the need for traditional skills

like brick-laying or plastering, yet still requiring apprentices in these trades are employed on a project. A training provider attributed this problem to “*civil servants*”(S16) who know little about the specialist services purchased or how the market is comprised.

Such issues were recognised to a much lesser extent by public sector participants. A rare exception is an RSL participant who recognised that a lack of client knowledge can lead to problems scoring submissions accurately.

“Everyone really wants to do it, they’re really interested in benefits to the community etc., but then some of them started off just putting clauses on their contract [but] nobody would be going on site or checking these contractors, checking that tender submissions were deliverable” (RSL4.1)

Lack of consistency in approach

Another issue for suppliers is what they perceived as a lack of consistent approach from clients or across the public sector. Different organisations all involved in trying to achieve similar outcomes are viewed as taking conflicting approaches.

“... you’ve got Welsh Government saying one thing... then you’ve got local authorities and they don’t seem to be talking to each other that much. Then there’s Welsh Government’s Community Benefits where you can see little bits of both in there but again it’s very mismatched.” (S10)

Participants highlighted a lack of consistency to the CBs approach in tendering, scoring or between clients adopting core and non-core approaches. There is a lack of consistency over what is being asked for even within one sector, such as social housing. This applies to CBs implementation and the information being asked for to comply with reporting requirements.

“There are also reporting issues, including issues around robust reporting that works for all parties, the organisation can have up to 5 reports to produce for different organisations, all for the same job” (S10A).

One supplier participant suggested that the Welsh Government could take a more proactive approach.

Maybe Welsh Government needs to step in as well, and kind of manage it from the top, if you like, get all these authorities together and say 'there has to be a consistent message'... [it] maybe needs a consortium of contractors to come together with Welsh Government and actually get into some meaningful dialogue". (S10B)

Another inconsistency was between clients seeking CBs but really being very focused on price, potentially minimising the supplier's opportunities to provide CBs. On the other hand, participants also highlighted that public sector organisations don't seem to get any consistency from the supply chain with regard to CBs either. Such issues were also recognised by several public sector participants, some of who attributed any lack of consistency in approach to the fact that there are many contradictory policies.

"The public sector needs to stop sending mixed messages to suppliers by co-ordinating the approach to Community Benefits across the region" (LA5.1)

Lack of feedback

Another issue is the lack of feedback to individuals involved in CBs implementation. This was particularly important for LA participants and SMEs. Although public sector organisations submit CBs reports, there is no feedback and the reports do not seem to be used for benchmarking by the Welsh Government. Several participants bemoaned the lack of feedback on progress or lack of benchmarking by the Welsh Government. A highly motivated procurement director explained the effect of this perceived lack of support.

"... if I'm honest I get fed up to the back teeth with being kicked... we work so hard on it and I suppose we are very passionate about it as well" (LA3.1)

Suppliers said they would appreciate more feedback from clients, for example on what donated money has been used for.

“We just like to maybe give something back, but recognition would be welcomed, for example a client recognising that we have hit our TR&T targets on a major school project” (S8)

Suppliers would also welcome more feedback on how their bids had scored against other bidders but there is also a lack of closing the loop, taking feedback when one project is lost and using it for the next. This can be contrasted with the effect that positive feedback has, including helping one participant through the “*bad days*”:

“... we get letters from main contractors, and they thank us... and we pass it on to the people who’ve done the job... it makes the job more pleasurable, at least you get some recognition for what you’ve done.” (S7)

Other commercial barriers

Supplier participants also highlighted a number of other commercial barriers including:

- complaints that contracts are often won by larger companies, which in turn discourages SMEs from bidding for future work
- increased competition on CBs means it is becoming more challenging to offer a unique selling point
- competitors “fishing” in an effort to find out what other firms are offering
- reductions in workforce when clients cancel contracts.

Late payment

Another challenge faced by suppliers, particularly SMEs, is late payment, which affects cash flow. This barrier was of particular concern to supply chain contract managers and prevails despite efforts by the UK Government and Welsh Government to implement schemes designed to improve payment timescales for SMEs. This can put pressure on any organisation with a monthly salary bill that has to be paid on time; and smaller organisations do not necessarily have reserves in order to absorb such costs.

“The commissioner doesn’t always pay on time, which can have a very detrimental effect... This puts huge pressure on the organisation with a monthly salary bill to

be paid on time. The organisation doesn't have huge reserves in order to absorb such costs" (S1)

One SME participant referred to a six-month wait for payment from a public sector client. Sometimes problems are attributed to the client's procedures to ensure authorisation prior to payment, for example if the invoice does not match the initial order value. When payments have to be chased up, this entails further resources for the supplier. There is generally a reluctance to act, even where legal protection exists, as if a client is taken to arbitration or court it is perceived that they probably won't place further work with the supplier.

Market forces/competition

Market forces, competition concerns, including a possible reduction of tenders were concerns for LA, RSL and SME participants. It is important to establish why companies decline to bid and one LA participant recognises that framework agreements can pose a barrier, particular for SMEs who compete against larger companies that have dedicated bid teams and a greater understanding of CBs.

"It's about balancing the two different tensions, I think, and trying to give a mix of everything because one size doesn't fit all and I think that's what happened with frameworks." (LA3.1)

A supplier said that it may be necessary to pull out of a tender, for example due to perceived risk. Several participants stated they prefer not to subcontract or work as a subcontractor and one SME was wary of the competition.

"Some builders seem to be looking for one-upmanship on other builders or fishing to find out what competitors are doing." (S7)

Whilst the nature of public sector bidding is very competitive, SMEs are wary of over-stretching themselves in order to win bids.

“At the end of the day you can never know what another company is going to say or do... We just try to look realistically, okay, how much could we make on that and what could we afford to give, based on our costs.” (S12)

8.1.2 Organisational barriers

Resource-related issues

Resource related issues were most frequently reported across all participant categories regardless of job role, with all the LA and RSL participants mentioning this as a barrier.

“... the elephant in the room is the resource issue” (LA5.1)

Public sector participants expressed concern over diminishing resources, due to austerity and budget cuts.

“We can have as many good ideas as we want but if we don’t have time or resources to implement them we’re not going to move forward and it doesn’t matter how many times the ministers jump up and down and say ‘this is what I want’, in the cold light of day” (LA5.1)

Procurement managers spoke of reductions in staffing, leaving less time to focus on more strategic issues and threatening to inhibit CBs implementation at both pre- and post- contract stages. One procurement team had been reduced by half in terms of staffing, with some remaining team members working part-time or on temporary contracts. The reduction of staff resources does not just apply to procurement teams but extends to staff managing contracts or providing support such as legal advice. Limited procurement resources lead to difficulty cascading the CBs message to all relevant staff, including commissioners or budget holders, inhibiting effective contract monitoring and CBs reporting.

“We’re having to [take a targeted approach] because of resources, I think if we had a dedicated team it would be different because we want it to be meaningful... Sometimes you’ve got to just walk away and concentrate on the easier wins” (LA1.3)

Restricted resources may also restrict the advertising of a higher percentage of contracts on Sell2Wales, a key strategy for increasing SME participation in the supply chain. As reflected in the make up of participants, few public sector organisations have dedicated officers for CBs implementation or monitoring.

Some public sector participants were concerned about the lack of resources among smaller suppliers. Their views were mirrored by supplier participants most particularly those representing SMEs.

“For us, not a huge organisation, with a very small management structure, our trouble is always having the people to do the bids... there are only four of us in the management team.” (S16)

One CBs Co-ordinator said they covered 21-36 projects in the region, limiting what they could do, with similar concerns expressed by other CBs co-ordinators or training managers. Limited resources are available for on-site supervision of trainees, since employees are diverted from other duties when performing this function. There are also limits to the resources available for sponsorships or other philanthropic types of CBs.

Reporting and measurement issues

Issues relating to reporting and measurement were highly reported across all sectors of participants. The responsibility for reporting is generally passed down the supply chain. Suppliers, particularly SMEs, reported problems related to reporting CBs using the Welsh Government’s Community Benefits Measurement Tool (CBMT). This impacts on the overall measurement of CBs, since public sector organisations rely heavily on suppliers to report benefits. Supplier participants complained that it is

difficult to provide accurate information on lengthy spreadsheets, which ask for a whole range of information some of which does not appear relevant.

“[completing the CBMT] takes a lot of administrative time and I’m not sure that the powers that be realise quite how much of an undertaking pulling together that information can be.” (S14)

Among public sector participants, there were concerns that CBs are not measured effectively either in terms of measuring or capturing all potential CBs across regions or Wales. There are issues around usability, quantification, accuracy and whether CBs initiatives really benefit the community in the long term and to what extent.

“...with a building you can see if it’s been delivered, with the Community Benefits if somebody’s told you ‘we’ve employed this many people’, unless you’ve got somebody really looking out, doing case studies and things, then you don’t know if it’s really being done or not” (RSL4.1)

It is difficult to determine how independent reported results can be, since the responsibility for reporting ultimately falls to main contractor and their supply chain.

“...responsibility for reporting ultimately falls to main contractor and their supply chain, whose allegiance is to the main contractor rather than the client organisation” (LA5.1)

Many participants said that the CBMT tool is too heavily geared towards construction projects, only measuring and reporting project specific CBs. There was also a perception that the way information is reported could impact on delivery, for example suppliers might replace existing staff or apprentices with new ones. The CBMT has been updated to ensure that a supplier that retains and trains existing employees can report this; but there does not seem to be a mechanism for recording progress of trainees across projects. The method of data collection does not capture longer-term benefits, which leads to a risk of adopting a short-term view.

A key objective of the Welsh Government's tool is to identify spend with the Welsh economy and calculate the "multiplier effect" of this spend. This may also be important for local authority procurement managers, since their directors or council members are interested in how much is reinvested in the locality. Several participants highlighted the problems of defining or measuring what is "local". The presence of a local office on the database does not mean local employment, since employees and supplies may come from outside the region or Wales.

"Borders are not fixed, for example money spent with a firm with a registered office in another region of Wales will be recorded as such, even if the managing director lives within the region and employs other staff who live and work in the region" (LA1.4)

Perceived shortcomings in the CBMT has resulted in some organisations searching for an alternative tool, developing in-house tools or discussing alternative tools offered by the contractors or other organisations.

Cost or perceived cost

Several public sector participants expressed concern that others in their organisations perceived CBs as increasing contract costs. Given that suppliers are required to report CBs in the face of limited resources, it is not surprising that suppliers, and particularly less well-resourced SMEs, also referred to the costs incurred in providing CBs.

"It's unfair of a client to expect that company to do all of that brilliant work and not get anything for it, by the same token I think a company has a duty to do it, so I think there should be a shared element." (S10B)

A number of suppliers described increasingly tight profit margins and how this can impact on CBs provision as well as their ability to price tenders competitively. Of greatest concern were training costs, although these may be at least partially recouped through the apprenticeship levy or training provided by the CITB. Suppliers submit

tenders well in advance of contract performance but the costs of providing CBs can increase, particularly if certain types of support that such as employment schemes that reduce associated costs are withdrawn. There is a risk that if the client does not monitor CBs provision, the supplier will fail to provide all the benefits outlined in the bid in an effort to save money.

Another barrier is the failure of suppliers to discuss the costs with clients, or of public sector clients to recognise that CBs do have a cost, since suppliers apparently comply with the client's objective of achieving cost-neutrality.

“There are hidden costs from an administrative perspective, some of which may be hidden in the bid cost because the client doesn't want to see that cost... because they obviously want this to come out of our profit.” (S9)

Some costs are administrative are absorbed internally, for example the cost of reporting CBs. The possibility of hidden costs was recognised by few public sector participants.

“... it's a hidden cost so we can say it's cost neutral” (HE2.1)

Lack of managerial support

This issue was mainly reported by LA and RSL participants, for example concerns that a lack of senior management or organisational political support and buy-in could inhibit progress. One participant reported that top management may view procurement purely as contracting, without appreciating the wider contribution that can be made to organisational objectives.

“there’s no point in me telling them, it’s a case of ‘she’s nagging again’” (RSL1.1)

A supplier said that it was a challenge to ensure that the importance of CBs is understood at board level. Bids can be submitted without the full prior involvement of the CBs co-ordinator or can be altered, resulting in a need to manage expectations.

“I always ask to see the bid but they don’t give it to me because they know I’ll alter it... but as the penny is slowly dropping it happens less”. (S2)

Potential conflict between goals/objectives

Potentially conflicting organisational or procurement goals were mentioned within the public sector, particularly LA participants. Participants were particularly concerned about balancing the need to make financial savings against including local SMEs in the supply chain or that maximising leverage through large collaborative frameworks could lead to local SMEs being squeezed out of the supply chain. Several public sector participants expressed concern that pressure to use National Procurement Service (NPS) agreements would conflict with local priorities such as ensuring local SMEs

“With NPS it probably is going to bring about a loss of business for local suppliers, if they were bought before by an organisational member and the demand is just too big for local suppliers... it’s just one of the dangers of collaborative procurement” (HE3.1)

The need to meet other priorities such as demonstrating savings against targets, has taken priority in some organisations, leading to trade-offs. According to suppliers, the

trade-off between quality and price often means that tenders are awarded based on lowest price.

“It will often go on price, in terms of the weighting, which is reasonably understandable” (S16)

Ambiguous goals/standards/targets

A lack of clear standards or unrealistic targets can impact on the ability of public sector participants, particularly those representing LAs, RLS and their suppliers to implement CBs. The devolved nature of many organisations means that, with limited procurement resources, it is difficult to cascade the CBs message to all relevant staff, including commissioners. Commissioners look to procurement participants to advise them on how to implement CBs but procurement staff don’t necessarily understand the services being procured sufficiently to do so.

“they [commissioners] looked at me and said, what do you want to put in there? And I said I don’t know... I can’t give you that answer as I don’t know [these services] sufficiently enough to give you some clauses that you could actually put in that you would then score the tender on... In the lack of any clarity we’ll decide that it’s non-core or we’ll decide not to bother at all” (LA5.1)

It can be difficult to set targets that are realistic yet challenge suppliers to extend their CBs offerings.

“we’ve had feedback from contractors saying ‘with the best will in the world we’ve tried so and so, we’ve tried and we just can’t get the people to turn up for work for whatever reason’, we have to be mindful about prescribing specific targets” (LA1.3)

CBs requirements are frequently perceived as ‘fluffy’ or ‘woolly’. A lack of clear direction can lead to CBs being viewed as *“fluffy, nice to have”* (LA3,A1) rather than essential.

“We’ve kind of been a bit bland and woolly... sometimes there hasn’t been that specificity around what we want to achieve, so we’re just saying ‘can you deliver some community benefits?’” (RSL3.1)

A lack of clarity over the most appropriate CBs targets may result in a non-core approach being adopted.

Unless the organisation's priorities are clearly communicated, there may be a conflict between competing organisational goals, for example efficiency, making financial savings or other goals and stimulating local socio-economic development. There are also communication problems between public sector organisations and suppliers. Failing to communicate clear targets can also result in "woolly" responses from suppliers who struggle to offer meaningful CBs, partly in response to the difficulty encountered by public sector clients in communicating their goals or targets.

"Because these things can be so woolly... with lots of grand statements" (LA4.2)

As one supplier participant said

"sometimes the client doesn't really know what they need" (S9).

This is exacerbated when clients set unrealistic targets for TR&T, even though the client's intention is to communicate more clearly and enable suppliers to compete on a level playing field:

"...for example, 65 or 75 weeks [of training requirements], as if they're playing one-upmanship... they are setting targets that are unrealistic" (S10A)

Community Benefits are too construction focused

A number of statements made by public sector participants in particular indicate a perception that CBs are mainly confined to TR&T in construction contracts or are more difficult to apply to certain areas of expenditure. This appears to emanate from a perception that it may be more difficult to obtain CBs in certain types of contract,

particularly other high expenditure areas such as IT, social services or financial services.

“[guidance and forums are] very much construction based and that’s what we’re trying to move away from because construction is really easy to deliver Community Benefits but we’re trying to look at other areas” (HE1.1)

In most organisations the focus for CBs implementation is on obtaining TR&T through high-spend construction procurement. The focus on TR&T or construction was particularly prevalent in LA sector responses but this may be partly attributable to the heavy focus on construction in guidance and training.

“I think that’s purely down to a naivety of a lack of understanding by the local authorities. They know that all they’re supposed to do is TR&T so they put that in their tender document.” (S10A)

There is also recognition of a need to move beyond construction, particularly with the threat of losing some funding streams linked to large construction projects. Conversely, one participant expressed the view that the Welsh Government has pushed CBs too far and that TR&T should be the focus, since people are aware of the benefits that can be achieved through major construction projects in particular. Suppliers also reported that clients focused largely on TR&T.

“it’s rare actually, in a tender, to see focus anywhere other than [TR&T]” (S10).

Tokenism or ‘box-ticking’

The failure to communicate strategic goals or clear targets, either within the organisation or the supply chain, can lead to a box-ticking or tokenistic approach. Several public sector participants gave examples of suppliers returning tenders that indicated a box-ticking mentality and a subcontractor expressed the view that main contractors had adopted a tick-box approach.

Some of the [Community Benefits] plans we had back were not that great... some of them were just 'oh we'll tick the box', will give you a page which is a page of total waffle." (HE1.1)

Public sector organisations may adopt a tokenistic response by giving the CBs Champion role to the head of procurement or a cabinet member just to comply with the requirements of the WPPPS. Another risk is that using the SRA or ticking the Community Benefits box in the OJEU notice could

"just become a tick-box exercise rather than a genuine effort to add value and ensure sustainability" (HE 2.1)

Process-related issues

Given that organisations have limited resources, process-related barriers can also arise, particularly for organisations with proportionally less resources, such as SMEs. These process barriers can arise during scoping, tendering phases, contract implementation or in monitoring procedures. SMEs can be deterred from tendering, impacting on the public sector's ability to ensure local businesses are involved in supply chains. The number of questions suppliers need to answer, sometimes even to get past the PQQ stage, puts an additional strain on resources; and in some cases it is not possible to answer some questions in advance of winning the bid.

"The process the organisation has to follow can pose a barrier" (S1)

Difficulty discussing the tender with the client, a process designed to ensure fair treatment, makes it harder for suppliers determine their requirements and ensure appropriate CBs are proposed. The high number of competitors is also considered a barrier and may lead to suppliers deciding not to bid if it is viewed as a waste of valuable resource time.

“Applying for public tender work can be frustrating, due to the number of competitors short-listed for some major projects. This means that the organisation has to consider whether it is worth submitting a bid, given the resources involved in the process” (S10A)

In some cases, the bid evaluation model was viewed as a barrier, so the suppliers don't even know what they will end up being paid for the work if successful.

“...the client's bid model will result in tenders being awarded based on an average percentage of successful bids” (S12)

Supplier participants called for more realistic tendering timescales. Any delay in notifying the outcome of the tender impacts on the supplier's ability to perform the contract. The process of ensuring compliance and reporting CBs can also be a barrier and clients are not always proactive in assisting suppliers in meeting their CBs obligations.

A few public sector participants also discussed process-related barriers. Particular issues are related to including CBs as a “core” requirement:

“how do you score a core, unless you specifically say ‘we want six student placements over this period of time’ and they say ‘yes, we'll give you your six students’, how are you going to score?” (HE1.1)

The number of “failed procurement exercises” (LA3.1) suggests that something has gone wrong somewhere in the process. RSL participants attributed a lack of understanding of the procurement process to poor communication and a failure to involve key staff early enough in the process. One CBs co-ordinator suggested that those responsible for scoring tenders they did not really understand what they were evaluating or that scoring could be subjective.

Devolved responsibilities and related issues

In many of the participating public sector organisations, responsibilities linked to CBs implementation or delivery are devolved. The responsibility for specifying and tendering requirements or for contract management frequently falls to different departments or staff within the organisation. In larger organisations it is difficult for procurement staff to identify the key people involved in specifying requirements of managing contracts.

“it’s a challenge just to identify who has procurement responsibilities” (LA1.3)

There may be a historical reluctance for some key staff such as social care commissioners to engage with the procurement department, limiting the scope for the procurement unit to add value through the inclusion of CBs.

A number of suppliers reported similar problems, particularly relating to CBs delivery.

“all [operational managers] know is they complete one job and move on to the next... [Community Benefits delivery] is only a part of the whole picture” (S2)

All too frequently the client’s contract manager liaises with the supplier’s CBs co-ordinator when the project is well advanced, losing valuable time for implementing CBs such as TR&T. For example, one supply chain participant explained that in a previous role, they were half way through a project before discovering that client actually had their own department with a work programme contact. As the participant didn’t know about it, they were using an alternative agency. This disconnect also applies to suppliers, particularly where the person responsible for submitting the tender or CBs plan hands over to other staff, as staff involved in managing projects on the supplier side are not necessarily involved at the pre-bid or bidding stage.

Low priority/commitment for Community Benefits

Social aspects of procurement may be given a lower priority than environmental aspects of CSR. This issue was mainly raised by LA participants. Where there is a potential conflict between lowest costs and achieving CBs, the main concern for budget holders may be cost.

“...the greater good from Community Benefits is the way to go but when the budgets are being reduced ... directors complain they could be getting a better price” (LA4.1)

The need to meet other priorities, such as such as demonstrating savings against targets, has taken priority in some organisations.

When faced with operational challenges, suppliers may also fail to prioritise CBs delivery.

“The project will have a big list of deliverables and pre-start processes, so Community Benefits can be overlooked” (S9)

Community Benefits are not publicised

With the exception of HE participants, several participants expressed the view that their organisation does not do enough to publicise their CBs achievements despite a need for higher awareness of the benefits within the organisation’s departments or community.

“The council takes a bit of a battering at times from the public” (LA4.1)

Several participants said that they would welcome better publicity either on their own, suppliers’ or clients’ websites.

“We’re not great at shouting about how good things are” (LA1.3)

Enforcement/monitoring issues

Once a contract has been awarded, particularly for construction projects, the priority for contract managers in the public sector or supplying organisations will be on delivering on time, to quality and on budget, which may detract from other organisational goals, such as achieving CBs targets. Issues relating to enforcement and monitoring of CBs implementation were of particular concern to LA and RSL participants. Stretched resources leads to difficulty in monitoring or enforcing CBs in contracts. The sheer volume of contracts the organisation has to manage may also exacerbate this problem, particularly if the strategy is to manage a greater number of smaller contracts to ensure that local SMEs are involved in delivery.

“... sometimes contractors don’t seem to give it their attention... We took our eye off the ball a bit, in terms of capturing that information and reporting it back” (LA4.3)

Since many larger suppliers subcontract, monitoring may be even further devolved down the supply chain, so unless the main contractor collects monitoring and reporting data from subcontractors, valuable data may be lost.

“Many organisations lack the resources to monitor whether Community Benefits are being delivered” (S17)

There is the issue of what action can be taken if suppliers do not deliver or report benefits as required with the researcher gaining an impression that any failure to deliver CBs commitments would be highly unlikely to result in a contract being cancelled. Difficulties in monitoring are exacerbated by the devolved nature of procurement or other functions within the organisation.

Sector specific issues

A number of participants across sectors discussed issues they believed to be specific to their sector. For example, a participant said that RSLs don't really see themselves as belonging to the public sector, reflected in the fact that the Welsh Government has not required them to be subject to fitness checks or the Well-being of Future Generations (Wales) Act 2015; and that national collaborative framework agreements don't really meet their needs, being largely driven by local authorities. HE participants also viewed their sector as different, given the scientific or specialist nature of many requirements.

Lack of policy framework and process alignment

Another barrier, particularly for RSL participants, is a lack of a clear policy framework. Participants pointed to a lack of a top-down policy, or the need for more joined up thinking.

“... it needs to be top-down. Not necessarily the CEO, it could be the director in the area of the business that's relevant” (RSL1.1)

An organisation's decision-making structure can take time, with the number of steps it takes to make a change cited as a barrier to including CBs in policies or processes.

8.1.3 Individual barriers

Lack of practical guidance and training

Public sector participants, particularly procurement directors and some SME participants, said there is a lack of practical guidance, training or case studies providing examples of CBs in non-construction contracts.

“Community Benefits is a very broad concept... There is a lack of concrete guidance for public sector organisations on a case-by-case basis” (RSL3.1)

One participant who implemented CBs into a multi-million-pound project said they were not able to access training in a timely manner and they

“... didn’t find the [guidance] document helpful in terms of how we can get [suppliers] to do that... it did not provide guidance on how to come up with specific targets” (LA4.2)

Several participants called for training and guidance to be delivered by someone who had practical experience of implementing CBs through public procurement.

“we have to know where somebody’s actually done something on non-construction related work... practical examples to say ‘this is how we approached it, this is what we thought we could do, and this is what we have done’” (HE3.1)

Other participants called for more specific legal guidance, highlighting a lack of concrete guidance or advice for public sector organisations on a case-by-case basis, since Welsh Government agencies responsible for such activities have been under-resourced.

“... legal guidance on whether the clauses we would like to include in specifications have any legal weight behind them.” (LA5.1)

This lack of specific guidance leads to a heavy reliance on case studies to share best practice, although one participant pointed out that case studies may not readily transfer to other contexts. Currently there is a lack of sharing of knowledge and experience or standard practice throughout the public sector, deemed essential to move forward in areas such as social care.

“... we’re all doing this in our little silos and we’re all trying to work out what’s workable... and there should be a bank somewhere, sharing best practice” (LA1.3)

At the time of the interviews the Welsh Government's Community Benefits Forum had not met for some time. It can be quite difficult to get advice or assistance from other organisations that have already tendered and included CBs in particular types of contract. Several participants also expressed concern over a lack of guidance or training for suppliers. Whilst some organisations provided tailored resources for suppliers, these were not universally available. Several suppliers also highlighted a lack of guidance or support, either from clients or the Welsh Government.

Cultural barriers

Issues that could be related to the culture of the organisation or personnel were cited across all categories of participant. This can take the form of staff being reluctant to accept change, a failure to appreciate why CBs should be included within award criteria or a reluctance on the part of suppliers or others within their organisation to accept the need to accommodate CBs.

“... you do get the odd old school type who are just like ‘we’ve given you a price, we just want to come in and do our work and go home and be paid for it’” (S14)

One participant spoke of the need for a “*cultural shift*” (S1) and several suppliers spoke of a need to move away from the way things have been done in the past.

Community Benefits viewed as additional burden

Public sector participants and larger suppliers recognised that CBs requirements can place an additional burden on organisational staff or SMEs, particularly where they are under-resourced, adding another level of bureaucracy or complexity.

“[suppliers] feel that you’re asking them to do more for less anyway and ‘now you’re giving this additional burden, in terms of the measurement tool’”. (LA1.3)

RSL participants and HE participants felt that finance and procurement can be viewed negatively, as placing additional barriers on the procurement process. Suppliers, particularly main contractors, were also aware that CBs could place an additional burden on subcontractors.

“It’s just additional financial burdens all of the time, even though they want to and are keen to ensure they do all that they can to ensure the future of the construction industry, we’re just asking an awful lot all the time” (S2)

Personnel changes

Another issue raised by several participants is the loss of expertise or knowledge when a key contact leaves their role within an organisation. This issue was of particular concern to participants representing LAs and larger firms.

“This problem is not helped when key people leave the organisation, so you have to start again trying to get them to appreciate such problems” (LA1.3)

This is also a problem for suppliers

“...because also when you have new staff come in... they don’t always have the same understanding, so you’ve almost got to bring them up to a level and hope that nothing has been missed in the meantime.” (S14)

8.2 Discussion

It is worth noting that the number of barriers, or perceived barriers, mentioned by participants far exceeds the number of drivers, enablers or benefits. Sometimes these are the reverse side of the coin, with participants citing measures that could help them overcome barriers as enablers. These will be discussed in the next chapter.

Many issues were of equal concern to public sector participants and their suppliers, be they larger firms or SMEs. These include resource related issues; concerns related to

reporting and measurement; supply chain barriers; and identifying external support agencies. The lack of clear standards or targets was also of concern across groups, albeit of greater concern to public sector participants. This could be linked to a perception that this could lead to tokenism or box ticking both within their organisations and from potential suppliers.

A number of participants were concerned that CBs may be viewed as an additional burden by staff within their organisation or organisations within the supply chain. Some participants across the public sector and their supply chains mentioned factors such as a low priority or level of commitments being made to CBs; a lack of publicity for the good work being done in this area; a lack of support from senior management; concerns over the possible effect on competition or other related concerns; the effect of personnel changes; and the lack of a policy framework or alignment of processes.

Public sector participants were concerned about some legislation or policy related issues, even though conversely legislation and policy were cited as key drivers and enablers. They were also concerned about political risks uncertainty, particularly the potential effects of Brexit. Public sector participants were also concerned about any conflict or potential conflict between competing goals or objectives and that CBs were too narrowly focused on construction, alongside a lack of training or guidance on how to apply CBs to non-construction contracts. The issue of devolved responsibilities was also raised by some public sector participants (particularly those representing RSLs) as a barrier often linked to enforcement or monitoring issues. Although not cited by such high numbers of participants, additional barriers mentioned by all groups of

participants include cultural barriers or issues thought to be specific to a particular sector.

Suppliers, particularly SMEs, were more concerned with the additional costs incurred in providing CBs and any costs or constraints linked to health and safety legislation. The most frequently cited barrier for suppliers, particularly SMEs, is the lack of contractual certainty or work pipelines, particularly when linked to client requirements for TR&T or other long-term commitments. Although some public sector participants shared their concerns, suppliers, particularly SMEs, raised concerns related to processes associated with including CBs in contracting and monitoring procedures. Several suppliers, particularly those representing larger firms, expressed concerns that public sector clients did not understand the implications for contractors or possible unintended consequences of their decisions. Some suppliers complained about the lack of consistency in approach taken by public sector organisations to CBs implementation. Although some of the issues may not be directly related to CBs implementation, a number of suppliers also mentioned commercial barriers, including late payment, which disproportionately affects SMEs and TSOs. A high proportion of SME representatives also expressed dissatisfaction with the level of feedback from clients.

Chapter 2 suggested linking the findings to a model drawn from the work of Carroll (1979, 1991) and Walker and Jones (2012). Table 8.2 summarises how barriers may be categorised as political/legal; economic; sectoral; policy/process; communication; performance or people; and may span these boundaries.

Table 8.2 Categorising barriers

Level	Categorisation	Barrier	References
External	<i>Communication</i>	Lack of feedback	Walker <i>et al.</i> 2008 Andersen and Skjoett-Larsen 2009 Preuss 2009 Walker and Brammer 2009 Walker and Jones 2012
	<i>Communication/Sectoral/People</i>	Identifying external support Training-related issues Failing to understand the implications for contractors and unintended consequences	
	<i>Economic</i>	Lack of contract certainty Late payment.	
	<i>Economic/Sectoral</i>	Market forces/competition Other commercial barriers	
Organisational	<i>Communication</i>	CBs are not publicised	
	<i>Economic/People</i>	Lack of managerial support Resource-related issues	
	<i>Policy/Process/Communication</i>	Lack of consistent approach CBs too construction focused Ambiguous goals/standards/targets	
	<i>Policy/Process/Functional</i>	Devolved responsibilities and related issues	
	<i>Policy/Process/People</i>	Low priority/commitment	
	<i>Performance</i>	Enforcement/monitoring issues Reporting and measurement issues	
	<i>Sectoral</i>	Sector specific issues	
Individual	<i>Process</i>	CBs viewed as an additional burden	
	<i>People</i>	Personnel changes Lack of guidance/training Cultural barriers	

The next chapter considers enablers for CBs implementation, which in many cases are the other side of the coin to barriers discussed here.

9 Enablers for Community Benefits implementation

The fourth research question is concerned with enablers for implementing CBs. The review of the literature (Chapter 3) identified a number of potential external, organisational and individual level enablers. This section examines the drivers for CBs implementation as perceived by individuals or groups participating in interviews and forum events.

A number of enablers were identified, many of which can address barriers. Some enablers were highly cited by both public sector and supplier participants. These include external liaison, networking and supply chain support. Public sector and supplier participants alike identified organisational support and resources, flexible or realistic targets and the need for these to be communicated clearly. Almost a third of participants said the experience is an important enabler. Many key differences also emerged between sectors and these are explored in greater detail in Chapter 11.

9.1 Findings in the review of primary data (interviews and forum events)

A summary of the enablers identified through coded analysis of the responses to interview questions is provided in Table 9.1. First external enablers are considered.

Table 9.1 Enablers by percentage of participants in each sector

Level	Enabler	Code	% Public Sector participants (PS)				% Supplier participants (S)			% ALL
			HE	RSL	LA	All PS	SME	Large	All S	PS and S
External	External liaison/networking and support	EEX	57.14	80.00	91.67	79.17	75.00	75.00	75.00	77.27
	Supply chain support	ESC	71.43	60.00	91.67	79.17	33.33	62.50	45.00	63.64
	Legislation/policy	EGPL	42.86	80.00	58.33	58.33	8.33	25.00	15.00	38.64
	Buyer and contractor communication/ liaison	EGCC	0.00	60.00	16.67	20.83	58.33	50.00	55.00	36.36
	Work pipeline/contract certainty	EWP	28.57	20.00	33.33	29.17	41.67	12.50	30.00	29.55
	Collaborative procurement/joint bidding	ECP	14.29	40.00	25.00	25.00	16.67	0.00	10.00	18.18
	Inter-contractor collaboration	ECOC	0.00	0.00	0.00	0.00	33.33	25.00	30.00	13.64
Organisational	Contract management/ monitoring and enforcement	EPM	71.43	100.00	83.33	83.33	41.67	25.00	35.00	61.36
	Organisational support/resources	EOS	57.14	80.00	83.33	75.00	33.33	50.00	40.00	59.09
	Tools/templates etc.	ET	71.43	80.00	91.67	83.33	33.33	12.50	25.00	56.82
	Flexibility/realistic targets	EF	71.43	60.00	50.00	58.33	66.67	25.00	50.00	54.55
	Early internal involvement	ELI	42.86	80.00	91.67	75.00	16.67	37.50	25.00	52.27
	Strategic/policy focus/embedding	ESF	42.86	60.00	75.00	62.50	0.00	25.00	10.00	38.64
	Clearly communicated goals/ targets/ expectations	ECG	42.86	40.00	33.33	37.50	41.67	37.50	40.00	38.64
	Buyer's power	ERP	42.86	40.00	41.67	41.67	16.67	12.50	15.00	29.55
	Project reviews	EPR	14.29	60.00	50.00	41.67	0.00	0.00	0.00	22.73
	Cost-neutrality/value for money	EVFM	14.29	20.00	50.00	33.33	8.33	12.50	10.00	22.73
	Organisational structure/size	ESS	42.86	20.00	25.00	29.17	0.00	12.50	5.00	18.18
	Strategic role of procurement in implementation	ESR	28.57	20.00	33.33	29.17	0.00	0.00	0.00	15.91
Individual	Guidance/training	EGT	57.14	100.00	100.00	87.50	33.33	50.00	40.00	65.91
	Participant's experience	EEP	14.29	60.00	25.00	29.17	41.67	25.00	35.00	31.82

(PS = Public Sector; S = Suppliers; A = All participant groups)

9.1.1 External enablers

External liaison, networking and support

Although it may be difficult to identify the external organisations or individuals that can best provide support, key enablers are effective external liaison, networking and support. This factor was mentioned by most participants and across all sectors. In addition to working closely with the supply chain, participants also work with other organisations or colleagues. Public sector organisations frequently liaise with other organisations in their sector or across the public sector. This includes attending Welsh Government Community Benefits Forum events, training or other networking events and drawing on resources provided by the Welsh Government, Community Housing Cymru or other organisations. A catering manager attends trade fairs to identify local suppliers. Organisations also draw on examples of CBs practice from external organisations or by searching resources like the OJEU. Public sector organisations may also share resources.

“We don’t want to redesign the wheel, really... someone said ‘don’t ever be afraid to re-purpose something, with a little bit of acknowledgement’... We look to use examples from all over.” (LA4.3)

Participants liaise with colleges and a range of other organisations that can facilitate recruitment or training such as Workways, Communities First, Careers Wales, Construction Industry Training Board (CITB), the Prince’s Trust, Build UK, or industry bodies.

“[the external organisation] were coming to site one day a week, they were a face that was known and recognised with our subcontractors, our trainees or any of the people that came through them would have somebody to go to... they gave phenomenal support... they were just fantastic, they knew all of the funding routes.” (S14)

Organisations such as Business Wales have hosted events for buyers and suppliers to meet and discuss CBs or collaboration. Other networking organisations such as LinkedIn groups and Zokit were mentioned. One supplier participant said that attending a meet the buyer event organised by a local authority resulted in winning a contract.

Several participants referred to shared-apprenticeship schemes, which allow apprentices to move from scheme to scheme and employer to employer which also facilitates cross-fertilisation of knowledge as the apprentice demonstrates skills learned elsewhere.

“[smaller firms are] never going to be able to employ somebody for those eight or nine months through the contract and guarantee that they’re going to be kept on... so I think the shared apprenticeships really fill that gap... it’s great for the apprentice because they know they’re going to complete their time, they’re not going to get to their second year and then suddenly the firm they’re working for loses the contract or they don’t have sustained work so they lay them off” (RSL4.1)

One supplier participant explained that attending a meet the buyer event led to them register on system used by private main contractors.

Supply chain support

Supply chain support is viewed as a key enabler, highly cited by public sector participants and those representing larger suppliers. Even though in some cases supplier resistance had been encountered, public sector participants reported that overall providers have responded positively to CBs initiatives, with larger suppliers particularly supportive.

“The industry is so keyed up to it now that straight away, without us telling them, the construction industry will do it... I’ve never had to twist their arm in any way to do that kind of thing, they’ll offer materials, if they can, to community projects with no issues at all.” (LA4.1)

Sometimes this support extends to the provision of a CBs co-ordinator who can work closely with the organisation to ensure CBs are delivered and reported. Supply chain support is particularly valuable in terms of obtaining the information required to submit CBMT reports, as organisations rely heavily on the supply chain for this information and main contractors rely on subcontractors to provide TR&T or apprenticeships.

“The trade apprentices will be with the supply chain” (S2)

Legislative/policy enablers

Many participants, particularly procurement directors representing LAs and RSLs, consider government policy and legislation strong enablers for CBs implementation. Although some participants expressed reservations over potential legislation, there was also a view that additional legislation could be further enabler, possibly providing leverage to negotiate additional resources. Some participants stressed that whatever results from the Welsh Government consultation needs to be practical and deliverable.

Recent legislation such as the Well-being of Future Generations (Wales) Act 2015 and the Public Contracts Regulations 2015 (implementing the 2014 revised EU public procurement directive) was perceived as providing greater scope for social issues to be addressed in contracts, particularly in terms of providing greater flexibility for including core requirements. Several participants mentioned the key role played by Jane Hutt, when she was Welsh Government Finance Minister, as well as the role played by other Welsh Government agencies or their representatives.

“I’m always quick to praise Welsh Government, the leadership role they’ve played, in taking the agenda forward. Definitely without the leadership role from Welsh Government we wouldn’t have done what we’ve done, it’s fair to say” (LA4.3)

A social care manager considered that proposed Welsh Government legislation could raise the status of trainees, making it easier to attract and retain trainees or staff.

“The advantage of registration will be raising the status of [trainees] who will become professional because they will be registered and not everyone can register... you’ll need the qualifications to register” (LA1.2)

Some participants explained how government policy has been used to overcome any resistance to change. The political support for CBs is viewed as an important enabler in setting the context, in presentations to senior management etc and obtaining support from across the organisation.

“...because the Welsh Government has told us we have to and I’m passing the information onto you”. (RSL1.1)

The political push for obtaining CBs through government funding, eg WHQS, for large projects, was also viewed as an enabler, because without Welsh Government funding these projects couldn’t take place or provide the related CBs.

Buyer and contractor communication/liaison

Once the contract has been let, both parties would benefit from a closer working relationship. Developing trust, buy-in and honesty in supplier relationships and viewing suppliers as delivery partners, were viewed as a key enablers, mainly by suppliers and RSL participants.

“Contractors are very much viewed as partners, working together to achieve outcomes, viewing the relationships as a partnership rather than a supply chain”. (RSL2.1)

Several suppliers also referred to working in closer collaboration with the client to implement CBs as a key enabler.

“It’s more of a partnership approach with this one, rather than a straight contract to client relationship... [making contact with key client personnel] was the first thing that I did... that was the first step, making sure we are working together. As one person, there’s no way I am going to deliver everything, obviously... without the co-operation of other people, there’s no way you could do it by yourself” (S3)

Suppliers need to be clear about the client’s objectives and drivers from the outset, so a key enabler would be early involvement of key contract managers to discuss CBs and how they can be delivered.

“[the organisation] will look at what partnerships the client has, any particular requirements or local priorities, trying to find something that will slipstream into any existing programmes that they may have because it’s so much easier to cut to the chase if there’s already a skills and partnership agreement”. (S9)

This approach includes involving key client contacts, such as those involved in regeneration or employability, at an early stage.

Several LA participants mentioned good communication skills and relationship building, including between suppliers and personnel across their own organisations who can assist in CBs delivery, as essential and for overcoming suppliers’ concerns over CBs. Unfortunately, such a partnership approach is not typical, with many clients just giving the contractor the details and expecting them to deliver CBs.

“it’s politics driven as well, with different departments, and we understand that but I feel that there’s always a little bit of room to manoeuvre in between the two, just a little bit more communication, you know at that decision making level” (S4B)

Work pipelines and contract certainty

For suppliers, particularly SMEs, workflow is the key to what can be offered in terms of CBs, regardless of contractor size, with CBs likely to be offers of time/materials on

lower value contracts. Greater contract certainty could also provide an incentive for suppliers to offer longer-term training opportunities and overcome any reluctance to do so. Offering greater contract certainty, particularly over the longer-term, would also allow suppliers to plan and ensure sufficient work for apprentices to qualify. The greatest scope for implementing CBs is with larger schemes based on longer-term programmes, allowing planning and integrating training through placing and training apprentices on projects.

“With a scheme lasting six months, [the organisation] can actually give some skills training on the scheme. Larger schemes, eg WHQS... are based on longer-term programmes, which does allow planning and integrating training through placing and training apprentices on schemes” (S4A)

This enabler was recognised by over a quarter of public sector participants, who recognised that restructuring framework agreements to include fewer suppliers could provide a solution.

“We need more of a commitment to the market to allow them to grow and develop... to bring real regeneration” (LA3.1)

Collaborative procurement/joint bidding

One method of maximising the power of procurement is aggregating spend through collaborative contracts or framework agreements. This is one approach advocated by the Welsh Government and included in the WPPPS. The National Procurement Service (NPS) was formed to maximise the power of procurement by aggregating spend across seven categories of commonly bought goods and services. As a result, collaborative procurement agreements have been put in place for Welsh public bodies to utilise. In one case construction frameworks were estimated to be worth around £850M to the regional economy, increasing the power of public procurement as well as the scope for realising CBs. The NPS is viewed as an enabler, possibly progressing CBs where

individual organisations are less able to do so, although this has to be balanced against concerns that the activities of the NPS threaten the award of contracts to local SMEs. Collaborative procurement with neighbouring organisations or with other organisations within a particular sector was also mentioned and it was thought that this could benefit suppliers.

“... collaborative procurement with neighbouring authorities, for example the regional framework agreements. Trying to make it easier for contractors by asking for similar things in the same way, requiring reporting in the same way” (LA1.3)

Collaborative procurement may also yield administrative savings, for example reducing the administrative costs associated with a tendering procedure. Conversely, larger contract values may create barriers to entry for SMEs due to financial threshold values relating to business turnover, for example. One public sector participant pointed out that it is important to get the right mix of larger and smaller regional and local companies involved in large frameworks or contracts, or there is a risk that larger contractors will dominate the supplier base. In order to overcome barriers faced by SMEs or TSOs, the Welsh Government encourages organisations to bid collaboratively for contracts, publishing a joint bidding guide to support this policy.

Inter-contractor collaboration

Collaborating with other contractors is one method of overcoming problems arising from a lack of work pipelines or contracts that provide sufficient experience for apprentices to qualify. Several supplier participants referred to support from other suppliers as crucial to ensuring apprentices can obtain the experience necessary to qualify. One supplier mentioned sharing organisational costs with another provider, since organisations in the same sector face similar commercial pressures and organisational costs. Suppliers may rotate apprentices to other organisations to ensure

they have the range of experience, claiming that without such collaboration within the sector, apprentices could not progress towards qualification. In the absence of guaranteed work, shared apprenticeship schemes are another method of providing TR&T, since rather than creating directly employed apprenticeships.

“[The organisation] also supports the supply chain, where a subcontractor has an apprentice that needs particular experience for their NVQ portfolio, for example, they can be brought on site to provide the necessary work experience... so there is a joined-up approach with our long-term subcontractors” (S4C)

In one case a supplier identified organisations in a position to contribute towards community regeneration, refurbishing a block of flats with a number of apprentices working on them from other organisations.

9.1.2 Organisational enablers

Contract management, monitoring and enforcement

The majority of public sector participants and almost half the SMEs highlighted the importance of good contract management, monitoring and enforcement. A key enabler is ensuring that any CBs pledged in the winning tender are incorporated in the contract. This is much easier to achieve if TR&T targets have been set alongside KPIs to monitor progress from the outset of the contract and processes are in place to maximise CBs delivery. Building targets into the conditions of contract ensures transparency and that all potential bidders, regardless of size or resources to put the bid together, are clearly aware of the requirements. Progress review meetings can facilitate reporting on CBs alongside any other key milestones.

“...one of the outcomes that came out of the first contractor’s meeting was that they wanted to know more about community benefits because they don’t understand this.” (LA1.1)

Keeping a register of suppliers’ CBs commitments ensures that any suppliers failing to deliver can be held accountable. Unless CBs are monitored, *“how can you prove what you’re reporting is real?”* (RSL4.1). Since the client is heavily reliant on supply chain participants for reporting CBs, verifying reports may require additional resources such as unannounced site visits, spot-checking induction forms or attending events such as school visits. Monitoring also ensures that the client can work with the supplier to resolve any issues where it seems CBs plan commitments are not being met.

Organisational support/resources

Senior support for CBs implementation across the organisation is a key enabler across participant groups. For example, chief executives and other directors were referred to as being supportive.

“I know I can go to any one of our directors [with an innovative idea] and have that conversation... I’ve only been able to be good at it because my organisation has made that decision to put this much effort into it” (RSL4.1)

Procurement directors spoke highly of the support they had received from staff within their teams and support from other departments such as legal services or estates. A number of participants said they had a sense of pushing against ‘open doors’ when seeking support for CBs from others in their organisation or from suppliers. Sometimes senior support had led to the creation of resources such as dedicated staff or someone with the responsibility for ensuring CBMT reports are compiled, a CBs co-ordinator or an organisational CBs champion.

Tools, templates etc.

The majority of public sector participants referred to the availability of suitable tools and checklists as a key enabler. The Value Wales Sustainable Risk Assessment tool (SRA) was viewed as useful in ensuring that CBs or other social measures are directly linked to the subject matter of the contract, with one LA mandating its use for all contracts that the procurement department is involved in.

“The SRA also links to procurement process stages to help determine whether the approach should be core or non-core. If the SRA is used properly to influence the specification it is a valuable tool” (HE1.3)

Several participants also mentioned the Welsh Government’s Supplier Qualification Information Database (SQUID), generally used at the bidder qualification stage, which relies on suppliers to ensure that the data is kept up to date.

“SQUID is very valuable in terms of standardising questions and does benefit suppliers even if they do make comments on the numbering, format and other minor issue” (LA4.1)

Several supplier participants also mentioned Sell2Wales as an enabler.

“...the organisation is registered on Sell2Wales, as it missed out on a deadline for registering for a framework with another public sector client” (S8)

Organisations use word processing tools to copy and adapt tender content across documents to save time. One organisation is considering developing standard CBs clauses for tenders, which can be built into their database and selected as relevant for each contract. Public sector participants called for better contract management tools, access to a directory of TSOs and a menu of CBs that could be linked to particular types of contract, particularly non-construction.

Several participants valued CBMT as an enabler, providing participants with the ability to report a wide range of benefits organisationally and externally. LA participants found it useful for presenting CBs to others in their organisation, with the £ multiplier calculation demonstrating the benefits to the local economy and cashable savings. Several participants suggested that the CBMT tool would be much more usable if available on a browser interface and more readily available than just via the Sell2Wales website. Having a dedicated measurement or reporting tool saves resources in terms of reporting within and external to the organisation and ensures a wide range of data can be captured, for example linking benefits to the local area. One participant was developing a spreadsheet to capture information from smaller suppliers or projects.

Flexibility/realistic targets

The importance of flexibility and ensuring that CBs targets are realistically achievable was highlighted across participant groups. A number of suppliers appreciated clients giving them flexibility to ensure they could deliver appropriate CBs and offer suitable alternatives if the client's exact requirements could not be met.

“Where it's not possible to offer on-site work placements, we will offer business support placements... You do have to be creative in delivering every aspect of Community Benefits” (S2)

Wider CBs, such as donation of surplus materials can to be addressed via negotiation with successful suppliers, particularly SMEs who tend to prefer initiatives such as volunteering or donating materials, which are viewed as more directly benefiting local communities.

Early internal liaison

Since organisations struggle with a lack of resources and devolved responsibilities, a key enabler for CBs implementation is internal liaison and the involvement of key staff across the organisation. Public sector participants, particularly those representing LAs and RSLs, emphasised the importance of involving those responsible for specifications or contract management across the organisation at an early stage. Key departments or employees include the regeneration unit, legal department, public relations, communities or employability team, housing managers and staff responsible for education or school visits. Early engagement means that CBs can be built into contracts, facilitating the collection of CBs reporting data.

It also ensures that suppliers can work closely with staff to facilitate links to the people who want to take up TR&T opportunities. Requiring staff across the organisation to liaise with the CBs manager ensures that requests for supplier support are spread evenly across the supply base.

“... working closely with colleagues across the organisation meant that objectives that were once woolly are more focused” (LA1.5)

Several suppliers also spoke about the enabling role of colleagues in their organisations in including CBs in bids or ensuring delivery and reporting. Support may be drawn from across the organisation, not necessarily just the local office.

“... because everything is set up for you and you know there are other people who have already delivered in this way, so if you need them to, they can come and help me the first time, so I think that’s a huge enabler” (S3)

Strategic policy focus and embedding Community Benefits across the organisation

Another key enabler, particularly in terms of countering problems posed by devolved responsibilities within public sector organisations, is ensuring that CBs are embedded in the organisation's policies and procedures, financial regulations, procurement procedures and other strategy documents. One of the challenges is how to incorporate targets or deliverables and ensure that the strategy aligns with all the applicable legislation or government policies. It also means ensuring that procedures are in place for embedding CBs in contracts and monitoring procedures, ensuring an end-to-end process. This process includes profiling the organisation's future spend and considering the organisation's delivery strategy.

"We need a rethink on how we do Community Benefits, we need a rethink on how we tender.... we need to reassess where we're at, what we felt worked and what didn't, and how we're going to go forward for the next ten years" (LA3.1)

Where suppliers already provide benefits, ensuring CBs are embedded in policies and procedures ensures that suppliers are aware of the strategic importance of CBs and the need to evidence their activities. Ensuring that such policies are endorsed at the most senior level in the organisation is another important enabler. Another organisational strategy for embedding CBs is establishing a Community Benefits panel or appointing a "Champion".

Two participants representing large suppliers also mentioned the importance of embedding CBs across their organisation. This includes ensuring CBs co-ordinators are involved in bidding, embedding CBs in projects to ensure site managers or other key staff and subcontractors are aware of them; and ensuring that statistics are collected.

"[I am] trying to embed Community Benefits in all projects so site managers are aware of them and don't ignore them if working for a private developer, this means all statistics are collected and contribute to overall reporting" (S2)

Clearly communicated goals/ targets/ expectations

The communication of clear standards or targets was cited as an enabler by over a third of participants across sectors, including almost half the contract managers.

“it is important to ensure expectations are communicated effectively” (HE2.1)

Public sector participants called for their organisations to set a clear hierarchy of priorities in terms of what is required from procurement services and the supply chain. There is a need for the organisation to set realistic parameters, concerning the type of contract, the value of the contract that is applicable and the CBs that can be applied. Expectations need to be communicated effectively both within the organisation and throughout the supply chain to ensure that providers are clear about what is expected of them. Goals should be realistically deliverable and where feasible, adopting a core approach gives CBs implementation extra credibility, ensuring all suppliers are aware of the requirement. Clients could conduct pre-contract market engagement to discuss what could be achieved. Targets can seem challenging, particularly if passed to someone in the organisation responsible for delivery with no involvement in bid submission, emphasising the importance of involving staff across the organisation in the bidding process. A number of suppliers indicated that more CBs could be offered if they knew what was needed via two-way dialogue.

“I find it very tricky to tell them what we can give without knowing what they need”(S12)

Buyer’s power

Including CBs in large contracts or collaborative frameworks conveys an expectation to suppliers that they will be delivered; and this buying power can be related to the value of a contract or framework agreement. The spending power of main contractors

also enables them to influence subcontractors. The threat of losing high value business to competitors can be another enabler.

“the threat of awarding the contract to a competitor can be very powerful... as they wanted the business, this is a much more competitive market” (RSL1.1)

Several suppliers also recognised this enabler as linked to contract value or demonstrating an understanding that CBs provision as essential to win business, citing examples like 21st century schools.

“[the organisation] would have to comply if it wanted the business” (S8)

Several public sector participants are using, or considering using, bid rotation, although some suppliers were critical of such contract allocation. An alternative is to switch the focus from TR&T to other types of CBs that do not require such a long-term commitment.

Project reviews

Another enabler, particularly for RSL and LA participants, is conducting project reviews and ensuring that lessons learned can be transferred to future projects.

“Lessons learned and KPI scoring will be recorded at the end of each project and used to feed into future projects” (HE1.2)

However, resource constraints mean that this does not always take place.

“Documenting lessons learned would be useful, for formulating future tenders... but this doesn’t always occur... if you don’t record things at the time they tend to be overlooked” (LA1.3)

Cost-neutrality/value for money

Many public sector participants, particularly those representing LAs, made statements indicating that CBs are viewed as cost-neutral or providing wider value for money.

Several public sector organisations discussed methods of ensuring cost-neutrality or achieving wider value for money through CBs implementation, for example ensuring suppliers can tap into employment programmes in the area, working with a range of agencies. Some participants consider that cost-neutrality is achieved because suppliers are already providing CBs, they just ensure that information is collected and reported. One participant perceived CBs as cost-neutral because:

“...the contractor was specifically asked how much Community Benefits would cost and stated there would be a nil cost” (LA4.2)

Another participant said that overall costs are not increased because

“it is likely that the supplier views the contract as a future investment, potentially becoming a reference site for future clients, so does not increase costs” (HE1.3)

Conversely, few suppliers referred to the cost-neutral effect of CBs with the issue of cost more frequently discussed as a barrier.

“Cost-neutral doesn’t really exist... when they say cost-neutral they mean it doesn’t have any additional costs for the client but there are hidden costs for the client... and if it’s not passed to the client it will be passed to the SME sector from the main contractor” (S17)

Apparent cost neutrality is generally achieved through donations of materials or time, not disclosing the cost, or by making assumptions on how this could be achieved through productivity or obtaining external resources to cover costs, such as training grants.

“The only way to make it cost neutral is if the trainee contributes financially towards the project but this is not in the form of free labour” S14)

Organisational structure or size

Public sector participants perceived larger national organisations as more likely to have dedicated resources, be more familiar with CBs and have greater experience of

delivery, since CBs are more frequently linked to higher contract values. Training schemes run by organisations like the CITB are mainly utilised by larger companies to support TR&T type CBs. This is because:

“...[larger firms]have resources to ensure they obtain the training grants they are entitled to, know about all the different things that they’re able to access and have someone to ensure all the grants come in... [SMEs] don’t get much from it, because they just don’t know about it or they don’t have somebody who actually deals with that... Instead of paying for everything for them themselves, they could actually be drawing down money from CITB.” (S3)

Strategic role of procurement in implementation

Procurement directors and HE participants claimed that the procurement function can play a key role in the implementation process. This may be key to successfully embedding CBs across the organisation and ensuring clear targets are established for suppliers as well as influencing the market using the power of procurement. Since CBs are not necessarily a priority for some non-procurement staff, the procurement department has to drive CBs implementation.

“... I’d say we have full influence over the organisation... because we’re involved in all the major tenders, we can drive that” (LA4.3)

9.1.3 Individual enablers

Guidance and training

A number of participants referred to guidance and training as enablers, including all the LA and RSL participants, although public sector participants would welcome more tools such as matrices to guide them. Several public sector participants had benefited from the training and guidance provided by the Welsh Government. The toolkit for housing was described as useful for a wide range of construction projects. This is also viewed as an important enabler for suppliers.

“Some form of guidance or ‘idiot’s guide’ providing basic bullet points, case studies demonstrating success, would be valuable” (S15)

Several public sector participants said they offer guidance, training or briefings for suppliers and publish forward work-plans to enable the supply market to gear up for future opportunities. Some supplier participants had read the Welsh Government's Community Benefits guidance; but suppliers also referred to other guidance or case studies. Larger suppliers had generally benefited from training and guidance to a greater extent than SMEs involved in this study. A few suppliers mentioned the support previously provided by Business Wales for SMEs. Larger suppliers played a crucial role by providing guidance for subcontractors, for example hosting their own “meet the buyer” events.

Guidance or training is made available for individuals within some organisations, usually targeted at budget holders and several participants called for training to be available for a wider range of staff across their organisations. The Joint Bidding Guide provided by Welsh Government in collaboration with others, is another useful guidance tool, provided that sufficient time is built into the procurement process for guidance to be followed.

Participants’ experience

A number of participants across all categories believed that experience is an enabler. This is not surprising as the interviewees were generally selected or proposed by someone in their organisation for their involvement and experience in CBs implementation. Several public sector participants believed that CBs implementation becomes easier with experience as confidence is developed.

Occasionally previous experience in another public sector organisation was considered an important enabler in a new role or lessons learned on previous projects were carried into new projects.

“Previous experience [in public sector procurement] is also an enabler, in terms of understanding the public sector’s perspective and what procurement is, as well as the processes around public sector tendering more generally and the language around it” (S9)

Experience translated from public to private sector and vice versa. For one supplier, *“having a commissioning background helps”* (S1). A public sector CBs co-ordinator drew on their commercial background, claiming that it helped to understand the supplier’s perspective and verify reporting because, in their experience, contractors are

“going to put a load of rubbish in the forms.” (RSL2.1)

9.2 Discussion

Many of the enablers mentioned by participants could potentially address barriers presented in Chapter 8. There are a number of similarities between the responses of participants across the public sector and suppliers. Over three-quarters of participants mentioned external support or liaison as a key enabler. Guidance and training; supply chain support; organisational support and resources; and flexibility were also highly cited across both sectors, along with the experience of the participant.

For public sector participants, and to some extent suppliers, contract management, monitoring or enforcement were also viewed as enablers. Legislation and policy were mentioned as a key enabler by the majority of public sector participants, particularly in overcoming resistance or highlighting the need for CBs to be embedded in their organisations, with ensuring a strategic focus and embedding CBs across the organisation important factors.

Public sector participants also viewed project reviews as a means of carrying lessons learned into future projects, although this rarely happened in practice. Another key factor is the early involvement of individuals within the organisation who can ensure smooth implementation. The power of procurement was viewed as a key enabler and this was frequently maximised through collaborative procurement. Another enabler is the availability of tools or templates to assist implementation. Although the extent to which CBs can be provided without incurring additional costs is debatable, public sector participants considered cost-neutrality another key enabler.

For suppliers, particularly SMEs, the greatest enabler is contract certainty. Suppliers also referred to inter-contractor collaboration and greater communication and liaison with clients at an earlier stage as key enablers.

Chapter 2 suggested linking the findings to a model drawn from the work of Carroll (1979, 1991) and Walker and Jones (2012). Table 9.2 summarises how drivers may be categorised as political/legal; economic; sectoral; functional; policy/process; performance; communication; or people; and may span these boundaries.

The next chapter reports findings on the types of CBs sought or offered by participating organisations in particular and consider the extent to which they can be linked to the drivers within particular sectors or organisations.

Table 9.2 Categorising key enablers

Level	Categorisation	Enabler	References
External	<i>Communication/Sectoral/People</i>	External liaison/networking and support Buyer and contractor communication/liaison	Walker <i>et al.</i> 2008 Andersen and Skjoett-Larsen 2009 Preuss 2009 Walker and Brammer 2009 Walker and Jones 2012
	<i>Economic</i>	Work pipeline/contract certainty	
	<i>Economic/Sectoral</i>	Supply chain support Collaborative procurement/joint bidding Inter-contractor collaboration	
	<i>Political/Legal</i>	Legislation/policy	
Organisational	<i>Economic</i>	Buyer's power Cost-neutrality/value for money	
	<i>Economic/Sectoral</i>	Organisational structure/size	
	<i>Economic/People</i>	Organisational support/resources	
	<i>Performance</i>	Contract management/monitoring and enforcement Project reviews	
	<i>Policy/Process/Communication</i>	Clearly communicated goals/ targets/ expectations Flexibility/realistic targets	
	<i>Policy/Process/Functional</i>	Strategic/policy focus/embedding Strategic role of procurement in implementation Early internal involvement	
	<i>Process</i>	Tools/templates etc.	
Individual	<i>People/Communication</i>	Guidance/training Participant's experience	

10 Types of Community Benefits and related issues

The final research question seeks to determine what types of CBs are prevalent. As set out in Chapter 3 and Figure 3.2, the range of CBs promoted by the Welsh Government includes workforce and supply chain initiatives, contributions to education or the local community and environmental benefits.

This chapter examines findings from analysing secondary data contained in OJEU notices and participating organisations' websites before summarising the findings of interview discussions. It also brings together some findings from other research questions that appear to be closely linked to a particular type of Community Benefit.

10.1 Findings in the review of primary data

Data combined from interviews and websites/OJEU search has been used to produce combined results for each sector. This is based on at least one participant in each organisation referring to a CBs type in an interview, at least one reference on website (suppliers) or at least one OJEU notice (public sector). The results are summarised in Table 10.1. and comparisons between sectors are considered in Chapter 11.

Table 10.1 Summary of results on Community Benefit types by percentage of participants/organisations

Source	Community Benefit Type	% Public Sector participants/organisations (PS)				% Supplier participants/organisations (S)		
		HE	RSL	LA	All PS	SME	Large	All S *
OJEU notices (Public Sector) OR Websites (Suppliers)	TR&T	100	75	60	75	25	80	41
	SC	33	25	80	50	17	60	29
	3rd Sector	33	0	60	33	0	40	12
	Education	0	0	60	25	0	20	6
	R&T	0	0	40	16	8	40	12
	Community	0	0	40	16	25	80	41
Interviews	TR&T	85	60	66	71	58	100	71
	Community	43	40	42	41	50	40	47
	SC	14	60	33	33	8	20	12
	3rd Sector	0	33	20	33	0	20	6
	Education	0	40	50	25	8	60	24
	Environment	0	0	17	8	8	40	18
	R&T	0	0	0	0	8	20	12

(PS = Public Sector; S = Suppliers)

A high percentage of public sector organisations seek TR&T in their OJEU notices and the ability to provide this form of CBs was mentioned by a similarly high percentage of large suppliers on their websites and all large suppliers referred to this during interviews. It is notable that a much lower percentage of SME organisations or participants referred to this form of CBs. In many other respects the responses of larger supplier participants were much closer to those of public sector organisations than those of SMEs. The next section provides further information on findings of secondary research then the interview findings are discussed in greater detail.

10.1.1 Public Sector: OJEU notices

There are multiple examples of participating contracting authorities including references to types of CBs promoted by the Welsh Government in OJEU notices placed during the calendar years 2012-2015. Examples are provided in Table 10.2.

Table 10.2 Examples of CBs types referred to in OJEU notices

CBs type	Org ref	Contract type	Selected examples of wording
TR&T (apprenticeships)	HE2	Works: building refurbishment	<i>... the university will set targets for community benefits and apprenticeships as conditions of contract.</i>
TR&T (unemployed)	LA1	Supplies: food and catering related	<i>... e.g. recruit and train unemployed persons as part of the workforce delivering this contract.</i>
TR&T (local employment agency)	LA2	Supplies: works related	<i>For further information on recruiting any additional staff required you can contact [] who support local business, providing a cost-free recruitment service</i>
TR&T (work experience)	LA3	Services: grounds maintenance	<i>... and other training such as work experience to schools and colleges where appropriate</i>
Retention and training of existing workforce	LA2	Services: transport and travel related	<i>Retention and training of existing workforce – The work generated from this Contract should enable the contractor to retain their existing workforce and provide further training opportunities if required</i>
Supply chain (SMEs)	HE1	Supplies: scientific equipment	<i>The successful contractor will be expected to work with the [authority] to open up opportunities for SMEs, including enterprises, to bid for 2nd and 3rd tier supply chain opportunities arising from this contract.</i>
Supply chain (local)	HE1	Works: main contractor	<i>Use of local Sub contractors where possible</i>
Supply chain (third sector)	LA3	Supplies: building materials	<i>... providing support for community projects and social enterprise</i>
Educational work	LA3	Supplies: building materials	<i>... working with schools and colleges</i>
Community initiatives	LA1	Services: repair and maintenance	<i>... Additional Benefits to include Community Initiatives</i>
Community initiatives (digital inclusion)	RSL1	Services: painting and glazing	<i>Assisting [] with digital inclusion objectives</i>

This demonstrates that public sector organisations sometimes provide specific guidance for potential suppliers on the type(s) of CBs sought and that a wide range of potential benefits are mentioned. It also demonstrates that none of the participating public sector organisations or suppliers included specific examples of environmental CBs sought or provided in the dataset used for this research.

10.1.2 Websites (Suppliers)

A search of the participating suppliers' websites was carried out and relevant extracts were copied into a master document for analysis. Very small SMEs did not have a website presence at all and generally larger suppliers provided much greater detail on the types of CBs offered. This stage of the desk research indicated that a range of CBs is offered by suppliers according to their websites (as already summarised in Table 10.1). Some examples are provided in Table 10.3. To reduce the possibility participating suppliers being identified through a website search, a summary of the wording used on each website is included.

Table 10.3 Selected examples of wording from Suppliers' websites

CBs type	Org ref	Summary of example references on website
TR&T (apprenticeships)	S10	Providing local employment through apprenticeships
TR&T (unemployed)	S14	Involved in Prince's Trust programme to help NEETs into employment
TR&T (local employment)	S8	Where possible labour and other supply chain requirements are resourced locally, ie within the geographic district of the client.
TR&T (work experience)	S14	Provides work placements
Retention and training of existing workforce	S10	Provides staff training for existing employees
Supply chain (local/SMEs)	S5	Committed to local suppliers
Supply chain (third sector)	S3	Trading with social enterprises gives a cumulative spend to date in excess of £6m
Educational work	S4	Includes reference to working with schools.
Community initiatives	S2	Allow employees up to two working days or 16 hours paid leave a year to spend on volunteering for approved projects.

This indicates that suppliers provide examples of their ability to provide a range of CBs on their websites, which are used for marketing and promotion purposes.

10.2 Types of Community Benefits discussed during interviews

A range of CBs was also discussed during the interviews. This section discusses the prevalence of different CBs types and provides some example statements.

10.2.1 Workforce measures

Two types of workforce CBs appear on the Welsh Government chart (Figure 3.2):

- Targeted recruitment and training (TR&T) covers apprenticeships or training for new employees; work placements for unemployed, students or pupils.
- Retention and/or training for existing employees(R&T).

Targeted Recruitment and Training (TR&T)

There is clearly a preference for TR&T type CBs, particularly apprenticeships. Around three-quarters of all organisations referred to TR&T. Public sector organisations appear to be heavily influenced to seek TR&T by the Welsh Government's guidance and the inclusion of conditions in grant funding. There may also be an organisational bias towards TR&T, since it is easier to obtain data from suppliers to report benefits and perhaps because it is easier to see the benefits directly.

“TR&T is about looking at local employment, local training and engagement with colleges. I've got guys in the office who have come up who used to be on-site through the shared apprenticeship scheme, they've then gone on to a supervisor's course through the college. They're now in the office with us doing technical drawing... and the next stage for them is to become project managers... These people are on your doorstep, I've seen these people from when they were on-site straight out of school and you see them now and they've developed a lot”. (LA1.1)

In terms of suppliers, although they typically create apprenticeships in order to ensure organisational sustainability, when it comes to including them as a Community Benefit offering, their responses reflect the priorities of client organisations.

“you’re very much targeted for apprentices and trainees, for the NEETs, for the long-term unemployed, and these kind of demographics, plus those that are coming out of prison” (S14)

TR&T also includes providing work placements for specific groups. In the case of HE institutions, they look for opportunities for students to gain work experience and RSLs typically seek work experience and training for residents. For example, LA4.2 will discuss methods for ensuring local tenants benefit from work placements or targeted training with the tenant participation team. Another LA participant referred to work placements as a cost-effective alternative to apprenticeships requiring a lower level of commitment from organisations or trainees. For non-core requirements, the organisation pushes for work experience placements, which are cost-neutral but do benefit the local community (LA2.1).

SMEs, particularly the smaller organisations, generally expressed greater enthusiasm for work placements than apprenticeships and explained how client requests were accommodated. Some SME participants said they were happy to take on trainees/provide work placements and it was much easier for SMEs to offer placements than commit to longer-term apprenticeships or any form of external training that has cost implications.

“The organisation has liaised with [a Welsh university], as a result of being awarded a tender, to offer a year’s work placement to a student” (S15)

S17 explained that SMEs could offer apprenticeships via a shared apprenticeships organisation, since participants could be helped to gain qualifications and access sustainable employment, rather than just being offered a six-month work experience opportunity.

It is clear that public sector organisations try to tie their TR&T targets or efforts to local or organisational requirements whilst suppliers mainly tie their CBs offerings to client requests.

Retention and training for existing workforce

Ensuring the retention of and training for the existing workforce was mainly mentioned by large suppliers as a Community Benefit but also referred to by several public sector participants.

“It is important to recognise where apprentices are already in place and support ongoing training”. (LA2.1).

Historically there has been a perception that TR&T means new entrants and that it was difficult for retaining existing employees or apprentices to be recognised as a form of CBs. One participant said that this perception is a stumbling block because

“If you’ve employed somebody because of this job you don’t get credit for keeping them employed onto future jobs... the whole point of the programme of work that we’ve got is to try and increase employment etc., within the region and for them to employ somebody for this job, possibly lay them off just to hit targets... it is absolutely bonkers” (LA1.1)

This should not be a problem since the CBMT recognises retention and training for existing employees as a benefit but obviously presents problems if existing trainees or apprentices do not fall within a targeted group.

Staff retention is extremely important given the investment in training, particularly for apprentices, and ensuring that employees have been trained in the organisation’s preferred working methods. Wherever possible suppliers prefer to use existing employees.

“Although it can take time to manage movement of existing labour to satisfy requirements in a timely manner, this is the preferred option”.(S8)

Health and safety training for existing staff is often a priority for suppliers. One SME participant emphasised their commitment to health and safety training in the company’s handbook because

“I’m always saying I want our chaps to get up in the morning and go to work but come home at night as well”. (S7)

Another motivation for providing training to existing staff is that

“public sector clients like to see that you provide training” (S11).

Ensuring the retention of and training for the existing workforce was mainly mentioned by large suppliers as a Community Benefit but also referred to by several public sector participants.

“It is important to recognise where apprentices are already in place and support ongoing training.” (LA2.1).

Summary

Although the Welsh Government states it isn’t a matter of choosing either TR&T or R&T but that “opportunities to deliver these in tandem should be considered” (Welsh Government 2014, p. 14), this advice appears to have been largely unheeded within the public sector. There is a prevalent focus on TR&T, in OJEU notices, suppliers’ websites or during interviews, reflected by over three-quarters of all the organisations participating in this research. There is much less of a focus on the retention and training of existing employees, a form of CBs that may help reduce the “carousel” effect. This is of concern for the large suppliers, since they prefer to use existing skilled staff and provide opportunities for existing apprentices to develop their skills to taking on new

recruits or trainees. References to retention and training for existing employees were relatively low among public sector organisations.

Whilst TR&T is high across all categories of participants, there are differences in how TR&T is focused. For example, HE institutions seek work placements for students whereas RSLs seek work placements or training opportunities for their residents. LAs and large firms were more concerned than other participant groups with ensuring the retention and training of existing employees and were critical of the “carousel” effect resulting from requiring new apprentices.

Many of the barriers and associated enablers discussed in chapters 7 and 8 are closely related to workforce measures. Perhaps the clearest example is training related issues, reported by 85% of all suppliers including almost all the SMEs. Linked to this is the lack of contract certainty, which makes it difficult for suppliers to commit to TR&T. This form of CBs may also incur the highest costs for suppliers.

10.2.2 Supply chain measures

Supply chain initiatives can take a range of forms but generally include encouraging SMEs to contract directly with public sector organisations or requiring subcontracts are advertised to encourage SMEs to apply and taking measures to ensure prompt and fair payment for subcontractors. Over half the public sector organisations include supply chain initiatives in the CBs requirements but only a third of supplier organisations refer to this type of CBs.

SMEs

Main contractors advertise subcontracts via Sell2Wales ensuring visibility to local suppliers or host meet the buyer/supplier events. This is generally at the client's request and may conflict with the contractor's established supply chain arrangements. An SME participant spoke of the importance of developing relationships with local subcontractors:

“Trust is important, as the nature of the work means that work is carried out in people's homes and all trades-people must have a nice manner in terms of dealing with residents. Keeping the clients (residents) happy is a priority.” (S13).

TSOs or supported businesses

References to including supported businesses or social enterprises (TSOs) within the supply chain were less common and were often the result of the organisation's ethos rather than a reaction to client requests. One large supplier works with an organisation providing employment for the visually impaired to introduce an effective paint recycling scheme, whilst another supplier works with an organisation that uses disabled persons to assemble kitchen units and contracts with a TSO that reconditions furniture. One large contractor outlined a project that involved working with ex-service persons with disabilities, proving that the perceived difficulties accommodating physically disabled persons within construction sites can be overcome:

“as part of that we took on a couple of the guys through [organisation] and they've been doing work experience on site as part of that project, which was fantastic, I mean seeing a guy climbing a ladder with one leg is amazing... you do have to be very careful about the site layout... it all depends on the particular individual's abilities”. (S14)

Within the public sector participants there was a recognition of the need to develop the third sector and that social enterprises are not well engaged (LA3 A2) but the demise of Remploy means few well established and publicised schemes are available. Several participants spoke about difficulties engaging with TSOs. Organisations that once

received grant funding demonstrated “*an element of entitlement*” (LA1.3) failing to recognise that they

“need to tender competitively for money that was once just handed over in the form of a grant... They don’t think like a business, despite being just like an SME down the road” (LA3.1).

There were few examples of contracts being reserved for suppliers employing disadvantaged persons although one participant (LA4.1) did say that contracts had been reserved in the past where third sector organisations could be involved. More recently, efforts by this organisation to find suitable TSOs have been unsuccessful and they have been hindered by the lack of an easily accessible well-maintained directory of TSOs that could be invited to tender. One local authority organisation had offered to work with the third sector on a pilot tender to ensure they could deliver. An RSL participant (RSL2.1) said that their organisation had developed a third sector strategy to address this area.

A few suppliers mentioned examples of successfully including TSOs in the supply chain.

“There is a relationship with a third sector organisation (Track 2000) ... removing unwanted furniture, equipment etc and up-cycling” (S4A)

Local suppliers

For many public sector organisations, the main focus is on ensuring supply chain opportunities for local suppliers. For example, one procurement director stated that a driver for CBs is to

“develop the local supply chain ... it’s about keeping as much work as we possibly can in and around the [local authority] area... The main target is to increase the local supply base in and around the area year on year”. (LA3.1)

Summary

In its guidance the Welsh Government makes a distinction between supply chain initiatives and the promotion of the third sector, including supported businesses but this may be hard to justify. Just as public sector organisations encourage SMEs to bid for contracts, they are increasingly encouraging TSOs (including social enterprises) to bid for contracts and have replaced some grants for charities with a requirement to bid for contracted work. Reserving contracts for supported businesses is a supply chain initiative that can be justified when tendering contracts covered by EU legislation.

When it comes to supply chain measures, it is not surprising that almost two-thirds of large suppliers mentioned this form of CBs. Main contractors rely on supply chain support through subcontracting and main contractors are almost routinely required to advertise subcontracts via Sell2Wales and to host 'Meet the Buyer' events to ensure transparency for local suppliers registered on this system. All the participating public sector organisations encourage supply chain initiatives. There were fewer references to measures to promote the participation of social enterprises or supported businesses, either as direct contractors or within the supply chain, to ensure employment for disadvantaged persons and very few references to using reserved contracts. SME participants rarely referred to TSOs, whereas over a third of large firms include references to subcontracting or encouraging local suppliers/TSOs to participate in their supply chains.

A number of barriers appear to be most closely linked to supply chain measures. For example, large main contractors stated that the requirement for subcontract advertising

conflicting with established supplier selection procedures and the lack of knowledge about potential TSOs was highlighted as a barrier to their greater inclusion.

10.2.3 Community initiatives

This encompasses a fairly broad category of CBs including contributions to education, philanthropic donations of materials, time or money. Just under half the participants sought or provided some kind of community initiative but this rises to over three-quarters in the case of large suppliers.

Contributions to education

This type of Community benefit focuses on a range of types of educational contributions: offering work placements for pupils; school pupil site visits or tours of prestigious buildings; mock interviews or coaching; promotion of the industry at careers fayres; giving talks about site safety to schools near a construction site; and work linked to the school curriculum for STEM subjects.

Sixty percent of local authorities request contributions to education and the same percentage of larger firms in this study provide such contributions. However, within public sector tenders, working with schools tends to be included on a voluntary, non-core basis. S14 explained how their organisation participates in a scheme that is targeting a school in a deprived area, using volunteer staff to provide 20-30 students undertaking STEM subjects. This generally includes a site visit or a behind the scenes tour of a prestigious building to allow students to appreciate the skill sets and job roles involved in a major project. This is followed by practical sessions on interviews and

some students are selected for summer holiday on-site work experience placements. Working with students is thought to benefit the pupils in a number of ways.

“I actually think this is quite good for [the pupils] because they can see the challenges that people face in their homes, they get to meet a different group of people than they might meet in their normal, kind of, life and I think it gives them a broader perspective on the outside world.” (S4C).

Several suppliers emphasised the importance of communicating the careers opportunities within their sector to students making decisions about their future. This benefit is also recognised by public sector participants since

“work such as going into schools and talking about ‘women in construction’ has the power to influence lives” (LA1.4)

One supplier viewed visiting schools as a method of improving site safety:

“going into schools before work starts on a site to point out the hazards and help prevent fatalities... It also provides an opportunity to explain the rationale behind the work being carried out, and the fact that it’s saving the environment, helping to make savings” (S9).

Educational work is viewed as cost effective, since something like making a bug hotel out of old pallets in a school costs very little and can generate valuable public relations opportunities.

“and that photograph of us standing around that bug hotel with primary school pupils is great.” (S9).

Additionally, by ensuring that educational work is linked to the curriculum, students can see how the subjects like maths or science are linked to real jobs.

“It is important to support the curriculum, moving away from suppliers annoying head teachers by knocking on the door, building on initiatives like STEM, adding value to schools rather than just ticking a box”. (LA1.3)

For several participants across both sectors working in schools was a highlight of their CBs work and linked to increased job satisfaction.

Donations of materials, time or money

Public sector organisations recognise that SMEs may experience difficulty offering TR&T, so sometimes request community initiatives such as donations of money, materials or time as an alternative.

“It’s also about recognising that some SMEs may not be able to offer TR&T, because of the way they work, but recognising there’s something else they could deliver... It’s about adding together the outcomes the organisation wants to achieve with what the contractor says they can do to deliver these outcomes, then the output is the contractors helping to deliver the desired outcomes.” (RSL3.1)

A public sector participant said that when it comes to community initiatives, *“we do tend to find our smaller local contractors are a heck of a lot better at it”* (LA1.1). This may be due to local SMEs being more firmly rooted in their local communities. Public sector organisations also recognise that requesting donations of goods or time can reduce their costs. One participant (RSL2.1) explained that the Communities team has to liaise with them before granting money from the community fund, to check whether requirements can be matched to any potential contractor donations of materials/time *“from outstanding obligations”*.

One community hall refurbishment included a free asbestos survey, donated paint, new toilets, new kitchen cabinets which the contractor also fitted, and new flooring. Throughout the process contractors were asked for end of line products or unused materials but they exceeded this by donating brand new materials. The flooring supplier was not even a current contractor; but the sales representative knew the

participant and insisted on donating new flooring, even sending samples to choose from. This example also reflects the experience of another public sector participant:

“I’m still under the opinion that when you ask a contractor what they are willing to do, they will go that extra mile” (LA1.1)

The range of donations referred to by suppliers was wide, from donating goods towards a party for elderly residents to donating the time of apprentices towards work on a community facility. There was a sense that even the smallest firms could provide something that could match a client’s requirements although it may not be exactly what the client requested. One SME participant (S12) explained that whilst it might be difficult to provide labour towards a community project, they could possibly donate materials. Another SME participant (S15) explained that a public sector organisation withdrew their financial support for a community facility, so they introduced the facility’s management to another supporter and the organisation now enjoys rent-free facilities for 3 years and are able to generate income from their activities. In this case the effort required by the supplier was fairly minimal, but the community has benefited in a myriad of ways to which it is difficult to attach a monetary value.

Although some public sector organisations request cash donations, suppliers did not generally favour this method. Several participants expressed an aversion to just handing over money. This includes a large main contractor:

“What I don’t like doing is any initiatives or community projects that don’t involve us... as individuals or volunteers, I don’t like just giving money over and in fact we don’t have that money, it’s not the hugely profitable industry that we were in ten years ago and it’s still tax-payers money whichever way you look at it.” (S2)

This was echoed by an SME participant who said that the organisation would prefer to buy something and donate it or

“primarily, we would rather do the job as a community benefit ourselves and, see the finished product.” (S8).

Large suppliers frequently refer to organisational schemes that encourage employees to volunteer a given number of working days per year for charitable work. In many cases these references are made in the organisation’s CSR policy rather than comprising CBs linked to specific contracts. Several SME participants referred to sponsoring local schools or sports teams completely separately to any community initiatives requested by clients. Another SME participant mentioned a donation to a Welsh children’s hospital fund, which was made because it was viewed as a worthy cause. Public sector organisations also encourage staff or students to give their time through volunteering:

“The organisation sees [Community Benefits] as part of the way forward, including its own community benefit initiatives like staff volunteering.” (HE1.3)

It would be easy for a small SME or micro-business to be overwhelmed by requests to donate time or materials for community projects. RSL2.1 recognised that there could be an issue with suppliers constantly being asked for donations of materials or time; but said co-ordinating requests should ensure this does not occur.

Providing opportunities for volunteering, rather than paid work experience, was also mentioned.

Summary

Community involvement is relatively high across all organisation types with over half the participating organisations requesting or providing some kind of community initiative but highest for larger suppliers. For SMEs this largely takes the form of donated time or materials whereas larger firms have established staff volunteering schemes and one large firm had established a charitable fund that receives a percentage of annual profit. Within the public sector participants, it is notable that all the RSLs refer to initiatives that benefit their residents and local communities directly, providing examples such as refurbishing community facilities or donating goods to a resident who had suffered a house fire. There are some sector differences in the findings. Contributions to education were primarily discussed through interviews and are mainly sought by LAs and RSLs or provided by large suppliers. This discussion is expanded in Section 11.2.1.

Some barriers may be more closely linked to seeking contributions to the community. For example, without closer liaison it was difficult to match contributions to client requirements. Some suppliers needed clients to facilitate gaining access to schools in order to make contributions to education.

10.2.4 Environmental benefits

Examining the environmental aspects of public sector contracting was not a priority of this research either, since this aspect of sustainability is well covered in the literature.

Examples of environmental initiatives tend to cross into other types of Community Benefit. These include donating or recycling unused materials, educational work such as bug hotels, community initiatives such as planting donated pond plants, minimising waste to landfill and ensuring contractors reach a certain BREEAM standard when constructing buildings. Donating surplus materials and preventing them going to landfill is one method of limiting environmental damage. To some extent environmental issues are already built into major projects through quality schemes like BREEAM. Ensuring the recording of initiatives such as minimising waste to landfill or recycling unused materials, paint or furniture can lead to cash savings and help the organisation demonstrate that it meets recycling targets.

“It also demonstrates more immediate cashable savings for the organisation, for example waste directed from landfill on projects”. (LA1.4)

Work in schools often focuses on environmental schemes like building a bug hotel and community schemes sometimes include planting or gardening projects that improve the local environment.

Summary

Few public sector participants provided specific environmental requirements in notices or discussions and this was rarely highlighted as a form of CBs except by RSLs who linked environmental initiatives to the local environment, for example arranging litter picking as a community action. It is worth remembering that environmental measures, such as ensuring BREEAM standards are met, have long been a standard requirement within public sector contracts and environmental initiatives per se were only added to the Welsh Government’s model in the 2014 revision of the CBs guidance. Public sector organisations are driven by organisational goals such as meeting BREEAM standards.

Almost half the large suppliers emphasise environmental commitments on their websites. The key drivers for suppliers are legislation and taxation; reducing costs, for example landfill tax and providing evidence of environmental sustainability to prospective clients.

10.2.5 Other types of Community Benefits

Intrinsic benefits

Several participants expressed the view that their organisations provide intrinsic CBs.

“some of the research work the organisation does is also of community benefit in its own right, with possible long-term benefits for the wider community not just locally but world class leading research benefiting the wider world. A possible drawback of the Welsh Government’s approach is that it does not recognise such wider intrinsic benefits, for example arising from charity organisation research grants to meet real needs” (HE1.3)

Public sector organisations also offer their own in-house apprenticeship schemes quite separately from their CBs requirements. For example, LA3.1 talked about nurturing local talent attracted through work experience schemes and apprenticeships.

Equality and Diversity

Although equality and diversity are not dealt with specifically within the Welsh Government’s Community Guidance, they do underpin all activities and are a basic legislative requirement. With this in mind the interview records were checked for references to equality and diversity, noting any barriers or enablers to increasing diversity, particularly in industries such as construction or social care, which are typified by stereotypes. Around a third of public sector participants referred to aspects

of CBs where equality and diversity may be an issue and a number of supplier participants made statements indicating that this presents a challenge, although there were also signs of encouragement.

A clear driver is legislation, but organisations or individuals also expressed a commitment to equality and diversity. For example, one supplier that does not currently have any disabled employees had fitted ramps to ensure accessibility and another supplier had included disabled veterans on a construction project at the client's request. One public sector participant referred to a historic visit to Remploy as inspiring their passion for including TSOs in the supply chain. Several suppliers' websites included details of TSOs included within their supply chain and this may be driven by reputational advantages.

Benefits can be measured and reported, at least in the short term, particularly through workforce initiatives. A range of benefits accrues to beneficiaries from addressing equality and diversity and widening participation. Community initiatives benefit a wide range of people included those with disabilities or mental health issues. A dyslexic trainee was able to keep their work placement after a supplier became aware of their situation and made adjustments. Preconceptions can be altered when physically disabled persons are empowered to perform jobs previously viewed as beyond their capabilities and attention can be turned to structural barriers, such as the equipment needed to improve accessibility. Nonetheless there were relatively few examples of TSOs employing disabled employees or of female inclusion in male dominated industries, or vice versa. Further research may be necessary to understand the barriers to widening inclusion through CBs.

The fact that equality and diversity are not well covered in the current CBs guidance may comprise a barrier. Increasing awareness of success stories through case studies could help. The main exception is references to supported businesses and reserved contracts. There is good guidance available on ensuring equality and diversity are included in contracting (Equality and Human Rights Commission 2014) but more specific guidance on how CBs can be maximised through widening inclusion is needed. Another problem is that TSOs are not well engaged, seem to find it difficult to move from being grant beneficiaries to contractors and there is no directory. There has been a change of focus within EU procurement legislation from “disabled” to “disadvantaged” in terms of reserved contracts. A directory of TSOs could enable public sector organisations to conduct pre-market engagement and consider reserving contracts where appropriate.

The construction industry, a major focus of CBs through TR&T, has been described as typified by able-bodied men (Loosemore 2016). It was difficult to contend this view, for example one supplier talked about the “girls” who cleaned void properties and managed to build a successful business and females were often described in terms of a lack of physical strength. There are also structural barriers, such as the type of equipment used on construction sites and addressing them may incur additional costs. As one participant said, people may choose their own stereotypes, but this may be based on a lack of knowledge of the wide range of careers available. On the positive side, there was little evidence of age being a barrier and one supplier participant referred to a 72-year-old project manager who was still working and not considering retirement. Learning disabilities, or issues around literacy can be worked around and

participants provided examples of this happening. It seems to be easier to accommodate persons with physical disabilities in back office or professional support roles. The construction industry is happy to take on ex-prisoners, subject to certain restrictions on the type of site worked on.

Another problem raised by a supplier participant who had difficulty completing a tender was that it is extremely difficult to predict who may work on a potential future contract. Whilst it is possible to guarantee a disabled person an interview, this is as far as “positive discrimination” is legally permissible. As discussed in the TR&T section, clients and suppliers may need to work in partnership to increase opportunities that seek to widen participation and increase social inclusion and targets may need to be flexible.

10.3 Categorising CBs types

Chapter 2 suggested linking the findings to a model drawn from the work of Carroll (1979, 1991) and Walker and Jones (2012). Table 10.14 summarises how drivers may be categorised as political/legal; economic; sectoral; functional; policy/process; performance; communication; or people; and may span these boundaries.

Table 10.4 Categorising types of Community Benefits

Level	Categorisation	Community Benefit type	References
External	<i>Environment/ Economic/Sectoral/ Performance</i>	Environment	Carter and Jennings 2004 Welford and Frost 2006 Swan and Khalfan 2007 Worthington <i>et al.</i> 2008 Walker and Brammer 2009 Preuss 2011 Akenroye 2013 Perry and Towers 2013 Amann <i>et al.</i> 2014 Huq <i>et al.</i> 2014 Kanapinskas <i>et al.</i> 2014 Welsh Government 2014
	<i>Social/Economic</i>	Supply chain measures including 3 rd Sector	
Organisational	<i>Communication/ People</i>	Contributions to Education	
	<i>People/ Communication/ Discretionary</i>	Community Engagement Philanthropic donations	
Individual	<i>People/Social/ Economic</i>	Targeted recruitment and Training (TR&T) Retention and training of existing employees (R&T)	

The next chapter provides a more in-depth discussion of the findings and examines the overall academic contribution and theoretical implications.

Figure 10.1 based on categorisations drawn from Carroll (1979) and Walker and Jones (2012) maps the key findings reported in chapters 6-10.

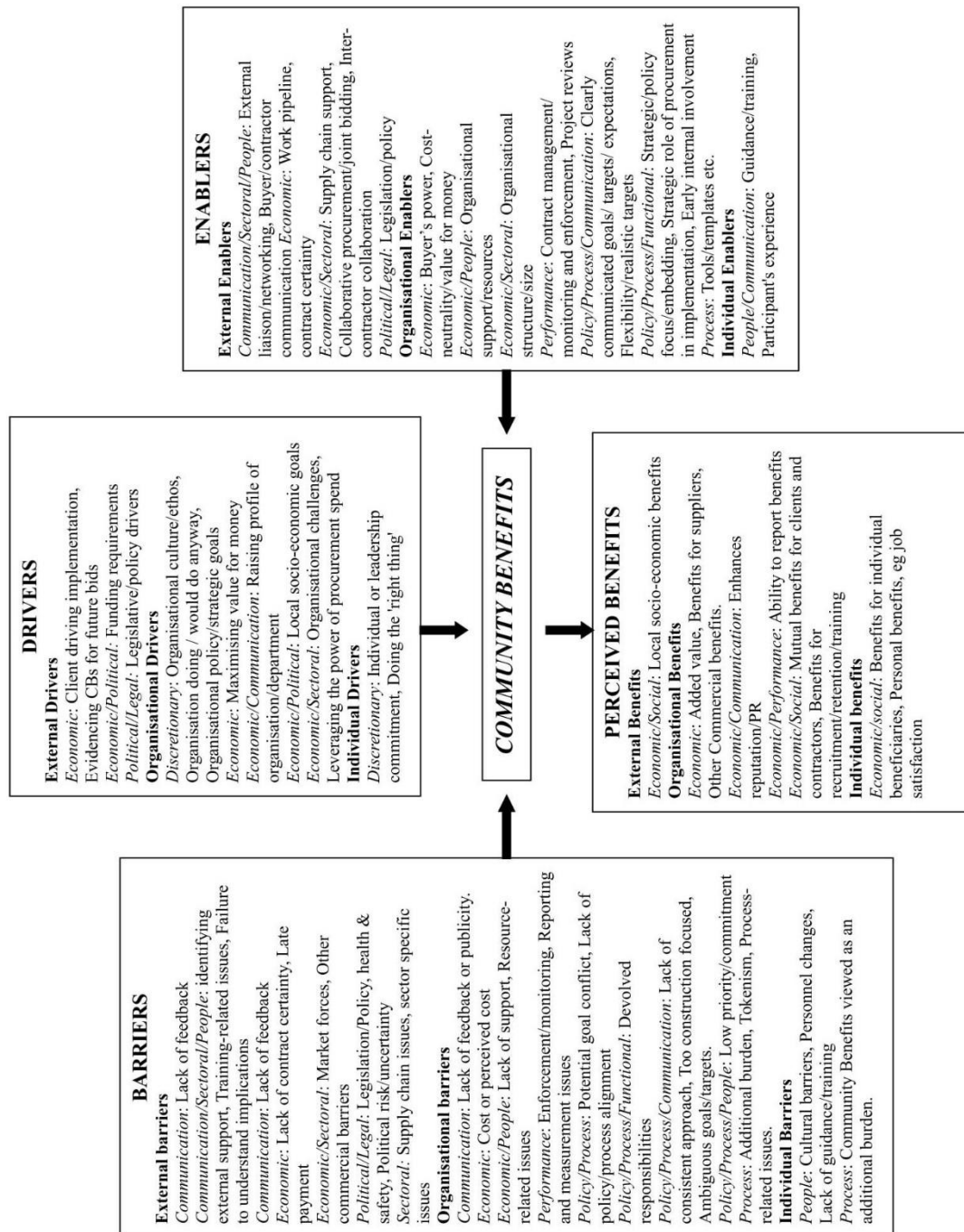


Figure 10.1 Overview of findings

SECTION 3: Discussion and conclusions

This section brings together discussion of the findings, academic, practical and theoretical implications, the research limitations and makes suggestions for future research

Chapter 11 Discussion

Chapter 12 Conclusions

11 Discussion

This chapter captures the key findings against each of the five research questions. The inter-relationships between the key findings for each research question are discussed and any differences between sectors and types of suppliers are discussed. After identifying theoretical and academic implications, the conclusions are reached. These are considered in detail alongside research recommendations for future research in Chapter 12.

11.1 The key research question findings

This section summarises the key findings against each of the five research questions, considering whether they are primarily related to the external, organisational or individual level.

11.1.1 What factors drive organisations to request or deliver Community Benefits through procurement?

The findings indicate that a range of external, organisational and individual level factors drive CBs implementation. In terms of external or organisational drivers, political or legal drivers are strongest for public sector organisations. The Welsh Government's CBs policy (reinforced by funding conditions) has been identified as strongly driving implementation. This leads to the conclusion that public sector organisations are largely driven by external stakeholder requirements, supporting stakeholder theory. Suppliers are also externally driven by client stakeholders to

include CBs and to provide evidence of their capability to do so but these drivers may be categorised as economic or commercial in nature.

Organisational drivers appear to be much stronger for suppliers. A key driver mentioned frequently by suppliers, particularly SMEs, is the need to meet sector and organisational challenges by investing in training and apprenticeships, regardless of any client requirements. This also implies that commercial or sectoral organisational drivers are strong, since organisations need to ensure they have the necessary resources to perform contracts in-house, supporting a resource-based view (RBV). Public sector organisations are driven by different organisational requirements to meet organisational goals such as increasing local SME involvement in the supply chain or providing training and development opportunities for internal or external stakeholders. Whilst sometimes driven by external political or legal pressure, such goals may also be discretionary, tailored to the need of the organisation or its public sector clients (for example local residents, tenants or students). This implies that internal or external stakeholders drive organisational priorities.

At the individual level, half the participants could identify someone with a passion or commitment for delivering wider social or economic value through CBs, categorised as discretionary. This finding supports stakeholder theory, since employees are key stakeholders. Some organisational drivers, such as meeting key stakeholder requirements, are common to public sector organisations and suppliers. Such similarities are examined in section 11.2.

11.1.2 What are the perceived benefits of implementing Community Benefits?

Based on an interpretivist epistemology, this research highlights the benefits of CBs as perceived by participants. All participant groups suggested that external social-economic benefits are realised through CBs implementation, although this finding was stronger among public sector participants.

Many perceived benefits are organisational. All participant groups highlighting communication/public relations or reputational benefits, either for their organisation or department. These findings may support stakeholder theory since public and private sector organisations have to provide and report benefits to a wide range of external stakeholders. Suppliers cited commercial or operational organisational benefits, such as staff recruitment, training and retention. Such benefits are more closely linked to RBV or minimising the requirement for support from other organisations, for example subcontractors.

At the individual level, participants across all organisation types proposed that benefits are realised for the intended beneficiaries, even though this is not currently measured over the longer-term. Almost half the participants referred to enhanced job satisfaction as a benefit. To a large extent these findings support stakeholder theory, since employees are stakeholders, although job satisfaction could be linked to staff retention and hence support RBV.

11.1.3 What are the perceived barriers to implementing or realising Community Benefits?

The findings summarised in Chapter 8 suggest that a number of external barriers hinder CBs implementation. Supply chain challenges or identifying adequate external support present the greatest external challenges across all types of organisations. For public sector organisations many external challenges are legal or political, reflecting the wide range of stakeholders that public sector organisations need to satisfy. Suppliers face a greater number of external barriers, many categorised as economic/commercial or sectoral in nature, with SME suppliers citing more challenges than larger suppliers. Specific barriers related to targeted training and recruitment (TR&T), present the greatest challenge, with health and safety legislation exacerbating such challenges for SMEs. Many of the barriers faced by suppliers are commercial in nature and for SMEs late payment is a particular barrier. Suppliers need greater contract certainty, since it is difficult to make long-term commitments to training and recruitment without this. These findings may reflect both stakeholder theory and resource dependence theory (RDT).

The majority of barriers to CBs implementation are organisational. All types of organisations reported resource related issues and barriers related to reporting and measuring CBs. In terms of strategic barriers, public sector organisations reported conflicting organisational goals or objectives, ambiguous goals or targets or poor communication as key barriers. These impact on the supplier's ability to provide CBs to support public sector strategic goals. Suppliers highlighted the economic/commercial (resource) cost of CBs implementation as key barrier.

At the operational level, process-related barriers were reported across participant groups. For suppliers these often add to the organisation's internal costs. Some participants expressed the view that CBs are too narrowly focused on construction contracts and TR&T, which cost suppliers more to provide than other measures. Many of these barriers are intrinsically linked to RDT or reflect a wide range of stakeholders' needs, leading to conflicting goals.

Organisations also identified some key individual level barriers related to personnel, culture or ethos. These include a lack of guidance or practical training and are exacerbated when key personnel leave the organisation. Some participants perceived that individuals involved in implementing CBs view this requirement as an additional burden. These findings broadly reflect RDT and RBV theory.

11.1.4 What are the perceived enablers for implementing Community Benefits?

Many factors that enable CBs implementation are external and beyond the organisation's direct control. All organisation types stated that identifying the right external support and liaison with organisations or individuals as a key enabler. Supply chain support is crucial for CBs, frequently provided by SMEs when commitments are passed down the supply chain. Key organisations such as the Construction Industry Training Board (CITB) provide external support within specific sectors like construction.

Legal or political enablers were mentioned by public sector organisations, often used to gain the support of key organisational stakeholders, reflecting stakeholder theory.

Suppliers identified communication and close liaison with clients as the key enabler, linking this to a requirement for clients to clearly communicate their CBs goals or targets. These findings largely support RDT.

The majority of key enablers are organisational, hence arguably within the organisation's control, albeit not necessarily within the control of the individual participants. Strategic enablers include clearly communicating goals, targets or expectations internally and externally; but there needs to be flexibility in terms of how they are achieved. Ensuring CBs have a strategic organisation focus and are embedded in the organisation's policies, procedures and processes can help obtain buy-in from individuals or departments required to support goals.

Suppliers also identified some of these key strategic enablers but to a much lesser extent. In terms of economic/commercial enablers, the provision of adequate support and resources enable successful implementation. It is interesting that public sector organisations view cost-neutrality and value for money as a key enabler whilst suppliers identify cost as a major barrier. These findings largely support stakeholder theory or RDT.

For public sector organisations and suppliers, a key operational enabler is the early involvement of departments or personnel across functions within the organisation. Although the procurement function may use procurement spend as a lever for implementing CBs, the early engagement of staff across the organisation is required to maximise the effectiveness of implementation. Public sector organisations highlighted a greater number of operational enablers such as tools and templates as

aiding the implementation process. Conducting project reviews and transferring lessons learnt to future projects is another enabler. These findings are mixed in terms of theory, supporting stakeholder theory and RBV.

Some enablers mirror individual level barriers, with guidance and training cited as an enabler across all participant groups. Experience of CBs implementation was a key enabler for many participants. These findings support both RDT and RBV theory.

11.1.5 Linking barriers and enablers

There are close links between barriers and enablers, which are often two sides of the same coin. Table 11.1 matches key barriers and related enablers, drawing on the work of Walker and Jones (2012), to link the findings to strategic or operational factors.

There were variations in the frequency of references to different enablers or barriers so certain factors may be considered more strongly as barriers or enablers. For example, although legislation or government policy is a driver, this was more frequently mentioned as an external barrier than enabler by participants. Similarly, a lack of resources or organisational support was more frequently mentioned as a barrier than enabler. It may be necessary to balance some enablers against barriers. Whilst procurement power is an enabler, this needs to be balanced against concerns over using collaborative procurement, since SMEs may be adversely affected. Procurement power should be used responsibly to avoid potential unintended consequences such as market distortion. Whilst public sector organisations can help suppliers by setting clear targets for CBs delivery, flexibility is a key enabler both for staff implementing the policy and suppliers who may meet requirements in different ways, depending on their

capabilities and capacity. Defining the method of CBs delivery too narrowly may deter suppliers from bidding for contracts and it may be necessary to focus on outcome-based goals.

Table 11.1 Linking barriers and enablers

Factors	Category	Barriers	Enablers
External factors	Political	Legislation/regulation, legal risk	Legislation/regulation
	Economic	Lack of contract certainty, commercial or supply chain barriers, late payment.	Workflow, contract certainty Collaboration/joint bidding Supply chain support Inter-contractor support
	People/ Communication	Identifying external liaison.	External liaison Buyer/supplier communication
Organisational factors	Strategy and Process	Lack of policy framework/process alignment, conflicting priorities or goal ambiguity, low priority/commitment	Senior management support, clear strategic priorities and policies
	Performance	Difficulties measuring, monitoring, reporting	Monitoring, enforcement and reporting, project reviews.
	Economic	Lack of resources, cost.	Cost-neutrality, value for money.
	Functional	Devolved functions	Role of procurement staff, supply chain management, internal liaison
	Process	Viewed as a burden, box-ticking culture, SME/TSO issues.	Embedding in process, systems, tools, flexibility
	People/ Communication	Lack of knowledge, guidance, training, personnel changes, cultural barriers, workforce-related issues, lack of feedback/publicity, lack of internal liaison, inconsistent approach.	Clearly communicated priorities or targets, guidance and training, early internal liaison, experience, sense of open doors, feedback and publicity

Whilst training is generally more of an enabler than a barrier, more guidance for implementing CBs when procuring or providing non-construction goods or services is needed. Whereas publicising CBs achievements may increase commitment and help

attract employees with the motivation and skills required, some public sector participants felt they were not adequately publicised organisationally or externally.

Whilst contract management, monitoring and enforcement are viewed as enablers, these processes often fall by the wayside due to devolved responsibilities and a lack of resources. There is little doubt that experienced staff play an important role in implementation but the number of participating organisations having dedicated resources for CBs implementation were in the minority, particularly within the public sector. Whilst experience is an enabler, when key employees leave an organisation this causes difficulty for remaining employees across the organisation or beyond. Examples were provided of key personnel leaving the CITB or other external support organisations.

Several barriers were mentioned for which no obvious enabler exists. Public sector organisations have to manage competing goals and inflexibility may result in adopting a box-ticking approach. Political risks are a barrier, particularly for LA participants, since elections can result in change of policy direction, a difficult risk to mitigate. Some suppliers were concerned that public sector organisations do not understand that their procurement decisions may have unintended consequences. Although joint bidding is viewed by public sector organisations as a way of countering barriers linked to collaborative procurement, many suppliers were averse to such collaboration. There are many commercial barriers, which may be difficult to address, with late payment a particular problem for SMEs; and few suppliers referred to project bank accounts. It is difficult to overcome cultural barriers such as resistance to change.

11.1.6 What types of Community Benefits are prevalent?

The prevalence of different types of CBs sought by public sector organisations or offered by suppliers varies. Generally, there is a very dominant focus on workforce related CBs across organisation types. These preferences were expressed in OJEU notices, suppliers' websites and during the interviews. The primary focus is on TR&T rather than retention and training for existing employees. This is largely a response to client requirements, since public sector organisations emphasise TR&T.

Another key focus across participant types is community engagement. There are some key differences in the types of CBs sought or provided by different categories of participants. In part these differences may be linked to the drivers for seeking or providing CBs and how these drivers are linked to organisational goals, which may be linked to stakeholder theory.

Notably all the public sector organisations included in this study implemented supply chain initiatives, most frequently focussed on providing opportunities for local suppliers or SMEs to be involved in the supply chain. This reflects the Welsh Government's drive to ensure all subcontract opportunities are advertised via Sell2Wales and a strong focus on 'Meet the Buyer' events in the guidance. This was reflected in discussions with larger contractors, since they rely on supply chain support to deliver contracts and hence may support both stakeholder theory and RDT. However larger suppliers expressed concern that subcontract advertising conflicted with their preferred supplier arrangements.

Some drivers, barriers, enablers or benefits may be closely linked to specific types of CBs; but space does not permit close consideration of such issues. The theoretical issues briefly referred to above are expanded in Section 11.4.

11.2 Discussion of similarities and differences between sectors

One of this study's strengths is the purposive inclusion of participants from several different types of public sector and the range of large suppliers and SMEs proposed by the focal organisations. This facilitates both a cross-sectoral comparison and dyadic study. Key differences are examined in section 11.2.2. First similarities in the key factors mentioned between sectors are examined based on factors reported by broadly similar proportions of public sector and supplier participants.

Similarities between sectors: Drivers and benefits

Table 11.2 provides examples of some similarities presented between public sector and suppliers participants when discussing drivers and benefits.

Table 11.2 Similarities between public sector and suppliers: Drivers and benefits

Factor	Level	Issue	% of public sector participants	% of supplier participants
Driver	Organisational Drivers	Organisational culture/ethos	25	20
		Raising profile of organisation/department	20.83	20
	Individual Drivers	Individual or leadership commitment	54.17	40
	Individual Benefits	Individual benefits for beneficiaries of CBs initiatives	62.5	70
		Personal benefits such as job satisfaction	41.67	50

Similarities were found at the organisational and individual levels. At the organisational level key drivers include the role played by organisational culture/ethos and the importance of raising the profile of the organisation or department. In terms of individual drivers, the percentage of participants reporting individual commitment as a key driver is relatively high across public sector and supplier participants.

A high level agreement was found across the two groups was in terms of socio-economic benefits for beneficiaries and enhanced job satisfaction. A number of participants also highlighted mutual benefits, which could be emphasised by public sector organisations when they seek CBs.

Similarities between sectors: Barriers and enablers

Some barriers or enablers were mentioned by similar percentages of participants. These are presented in Table 11.3.

More barriers were identified than any other factors, with a number of similarities across public sector and supplier participants. External supply chain barriers were reported by almost a third of participants. Public sector and supplier participants also reported issues identifying external support. A slightly high percentage of supplier participants referred to political risks and this may be linked to the highly regulated nature of construction, the industry represented by the vast majority of suppliers in this study.

Table 11.3 Similarities between public sector and suppliers: Barriers and enablers

Factor	Level	Issue	% of public sector participants	% of supplier participants
Barriers	External Barriers	Supply chain issues	66.67	60
		Identifying external support	41.67	60
		Political risks/uncertainty	29.17	40
	Organisational Barriers	Reporting and measurement issues	83.33	65
		Tokenism or 'box-ticking'	37.5	25
		Process related issues	25	40
Enablers	External Enablers	External liaison/networking and support	79.17	75
		Work pipeline/contract certainty	29.17	30
	Organisational Enablers	Flexibility/realistic targets	58.33	50
		Clearly communicated goals/ targets/ expectations	37.5	40
	Individual level Enablers	Participant's experience	29.17	35

In terms of organisational barriers, a high percentage of public sector and supplier participants reported issues related to reporting or measuring CBs. These may also be linked to process-related issues and lead to tokenism or a “box ticking” approach. Although not high, a number of participants in public sector and supplier groups referred to CBs being given a low priority or commitment when compared to other organisational goals. Although cultural barriers were not highly cited, some public sector and supplier participants referred to them.

In terms of enablers, the importance of identifying external support was highlighted by over three-quarters of public sector and supplier participants. Although most highly cited by suppliers, almost a third of public sector participants referred to work pipelines as a key enabler. Over half the participants in both public sector and supplier groups mentioned the need for flexibility or realistic targets as a key organisational enabler

and over a third also suggested that such targets need to be clearly communicated across the organisation. Around a third of public sector and supplier participants viewed their experience as a key enabler for successful CBs implementation.

Similarities between sectors: Community Benefits types

There were fewer similarities between these two sectors when discussing CBs types as indicated in Table 11.4.

Table 11.4 Similarities between public sector and suppliers: CBs types

Source	Community Benefit Type	% of public sector participants	% of supplier participants
Interviews	TR&T	71	71
	Community	41	47
	Education	25	24

Almost three-quarters of public sector and supplier participants referred to TR&T measures in their interviews but as previously discussed this may reflect different external or internal drivers. Broadly similar proportions of public sector and supplier participants referred to community engagement and contributions to education.

This section has provided insights into similarities across public sector and supplier views on various aspects of CBs implementation. However, there were many areas of divergence between these participant groups, discussed next.

11.2.1 Areas of divergence between public sector organisations and suppliers

Whilst there were some similarities between public sector and supplier participant views, there were many more differences, as discussed in this section.

Differences between sectors: Drivers and benefits

There appear to be many areas of divergence in terms of drivers and benefits related to CBs implementation, as indicated in Table 11.5, and some drivers were completely absent in discussions within one group or the other.

Legislative or policy drivers and the need to report CBs to funders are strongest for public sector participants whereas fewer supplier participants cited these drivers. Suppliers were more strongly driven by client requirements and the need to evidence their ability to provide CBs to potential clients. However, both sectors could be theorised as similarly driven by the requirement to satisfy external stakeholder expectations.

In terms of organisational drivers, public sector participants were more strongly driven by organisational policy or strategic goals whereas suppliers were driven to meet organisational challenges. Organisational policy or strategic goals were more highly cited by public sector participants, whilst organisational challenges were most highly cited by SMEs. A higher percentage of supplier participants said that they would be delivering CBs such as recruiting apprentices or making community donations regardless of any external driver. Whilst over a third of public sector participants said maximising value for money was a key organisational driver, this was not mentioned by any of the supplier participants.

Table 11.5 Differences between public sector and suppliers: Drivers and benefits

Factor	Level	Issues	% of public sector participants	% of supplier participants
Drivers	External Drivers	Legislative/policy drivers	70.83	20
		Funding requirements	50	10
		Client driving implementation	0	40
		Evidencing CBs for future bids	0	35
	Organisational Drivers	Organisational policy/strategic goals	50	20
		Maximising value for money	37.5	0
		Organisational challenges	25	55
Benefits	External benefits	Local socio-economic benefits	58.33	35
	Organisational Benefits	Enhances reputation/PR	62.5	35
		Added value benefits	37.5	15
		Ability to report benefits	37.5	10
		Other commercial benefits	0	35
		Benefits for recruitment/staff retention or training	0	25

The differences in perceived benefits may reflect different drivers between the two sectors. A higher percentage of public sector organisations reported local socio-economic benefits, which may be linked to the underlying external driver by the Welsh Government to realise wider CBs through public procurement. A higher percentage of public sector participants also reported reputational benefits with the ability to report benefits, including adding value, to internal and external stakeholders possibly being linked. Whilst suppliers reported commercial benefits, including benefits for staff recruitment, training and retention, public sector participants referred more vaguely to ‘benefits for suppliers’.

Differences between sectors: Barriers

There were many differences in the key barriers cited by public sector or supplier participants as indicated in Table 11.6.

Table 11.6 Differences between public sector and suppliers: Barriers

Level	Barriers	% of public sector participants	% of supplier participants
External Barriers	Legislation/policy related	62.5	35
	Training related issues	8.33	85
	Lack of contract certainty	20.83	60
	Health and safety related issues	8.33	55
	Failing to understand the implications for contractors and unintended consequences	12.5	40
	Lack of consistent approach	4.17	40
	Other commercial barriers	0	35
	Late payment	0	30
	Resource-related issues	95.83	55
	Cost or perceived cost	29.17	80
Organisational Barriers	Potential conflict between goals/objectives	66.67	5
	Ambiguous goals/standards/targets	45.83	25
	CBs too construction focused	54.17	10
	Devolved responsibilities and related issues	37.5	10
	Lack of practical guidance/training	54.17	5
Individual level Barriers			

The key external barriers faced by public sector organisations are legislation or policy related. Suppliers more specifically cited issues related to health and safety legislation as a barrier, although both types of barriers are legislative or policy related in nature. Whilst a fifth of public sector participants were concerned about the potential effect of CBs on the market, this was not of high concern to suppliers who were more concerned about the effects of the sealed bid nature of tendering process adversely affecting their ability to compete. For public sector organisations a lack of practical guidance or training, particularly around how to implement CBs in contracts not related to construction, was a key issue. A quarter of public sector participants viewed CBs as an additional burden.

The barriers of highest concern for suppliers were linked to training, something that should be noted by public sector organisations since TR&T is the most sought-after form of CBs. This is closely linked to the lack of contract certainty, making it difficult for SMEs in particular to make long-term commitments such as apprenticeships. A key issue for over a third of suppliers was the failure of public sector organisations to understand the implications and potential unintended consequences of their CBs requirements or adopting an inconsistent approach to implementation. A lack of feedback was also cited by almost a third of suppliers. Other key barriers cited by suppliers were largely commercial in nature with late payment a key issue, particularly for SMEs.

In terms of organisational barriers, both public sector and supplier participants highlighted resource-related issues; but this was more highly cited by public sector participants. Two-thirds of public sector participants viewed potentially conflicting organisational goals or objectives as a barrier and almost half were concerned that these were ambiguous compared to only a quarter of suppliers. A higher percentage of public sector participants mentioned a lack managerial support as an issue. Many public sector participants mentioned barriers related to devolved responsibilities but fewer suppliers raised this issue. Over half the public sector participants expressed the view that CBs are too narrowly focused on construction. The key barrier for suppliers, cited by over three-quarters of participants, is the cost of providing CBs, an issue recognised by less than a third of public sector participants.

Differences between sectors: Enablers

Just as public sector or supplier participant discussed different barriers, these could often be linked to different enablers. These are summarised in Table 11.7.

Table 11.7 Differences between public sector and suppliers: Enablers

Level	Enablers	% of public sector participants	% of supplier participants
External Enablers	Supply chain support	79.17	45
	Legislation/policy	58.33	15
	Buyer and contractor communication/ liaison	20.83	55
	Inter-contractor collaboration	0	30
Organisational Enablers	Contract management/ monitoring and enforcement	83.33	35
	Organisational support/resources	75	40
	Tools/templates etc.	83.33	25
	Early internal involvement	75	25
	Strategic/policy focus/embedding	62.5	10
	Buyer's power	41.67	15
	Project reviews	41.67	0
	Cost-neutrality/value for money	33.33	10
	Organisational structure/size	29.17	5
	Strategic role of procurement in implementation	29.17	0
Individual level Enablers	Guidance/training	87.5	40

Whilst participants in both sectors cited supply chain support as a key external enabler, a much higher percentage of public sector participants mentioned this. The fact that SMEs make up a larger proportion of suppliers included in this study may explain this finding. Almost a third of suppliers referred to inter-contractor collaboration as an enabler. Although cited as a barrier, legislation or policy enablers were also mentioned by over half the public sector participants as enabling CBs implementation.

Whilst public sector and supplier participants cited organisational support or resources as key enablers, a much higher percentage of public sector participants mentioned this.

Over three-quarters of public sector participants referred to contract management, monitoring and enforcement, only cited by just over a third of suppliers. Access to tools or templates are also key enablers for public sector organisations. Almost two-third of public sector participants mentioned the importance of ensuring CBs are focused on strategically within the organisation’s policies and embedded across the organisation. This could help secure the early involvement of other key staff across the organisation, cited by three-quarters of the public sector participants and linked to the devolved nature of contracting and contract management. Only a quarter of suppliers, mainly larger organisations, also cited this enabler.

Other organisational enablers cited by public sector organisations but rarely mentioned by suppliers include project reviews, organisational structure or size and the strategic role of procurement in CBs implementation.

The key enablers for suppliers are closer buyer/contractor liaison and inter-contractor collaboration, recognised by fewer public sector participants. Whilst guidance and training are viewed key enablers by participants, the percentage of public sector participants mentioning this was much higher.

Differences between sectors: CBs types

Several differences in requiring or providing types of CBs emerged during discussions with participants. These are summarised in Table 11.8.

Table 11.8 Differences between public sector and suppliers: CBs types

Community Benefit Type	% public sector participants	% supplier participants
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SC	33	12
3rd Sector	33	6
Environment	8	18
R&T	0	12

A key difference in responses between public sector participants and suppliers is linked to supply chain initiatives, particularly involving TSOs within the supply chain, although the level of TSO involvement was broadly similar between public sector organisations and large suppliers. A higher percentage of suppliers referred to environmental initiatives compared to public sector participants. A number of suppliers referred to measures for ensuring training and retention for existing employees, whereas public sector organisations in this study generally focused on TR&T. Differences in drivers result or differences of approach may explain key differences in the types of CBs sought or delivered.

Summary

In summary, a number of key differences emerged between the views expressed by public sector participants and those of suppliers. This supports findings by other researchers that sectoral differences may be identified in the implementation of CSR SSCM or SRPP initiatives (see for example Walker and Jones 2012).

Some of the findings seem to conflict quite widely. For example, whilst public sector participants bemoaned the lack of practical training and guidance, in some cases expressing concern over the level of support for SMEs, fewer suppliers appeared to share this concern. Legislation or policy was mainly viewed as an enabler by public sector participants but was widely regarded by suppliers as a barrier, particularly in terms of health and safety constraints. Several public sector participants referred to the

importance of conducting project reviews and transferring lessons learned to future projects whilst this enabler was not mentioned by any suppliers.

Perhaps the most startling difference to emerge is the view of many public sector participants that cost-neutrality or securing value for money through CBs implementation are key enablers. This contrasts with the view expressed by over three-quarters of the suppliers that CBs incur additional costs, which are passed to clients, albeit not necessarily in a transparent manner. Further research would be necessary to confirm whether these findings are sector-wide within Wales or across the UK.

11.2.2 Areas of divergence within the public sector

Although the public sector may be considered homogenous, it covers a wide range of organisation types including government or its agencies, healthcare providers, local authorities, further and higher education, housing associations and a range of other organisations specialising in areas such as conservation as indicated in OJEU notices. This research focuses on local authorities (LAs), registered social landlords (RSLs) and higher education institutions (HE) and comparisons revealed differences between these three sectors.

Differences between public sector organisations: Drivers and benefits

A number of differences in the drivers or benefits mentioned by different types of public sector organisations were identified. These are summarised in Table 11.9

Table 11.9 Differences between public sectors: Drivers and benefits

Factor	Level	Issue	% of HE participants	% of RSL participants	% of LA participants
Drivers	External Drivers	Funding requirements	28.57	80	50
	Organisational Drivers	Local socio-economic goals	28.57	40	58.33
		Organisational challenges	0	20	41.67
		Maximising value for money	0	60	50
		Doing the 'right thing'	0	40	8.33
		Leveraging the power of procurement spend	14.29	0	16.67
Benefits	External Benefits	Local socio-economic benefits	28.57	60	75
		Benefits for suppliers	14.29	60	0
		Added value benefits	14.29	40	50
	Organisational Benefits	Ability to report benefits	28.57	60	33.33

Whilst participants in all three sectors are driven by the requirement of external funders to report CBs, a far higher percentage of RSL participants and lower percentage of HE participants mentioned this. This may reflect the lower reliance of HE institutions on public sector funding and higher reliance of RSLs on the Welsh Government for major developments or refurbishment projects. Although LAs and RSLs cite local socio-economic goals, they emphasised different objectives. LAs exist to support local citizens and businesses, with CBs having the potential to help meet the social and economic needs of the area. Hence, they often focus on wider socio-economic goals. RSLs focus more narrowly on the needs of tenants, particularly ensuring training and employment opportunities for them. Fewer HE participants referred to local socio-economic goals as driving CBs implementation.

Maximising value for money was a particular driver for LAs and RSLs, possibly linked to local authority best value legislation (LAs) or delivering cost-effective services for residents (RSLs). Whilst leveraging the power of procurement spend was not highly cited in any group, it was noticeably absent from RSL participant responses. Several drivers were not mentioned by any of the HE participants, such as organisational challenges; maximising value for money and doing the 'right thing'. Although many participants mentioned passion or commitment as a driver, this was exceptionally high among RSL participants and may be linked to a view that implementing CBs is the 'right thing' to do.

There was a wide variation in reporting local socio-economic benefits. Just as LAs and RSLs cited local socio-economic goals as a driver, they frequently cited local socio-economic benefits but fewer HE participants mentioned this. Benefits achieved through reporting CBs were mentioned by a far higher percentage of RSL participants than other groups. As previously mentioned, this may be linked to the heavy reliance of RSLs on Welsh Government grant funding to improve properties or build new homes. Whilst several RSL participants perceived CBs as providing benefits for suppliers, few other public sector participants mention this.

Although added value was recognised as a related benefit by several HE participants, the percentage citing this was far lower than in the other two sectors. There was a slight difference between HE institutions, who see direct benefits for students through work experience and RSLs who see benefits for tenants through workforce related measures and community initiatives. These drivers may be attributable to nature of RSLs, deriving the majority of their income from rent paid by tenants (clients) and the fact

that HE institutions rely on students (clients) who may consider employability statistics important when selecting a university. Realising lower rent arrears is viewed as an economic benefit by RSLs but was not mentioned by other groups of participants who don't depend on this direct source of income.

Differences between public sectors organisations: Barriers

Some variations emerged in terms of the key barriers to CBs implementation faced by different types of public sector organisation. These are presented in Table 11.10.

The highest number of reported supply chain barriers emerged within the LA and HE sectors. All the RSL participants cited barriers relating to measuring and reporting CBs with almost as high a percentage of LA participants reporting this barrier compared to just over half the HE participants.

Several external barriers were not mentioned by any HE participants, including problems identifying external support, training related issues and concerns over the risk of market distortion. Some differences may be due to the fact that HE institutions generally deal with large/main contractors, whereas the RSLs in this study involved a higher number of SMEs as first tier contractors. Proportionally more HE participants were concerned about legal barriers, potential future legislation and perceived CBs as too construction focused.

Table 11.10 Differences between public sectors: Barriers

Level	Barrier	% of HE participants	% of RSL participants	% of LA participants
External Barriers	Supply chain issues	42.86	60	83.33
	Identifying external support	0	40	66.67
	Legislation/policy related	71.43	40	66.67
	Training related issues	0	20	8.33
	Political risks/uncertainty	14.29	0	50
	Lack of feedback	0	0	25
	Market forces/competition	0	20	33.33
Organisational Barriers	Reporting and measurement issues	57.14	100	91.67
	Potential conflict between goals/objectives	42.86	40	91.67
	Ambiguous goals/standards/targets	14.29	60	58.33
	CBs too construction focused	71.43	60	41.67
	Tokenism or 'box-ticking'	42.86	20	41.67
	Process related issues	14.29	40	25
	Devolved responsibilities and related issues	28.57	60	33.33
	Low priority/commitment	0	0	33.33
	CBs are not publicised	0	20	25
	Enforcement/monitoring issues	0	20	41.67
	Lack of managerial support	0	40	25
	Sector specific issues	14.29	40	8.33
	Lack of policy framework/process alignment	0	40	8.33
Individual level Barriers	Personnel changes	0	0	25

A number of organisational barriers did not seem to concern many HE participants: enforcement or monitoring issues; a lack of organisational or managerial support; a lack of policy alignment of low priority or commitment for CBs, or a lack of publicity. HE participants were more critical of the current Welsh Government's provision of guidance and training compared to other public sector participants.

Some external barriers were only cited by LA participants including political risks or uncertainty and the lack of feedback from external stakeholders such as the Welsh Government. This may be attributed to the fact that local elections are held every four years and the results could shift the organisation's strategic focus. At the time of the

interviews there was also the risk of local authority reorganisation and boundary changes. LA participants were also most concerned about the threat of the NPS' activities reducing opportunities to contract with SMEs as a potential source of goal conflict.

In terms of organisational barriers, only LA participants cited low priority or commitment to CBs implementation as hindering progress. Almost all the LA participants were concerned about potentially conflicting goals or objectives perhaps reflecting the wide range of services they have to provide to a more diverse range of stakeholders than other types of public sector organisation. Related to this, a much higher percentage were also concerned about a low priority or commitment being given to CBs implementation.

Devolved responsibilities and related issues, a lack of organisational or managerial support and a policy framework or process alignment and were more widely reported as barriers by RSL participants. A higher percentage of RSL participants reported sector specific issues and several did not view their organisations as part of the public sector. RSL participants considered themselves similar to third sector organisations, involving tenants in management boards and reinvesting profits back into the community. Some RSL participants expressed a view that the activities of Welsh Government organisations, such as the NPS, are more skewed towards LA requirements. Such perceptions may be linked to the Welsh Government's decision not to subject RSLs fitness checks or to the requirements of the Well-being of Future Generations (Wales) Act 2015.

Differences between public sectors organisations: Enablers

A number of differences in the discussion of enablers also emerged which may mirror differences in the discussion of barriers. These are presented in Table 11.11.

Table 11.11 Differences between public sectors: Enablers

Level	Issue	% of HE participants	% of RSL participants	% of LA participants
External Enablers	External liaison/networking and support	57.14	80	91.67
	Supply chain support	71.43	60	91.67
	Legislation/policy	42.86	80	58.33
	Buyer and contractor communication/ liaison	0	60	16.67
	Collaborative procurement/joint bidding	14.29	40	25
Organisational Enablers	Organisational support/resources	57.14	80	83.33
	Early internal involvement	42.86	80	91.67
	Strategic/policy focus/embedding	42.86	60	75
	Project reviews	14.29	60	50
	Cost-neutrality/value for money	14.29	20	50
	Organisational structure/size	42.86	20	25
Individual level Enablers	Guidance/training	57.14	100	100
	Participant's experience	14.29	60	25

The greatest number of differences emerged between the responses of HE participants and the other two sectors. None of the HE participants cited buyer and contractor liaison as an enabler and a lower percentage of participants cited external liaison, legislation or policy and collaborative procurement or joint bidding as key enablers. A higher percentage referred to organisation structure or size as an enabler but in every other area a much lower percentage of HE participants cited other organisational enablers. HE participants made proportionally fewer references to early involvement, although they liaised with colleagues to provide work experience for students. HE sector participants were more sceptical in terms of achieving cost-neutrality. Proportionally fewer HE participants cited guidance and training or personal

experience of CBs implementation as enablers. None of the HE participants mentioned the need for closer buyer/supplier communication.

Higher percentages of LA participants cited external liaison and supply chain support as external enablers than other groups. Almost all the LA participants referred to the importance of involving internal colleagues in CBs delivery at an early stage. The highly devolved nature of LAs may explain this finding, along with the greater emphasis on the need for organisational support, internal liaison and ensuring a strategic policy focus is embedded across the organisation. A much higher percentage of LA participants than other groups cited cost neutrality or achieving value for money as key enablers for CBs implementation.

Several enablers that were highlighted by RSLs were not as highly cited within other groups. A higher percentage of RSL participants cited legislation or policy, early buyer/contractor liaison and collaborative procurement or joint bidding as external enablers. RSL participants collaborated more closely with suppliers to ensure CBs delivery, frequently referring to suppliers as 'partners'. A slightly higher percentage cited project reviews as an enabler than other groups. A key difference emerged in terms of experience as an enabler with proportionally higher numbers of RSL participants reporting this. This may be linked to the availability of dedicated resources in the form of CBs co-ordinators or employability managers. However, making generalisations based on the RSL responses is difficult, due to the lower level of representation of this sector in the study. The views of many RSL participants were aggregated within the record of a workshop, decreasing the opportunity to record and compare individual responses compared to other sectors.

A much more nuanced examination of the discussions would be required to tease out the factors that had enabled successful CBs implementation and the factors that would enable implementation. Such differences could be explored through further quantitative research.

Differences between public sectors organisations: CBs types

There were some differences in emphasis on the types of CBs sought by public sector organisations. These can be seen in Table 11.12.

The types of CBs sought appear to be closely linked to the organisation's external or organisational drivers. Overall, LAs included a wider range of CBs types during the interviews. This may be explained by the fact that the Local Government Act, (2000) permits the promotion of the economic or social well-being of their area (Preuss, 2011).

Table 11.12 Differences between public sectors: Types of CBs sought

Source	Community Benefit Type	% HE participants/ organisations	% RSL participants/ organisations	% LA participants/ organisations
OJEU notices (Public sector organisations)	TR&T	100	75	60
	SC	33	25	80
	3rd Sector	33	0	60
	Education	0	0	60
	R&T	0	0	40
	Community	0	0	40
Interviews (public sector participants)	TR&T	85	60	66
	Community	43	40	42
	SC	14	60	33
	3rd Sector	0	33	20
	Education	0	40	50
	Environment	0	0	17

Local authorities are directly responsible for providing education, at least where schools are managed by them, explaining why many LAs include a requirement or desire for contributions to education in OJEU notices. Although three-quarters of the LAs referenced supply chain measures such as subcontract advertising in their OJEU notices, this was not proportionally reflected in discussions. The LAs included in this study were the only organisations to include references to retention and training for existing staff, community initiatives and contributions to education in their OJEU notices during the period sampled.

RSLs are often based on a community mutual business model, meaning that the community is at the heart of all the organisation's activities and resulting in a strong awareness that everything they do should benefit the clients or wider community. Additionally, providing social housing contributes to the social and economic well-being of the area in which it takes place, which may provide the opportunity, to include a wide range of CBs in contracts to address social exclusion (Department of Communities and Local Government 2010; WAG 2011b). Despite this, the RSLs included in this study only included references to TR&T and supply chain measures in their OJEU notices. In discussions it emerged that the only types of CBs not explicitly sought were retention and training for existing staff and environmental measures (other than those directly related to the performance of the contract such as fitting solar panels or related to community contributions).

All the HE organisations included in this study had included TR&T measures in their OJEU notices and the majority also discussed them during interviews. References to including supported businesses or social enterprises in the supply chain were lowest in

this sector during interviews although some OJEU notices did refer to TSOs. None of the HE participants mentioned educational initiatives beyond those involving university students in work placements. Fewer HE participants discussed supply chain initiatives compared to those in other sectors.

Summary

Selecting which social issues to focus on may be linked to the level of social need; matching social need to the organisation’s ability to help; interest of senior management; public relations value and government pressure (Holmes 1976, cited in Carroll, 1979). It is clear from this analysis that different types of public sector organisations are driven by different external factors or organisational goals and face differing levels of barriers or enablers. This indicates that a “one size fits all” approach may not be effective in maximising CBs through public procurement.

11.2.3 Areas of divergence between large suppliers and SMEs

Suppliers were categorised as large suppliers, largely represented by main contractors that subcontract the majority of their work, or SMEs, as determined by their Companies House exemption from submitting full accounts. Several clear differences emerged between the views of participants representing large suppliers or SMEs.

Differences between SMEs and large suppliers: Drivers and benefits

A number of differences in reported drivers or benefits were identified, as indicated in Table 11.13.

Table 11.13 Differences between SMEs and large suppliers: Drivers and Benefits

Factor	Level	Issue	% of SME participants	% of Large Supplier participants
Driver	External Drivers	Legislative/policy drivers	8.33	37.5
		Client driving implementation	50	25
		Evidencing CBs for future bids	41.67	25
	Organisational Drivers	Organisational challenges	66.67	37.5
		Raising profile of organisation/department	8.33	37.5
		Leveraging the power of procurement spend	8.33	25
	Individual level drivers	Individual or leadership commitment	50	25
Benefit	Organisational Benefits	Added value benefits	8.33	25
		Ability to report benefits	16.67	0
		Other commercial benefits	50	12.5
		Mutual benefits for clients and contractors	16.67	0
	Individual level Benefits	Individual benefits for beneficiaries of CBs initiatives	91.67	37.5
		Personal benefits such as job satisfaction	58.33	37.5

For large suppliers (LS) a key driver is raising the organisation's profile and a higher percentage of LS participants mentioned public relations benefits. Larger suppliers used the leverage of their procurement spend to drive subcontractors to deliver CBs and higher proportion of LS participants reported added value benefits. A higher percentage of large supplier participants (LS) cited legislation or policy as external drivers.

SMEs were more highly driven by client requirements and the need to evidence CBs for future bids, possibly linked to their ability to report benefits to clients. This is not particularly surprising since some of the SMEs in this study were subcontracted to provide CBs through contracts awarded by LS participants. Two thirds of SME participants referenced a need to meet organisational challenges as a key

organisational driver, particularly linked to providing apprenticeships. Half the SME participants mentioned the commitment of someone within their organisation or their own passion as a driver and SMEs comprised the highest percentage of supplier participants reporting job satisfaction as a key benefit, suggesting a possible link between job satisfaction and motivation. This may also be linked to the fact that almost all the SME participants mentioned benefits for individual beneficiaries and many could provide specific examples. Half the SME participants reported other commercial benefits.

Differences between SMEs and large suppliers: Barriers

Table 11.14 presents some key differences in the barriers identified by SME or large supplier participants.

Table 11.14 Differences between SMEs and large suppliers: Barriers

Level	Barrier	% of SME participants	% of Large Supplier participants
External Barriers	Health and safety related issues	75	25
	Failing to understand the implications for contractors and unintended consequences	25	62.5
	Lack of consistent approach	33.33	50
	Lack of feedback	41.67	12.5
	Other commercial barriers	41.67	25
	Late payment	50	0
Organisational Barriers	Cost or perceived cost	91.67	62.5
	CBs too construction focused	0	25
	Low priority/commitment	25	12.5
	Lack of managerial support	0	12.5
	Sector specific issues	16.67	0
	Cultural barriers	16.67	25
	CBs viewed as additional burden	0	12.5
	Personnel changes	0	12.5

A higher percentage of LS participants referred to unintended consequences or public sector clients adopting an inconsistent approach to CBs implementation. A quarter of LS participants mentioned cultural barriers. LS participants mentioned several barriers not cited by SMEs: that CBs were too narrowly focused on construction; a lack of

organisational or managerial support; that CBs could be viewed as an additional burden; and that personnel changes inhibited implementation.

SME participants raised more barriers or enablers than LS participants. External barriers included health and safety related issues, the lack of contract certainty and a lack of positive feedback from clients. Almost all the SME participants referred to the cost of implementing CBs as a barrier; cited by a far lower proportion of LS participants. Other key barriers raised by SMEs were commercial, in particular late payment, cited by half the SME participants. Several barriers mentioned by SME were not mentioned by any of the LS participants: potentially conflicting goals; sector specific issues; and a lack of practical guidance or training on CBs implementation.

Differences between SMEs and large suppliers: Enablers

Just as differences emerged in the discussion of barriers, they also highlighted some key differences in enablers, presented in Table 11.15.

Table 11.15 Differences between SMEs and large suppliers: Enablers

Level	Enabler	% of SME participants	% of Large Supplier participants
External Enablers	Supply chain support	33.33	62.5
	Legislation/policy	8.33	25
	Work pipeline/contract certainty	41.67	12.5
	Collaborative procurement/joint bidding	16.67	0
Organisational Enablers	Contract management/monitoring and enforcement	41.67	25
	Tools/templates etc.	33.33	12.5
	Flexibility/realistic targets	66.67	25
	Early internal involvement	16.67	37.5
	Strategic/policy focus/embedding	0	25
	Organisational structure/size	0	12.5
	Guidance/training	33.33	50
Individual level Enablers			
	Participant's experience	41.67	25

Almost two thirds of large supplier participants (LS) mentioned supply chain support, which is not surprising as the majority employed subcontractors. However main contractors complained that client CBs requirements, such as SME subcontract advertising, conflicted with established supply chain arrangements. A higher percentage mentioned legislative or policy drivers. Organisational enablers included early internal involvement and a strategic or policy focus allowing them to embed CBs requirements across the organisation. Half the LS participants cited guidance and training as an enabler, compared to only a third of SMEs. Two organisational enablers cited by LS participants were not mentioned by SMEs: strategic policy focus and organisational structure or size.

For SME participants, work pipelines or contract certainty was a more important external enabler, with joint bidding enabling them to compete for contracts. Two-thirds of SME participants highlighted flexibility or realistic targets as enabling CBs implementation. A proportionally higher number of SME participants cited contract management, monitoring or enforcement and experience as enablers.

Differences between SMEs and large suppliers: CBs types

From Table 11.16 a number of differences in the discussion of CBs types among supplier participants can be seen.

Table 11.16 Differences between SMEs and large suppliers: CBs types

Source	Community Benefit Type	% SMEs	% Large Suppliers
Websites (Suppliers)	TR&T	25	80
	SC	17	60
	3rd Sector	0	40
	Education	0	20
	R&T	8	40
	Community	25	80
Interviews	TR&T	58	100
	Community	50	40
	SC	8	20
	3rd Sector	0	20
	Education	8	60
	Environment	8	40
	R&T	8	20

A higher percentage of large suppliers included references to a wide range of CBs types on their websites with three-quarters of the larger organisations included in this study referencing their TR&T and community credentials. Since websites are a form of public relations and suppliers realise PR or reputational benefits from providing CBs this is not surprising. The lower rates of references to CBs among SMEs may be partly explained by some very small suppliers either having a limited website presence or none at all.

Providing workforce measures or contributions to education are linked to corporate drivers such as ensuring the future of their organisation or industry. All the LS participants and over half the SME participants discussed TR&T measures but a lower percentage of SME participants made references to the retention and training of existing staff.

The only area in which a higher percentage of SME participants mentioned any CBs measure was contributions to the community. This may reflect their lower capacity to commit to longer-term commitments such as TR&T. None of the SMEs included in this research referred to TSO or educational initiatives on their website although some SME participants did include discussion of educational initiatives during the interviews.

Summary

The fact that so many differences were found in the responses obtained from larger suppliers and SMEs indicates that public sector organisations should recognise that a supplier's capacity to provide CBs may be influenced by the organisation's size. This indicates that a "one size fits all" approach to CBs implementation is not appropriate.

Some of the differences discussed in this section may be explained through the theoretical approach taken to examining this phenomenon. The next section discusses the theoretical implications.

11.3 Theoretical implications

Chapter 4 set out the justification for combining three theories, stakeholder theory (ST), resource dependence theory (RDT) and the resource-based view (RBV). It was thought that combining these three theories may offer the greatest explanatory power for the findings (Frynas and Yamahaki 2016; Zorzini *et al.* 2015) whilst avoiding proliferating additional theories or combining too many theories which could result in confusion rather than clarity (Pfeffer 1982, 1993). In this section an overview of the theoretical implications is presented across all the research questions.

Table 11.17 summarises the relationship between the research questions, findings and theoretical considerations

Table 11.17 Linking the research questions and findings to theory

Research Question	Key findings	Links to theory	References
RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?	Legislative/policy drivers Local socio-economic goals	Stakeholder Theory	Donaldson and Preston 1995 Henriques and Sadorsky 1999
	Client driving implementation Evidencing CBs for future bids Funding requirements	Stakeholder Theory and Resource Dependence Theory	Barney 1991; Cox 2007 Denison and Donaldson and Preston 1995 Freeman, 1984 Mishra 1995 Schein 1992 Touboullic <i>et al.</i> 2014
	Doing the 'right thing' Individual or leadership commitment Leveraging the power of procurement spend Maximising value for money Organisational challenges Organisational culture/ethos Organisational policy/strategic goals Raising profile of organisation/department	ST&RBV Stakeholder Theory and Resource-based View	Barney 1991 Baum & Oliver, 1991 Chang 2015 Denison and Mishra 1995 Donaldson and Preston 1995 Meyer and Rowan 1977 Schein 1992 Steurer 2009 Suchman 1995

Research Question	Key findings	Links to theory	References
	Organisation doing / would do anyway	Resource-based View	Baum & Oliver 1991 Meyer and Rowan 1977
RQ2: What are the perceived benefits of implementing Community Benefits?	Benefits for suppliers	Resource-based View	Baum & Oliver 1991 Meyer and Rowan 1977
	Individual benefits for beneficiaries of CBs initiatives Local socio-economic benefits Lack of consistent approach	Stakeholder Theory	Baum & Oliver, 1991 Chang 1995 Donaldson and Preston 1995 Henriques and Sadorsky 1999 Meyer and Rowan, 1977 Steurer 2009
	Added value benefits Benefits for recruitment/staff retention or training Enhances reputation/PR Other commercial benefits Personal benefits such as job satisfaction	Stakeholder Theory and Resource-based View	Chang 2015 Kraaijenbrink <i>et al.</i> 2010
	Ability to report benefits Mutual benefits for clients and contractors	Stakeholder Theory and Resource Dependence Theory	Baum & Oliver, 1991 Meyer and Rowan, 1977
RQ3: What are the perceived barriers to implementing or realising Community Benefits?	Identifying external support Lack of contract certainty Late payment Legislation/policy related Market forces/competition Other commercial barriers Supply chain issues Training related issues	Resource Dependence Theory	Drees and Heugens 2013 Pfeffer and Salancik 1978
	Lack of consistent approach	Stakeholder Theory	Donaldson and Preston 1995 Henriques and Sadorsky 1999

Research Question	Key findings	Links to theory	References
	Ambiguous goals/standards/targets CBs are not publicised CBs too construction focused CBs viewed as additional burden Cost or perceived cost Cultural barriers Devolved responsibilities and related issues Enforcement/monitoring issues Failing to understand the implications for contractors and unintended consequences Health and safety related issues Lack of feedback Lack of managerial support Lack of policy framework/ process alignment Lack of practical guidance/training Low priority/commitment Personnel changes Political risks/uncertainty Potential conflict between goals/objectives Process related issues Reporting and measurement issues Resource-related issues Sector specific issues Tokenism or 'box-ticking'	Stakeholder Theory and Resource Dependence Theory	Boyd <i>et al.</i> , 2007 Donaldson and Preston 1995 Drees and Heugens 2013 Handley & Benton, 2012 Henriques and Sadorsky 1999 Salancik 1978 Skjoett-Larsen 1999 Touboulie <i>et al.</i> 2014
RQ4: What are the perceived enablers for implementing Community Benefits?	Organisational structure/size Project reviews	Resource-based View	Denison and Mishra 1995 Nuttaneeya <i>et al.</i> 2013 Schein 1992
	Contract management/ monitoring and enforcement External liaison/networking and support Inter-contractor collaboration Supply chain support	Resource Dependence Theory	Pfeffer and Salancik 1978
	Tools/templates etc.	Resource Dependence Theory and Resource-based View	Barney 1986 Chang 2015; Kraaijenbrink <i>et al.</i> 2010 Penrose 1959 Pfeffer and Salancik 1978 Porter 1980 Wernerfelt 1984
	Participant's experience Strategic role of procurement in implementation	Stakeholder Theory and Resource-based View	Barney 1991; Carter and Jennings 2004

Research Question	Key findings	Links to theory	References
	Buyer and contractor communication/ liaison Buyer's power Clearly communicated goals/ targets/ expectations Collaborative procurement/joint bidding Cost-neutrality/value for money Early internal involvement Flexibility/realistic targets Guidance/training Legislation/policy Organisational support/resources Strategic/policy focus/embedding Work pipeline/contract certainty	Stakeholder Theory Resource Dependence Theory	Barney 1986 Chang 2015 Chang 2015 Donaldson and Preston 1995) Kraaijenbrink <i>et al.</i> 2010 Kraaijenbrink <i>et al.</i> 2010 Penrose 1959 Porter 1980 Skjoett-Larsen 1999 Wernerfelt 1984
RQ5: What types of Community benefits are prevalent?	Contributions to education Promoting environmental benefits	Stakeholder Theory Resource-based View	Chang 2015 Donaldson and Preston 1995 Kraaijenbrink <i>et al.</i> 2010
	Supply chain initiatives Inclusion of social enterprises or supported businesses Community initiatives	Stakeholder Theory and Resource Dependence Theory	Chang 2015 Donaldson and Preston 1995 Kraaijenbrink <i>et al.</i> 2010 Pfeffer and Salancik 1978 Skjoett-Larsen 1999
	TR&T Retention and training for existing workforce	Stakeholder Theory, Resource Dependence Theory and Resource-based View	Chang 2015 Donaldson and Preston 1995 Kraaijenbrink <i>et al.</i> 2010 Skjoett-Larsen 1999

Appendix O sets out detailed considerations on how the findings may support each of the three theories (stakeholder theory, RDT and RBV) or a combination of these three theories, supported by participants' statements. A summary is provided in Figure 11.1 indicating that combining stakeholder theory and RDT explains many of the findings.

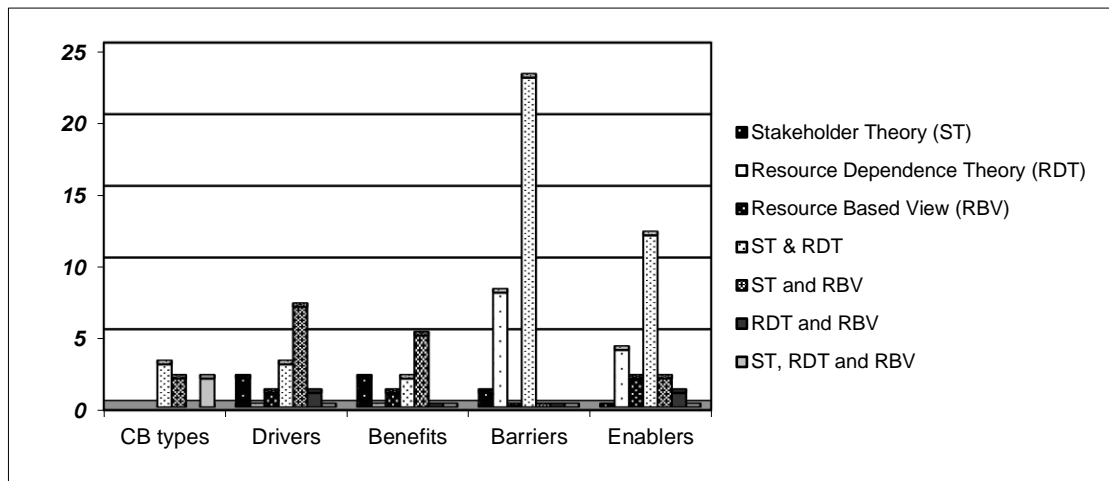


Figure 11.1 Theory considerations and key factors

This section presents a brief discussion of the key findings relating to these three theories.

11.3.1 Drivers for Community Benefits implementation

The drivers for implementing CBs are most fully explained by combining stakeholder theory with RBV or RDT. Stakeholder theory (Freeman 1984) explains many of the external drivers for CBs implementation and participants identified a number of different stakeholders as driving or influencing CBs implementation and delivery.

External stakeholders driving implementation included the Welsh Government and its funding bodies; members of the supply chain such as clients and suppliers; employees; and representatives of local communities such as local authority council members or tenants' boards (Donaldson and Preston 1995; Henriques and Sadorsky 1999). Suppliers were clearly influenced to some extent by key external stakeholders, for example clients required evidence of their ability to deliver and report CBs (Freeman, 1984).

Local socio-economic goals were also mentioned across participant groups, suggesting that organisations are embedded in their locality and influenced by local stakeholders (Donaldson and Preston 1995). This finding was particularly high within the LA sector, since LAs are accountable to local residents and businesses who pay local taxes, making meeting the needs of key community stakeholders a strategic priority. Local businesses are key stakeholders and pay business rates, explaining why involving local SMEs in the supply chain is a particular priority for LAs and their main contractors.

Organisations may also be driven by organisational stakeholders who are committed to providing CBs as a form of CSR. This study broadly supports the view that organisations behave in a socially responsible manner in order to gain trust and legitimacy from internal and external stakeholders and that organisations prioritise key stakeholders when implementing CBs (Suchman 1995; Steurer 2009; Chang 2015).

Donaldson and Preston (1995) suggest that government agencies or public sector organisations may have different stakeholders to private firms and this is borne out by the analysis of key drivers for public sector organisations and suppliers. Reporting CBs is viewed as one way of demonstrating value for money to key stakeholders, providing CBs increases legitimacy with such key stakeholders. Maximising or demonstrating value for money to organisational and external stakeholders was also important to participants, particularly a need to manage diminishing resources within the wider context of austerity. This reflects both stakeholder and RBV theory; with leveraging the power of procurement spend viewed as one way of achieving such goals.

Employees, senior managers and directors are key stakeholders who may influence organisational culture (Donaldson and Preston 1995). Around half the participants across the public and private sectors referred to personal commitment within their organisation as a driver.

RDT suggests that organisations will seek legitimacy from external stakeholders such as funders and want to demonstrate their reliability (Baum & Oliver, 1991; Meyer and Rowan, 1977). The findings support RDT theory, since collaborating with external organisations to maximise leverage leads to inter-dependency. The Welsh Government and its funding bodies hold control over resources that public sector organisations and suppliers are dependent, hence the Welsh Government can influence their behaviour (Cox 2007; Touboullic *et al.* 2014). The requirement to report CBs to the Welsh Government leads to dependence on suppliers to both deliver and report CBs, supporting RDT theory. RDT also explains some of the key drivers for suppliers, since they also need to raise their organisation's profile in order to gain legitimacy in a competitive market (Baum & Oliver, 1991; Meyer and Rowan, 1977). Demonstrating that CSR policies are in place and implemented when bidding for contracts may assist in this regard. Hence these priorities may be reflected in the organisation's strategic goals and policies, since they compete for resources such as contracts and employees.

There is also some support for RBV. Several participants made statements implying that organisational culture or ethos is a driver and RBV may go some way to explaining this finding. Culture may be considered an intangible asset, influencing how organisations adapt to the need to demonstrate CBs in order to seek competitive advantage (Barney 1991; Schein 1992; Denison and Mishra 1995).

11.3.2 Benefits achieved through Community Benefits implementation

The benefits are most fully explained by combining stakeholder theory with either RBV or RDT. CBs achievement can be communicated or reported to key organisational or stakeholders such as the Welsh Government, funding bodies, directors or other board members, local residents and clients (Donaldson and Preston 1995; Henriques and Sadosky 1999; Steurer 2009). Reporting such benefits can enhance the organisation's reputation and legitimacy in the eyes of a wide range of stakeholders (Baum & Oliver, 1991; Meyer and Rowan, 1977; Chang 1995).

Employees are stakeholders (Donaldson and Preston 1995) and valuable internal resources with distinctive competencies and knowledge, (Chang 2015; Kraaijenbrink *et al.* 2010). Personal benefits such as job satisfaction or benefits for the organisation such as those pertaining to recruitment, retention and staff training can be linked to both stakeholder theory and RBV.

11.3.3 Barriers to Community Benefits implementation

Barriers, particularly external barriers, are mainly explained by combining stakeholder theory with RDT.

Supply chain barriers are generally external, since public sector organisations and main contractors rely on other supply chain members to provide resources necessary to support CBs implementation (Pfeffer and Salancik 1978; Drees and Heugens 2013). Barriers related to RDT can arise when organisations experience problems identifying the best external agencies or individuals to support CBs implementation.

Public sector organisations reported potential changes to political control or policy, largely due to forces beyond their control, as a barrier. This could result in further restricting external resources such as funding for major projects and a change of key organisational or stakeholders who may influence the direction of CBs implementation (Donaldson and Preston 1995; Henriques and Sadorsky 1999). The use of coercive power can negatively affect implementation, since the supplier may only comply with the buyer's minimum requirements, leading to a tokenistic or box-ticking response (Boyd *et al.*, 2007; Handley & Benton, 2012; Touboulic *et al.* 2014). Supplier and public sector participants alike reported a lack of feedback from external stakeholders as a barrier (Donaldson and Preston 1995; Henriques and Sadorsky 1999).

For suppliers, several key external barriers are beyond organisational control and resource-dependent, such as health and safety legislation or issues related to training and recruitment (Drees and Heugens 2013). Public sector organisations find it difficult to provide certainty for suppliers concerning contracts of a sufficient size and scope

for TR&T type CBs (Pfeffer and Salancik 1978). A number of suppliers expressed the view that clients, as external stakeholders (Donaldson and Preston (1995), fail to appreciate the consequences of their decisions and actions on the supply chain and that they do not take a consistent approach to CBs implementation. Several commercial barriers mentioned by suppliers potentially supported RDT theory.

The majority of the barriers identified for CBs implementation arose at an organisational level. RDT (Pfeffer and Salancik 1978) may explain how resource related issues and any perceived lack of organisational or managerial support may limit CBs implementation, effective monitoring and enforcement. The devolved nature of organisations may also limit the early involvement of key individuals within the organisation key to successful implementation or monitoring. Public sector organisations rely heavily on suppliers to report CBs but suppliers, particularly SMEs, often lack adequate resources and rely on other members of the supply chain to supply such information (Skjoett-Larsen 1999).

For public sector organisations and suppliers alike, personnel changes adversely affected the achievement of CBs when key personnel in external organisations or key organisational personnel left an organisation, since important personnel resources are lost (Kraaijenbrink *et al.* 2010; Chang 2015).

11.3.4 Enablers for Community Benefits implementation

Enablers are mainly explained by combining stakeholder theory and RDT. RDT explains the importance of effective external liaison, networking or support throughout

the supply chain and beyond, since public and private sector organisations lack the organisational resources to fully implement CBs (Pfeffer and Salancik 1978). For example, suppliers need to liaise with external organisations that can provide access to suitable TR&T candidates or funding to support external training; public sector organisations depend on external organisations such as the Welsh Government to provide CBs guidance, training and tools.

Clients are also key stakeholders (Donaldson and Preston 1995) supporting implementation through maximising buying power; collaborative procurement; and organising meet the buyer events. For suppliers, closer relationships with clients and better external communication or liaison are important. Clients may hold information and resources that are key to successful implementation; require subcontract advertising; and play a key role in ensuring work pipelines or contractual certainty (Skjoett-Larsen 1999; Kraaijenbrink *et al.* 2010; Chang 2015).

RBV alone or combined with ST is relevant for explaining organisational enablers, since organisations can exploit organisational resources to implement CBs and gain competitive advantage (Chang 2015; Kraaijenbrink *et al.* 2010; Penrose 1959; Wernerfelt 1984; Porter 1980; Barney 1986). This requires organisational support and resources as well as early internal liaison for CBs to be strategically focused and embedded within the organisation. For public sector organisations, viewing CBs as cost neutral fits with the use of organisational resources to maximise value for money. RBV is also relevant since an organisation's culture and employees' values are an intangible asset and enabling factors (Barney 1991; Carter and Jennings 2004). Proactively embracing CBs positively influences how organisations adapt to the

requirement to provide CBs in order to seek competitive advantage (Denison and Mishra 1995; Nuttaneeya *et al.* 2013; Schein 1992). The organisation can learn from experience by documenting CBs implementation success or failure.

RBV also explains individual level enablers, since many participants perceived their role and experience as key enablers. Procurement managers in both public sector and supply chain organisations may be a key organisational resource in terms of implementing and embedding CBs. They are “advantageously positioned” to influence the organisation’s CSR activities and closely interact with a range of organisational and external stakeholders and “span the boundary between the firm’s internal functions and its external stakeholders” (Carter and Jennings 2004, p. 145).

11.3.5 Types of Community Benefits

When it comes to the choice of CBs type, combining stakeholder theory with RDT and/or the RBV appears to offer the greatest explanatory power. Public sector stakeholder requirements are related to organisational goals. In many cases the client as a key stakeholder specifically refers the main types of CBs sought, frequently specifying the categories of persons who should be targeted (Donaldson and Preston (1995).

RBV is supported since suppliers within the construction industry need to ensure they have adequate staffing resources and often invest in training and apprenticeships regardless of any client requirements to reduce their dependence on subcontractors and ensure competitive advantage (Skjoett-Larsen 1999; Kraaijenbrink *et al.* 2010; Chang

2015). On the other hand, client TR&T requirements may conflict with organisational strategies related to recruitment, training and staff retention necessary to ensure sufficient organisational resources are available.

Sometimes a different theory explains public sector responses and those obtained from suppliers, supporting the adoption of a multi-theory approach. For example, suppliers may be requested by clients, particularly LAs, to include contributions to education in their CBs offering, inferring that stakeholder theory is a driver for these CBs types (Donaldson and Preston (1995). Suppliers need to ensure access to future staff resources, so RBV explains why they visit schools, ensuring that young people are aware of career opportunities, critical in order for the organisation to exploit its own resources such as assets, competencies and dynamic capabilities (Kraaijenbrink *et al.* 2010; Chang 2015).

11.3.6 Summary

Overall, combining stakeholder theory with RDT appears to offer the highest explanatory power for the findings, particularly in relation to the external barriers and enablers identified in this study. However, the extent to which combining these theories or relying on them independently may explain the findings varies according to the research question. There is no “one size fits all” theory that can fully explain the findings. Combining stakeholder theory with RDT or RBV and in some cases both is necessary to explain the majority of the findings. Some factors do not appear to be well explained by any of these three theories and the implications are discussed further in Chapter 12.

11.4 Academic contribution

The review of the literature in Chapter 3 includes academic literature concerned with implementing social measures through procurement and “grey” literature specifically concerned with CBs implementation. A detailed comparison between the findings in the literature and in the empirical research is provided in Appendix P. A few key findings are highlighted here.

11.4.1 Drivers for Community Benefits implementation

External Drivers

This research confirms that external political or legal pressure drives public sector organisations to implement SSCM (Worthington *et al.* 2008; Carter and Jennings 2004; Walker *et al.* 2008; Seuring and Muller 2008; Henty 2012) In Wales this is achieved through the Welsh Government’s strong policy focus on CBs through guidance and with the Welsh Procurement Policy Statement and the Well-being of Future Generations (Wales) Act (2015).

Suppliers were driven by clients’ requirements and the need to evidence their capacity for delivering CBs when submitting tenders. This may be indicative of the competitive or isomorphic pressure that suppliers face and linked to seeking competitive advantage as a driver (Maignan and McAlister 2003; Seuring and Müller 2008; Gimenez and Tachizawa 2012; Cabinet Office 2014).

Organisational drivers

Public sector organisations serve social and economic purposes (Jones 2011) and seek to address socio-economic issues through public procurement expenditure. CBs measures such as training, employment, work placements and involving supported businesses in the supply chain may be viewed as an indirect method for addressing local levels of poverty or social exclusion, which may be due to local unemployment or other social factors (McDermid *et al.* 2008; Welsh Government 2012; Macfarlane 2014; Anthony Collins Solicitors 2014; Welsh Procurement Policy Statement. 2015). Almost half the suppliers also mentioned local socio-economic sustainability as a driver.

Another driver identified across groups of participants is raising the profile of their organisation or department. The literature suggests that organisations implement social CSR measures to minimise the risk of reputational damage (Wright and Brown, 2013; Huq *et al.* 2014). Conversely, in this study participants emphasised the positive driving force of CBs implementation to raise enhancing the organisation's reputation (Perry and Tower 2013; Welford and Frost 2006; Meehan and Bryde, 2011; Huq *et al.* 2014). For public sector organisations implementing CBs can raise the profile of procurement from being viewed as an administrative function to being viewed as adding value across the organisation.

An organisational driver for public sector organisations is leveraging their relative buying power and maximising value for money. This strongly supports the findings in the literature concerned with other CSR or SSCM measures (McCrudden 2004; Preuss 2009; Welsh Government 2014; Sutherland *et al.* 2015; Lynch *et al.* 2016; Jabang 2017).

Organisational culture or ethos was mentioned across all groups of participants but did not strongly support the literature (Carter and Jennings 2002; Walker *et al.* 2008). Almost half the SME representatives said they would be providing CBs regardless of any external pressures, inferring that this has become “business as usual” (Sutherland *et al.* 2015, p. 9).

Individual level drivers

The literature suggests that employees and individual managers may drive the implementation of CSR measures (Carter and Jennings 2002; Carter and Jennings 2004; Swan and Khalfan 2007; 2014; McMurray *et al.* 2014). This was strongly supported in this study since a high percentage of participants were committed to realising CBs or could name someone within the organisation who displayed such commitment. This also supports the view that organisations may select individuals who are supportive of CBs to play a key role in implementation (Carter and Jennings 2004). Several studies refer to individuals or organisations viewing CSR or SSCM as the right thing to do (Carter and Jennings 2004; Welford and Frost 2006; Gormly 2014; McMurray *et al.* 2014), another personal or organisational driver identified in this study. This implies that psychological forces may also be at work, linked to organisational culture or personal ethos.

11.4.2 Benefits of Community Benefits implementation

External Benefits

The literature suggests that socio-economic benefits are related to CSR (McCrudden 2007; Walker and Preuss 2008; Anthony Collins Solicitors 2014; Wright 2015).

Almost half the participants stated that local socio-economic benefits were provided, with one LA reporting estimated £14M worth of social value through a major development contract over ten years, with other public sector organisations reporting maximising the value of each £1 spent based on the local multiplier effect (New Economics Foundation 2005). Supporting local SMEs also brings economic benefits that may be particularly important for organisations working in areas of deprivation or regeneration (Preuss and Walker 2008). A number of participants reported seeing local SMEs grow, an increase in local employment or examples of suppliers using their skills base to compete in a wider geographic area.

Organisational benefits

Half the participants claimed that CBs provides benefits related to public relations or raising the organisation's/department's profile. For suppliers this presents opportunities for public relations as well as a related benefit of being able to demonstrate their capacity for delivering CBs through photographic or video evidence or awards which could lead to competitive advantage (Porter and Kramer 2002; Welford and Frost 2006; Perry and Towers 2013; Huq *et al.* 2014; Foerstl *et al.* 2015; Wright 2015). A quarter of supplier participants reported benefits for staff recruitment, retention or training, reducing costs related to recruitment or absence, (Welford and Frost 2006; Perry and Towers 2009; Huq *et al.* 2014)

Benefits reported mainly by public sector participants relate to cost savings or obtaining added value/value for money through procurement (McDermid *et al.* 2008). A key benefit for public sector organisations is the ability to report benefits to organisational and external stakeholders (McDermid *et al.* 2008). Public sector

participants also felt that their ability to report CBs delivery directly influenced the perception of their role through adding value, achieving awards or being awarded funds for major projects. This benefit does not appear to be widely reported in the extant literature, which is not surprising as much of the literature focuses on the drivers, barriers and enablers to CSR or SSCM implementation.

Several participants also referred to clients and contractors mutually benefiting through recruitment or work placements or including CBs in support of planning applications (Kanapinskas *et al.* 2014; Welsh Government 2011).

Individual benefits

The literature suggests benefits for persons targeted for socio-economic CSR measures (McDermid *et al.* 2008; Wright 2015). TR&T related CBs can provide individuals with an opportunity to improve their skills and employability and social mobility, benefiting them and their families (Office of Government Commerce 2009; Macfarlane 2014). Even if the TR&T opportunity ends with the contract, the individuals concerned will have gained transferable skills such as health and safety training and awareness (Erridge *et al.* 2005). Almost two-thirds of participants said that CBs benefit intended beneficiaries and some provided specific examples. This study supports the literature, with a wide range of individuals benefiting including tenants, local residents, students, NEETs, long-term unemployed or disadvantaged persons. Participants across all sectors also mentioned personal benefits such as enhanced job satisfaction. Realising CBs can also motivate ongoing support for CBs and enhance job satisfaction and change perceptions for individuals involved in implementing CBs, something that did not become immediately apparent from the review of the literature.

11.4.3 Barriers to Community Benefits implementation

External barriers

This research confirms that SMEs and TSOs face particular barriers implementing socio-economic CSR measures due to limited resources (Wright 2013; Cabinet Office 2014; Temple and Wigglesworth 2014). A number of participants raised concerns linked to the aggregation of contracts, framework agreements, industry voids or process related barriers (Walker and Preuss 2008; Preuss, 2011; Lynch *et al.* 2016; Jabang 2017). A major barrier to including TSOs in the supply chain is finding information on potential suppliers with the capability to supply (Sutherland *et al.* 2015).

Suppliers said that they sometimes experienced difficulty targeting training or work placements at specific groups such as those living in areas of high unemployment or ex-offenders (Erridge *et al.* 2005, Sutherland *et al.* 2015). A number of suppliers indicated that it is more difficult to accommodate TR&T within shorter-term or lower value contracts (While *et al.* 2016). There was also a suggestion that client requirements can disrupt the supplier's normal processes for recruiting and training staff and result in unintended consequences such as the "carousel effect" (Constructing Excellence in Wales 2012; Lynch *et al.* 2016). There was no specific evidence of a gender bias; but suppliers largely confirmed that males outnumber females in the construction industry (Erridge *et al.* 2005).

A number of possible supply chain issues may pose a barrier to CSR. Legislation/policy related barriers were raised by buyers and suppliers, with health and

safety legislation imposing the greatest barriers for SMEs whilst the greatest perceived barrier for buyers was the risk of legal challenge (McCrudden 2007; Nijaki and Worrel 2012; Cabinet Office 2014; Sutherland *et al.* 2015,). Several participants expressed concerns about how to incorporate CBs into tenders and score tenders (McCrudden 2007, MacFarlane and Cook 2002).

Organisational barriers

The literature proposes a number of policy or process barriers, many of which were supported by this study. Organisations face competing objectives including the need to balance value for money against social goals and face pressures from a range of stakeholders (Harwood and Humby 2008; Walker and Phillips 2009; Preuss 2011; Anthony Collins Solicitors 2014). This resulted in a tension between efficiency and local socio-economic goals, exacerbated by austerity (McCrudden 2007; Preuss, 2011; Oruezabala and Rico 2012). Conflicting priorities may result in trade-offs and some participants indicated that priorities such as delivering projects to cost, time and quality take precedence (Meehan and Bryde 2011; Wu and Pagell 2011).

A failure to align policy and processes or to clearly communicate goals and targets was mentioned by many participants (Lund-Thomsen and Costa 2011; Mont and Leire 2009; Walker and Brammer 2009, Sutherland *et al.* 2015). Potential conflict between competing goals and focus on short-term goals also emerged as organisational barriers (Constructing Excellence in Wales 2012). This was exacerbated for suppliers by a lack of consistency in client requirements across the public sector (NICVA 2013). The findings confirm that it is easier to implement social sustainability when linked to specific projects (Lund-Thomsen and Costa 2011).

A number of participants mentioned a lack of organisational support or resources (Mont and Leire 2009; Walker *et al.* 2008; Nijaki and Worrel 2012; Preuss and Walker 2011). This may infer that CBs is a lower strategic priority resulting in lost opportunities to maximise benefits, particularly when faced with stretched resources (Walker and Brammer 2009; Walker and Phillips, 2006; Preuss 2011).

Another concern is the cost or perceived cost of implementing CBs including administrative costs (Harwood and Humby 2008; Mont and Leire 2009; Gold *et al.* 2010; Walker *et al.* 2008; Walker and Phillips, 2006; Scottish Government, 2008; Eadie *et al.*, 2011). Conversely, many public sector participants perceived CBs as cost-neutral, conflicting with the view of suppliers that there are costs, particularly associated with TR&T (Erridge *et al.* 2005). Several authors suggest that such costs may deter SMEs from bidding for public sector work (Austen and Seymour 2009, Walker and Brammer 2009; Lund-Thomsen and Costa 2011), however no direct evidence that this had happened was produced during this study.

Measurement and reporting issues are also key barriers. Some of these problems were related to a lack of resources to collect and analyse data, particularly for SMEs (Welford and Frost, 2006; Preuss, 2007; Gormly *et al.* 2014; Kuijpers *et al.* 2017). It was not possible to determine the long-term outcomes for beneficiaries quantify indirect impacts such as reputational benefits or identify benefits that would have been delivered regardless of the contract (Wild and Zhou 2011; NICVA 2013; Sutherland *et al.* 2015;) Buyer and supplier participants confirmed the view that measurement tools are not always considered user friendly (Preuss 2007; Jabang 2017).

A number of organisations referred to difficulties monitoring contracts to ensure CBs are delivered, even though monitoring and enforcement were viewed as enablers to ensure contractors deliver what was required or promised (Sutherland *et al.* 2015). Several barriers were related to the devolved nature of functions (Jabang 2017), particularly within public sector organisations and this impacts on monitoring.

Individual barriers

A lack of practical guidance or training emerged as a key barrier, partially confirming the literature finding that staff with devolved responsibilities may lack the necessary skills, resources and information required (Walker and Jones 2012; Mont and Leire 2009; Preuss 2011). Concerns that CBs requirements may be viewed as a burden were supported to some extent (Walker and Jones 2012, Welford and Frost 2006). The suggestion that cultural barriers may exist was not strongly supported by this study (Walker *et al.* 2008; Lund-Thomsen and Costa 2011; Hoejmoose and Adrien-Kirby 2012).

11.4.4 Enablers for Community Benefits implementation

External enablers

Supply chain support is a key enabler for public sector organisations and suppliers, supporting the findings of the study by Constructing Excellence in Wales (2013). Organisations arrange supplier workshops, meet the buyer events and subcontract advertising and pre-tender market research or consultation to facilitate SME and TSO participation (Anthony Collins Solicitors, 2006; Preuss 2007; Preuss and Walker 2008;

Scottish Government 2008; Equality and Human Rights Commission 2014; Jabang 2017). Some public sector organisations offer a higher level of support for potential suppliers such as SMEs and TSOs (Sutherland *et al.* 2015).

Although more frequently cited as a driver in the literature, public sector participants also mentioned the role of policy and legislation as enabling CBs implementation (Anthony Collins Solicitors, 2006; Preuss 2011; Welsh Government 2014; While *et al.* 2016). Although the legislation allows contracting authorities to reserve contracts for organisations employing disadvantaged persons (Kanapinskis *et al.* 2014; Public Contracts Regulations 2015) this does not appear to be widely used.

Suppliers mentioned a number of external enablers, many of which relate to ensuring that TR&T obligations can be met. Contract and workflow certainty is a key enabler. SMEs in particular rely on the support of organisations concerned with employment and training and indicated they would welcome clients ensuring that support structures are in place in advance of contract commencement (Constructing Excellence in Wales 2013; Sutherland *et al.* 2015; While *et al.* 2016). Suppliers liaise with other suppliers and external partners to ensure TR&T can be delivered in addition to meeting their own training needs (Anthony Collins Solicitors, 2006; While *et al.* 2016).

Participants across all groups cited liaison with external organisations as an enabler for CBs implementation, although this was not widely reflected in the literature. This includes networking, benchmarking, attending training courses and seminars and sharing sector specific information (Leire and Mont 2010).

Organisational enablers

Organisational support and resources were mentioned as a key enabler across participant groups (Carter and Jennings 2004; Walker *et al.* 2008; Walker and Brammer 2009; Alvarez *et al.* 2010; Sutherland *et al.* 2015; Jabang 2017). Adequate support and resources should allow for contract monitoring, reporting and enforcement (Sutherland *et al.* 2015).

Ensuring that organisations or individuals have some flexibility to tailor their approach and ensure outcomes are optimised and a box-ticking mentality is avoided; embedding CBs to ensure successful delivery are other key enablers across sectors (Macfarlane and Cook 2002; Scottish Futures Trust 2015; Sutherland *et al.* 2015; While *et al.* 2016). Involving key organisational stakeholders early ensures that CBs can be maximised and tailored to local priorities (Sutherland *et al.* 2015). A number of participants mentioned tools, systems and templates as enablers (Eadie *et al.* 2011; Scottish Futures Trust 2015)

Public sector procurement staff viewed themselves as playing a key role in the process of ensuring CBs are embedded in the organisation's policies and procedures and aligned to the organisation's goals (McDermid *et al.* 2008; Large and Gimenez Thomsen 2011; Gold *et al.* 2010; Walker and Brammer 2009; Lund-Thomsen and Costa 2011; McMurray *et al.* 2014; Sutherland *et al.* 2015; Jabang 2017). Viewing CBs as cost neutral or a method of maximising value for money was a key enabler for public sector participants (Anthony Collins Solicitors 2006; Jabang 2017).

Previous research among contractors in Wales identified a number of organisational enabling factors supported by this study. These include consistency in terms of clients' aims and practices; flexibility in applying CBs targets and ensuring that targets are realistic and ensuring a single point of contact for CBs issues or closer liaison between clients and contractors (Constructing Excellence in Wales 2013). Whether organisational structure or size is an enabler may be an issue for debate, with Walker and Jones (2012) supporting this view and Carter (2005) finding no link. There were some indications that organisational structure or size may be enabling factors (Walker and Brammer 2009; Preuss 2011; Sarkis *et al.* 2011; Gormly 2014) but it is worth noting that more barriers discussed in the previous chapter applied to SMEs than larger firms so size or structure may conversely pose barriers.

Individual enablers

External guidance and case studies were also discussed by public sector organisations and suppliers as enablers for including social clauses and CBs in contracts (Walker and Brammer 2009; Sarkis *et al.* 2011; Jabang 2017).

11.4.5 Types of Community Benefits

Workforce measures

The most prevalent form of CBs requested by clients or provided by suppliers was targeted training and recruitment, confirming public procurement's role as a lever to alleviate unemployment or drive the creation of training opportunities (Walker and Brammer 2009; Preuss 2011; Kanapinskas *et al.* 2014; Swan and Khalfan, 2007; Akenroye 2013; Amann *et al.* 2014).

Supply chain measures

Supply chain initiatives such as advertising subcontracts to facilitate opportunities for local SMEs or third sector organisations are also prevalent in public sector notices and tenders and most prevalent within the local authority sector (Thomson and Jackson 2007, Brammer and Walker 2011, Walker and Brammer, 2009; Brammer and Walker 2011; Amann *et al.*, 2014; Jones, 2011). Although some researchers suggest that this is a lower priority for private sector organisations (McMurray *et al.*, 2014; Thornton *et al.*, 2013), a high percentage of large suppliers in this study either comply with the requirements of public sector clients or emphasise their commitment to local suppliers on their website.

Community engagement, philanthropy and contributions to education

There was evidence of public sector clients requiring suppliers to provide benefits for local communities as a fairly high priority either through using local suppliers or through donations of goods or time for community projects (Preuss 2007; Walker and Brammer, 2009; Brammer and Walker, 2011, McMurray *et al.*, 2014). Community initiatives such as donations of time or materials were often preferred by SMEs. The importance of philanthropy and volunteering was given a slightly higher priority by RSLs and larger suppliers, supporting findings in the literature that preferences differ across types of research participants (Carter 2004; Brammer and Walker 2011, McMurray *et al.* 2014).

Contributions to education were more highly prioritised by local authorities with the majority of schools falling within their control, and suppliers who are keen to promote

their industry as a career choice. This type of CBs is not currently well explored in the extant literature.

Environmental benefits

The academic literature has broadly been more highly focused on the environmental aspects of CSR. Since the main focus of this study is on socio-economic benefits there was no extended literature review in this area and environmental benefits were added to the Welsh Government's model and measuring tool more recently. The vast majority of references to specific environmental benefits were found on large suppliers' websites.

11.4.6 Findings infrequently referred to in the literature

The following tables and discussion are drawn from the full analysis of the literature and research findings summarised in Appendix P. At the time of writing there does not seem to be such extensive coverage of these issues in the academic or grey literature, suggesting further research may be warranted.

Drivers and Benefits

Some issues raised by public sector participants and suppliers are not well covered in the literature despite being fairly strong findings in terms of the percentages of public sector (PS) or supplier (S) participants mentioning them. These are summarised in Table 11.17.

Table 11.18 Key drivers and benefits infrequently referred to in the literature

Driver or Benefit	%PS	% S	Observations	Literature examples
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Personal commitment	54.17	40	Some coverage in literature of personal motivation, highly supported in findings.	Huq <i>et al.</i> 2014 McMurray <i>et al.</i> 2014
Organisation doing anyway	20.83	40	Few references in the literature yet quite well supported by suppliers.	Sutherland <i>et al.</i> 2015 Jabang 2017
Client driving	0	40	Scant coverage in the literature but a key driver for suppliers.	Walker and Jones 2012
			The client's power to influence suppliers is well covered in the literature as a driver but this is not highly supported by the findings. Rather it is viewed as an enabler.	Touboulic <i>et al.</i> 2014 Sutherland <i>et al.</i> 2015 Loosemore 2016 Jabang 2017
Procurement power	12.50	15		
Ethical considerations/risk	12.5	5	Well covered in the literature but not strongly supported by the findings.	Walker and Jones 2012 Sarkis <i>et al.</i> 2011 Wright and Brown 2013
Individual benefits for beneficiaries of CBs initiatives	62	70	Some examples of outcomes for beneficiaries such as finding long-term employment appear in the literature.	McDermid <i>et al.</i> 2008 Wright 2015
Ability to report benefits	37.5	10	Few references in the literature but a key perceived benefit for public sector participants and some suppliers	McDermid <i>et al.</i> 2008

Personal commitment or "passion" was identified in this study as a key driver across participant types and cited by over half the PS participants. Whilst this has been identified as a driver in the literature by a few authors, it is more frequently considered an enabler (Carter and Jennings 2002; Walker and Brammer 2009). Few authors identify SSCM or social value as something suppliers would be doing anyway (Sutherland *et al.* 2015; Jabang 2017), yet almost half the S participants said they would be providing some form of social or community benefit regardless of client requirements. On the other hand, almost half the S participants said they were driven by client requirements something only referred to in the literature by Walker and Jones (2012). Although not highly reported, the client's procurement as a lever to influence suppliers was viewed as a driver but it was more frequently cited as an enabler in this research. Although ethical considerations or reputational risk are well covered in the literature as drivers for CSR, this was not strongly supported as driver in this study.

In terms of benefits, some examples of outcomes for the intended beneficiaries of social measures have been reported in the literature. In this study benefits such as finding long-term employment or developing skills that lead to employment were reported by two-thirds of participants. The ability to report benefits to external or internal stakeholders was cited as a perceived benefit by over a third of PS participants yet this was only found in one study (McDermid *et al.* 2008).

Barriers

Table 11.18 summarises some key barriers that do not appear to have been well covered in the literature.

A key external barrier for around half the participants was identifying support agencies or the right people within organisations to ensure successful implementation, yet this appears to only be highlighted by Walker and Jones (2012) and some grey literature specifically concerned with CBs. Around a third of participants mentioned legislative or political uncertainty as a barrier, which is heightened by concerns over the potential effects of Brexit. This barrier is rarely referred to in the literature, an exception being Walker and Brammer (2009). There is far more coverage of legislation or policy as drivers or enablers for SSCM or SRRP measures.

Table 11.19 Key barriers infrequently referred to in the literature

Barrier	% PS	% S	Observations	Literature examples
CBs too construction focused	54.17	10	Only covered in one report specific to CBs implementation	Sutherland <i>et al.</i> 2015
Identifying external support	41.67	60	Does not seem to be well covered in the literature but a key barrier according to half the participants	Walker and Jones 2012
Training related issues	8.33	85	Mainly reflected in literature concerned with workforce initiatives.	Erridge <i>et al.</i> 2005 Loosemore 2016 While <i>et al.</i> 2016 Kuijpers <i>et al.</i> 2017

Lack of contract certainty	20.83	60	Mainly reflected in CBs literature and reports	Constructing Excellence in Wales 2012 Loosemore 2016
Political risks/uncertainty	29.17	40	A concern for both buyers and public sector suppliers but scant coverage in the academic literature.	Walker and Brammer 2009
Failing to understand the implications for contractors and unintended consequences	12.5	40	These barriers are only reflected in CBs literature.	Constructing Excellence in Wales 2012 Kuijpers <i>et al.</i> 2017
Other commercial barriers	0	35	Scant reference in the academic literature	Walker and Jones 2012 Constructing Excellence in Wales 2012
Late payment	0	30	A particular concern for SMEs but only reflected in the CBs literature.	Constructing Excellence in Wales 2012
Tokenism or 'box-ticking'	37.5	25	Not well covered in the literature but a concern for almost a third of participants.	While <i>et al.</i> 2016
Lack of consistent approach	4.17	40	Not well covered in the literature but of concern to public sector suppliers.	Walker and Jones 2012
Enforcement/monitoring issues	25	0	Not well covered in the literature.	Walker and Brammer 2009 Walker and Jones 2012
CBs viewed as additional burden	25	5	Not well covered in the literature but a concern for a quarter of public sector participants.	Walker and Jones 2012 Welford and Frost 2006

The perception that CBs are mainly related to construction as workforce measures was mentioned by a third of participants whilst this issue appears to only been identified by Sutherland *et al.* (2015) in a study concerned with CBs implementation. However, this finding could be attributed to a lack of understanding on how to incorporate SSCM measures (Walker and Jones 2012).

Process-related barriers are mainly covered in the “grey” literature specifically covering CBs (Cabinet Office 2014; Constructing Excellence in Wales 2012; Davies and Schon 2013; Kuijpers *et al.* 2017). Linked to this were concerns that this could result in CBs implementation or reporting being viewed as an additional burden, a concern for a quarter of PS participants (Welford and Frost 2006; Walker and Jones 2012). Concerns that this can lead to a tokenistic or box-ticking response was found in While *et al.* (2016).

Few studies draw attention to difficulties in monitoring contracts or enforcing CBs (Walker and Jones, Walker and Brammer), yet almost half the local authority participants mentioned this as a barrier. The importance of conducting project reviews, documenting lessons learned and ensuring they can be considered in future projects is only mentioned in Walker and Jones (2012) and literature specifically concerned with CBs (Macfarlane and Cook 2002; Scottish Futures Trust 2013).

Several key barriers raised by suppliers do not previously seem to have received extensive coverage in the literature. Over three-quarters of supplier (S) participants raised issues specifically related to training related issues, yet this has only been reflected in literature specifically concerned with workforce initiatives or CBs (Erridge *et al.* 2005; Loosemore 2016; While *et al* 2016; Kuijpers *et al.* 2017). Well over half the S participants cited a lack of contractual certainty as a key barrier, particularly to offering longer-term training or employment related CBs. This has previously been raised in two reports, one of which researched CBs implementation from a supplier perspective (Constructing Excellence in Wales 2012; Loosemore 2016. These findings highlight the need for further research into supplier issues as they relate to SSCM, SRRP and CBs. Other key barriers raised by suppliers not well covered in the literature include commercial barriers and cash-flow problems (Walker and Jones 2012; Constructing Excellence in Wales 2012). Well over a third of the S participants expressed the view that clients fail to understand the possible unintended consequences of their approach to CBs implementation whilst this only appears to have been considered in two studies specifically concerned with CBs (Constructing Excellence in Wales 2012; Kuijpers *et al.* 2017).

In terms of equality and diversity, this study identifies barriers to participation by physically disabled men or women in construction, confirming a view of the industry as mainly suited to “able-bodied males” (Loosemore 2016).

Enablers

A number of enablers have been identified in few previous studies. Several of these are the reverse side of the coin to key barriers already discussed above. Table 11.19 summarises some key enablers that have not previously been extensively covered in the academic or grey literature.

More effective contract management, monitoring and enforcement were viewed by over three-quarters of public sector (PS) and a third of supplier (S) participants as a key enabler. The need for involving internal colleagues at an earlier stage was highlighted by three-quarters of PS and a quarter of S participants, something previously raised by Walker and Jones (2012).

Table 11.20 Key enablers infrequently referred to in the literature

Barrier	% PS	% S	Observations	Literature examples
Contract management/ monitoring and enforcement	83.33	35	Only appears to be covered in literature specifically concerned with CBs but highly cited by public sector participants.	Sutherland <i>et al.</i> 2015 Macfarlane and Cook 2002 Jabang 2017
Early internal involvement	75	25	Only appears to be covered in one academic article but highly cited by public sector participants.	Walker and Jones 2012
Buyer's power	41.67	15	Only appears to be covered in one academic journal article.	Walker and Jones 2012
Project reviews	41.67	0	Not well covered in the literature.	Walker and Jones 2012 Scottish Futures Trust 2013
Cost-neutrality/ value for money	33.33	10	Only found in the Welsh Government guidance and only cited by a third of public sector participants.	Welsh Government 2014
Organisational structure/ size	29.17	5	Not well covered, only appear to be included in one journal article.	Walker and Jones 2012
Project reviews	41.67	0	Not well covered in the literature.	Walker and Jones 2012 Scottish Futures Trust 2013
Cost-neutrality/ value for money	33.33	10	Only found in the Welsh Government guidance and only cited by a third of public sector participants.	Welsh Government 2014
Organisational structure/ size	29.17	5	Not well covered, only appear to be included in one journal article.	Walker and Jones 2012
Participant's experience	29.17	35	This only seems to be covered in one journal article, yet almost a third of participants mentioned this.	Carter, 2005

Experience of implementing CSR or SSCM measures was mentioned by around a third of participants and was related to the fact that when experienced colleagues leave this poses a barrier, as already mentioned. Although this has been highlighted as an enabler (Carter 2005), this point seems relatively absent from the literature.

Several enablers raised by over a third of PS participants have received scant coverage in previous research: the power of procurement as a lever for supply chain co-operation and the need for project reviews (Walker and Jones 2012; Scottish Futures Trust 2013). Another clear driver, enabler or benefit for PS participants was linking CBs delivery to performance indicators, something relatively absent in the literature. Although a third of public sector participants cost-neutrality or VFM as an enabler, this study

largely supported the literature and findings among suppliers that cost, or perceived cost, is viewed as a barrier (see for example Walker and Brammer 2009; Mont and Leire 2009; Gold *et al.* 2010; Sutherland *et al.* 2015). Although organisational structure or size was mentioned as an enabler by over a quarter of PS participants, this only appears to have been covered in one article (Walker and Jones 2012).

Just as the lack of contractual certainty is a barrier, offering greater contractual certainty was viewed as a method for overcoming it, only previously identified in one report concerned with CBs implementation from a supplier perspective (Construction Excellence in Wales Report 2012). The importance of inter-contractor collaboration in ensuring apprentices can gain necessary experience was mentioned by almost a third of S participants, yet only appears to have been reported by Walker and Jones (2012).

In summary, a number of the key barriers or enablers highlighted in this study have previously been raised in reports or research specifically related to CBs implementation, reinforcing the need for further research in this area.

Types of Community Benefit measures

There were also more frequent references to these types of CBs measure in participant's websites, OJEU notices and interviews. Table 11.20 provides details of the findings related to three types of CBs measures less frequently referred to within this study or in the academic and grey literature.

Table 11.21 CBs types less frequently referred to in the literature

CBs type	% PS		% S		Observations	Literature examples
	OJEU	Inter-views	Web-sites	Inter-views		
Retention and Training of existing employees (R&T)	16	0	12	12	There are few references in this literature to this type of Community Benefit.	Welford and Frost 2006; Huq <i>et al.</i> 2014
Contracting with Supported Businesses or Social Enterprises (TSOs)	33	33	12	6	Scant coverage and a higher priority for public sector organisation than suppliers.	Kanapinskas <i>et al.</i> 2014 Loosemore 2016
Contributions to Education	25	25	6	24	This appears only to be covered within CBs guidance.	MacFarlane and Cook 2008 Welsh Government 2014

Issues related to workforce measure, supply chain issues and community engagement or philanthropy have received fairly good coverage in the literature. There are few studies specifically concerned with supply chain measures aimed at supported businesses, social enterprises or third sector organisations (Kanapinskas *et al.* 2014; Loosemore 2016). However, this research found that a third of PS participants wanted to engage with such organisations and the lack of information on suitable potential suppliers was a barrier to this CBs type. There were few references to the retention and training of existing employees in discussions with participants and this is also not well-covered in the literature (Welford and Frost 2006; Huq *et al.* 2014). Contributions to education, particularly those aimed at promoting construction as a career path, were mentioned by around a quarter of participants but this has only been covered in guidance specifically concerned with CBs implementation (MacFarlane and Cook 2008; Welsh Government 2014). There is scope for future research into these types of CBs measures and drivers, barriers, enablers or benefits more specifically related to them.

11.4.7 Novel findings

A number of issues do not appear to have been identified in the literature and are presented as novel findings. The extent to which participants reported these factors as a percentage of public sector or supplier participants is indicated in Table 11.21.

Table 11.22 Novel findings

Category	Issue	% P	% S	Observations
Driver	Organisational challenges	25	55	The literature does not appear to discuss this driver, which is high priority for suppliers.
	Organisational policy/goals	50	20	The literature does not appear to discuss this driver, which is high priority for public sector organisations but may be intrinsically linked to other drivers.
	Value for money	37.50	0	This is reported in the literature as a benefit or enabler rather than a driver but public sector organisations view CBs as a way to maximise VFM.
	Funding requirements	50	10	The use of funding as a policy lever does not appear in the literature but is a key driver for recipients of Welsh Government funding.
	Performance indicators	16.67	0	This does not seem to be overtly covered in the literature but using performance indicators in reporting is a driver for some organisations.
Benefit	Personal benefits such as job satisfaction	41.67	50	Does not appear to be covered in the literature.
Barrier	Health and safety related issues	8.33	55	Suppliers and particularly SMEs were very concerned about the impact of such legislation on workforce measures
Barrier	Lack of feedback	12.50	30	Not found in the literature but both suppliers and buyers would appreciate feedback.
Barrier	CBs are not publicised	16.67	15	Not found in the literature but only mentioned by a few participants.
Barrier	Sector specific issues	16.67	10	Not found in the academic literature but some CBs literature is linked to specific sectors, for example Constructing Excellence in Wales 2012
Enabler	Collaborative procurement/joint bidding	25	10	Does not appear to be covered in the literature.

Drivers and Benefits

Although addressing organisational challenges such as staff training were discussed by over half the supplier participants (S) and a quarter of public sector participants (PS), the literature does not appear to discuss this driver.

A number of drivers mentioned by a significant proportion of PS participants also seemed absent from the academic or grey literature. A high priority for half the PS participants and possibly linked to other drivers was organisational policy or goals, also mentioned by a fifth of S participants. Half the PS participants cited requirements by funding bodies to report CBs as a driver although this has not previously been documented. Several PS participants reported performance indicators as a driver, which does not seem to have been previously reported. Although achieving value for money was a driver for over a third of PS participants, this has previously been reported in the literature as a benefit or enabler for SSCM/SRRP.

Almost half the participants mentioned job satisfaction as a personal benefit, potentially an important finding as this may increase personal motivation, a driver or enabler already identified in the literature.

Barriers and enablers

Over half the PS participants viewed the guidance or approach to CBs as too heavily emphasising construction contracts. Previous reports of CBs implementation have also focused specifically on the construction sector (Constructing Excellence in Wales 2012). Although the power of procurement is referred to in the literature, maximising this power through collaborative procurement or large value frameworks are not

significantly featured in the literature concerned with SSCM. Almost a third of suppliers referred to inter-contractor collaboration but few suppliers referred to joint bidding.

A few issues emerged from supplier participants that do not appear to be identified in the academic or grey literature. A key concern for suppliers is ensuring compliance with burgeoning health and safety requirements whilst providing workforce CBs such as targeted training and recruitment. The lack of a consistent approach across the public sector was mentioned by almost half the S participants. A third of S participants referred to a lack of feedback from clients as a barrier and this was reflected by several PS participants who felt they did not receive recognition from the Welsh Government on their reported CBs achievements. This may negatively affect personal motivation, an identified driver.

Some issues were not highly reported but nonetheless do not appear to have been covered in the academic or grey literature. PS participants mentioned a lack of publicity within their organisation or externally and a small proportion of participants reported sector specific barriers.

Almost a third of participants believe that experience is an enabler and a consequent barrier, raised by a quarter of local authority participants, arises when personnel experienced in CBs leave the organisation, particularly within organisations where responsibilities are heavily devolved. Over a quarter of the higher education sector participants and some others mentioned a sense of pushing against “open doors”.

These novel findings are summarised in the next chapter. The implications for practitioners and policy makers are also set out along with the conclusions, limitations and recommendations for future research.

12 Conclusions

12.1 Introduction

This research sought to make a unique contribution to SSCM research by researching the contribution of CBs as a form of socio-economic SRPP. This was achieved by examining how issues specifically related to socio-economic CBs implementation through five research questions, which were identified from the literature review (Chapter 2):

RQ1: What factors drive organisations to request or deliver Community Benefits through procurement?

RQ2: What are the perceived benefits of implementing Community Benefits?

RQ3: What are the perceived barriers to implementing or realising Community Benefits?

RQ4: What are the perceived enablers for implementing Community Benefits?

RQ5: What types of Community benefits are prevalent?

This research sheds light on the issues faced by buyers and suppliers through a dyadic study. As explained in Chapter 11, a number of differences in the findings emerged through comparing five categories of organisations: local authorities (LA), registered social landlords (RSL), higher education institutions (HE), large suppliers (LS) and SMEs. The key finding is that a one-size approach to embedding social value into the procurement process is not appropriate. No single theory is capable of explaining the diverse findings from the different types of organisation and participant perspectives revealed through this research. The remainder of this chapter reflects on these issues.

12.1.1 Key drivers

External stakeholders who provide resources, whether public sector funding bodies or clients, are clearly driving CBs implementation through the supply chain. As explained in Chapter 11, a number of organisational drivers are common to public sector organisations and suppliers in Wales. For example, all groups of participants suggested that local socio-economic goals play a role in driving organisational policy or strategic goals, which in turn help drive CBs implementation. Many organisations would be providing some form of CBs regardless of external factors and this may be linked to organisational culture/ethos or a sense that ensuring communities benefit in some form is the right thing to do. This suggests opportunities for public sector organisations and suppliers to maximise goal alignment and as explained next both parties reported key benefits from CBs implementation. Although infrequently referred to in previous studies, almost half the participants in this study said that individual leadership or commitment was a driver within their organisation. Organisations could consider selecting employees with a high level of commitment to achieving CBs to lead implementation (Carter and Jennings 2004).

12.1.2 Key benefits

This research has uncovered different perceptions and levels of understanding between buyers and suppliers in terms of how CBs may be interpreted and evidenced. Many external or individual level socio-economic benefits were identified. These were mainly related to benefits for targeted beneficiaries such as TR&T trainees, although longer-term benefits are not currently measured and reported.

The majority of reported benefits were organisational, with all participant groups reporting external or internal public relations or reputational benefits. Some quite wide differences emerged between organisational benefits reported by public sector organisations and suppliers. Whilst public sector organisations highlighted the ability to report benefits internally or externally, often linked to providing additional social or economic value, suppliers highlighted commercial or economic benefits more directly related to their organisation. Some participants thought CBs implementation benefited both public sector organisations and suppliers, although few examples were provided. A surprising finding was the number of participants reporting enhanced job satisfaction as an individual benefit although public sector participants did not make a link between this and staff recruitment or retention, a point raised by several suppliers. The possible link between these two types of benefits could merit further exploration with consideration of links to public sector motivation (PSM) theory (Perry and Wise 1990).

12.1.3 Key barriers

The main differences between public sector organisations and suppliers emerged during the examination of key barriers. As discussed in Section 11.2.3 some barriers were more challenging for SMEs to overcome, for example late payment was a key issue for half the SME participants and although the Welsh Government has highlighted the need for subcontractors to be paid in a timely manner, this is an ongoing problem that ultimately threatens the sustainability of an important business sector. The overwhelming majority of suppliers highlighted barriers related to TR&T, yet this remains a highly sought-after type of CBs. Some external or organisational barriers are faced by public sector and supplier organisations as discussed in Section

11.2.2. Such factors need to be recognised by public sector organisations and consideration given to overcoming them through greater use of the enablers suggested in Chapter 9.

12.1.4 Key enablers

Organisations rely on other organisations and individuals to successfully deliver CBs, so key enablers are closer collaboration and liaison with external and internal organisations or individuals. Since there is no one-size fits all solution for successfully implementing CBs, flexibility is a key enabler. Many barriers faced by organisations or individuals could be overcome through implementing a suggested enabler although this does not necessarily occur in practice.

12.1.5 Types of Community Benefits

A diverse range of socio-economic CBs may be sought by clients or provided by suppliers and the types of CBs sought by public sector organisations or provided by suppliers may linked to organisational objectives. For example, LA participants made references to a wider range of CBs types and more frequently included contributions to education. RSLs participants referred to a wider range of community initiatives. There was no particularly strong emphasis in terms of the choice of CBs made by HEs and educational initiatives were generally limited to work placements for university students to enhance employability. Although the choice of CBs type may be influenced by key stakeholders or organisational objectives, this research indicates that successful implementation may ultimately depend on the availability of adequate resources.

More barriers were linked to the provision of targeted recruitment and training (TR&T) such as training-related issues, health and safety legislation or a lack of contract certainty. Supply chain measures were often requested by public sector organisations but the requirement to advertise subcontracts was held as a barrier by suppliers due to conflicts with established supply chain relationships. A key barrier to involving TSOs in supply chains is the lack of a directory of potential suppliers, something that might be addressed by online resources.

12.2 Academic contribution

The academic contribution is two-fold. Firstly, the findings of the literature review as they relate to the five research questions were set out in Chapter 3 and a rigorous comparison between the findings and this study was presented in Chapter 11. Secondly a multi-level analysis was conducted; and findings were further categorised based on a conceptual model based mainly on the work of Carter (2004); Walker and Preuss 2008; and Walker and Jones (2012).

As summarised in Chapter 11, this research confirms many findings in the literature concerning the drivers, barriers and enablers more generally related to social CSR initiatives. It reinforces findings in the academic and grey literature specifically concerned with maximising social value or CBs through public sector procurement.

Furthermore, this research emphasises the importance of issues raised in relatively few academic studies such as difficulties monitoring, enforcing, measuring and reporting socially sustainable initiatives (Walker and Jones 2012; Walker and Brammer;

Welford and Frost 2006). It also reinforces the importance of conducting reviews to contribute towards continuous improvement (Walker and Jones 2012; Macfarlane and Cook 2002; Scottish Futures Trust 2013).

This study also highlights issues for suppliers that have received minimal attention in the academic and grey literature such as commercial barriers (Walker and Jones 2012), the need for contract certainty (Walker and Preuss 2008; Preuss 2009; Constructing Excellence in Wales 2012; Loosemore 2016) and issues specifically related to workforce initiatives (Erridge *et al.* 2005; Loosemore 2016).

The issues discussed by suppliers are far less well examined or explored in the academic literature, since fewer studies have adopted dyadic or supplier perspectives compared to studies concerned with private or public sector procurement organisations. This research confirms that studies involving suppliers do identify issues less frequently identified in studies adopting a buyer perspective which impact on successful SSCM/SRRP implementation (Huq *et al.* 2014). Suppliers already provide social or CBs but clients fail to recognise the unintended consequences related to their approach (Sutherland *et al.* 2015; Jabang 2017; Constructing Excellence in Wales 2012; Kuijpers *et al.* 2017). By highlighting such issues, this dyadic study brings such issues previously highlighted in the grey literature concerned specifically with CBs implementation into the academic sphere (for example Constructing Excellence in Wales 2012). Another strength of this study is that it further analyses findings according to supplier size, categorising suppliers as large suppliers and SMEs, highlighting differences between these two categories of suppliers. This suggests that

some issues need to be addressed if the CBs aim of encouraging more SMEs or TSOs to engage in public sector procurement is to be achieved.

This study builds on the work of Walker and Jones (2012) where sectoral external and organisational barriers were identified in SSCM by private sector organisations. It extends their work by finding that differences apply more specifically to CBs application within different types of public sector organisations. As explained in Chapter 5, much of the research into SRPP has been focused on local authorities. This study extends analysis to three sectors: local authorities, higher education and registered social landlords.

By adopting a dyadic approach, the researcher was able to compare and contrast the findings and highlight issues faced by suppliers required to implement CBs. Some of these issues had previously been largely or apparently completely neglected in the academic literature although some had previously been identified in reports evaluating CBs implementation from a supplier perspective. The research has highlighted some novel findings as summarised in Table 12.1.

Table 12.1 Summary of novel findings

Drivers Organisational challenges Organisational policy/goals Value for money Funding requirements Performance indicators	Benefits Personal benefits such as job satisfaction and increased personal motivation
Barriers Health and safety related issues Lack of feedback which may adversely affect motivation Lack of publicity for CBs achievements Sector specific issues	Enablers Collaborative procurement or joint bidding

This study also sought to analyse the key findings at multiple-levels by developing a conceptual model based mainly on the work of Carter (2004), Walker and Preuss (2008) and Walker and Jones (2012).

External drivers, benefits, barriers and enablers

Procurement power may be maximised through collaborative procurement. However, this has to be balanced against the potential negative effects, for instance deterring SMEs or TSOs from bidding or the threat to local procurement arrangements posed by larger regional or national agreements. Within the public sector across Wales, there is a lack of consistency in approach to implementing CBs but organisations need flexibility in order to maximise the potential benefits within specific contexts. Suppliers have to balance a range of competing priorities, including ensuring compliance with health and safety requirements.

Organisational drivers, benefits, barriers and enablers

Suppliers report benefits linked to employee recruitment, training and retention. A lack of publicity or positive feedback concerning CBs may adversely affect organisational or personal motivation. People or organisations are willing to discuss how to maximise CBs, resulting in a sense of “pushing against open doors”.

Individual drivers, benefits, barriers and enablers

Personal motivation was identified as a key driver. The study also suggests that job satisfaction and personal motivation may be enhanced through experience of implementing CBs. Experience is a key enabler, particularly when the organisation has someone who can share their knowledge and experience with others in the organisation. This experience is lost when employees leave the organisation. Although the long-term benefits for individual beneficiaries of CBs initiatives may be difficult to measure or quantify, there is a widely held perception that individuals do benefit. Future studies could consider whether these findings apply within other SSCM related contexts.

12.3 Theoretical implications

As outlined in Chapter 5 consideration was also given to the study’s underlying theoretical and epistemological assumptions and how to evaluate findings within the context of extant literature related to other forms of SSCM. This study sought to make a theoretical contribution by adopting a multi-theory approach to explaining key findings. The literature suggests that multi-theory studies offer a greater understanding of CSR and several previous studies combined theories to examine CSR or SSC

(Pedersen and Andersen 2006; Carter and Rogers 2008; Walker and Brammer 2009; Pagell *et al.* 2010; Perry and Towers 2013; Frynas and Yamahaki 2016). Combining stakeholder theory, RDT and RBV has provided a higher level of explanatory power for the findings than relying on a single theory and reduced the risk of reaching conclusions based on a single theory by ignoring findings that conflict with it (Zorzini *et al.* 2015).

These findings support Walker and Brammer (2009), who combined stakeholder theory with RBV to examine drivers and barriers to sustainable procurement in the public sector. However, this study extends the work of Brammer and Walker by suggesting that RDT is also relevant, particularly when examining drivers and barriers relevant to first-tier suppliers implementing sustainable practices (Foerstl *et al.* 2015). This study also supports Lee and Rhee's (2007) suggestion that RBV is relevant to considering how organisational approaches to CSR may differ, according to the organisation's size, resources, capabilities and senior management attitudes.

A key function of theory is to allow empirical results to be linked to more general concepts that can be examined in future studies (Schweber 2015). This research suggests that combining stakeholder theory, RBV and RDT is worth considering in future dyadic studies that examine collaboration or co-operation between buyers and suppliers or within supply chains to fulfil CSR goals.

A number of barriers may be cultural or psychological and more difficult to directly link to stakeholder, RDT or RBV theory. For example, a number of participants mentioned cultural barriers, such as a lack of commitment, or CBs being viewed as an

additional burden. It may be necessary to turn to psychological theories to explain these findings. Some suggestions are offered in Section 12.6.

The research was also intended to make a practical contribution to practice, building on the researcher's public sector procurement experience. The next section summarises how policy-makers, organisations and individuals could be enabled to more effective CBs implementation.

12.4 Implications and key recommendations for policy-makers and practitioners

This section summarises some high-level key recommendations. A table showing how these recommendations relate to the key findings is presented in Appendix R along with further recommendations. The implications for public sector practitioners are based on key barriers and enablers suggested by participants. Implications for suppliers are largely drawn from the opinions expressed by public sector participants and are aimed at broadening their understanding of the challenges faced by their clients. Implications for policy makers are mainly drawn from the barriers and enablers reported by public sector participants and suppliers.

Recommendations for policy-makers

Remove legislation and policy barriers

Policy-makers should recognise that legislation or policies may result in conflicting goals or barriers for public sector organisations or suppliers. Policies may need to be revised to enable more effective implementation of CBs or other socio-economic policies.

Ease access to external agencies providing support for suppliers

The Welsh Government or other policy makers should examine methods of increasing support through Business Wales or other agencies that can assist SMEs and TSOs in bidding for public sector contracts directly or as subcontractors. Encourage greater use of shared apprenticeships and assist in developing this provision in areas where it does not currently exist.

Promote flexibility in delivering CBs

Recognise that differences such as organisational size, sector or structure may require a variety of approaches so there is no “one size fits all” solution. Public sector organisations need flexibility to deliver CBs as appropriate.

Simplify and expand CBs reporting

Monitoring and reporting tools should be made accessible on-line and display relevant screens depending on the user’s requirements. Seek methods of capturing and reporting longer-term benefits

Improve practical guidance and training

Policy makers should review the guidance and advice available for public sector organisations and suppliers, particularly SMEs and TSO and make case studies available.

Recommendations for managers and procurement managers, including those in subcontracting organisations

Increase contract certainty

Where possible, projects should be structured to allow trainees to progress. Examples include structuring a series of building projects like schools or housing sequentially or awarding a commitment contract for buildings maintenance rather than a framework with smaller lots that are divided between several suppliers.

Recognise the costs incurred within the supply chain

Procuring organisations need to recognise that costs are involved in delivering Community Benefits, particularly for SMEs. Costs associated with TR&T could be minimised by providing greater assistance to suppliers, for example facilitating access to funds for training.

Determine and communicate clear organisational objectives

Public sector organisations need to ensure CBs goals are prioritised and communicated throughout the organisation and the supply chain, ensuring CBs are linked to the achievement of these goals. Policies and processes should be aligned; and training provided to ensure that employees capable of contributing to Community Benefits realisation are involved from an early stage.

Provide organisational support and resources

Public sector organisations should review the support available for Community Benefits and avoid a “tick box” approach. Sufficient resources should be in place to review projects and transfer knowledge to future projects.

Set and communicate realistic achievable targets

Conduct pre-market engagement to determine what Community Benefits may be available and set realistic targets or publish guidance on the types of benefits that could be achieved. Ensure performance is monitored and review the causes of missed targets.

Improve communication with suppliers and organisational colleagues

Ensure early client/buyer liaison with those within the organisation responsible for regeneration or employability with links to specific agencies who can access targeted groups.

Recommendations for suppliers

Embed CBs across the organisation

Embed Community Benefits across the organisation and liaise with key persons at an early stage. These include employees specialising in contributions to education, site managers or other key colleagues who can ensure delivery or collect monitoring data.

Seek closer liaison with clients to maximise opportunities for CBs delivery

Try to establish a close working relationship with the client and personnel linked to Community Benefits delivery at an early stage. Discuss any barriers that arise and seek the client's support in addressing them.

12.5 Limitations

This study focuses on CBs implementation within Wales as an SSRP initiative capable of providing social value. The study identified a range of drivers, barriers enablers and benefits some of which may be directly related to implementing different types of CBs such as TR&T. However, this research is qualitative and more quantitative research would have been necessary to determine whether specific links exist between factors identified in this study and the CBs types.

This dyadic study explores the perceived benefits of CBs implementation from the perspectives of participants representing buying and selling organisations. The purposive approach to selecting public sector organisations ensures the findings reflect the views of proactive organisations and individuals with experience of CBs implementation. Different barriers may have been identified if less proactive or supportive organisations or participants had been included in the study. The suppliers included in this study were actively involved in contracts requiring CBs to the public sector participants. Whilst this has facilitated a dyadic approach, their inclusion may reflect a bias towards suppliers who support CBs provision. This suggests that barriers faced by organisations that have declined to tender for contracts containing CBs clauses or were not able to meet such requirements may not have been identified.

It has not been possible to conduct research among beneficiaries such as persons who have obtained training or work experience as a result of CBs implementation. Problems have been identified in measuring and reporting benefits, particularly over the longer term. To identify and quantify longer-term benefits, individuals who have

benefited from CBs measures such as TR&T would have needed to participate in this research.

As with any research, there may be an issue with transferability or generalising the findings to a wider population of organisations or individuals (Guba and Lincoln 1989). This study has a specific geographic focus on Welsh public sector organisations and their suppliers experienced in implementing CBs through purposive selection. Further research would be necessary to determine the transferability of these findings to other sectors.

The Welsh Government has devolved powers and has promoted CBs through public procurement, as has the Scottish Government. As explained in Sections 2.4.2 and 5.4.2, the UK Government and Northern Ireland Executive have focused more narrowly on TR&T through promoting apprenticeships or through a general requirement for social value to be considered when contracting for the public sector and there were relatively few references to CBs in OJEU notices from these regions of the UK. David Lidington recently announced additional measures for increasing social value through central Government procurement¹⁵. Some of these measures are similar to those set out in the Welsh and Scottish Governments' CBs policies. This study indicates scope for the promotion of wider CBs throughout the UK and through a wider range of public sector organisations, which could lead to further research in this form of achieving social value.

Examining the percentage of participants who expressed similar opinions allowed comparisons to determine the extent to which findings were replicated within or across

¹⁵ <https://www.gov.uk/government/speeches/chancellor-of-the-duchy-of-lancaster-speech-at-bsa-annual-chairmans-dinner>

participant groups although this study is qualitative rather than quantitative. Many of the findings were common across different types of suppliers or public sector organisation, suggesting that these findings may be transferable or generalisable although this cannot be confirmed without a wider quantitative study.

The literature concerned with drivers, barriers and enablers was drawn from studies conducted in a range of contexts concerned with CSR, SSCM or SRRP in both private and public sectors across a range of countries. The extent to which the findings support such previous studies infers that the results could be further replicated within other contexts. Other findings appear to be context specific, for example more narrowly linked to either specific types of public sector organisations or suppliers and may not be as readily transferable to different contexts. Further research in other parts of the UK or other countries would be needed to confirm the transferability of these findings. Measures to ensure credibility and dependability (Guba and Lincoln 1989) were explained in Chapter 5. Since many of the findings support the extant literature concerned with other SSCM or SRPP measures, this may also indicate that the results are both credible and dependable.

This study limited the selection of theory to three key theories, since referring to more theories may have been confusing. Whilst stakeholder theory, RDT and RBV seem to explain the majority of the findings, consideration could be given to examining the theory of constraints, which may further explain barriers identified through this research. In terms of individual level drivers, barriers and enablers it may be important to consider psychological or motivational theories. For public sector organisations,

public service motivation theory may be relevant (Perry and Wise 1990; Vanenabeele 2007).

In summary, this research is not without its limitations but provides a sound basis for future research into the socio-economic aspects of SSCM or SRPP and their potential contribution to realising wider social value through CBs implementation. The implications for future research are considered next.

12.6 Implications for future research

Future research could compare how CBs or similar methods of realising social value are implemented in other regions of the UK and explore any regional differences in drivers, barriers, enablers or perceived benefits. Future quantitative research could be conducted by developing a wide-scale survey based on these findings to gather views from a much wider sample across the UK or beyond. This might confirm transferability or test theoretical propositions.

This study makes a unique academic contribution by identifying some findings that may be novel and intrinsically linked to CBs as a specific form of SSCM. Researchers could consider whether these findings are replicated when public sector organisations seek alternative forms of social value through procurement or when organisations in other parts of the UK or beyond its borders seek to implement CBs. The Scottish Government's CBs policy is very similar to that of the Welsh Government. A study among Scottish public sector organisations and suppliers could be conducted to see whether these findings are replicated across these geographic and political boundaries.

Future research could consider whether there are intrinsic links between seeing the results and benefits for the beneficiaries, increased job satisfaction and an increased commitment to realising CBs or other forms of social value. Qualitative research could focus on the intended beneficiaries to quantify whether participating in CBs schemes has resulted in long-term socio-economic change. Consideration would need to be given to how to involve such individuals and how longer-term benefits might be quantifiable.

From a theoretical standpoint, future research could consider other business, psychological or motivational theories. For example, public sector researchers could consider whether public service motivation theory explains individual level drivers for pursuing SRPP outcomes. The theory of constraints is worth considering for its capacity to explain barriers related to SSCM in future research.

12.7 Personal reflections

Chapter 1 outlined my research motivations. Public procurement is increasingly looked upon to address societal issues beyond the immediate scope of the products or services purchased. CBs implementation has been promoted as a policy tool for realising wider societal socio-economic benefits. Benefits such as confidence, self-esteem, social and practical skills experienced on an individual basis can literally transform lives, helping to transform local communities one life at a time.

This has been a journey of discovery during which I've been privileged to meet many people who are firmly committed to CBs as a form of SRPP. I started this study with

a fair dose of healthy scepticism. The findings chapters are informed by, and convey the voices, of those involved in CBs implementation at different levels. Passion is contagious, emphasising the important role of CBs Champions in progressing this agenda. It's the stories of lives changed that inspired me to complete this work and to share the lessons I've learned with a wider audience. I hope the recommendations contained here and expanded on elsewhere will further advance the implementation of CBs or other similar socio-economic measures that can contribute to tackling social exclusion and building social cohesion. helping to transform local communities one life at a time.

The next step is to seek publication in journals read by academics and practitioners within journals concerned with supply chain management, public sector management and CSR, areas this research intersects. The following ABS 3* or 4* journals could be targeted:

- Journal of Operations Management 4*
- Public Administration Review 4*
- Journal of Public Administration: Research and Theory 4*
- Journal of Supply Chain Management 3*
- Supply Chain Management: An International Journal 3*
- Public Management Review 3*
- Business and Society 3*
- Socio-Economic Review 3*

The Journal of Supply Chain Management has recently called for papers on research at the intersection of SCM, public policy and Government regulation so the next step is to write a paper for submission.

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Appendices

Appendix A: Copy of ethical approval

ETHICS 2

FULL ETHICAL APPROVAL FORM (STAFF/PHD STUDENTS) or students referring their form for a full ethical review

(For guidance on how to complete this form, please see Learning Central – CARBS RESEARCH ETHICS)

SURNAME:
Student Number:
(if applicable)

**Cardiff
Business
School**
Cardiff University

**Ysgol
Fusnes
Caerdydd**
Ysgol Caerdydd

If your research will involve patients or patient data in the NHS then you should secure approval from the NHS Health Research Authority. Online applications are available on <http://www.hra.nhs.uk/resources/applying-for-reviews/>

NB: Safety Guidelines for researchers working alone on projects – please go to this University's web link to learn about safety policies - <http://www.cf.ac.uk/osheu/index.html>

Name of Lead Researcher : Karen Lorraine Wontner

School: Cardiff Business School

Email: WontnerKL@cardiff.ac.uk

Names of other Researchers: n/a

Email addresses of other Researchers : n/a

Title of Project: Community Benefits in public procurement OR REVISED THESIS TITLE

Start and Estimated End Date of Project: PhD research September 2015 to September 2019
September 2014 to October 2015 (reviewing the literature and research planning)
November 2015 to September 2016 (empirical research collection)
October 2016 to August 2017 (writing results, producing Thesis)

Aims and Objectives of the Research Project:

This is an exploratory study to investigate the use of Community Benefits by public sector organisations and compare results to the literature review findings and guidance documents.

This includes:

Identifying drivers, barriers, enablers and benefits related to Community Benefits in public sector contracts
Evaluating the suitability of Institutional Theory to explain the implementation process
Confirming the initial categorisation of case study organisation's approach to Community Benefits as proactive

Please indicate any sources of funding for this project:

ESRC

APPLICATION APPROVED
Research Ethics Committee
Cardiff Business School
Cardiff University

ETHICS 2

Appendix B: Journals containing 4 or more articles

Source title	Number
Journal of Business Ethics	32
Supply Chain Management	13
International Journal of Consumer Studies	12
Journal of Purchasing and Materials Management	12
International Journal of Procurement Management	11
Journal of Purchasing and Supply Management	11
Industrial Marketing Management	10
Journal of Cleaner Production	10
Journal of Fashion Marketing and Management	9
Journal of Supply Chain Management	9
Social Responsibility Journal	9
Journal of Public Procurement	8
British Food Journal	7
Business Strategy and the Environment	7
International Journal of Purchasing and Materials Management	7
Sustainable Development	7
Journal of Business Research	6
Journal of Construction Engineering and Management	6
Journal of Marketing Management	6
Energy Policy	5
Food Policy	5
International Journal of Production Economics	5
International Journal of Production Research	5
World Health Organisation. Bulletin of the World Health Organisation	5
Construction Management and Economics	4
Corporate Social Responsibility and Environmental Management	4
Engineering, Construction and Architectural Management	4
European Management Journal	4
Forest Products Journal	4
International Journal of Retail and Distribution Management	4
Proceedings of Institution of Civil Engineers: Management, Procurement and Law	4

Appendix C: Overview of findings related to social SSCM by region/country

Continent/ Region	Number of studies	Countries	References
Africa	3	Kenya Nigeria South Africa	Dolan and Opondo 2005 Brammer and Walker 2011 Akenroye 2013
Asia	8	Bangladesh Cambodia China (4) Hong Kong (2) Indonesia (2) Japan Korea Kuala Lumpur Malaysia (3) Philippines Singapore (2) Sri Lanka Taiwan Thailand UAE Vietnam (2)	Huq <i>et al.</i> 2014 Lillywhite 2007 McMurray <i>et al.</i> , 2013 Perry and Towers 2013 Welford and Frost 2006 Jones 2011 Thornton <i>et al.</i> 2013 Brammer and Walker 2011
Australasia	1	Australia	Brammer and Walker, 2011
Europe	20	Austria Eastern Europe (not defined) Finland Germany (2) Lithuania Netherlands (2) Northern Ireland Scandinavia Sweden UK (4) Western Europe (not defined)	Amann <i>et al.</i> , 2014 Brammer and Walker, 2011 Carter and Fortune 2006 Eadie <i>et al.</i> 2011 Essa and Fortune 2008 Goworek, 2011 Kananpinksas <i>et al.</i> 2014 Kolk 2012 Kurul <i>et al.</i> , 2013 Lehtinen 2012 Leire and Mont 2010 Mont and Leire 2009 Morgan 2008 Pedersen and Andersen 2006 Preuss 2007; 2009; 2011 Swan and Khalfan 2007 Thomson and Jackson 2007 Tikkanen and Varkoi, 2011 Walker and Brammer, 2009 Worthington <i>et al.</i> 2006 Wright and Brown 2013
North America	13	United States of America (12) North America (not defined)	Brammer and Walker, 2011 Carter 2004 Carter 2005 Carter and Jennings 2004 Emmelhainz and Adams 1999 Joo <i>et al.</i> 2010 Kolk 2012 Nijaki and Worrel 2012 Obermiller <i>et al.</i> , 2009 Park and Stoel 2005 Park-Poaps and Rees 2010 Thornton <i>et al.</i> 2013 Worthington <i>et al.</i> 2006
South America	3	Brazil (2) Mexico Peru	Hall and Matos 2010 Barham and Weber 2012 Brammer and Walker, 2011

Appendix D: Original coding system developed from literature review

Q ref	Description	Code	Literature Example	Level
Barrier	Cost or perceived cost	BC	Walker and Brammer 200	External
Barrier	Resource-related issues	BR	Walker and Brammer 2009 Sutherland <i>et al.</i> 2015	Organisational
Barrier	Market forces/competition	BMF	Lund-Thomsen and Costa 2011	External
Barrier	Legislation/policy related	BL	Walker and Brammer 2009	External
Barrier	Lack of managerial support	BLS	Walker <i>et al.</i> 2008 Walker and Brammer 2009	Organisational
Barrier	Cultural barriers	BCC	Hoejmose and Adrien-Kirby 2012	Individual
Barrier	Low priority/commitment	BLC	Preuss 2011	Organisational
Barrier	Lack of policy framework/ process alignment	BPF	Preuss 2009	Organisational
Barrier	Supply chain issues	BSC	Walker and Brammer 2009	External
Barrier	Potential conflict between goals/objectives	BCE	Walker and Preuss 2008	Organisational
Barrier	Reporting and measurement issues	BIT	Lund-Thomsen and Costa, 2011	Organisational
Barrier	Identifying external support	BIA	Walker and Jones 2012	External
Barrier	Ambiguous goals/standards/targets	BT	Lund-Thomsen and Costa 2011	Organisational
Barrier	Enforcement/monitoring issues	BE	Walker and Jones 2012	Organisational
Barrier	Political risks/uncertainty	BPSF	Walker and Brammer 2009	External
Barrier	Lack of contract certainty	BFC	Preuss 2009	External
Barrier	Lack of practical guidance/training	BLG	Walker and Brammer 2009	Individual
Barrier	Devolved responsibilities and related issues	BDP	Preuss 2009	Organisational

Q ref	Description	Code	Literature Example	Level
Barrier	CBs viewed as additional burden	BAB	Walker and Jones 2012	Individual
Barrier	Process related issues	BPR	Walker and Jones 2012	Organisational
Benefit	Enhances recruitment/training/staff retention	CODE	Welford and Frost 2006 Perry and Towers (2009) McWilliams <i>et al.</i> (2011) Huq <i>et al.</i> 2014	Organisational
Benefit	Enhances reputation/PR	BFPR	Huq <i>et al.</i> 2014	Organisational
Benefit	Local socio-economic benefits	BFLE	Walker and Preuss 2008	External
Benefit	Added value benefits	BAV	Huq <i>et al.</i> 2014	Organisational
Driver	Power to influence markets/suppliers	DRP	Walker and Jones 2012	Organisational
Driver	Legislative/policy drivers	DRL	Seuring and Muller 2008	External
Driver	Ethical considerations such as reputational risk, brand image, PR	DRE	Walker and Jones 2012. Not significantly supported	External
Driver	Local socio-economic goals	DRLE	Worthington <i>et al.</i> 2008	Organisational
Driver	Competing on a level playing field, ensuring adequate competition	DRC	Baden, D.A. <i>et al.</i> , 2009. Not significantly supported	External
Driver	Individual or leadership commitment	DRPC	McMurray <i>et al.</i> 2014	Individual
Driver	Raising profile of organisation/department	DROP	Walker and Jones 2012	Organisational
Driver	Doing the 'right thing'	DRT	Carter and Jennings 2004	Organisational/ Individual
Driver	Organisational culture/ethos	DOC		Organisational
Enabler	Organisational support/resources	EOS	Carter and Jennings 2004	Organisational

Q ref	Description	Code	Literature Example	Level
Enabler	Strategic role of procurement in implementation	ESR	Walker and Jones 2012	Organisational
Enabler	Strategic/policy focus/embedding	ESF	Walker and Jones 2012	Organisational
Enabler	Buyer's power	ERPb	Walker and Jones 2012	Organisational/ External
Enabler	Organisational structure/size	ESS	Walker and Jones 2012	Organisational
Enabler	Legislation/policy	EGPL	Walker and Brammer 2009	External
Enabler	Guidance/training	EGT	Walker and Brammer 2009	Individual
Enabler	Supply chain support	ESC	Walker and Jones 2012	External
Enabler	Early organisational involvement and liaison	ELI	Walker and Jones 2012	Organisational
Enabler	Flexibility/realistic targets	EF	Preuss 2007	Organisational
Enabler	Tools/templates etc.	ET	Eadie <i>et al.</i> 2011	Organisational/ External
Enabler	Project reviews	EPR	Walker and Jones 2012	Organisational
Enabler	Clearly communicated goals/ targets/ expectations	ECG	Preuss 2009	Organisational/ External
Enabler	External liaison/networking and support	EEX	Walker and Jones 2012	External
Enabler	Participant's experience	EEP	Carter 2005	Individual

Appendix E: Coding structure (OJEU notices)

Coding Type	Description	Number/Ref
Contract Type: Services and Supplies	Finance/Accounting	AF
	IT, Comms and AV etc	ICT
	Architectural related	ARC
	Food and catering	FC
	Cleaning	CL
	Construction	CON
	Construction related	CR
	Transport and Travel	TR
	Grounds maintenance, landscaping etc	GR
	Not available	NA
	Waste and refuse related	WR
	Repair and Maintenance	RM
	Misc Services or Supplies	MS
	Facilities/property management	FM
	Security/safety etc.	SS
	Kitchens/Bathrooms supply/fitting	KB
	Electricity and Energy related	EE
	Professional Services	PS
	Agency Staff	AS
	Furniture/furnishings	FU
	Building materials supply	BM
	Painting and glazing	PG
	Windows and Doors/Frames/Curtain Walling (supply/installation)	WD
	Healthcare/social care related	HSS
	Education/Training	ET
	Marketing/Market Research/Advertising/Promotional goods etc	MA
Contract Type: Works	School/University buildings	SCH
	Other public Buildings	OP
	Building refurbishment/repairs	BR
	Misc. Works	MW
	Housing and care homes etc	HOU
	Roadworks and related, eg bridges and civil engineering/roadworks materials supply	RW
	Contractor Works Framework	CWF
	Demolition Works	DW
	Electrical/heating/plumbing supplies and services	EHP
	External works including roofing	EX
	Internal works	INT
Org Type	Education	E
	Government	G
	Government Agency	GA
	Health and Social Services	H
	Housing Associations/Registered social Landlords	HA
	Local Authority	LA
	Other	O
	Utilities	U

Coding Type	Description	Number/Ref
Wording analysis	Core	1
	Non-core	2
	Voluntary	3
	Guidance/Training for sellers	4
	Training/Apprenticeships	5
	Work Experience	6
	Job Centre advertisement	7
	Schools/Educational work	8
	Employment for unemployed/NEETS and references to employment	9
	Supply Chain initiatives, for example: Local supply chain, Diverse Supply Chain, contract and its supply chain, Advertising of subcontracts, Involvement of SMEs, 3rd sector in supply chain, Fair payment terms, "Meet the Buyer" type events	10
	Community Engagement or similar	11
	Equality and Diversity	12
	Targeted recruitment & training (TRT)	13
	Local or regional requirement	14
	Measurement/KPIs/reporting, eg CBMT	15
	Environment (inclusion of the word "environment")	16
	Living Wage	17
	Donations/Volunteering etc.	18
	Wellbeing/Well-being	19
	References to law	20
	References to Social Value	21
	Training and retention existing staff	22
	Environmental Specific measures, for example: Env Sustainability, Wildlife Cons, Recycled mat, Plants, Minimising Waste, Carbon/energy reduction	23
	Regeneration	24
	References to policy/strategy	25
	Shared Apprenticeships schemes	26
Region of UK	England	E
	Northern Ireland	NI
	Scotland	S
	Wales	W
Type of notice	Amendment	Amendment
	Services	S
	Services Award	SA
	Services PIN	SPIN
	Supplies	Su
	Supplies Award	SuA
	Supplies PIN	SPIN
	VEAT (intention to award a contract)	VEAT
	Works	W
	Works Award	WA
	Works PIN	WPIN

Appendix F: Linking to Wilson's reactive/proactive scale

Welsh organisations scoring 3 or more

OrgRef	Region	Norecords	NoContracts	Reactive/Proactive
HE17	W	3	3	3
HE15	W	9	9	3.5
HE6	W	10	10	3
G2	W	61	58	3
GA2	W	35	33	3.5
H7	W	9	9	3
HA17	W	4	3	5
HA38	W	1	1	4
HA61	W	1	1	2
HA69	W	1	1	3
HA23	W	3	3	3
HA32	W	1	1	3
HA9	W	3	3	3
HA31	W	2	1	5
HA19	W	4	3	4
HA55	W	1	1	3
HA62	W	3	2	3
HA75	W	5	5	3
HA26	W	1	1	3
HA29	W	11	11	3
HA36	W	12	11	3
HA60	W	8	8	3
HA41	W	8	8	4
LA11	W	17	15	3
LA18	W	11	11	3
LA21	W	5	5	3.5
LA27	W	9	2	3
LA39	W	5	4	3
LA5	W	3	3	3.5
LA67	W	17	15	4
LA70	W	8	8	4
LA73	W	18	17	3
LA86	W	5	5	3
LA88	W	14	14	3
LA9	W	33	31	3
LA92	W	14	14	3
O17	W	1	1	3
O2	W	2	1	5
O15	W	2	2	3

Appendix G: Copy of informed consent form

Informed Consent Declaration – For Research Participants

This study is being conducted by Karen Wontner, a Doctoral Student of the Cardiff Business School under the supervision of Professor Helen Walker, email address WalkerHL@cardiff.ac.uk

Participation in the research project will involve a semi structured interview to take place in your office or, if preferred, at an alternative location convenient to you. The aim of the interview is to identify the drivers, barriers, enablers and benefits related to incorporating Community Benefits within public sector contracts in the UK and in your organisation in particular. The information provided during the interview may be supplemented by other documents provided on request by your organisation.

Participation in the study is entirely voluntary and participants can withdraw from the study at any time without giving a reason. Participants may also ask questions at any time and discuss any concerns with either the researcher (WontnerKL@Cardiff.ac.uk) or the supervisor as listed above.

The findings of the study will form part of my PhD Thesis and as such will be published.

All information provided during the interview, or supplementary information provided by your organisation in confidence, will be held anonymously so that it will not be possible to trace information or comments back to individual contributors. Information will be stored in accordance with the current Data Protection Act.

Participants can request information and feedback about the purpose and results of the study by applying directly to the researcher WontnerKL@Cardiff.ac.uk or by telephoning 0743 6110 734

(Continues on next page...)

**CARDIFF BUSINESS SCHOOL
RESEARCH ETHICS**

Consent Form –

I understand that my participation in this project will involve taking part in semi-structured interviews lasting between one and two hours, including an opportunity for me to ask questions of the researcher concerning the study.

I understand that participation in this study is entirely voluntary and that I can withdraw from the study at any time without giving a reason.

I understand that I am free to ask any questions at any time. If for any reason I have second thoughts about my participation in this project, I am free to withdraw or discuss my concerns with Professor Helen Walker (WalkerHL@cardiff.ac.uk)

I understand that the information provided by me will be held confidentially and securely, such that only the researcher can trace this information back to me individually. The information will be retained for up to two years and will then be deleted or destroyed.

I understand that if I withdraw my consent I can ask for the information I have provided to be deleted/destroyed in accordance with the Data Protection Act 1998.

I consent/do not consent to the interview being recorded. (delete as appropriate)

I, _____ (*PRINT NAME*) consent to participate in the study conducted by Karen Wontner, (WontnerKL@cardiff.ac.uk) PhD candidate of Cardiff Business School, Cardiff University, under the supervision of Professor Helen Walker (WalkerHL@cardiff.ac.uk)

Signed:

Date:

Appendix H: Example of an email inviting participation (public sector)

Dear....

I have carried out an evaluation of OJEU notices including the term "Community Benefits" and note that your organisation takes a very proactive approach to their inclusion in suitable contracts.

I am researching "Community Benefits" for my PhD. I am particularly interested in identifying how organisations successfully implement Community Benefits in contracts. I wonder if you could spare some time to share your experience with me?

I could either visit you or alternatively arrange to chat over the telephone or via Skype. Your feedback would be greatly appreciated.

I look forward to hearing from you.

Best regards,
Karen

Karen L Wontner, LL.M, MSc, BSc (Hons), MCIPS
Post-graduate Student
Logistics and Operations Management
Cardiff Business School
Cardiff University
WontnerKL@cardiff.ac.uk

Mobile: 0743 6110 734

Please note that my mobile is normally in silent mode

<http://www.walesdte.ac.uk/profiles/pathway/management-and-business-studies/#wontner-karen-lorraine>

Confidentiality: this email and its attachments are intended for the above named only and may be confidential. If they have come to you in error you must take no action based on them, nor must you copy or show them to anyone; please reply to this email and highlight the error.

Appendix I: Example of email inviting participation (supplier)

Dear....

I am currently working closely with [Organisation] as the organisation reviews its Community Benefits strategy.

Part of this work includes examining the drivers, barriers, enablers and benefits of implementing Community Benefits through public sector contracting **from the perspective of the contractors**. Before facilitating a Community Benefits "Awayday" for [Organisation] staff to discuss its Community Benefits approach, it would be really useful for me to speak to a few key contractors. I can then put any points raised to the organisation, particularly any barriers faced by contractors. **All feedback provided to the organisation will be completely anonymised and used to improve their Community Benefits approach**. [Organisation] would also welcome some general feedback on how contracts are managed (also on an anonymous basis). All discussions are covered by the University's strict ethical approval procedures, including obtaining your written consent before proceeding.

[Organisation] has kindly agreed to make a meeting room available, with refreshments, for a day if several contractors agree to meet me. Alternatively, I can arrange a telephone discussion or we can meet in Cardiff Business School.

If you are willing to speak to me please could you let me have a few dates from the 17th to the end of October when you would be available? Each discussion should take no more than one hour but be long enough to ensure your views can be fully represented.

I look forward to hearing from you.

Best regards,
Karen

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Appendix J: Interview Guide for public sector participants

Background

Can you tell me about your role in implementing Community Benefits across this organisation?
Can you tell me more about who is involved in delivering CBs within your organisation?

Drivers

Can you identify any drivers or pressures that have led the organisation to include CBs in contracts?
(Seek clarification as necessary)
Can you identify any additional drivers?

Approach

What are the organisation's main goals in implementing CBs, for example determining the approach?
Are there any ways in which the approach taken to CBs supports the organisation's strategy?
How have CBs been integrated within the wider organisation's strategy, policies or procedures?
Does the organisation take a core, non-core, voluntary approach or mix?
In terms of adopting a core/non-core approach or determining the types of benefits sought, how does the approach vary based on the contract type, for example a contract versus a framework agreement?
How is the approach, or expectation that CBs will be considered for suitable contracts, communicated to those involved in procurement, both within and external to the department?
How is the approach/goals communicated to potential suppliers?
How have suppliers responded to your approach?
If adopting the non-core approach, what would you do if a tenderer failed to submit a CB plan or essentially didn't provide an adequate response?

Enablers

What factors do you consider have enabled implementation of CBs?
What training and/or guidance provisions have been in place for those responsible for implementing CBs?
(internal to procurement, external departments, suppliers, networks, VW forum?)
Can you identify any potential disadvantages of using the approach adopted?
(if appropriate, how have they been overcome?)

Barriers

What kinds of barriers has your organisation encountered in implementing CBs?
(internal, external?)

Monitoring/enforcement

What forms of monitoring are in place to ensure CBs are delivered?
If appropriate, what forms of incentives or penalties are in place to ensure compliance and are they enforced?
Who is involved in monitoring, just procurement or commissioners, contract users?
How are CBs reported, both internally and externally?
What do you perceive the benefits have been to your organisation from implementing CBs?
What do you perceive the benefits have been to others from implementing CBs?
Can you think of examples of expected CBs not being realised or occasions when you have not been sure they have been achieved?
Can you give any examples of sharing your approach of the benefits internally or externally?

Any other comments, issues?

Appendix K: Interview guide for suppliers

Drivers

Why does your organisation include Community Benefits in contracts?
Who has driven adoption of Community Benefits by the organisation?
Who has influenced your approach to Community Benefits?
Has your organisation felt pressured into implementing Community Benefits?

Types of Community Benefits (provided to all clients)

What types of Community Benefits have been implemented in contracts?
What influences your choice of Community Benefits to offer in tenders, for example lists included in the OJEU notice or ITT?

Benefits

What benefits have you experienced from implementing Community Benefits in contracts?
How are Community Benefits measured?
Are you required to report Community Benefits to clients?
What kind of competitive advantages does including Community Benefits provide when tendering?
Has your organisation provided case studies either to a client or other external body demonstrating your approach and benefits to your organisation?
What kind of benefits have arisen from advertising subcontracts or other supply chain initiatives?

Barriers

What barriers to implementing Community Benefits have been experienced within your organisation?
Which aspects of providing Community Benefits are most difficult?
What sort of costs to your organisation are incurred through providing Community Benefits?

Enablers

What do you consider enables your organisation to include Community Benefits?
What is your experience of training in Community Benefits?
What is your experience of using guidance on Community Benefits?
What about senior level support within your organisation?
What kind of resources does your organisation have in place to support Community Benefits?

Any other comments, issues?

Appendix L: Table of interviews in chronological order

Date	Participant Ref	Generic Position	Time taken		Method ¹⁶
			Hours	Minutes	
23-Mar-16	HE1.1	Contract Manager	0	45	F
11-May-16	LA3.1&3.2	Procurement Director & Community Benefits Co-ordinator	1	28	F
16-May-16	LA1.1	Contract Manager (Estates)	1	07	F
17-May-16	LA1.2	Contract Manager (Social care)	0	48	F
17-May-16	LA1.3	Community Benefits Co-ordinator	2		F
17-May-16	LA1.4	Procurement Director	1	35	F
18-May-16	LA2.1	Community Benefits Co-ordinator	0	54	F
25-May-16	LA1.5	Contract Manager (Catering)	0	38	T
03-Jun-16	S1	Managing Director/Contract Manager	1	17	T
09-Jun-16	HE1.2	Director (Estates)	0	20	F
09-Jun-16	HE1.3	Contract Manager	1	19	F
09-Jun-16	HE1.4	Procurement Director	0	56	F
13-Jun-16	HE2.1	Procurement Director	0	46	F
30-Jun-16	LA3.1A1	Community Benefits forum Range of responsibilities including the procurement, environment, education, social services, construction, buildings maintenance and corporate services	4	30	W
06-Jul-16	HE3.1	Procurement Director	0	52	F
06-Jul-16	S2	Community Benefits Co-ordinator	1	46	F
12-Jul-16	S4A,B&C	Managing Director, Contract Manager and Community Benefits Co-ordinator	1	34	F
13-Jul-16	RSL1.1	Procurement Director	1	36	F
18-Jul-16	HE1.5	Director (Finance)	0	34	F
19-Jul-16	S5&S6	Contract Manager and Training Manager	1	33	F

¹⁶ F = Face-to-face, T = Telephone, W = Community Benefits Workshop

Date	Participant Ref	Generic Position	Time taken		Method ¹⁶
			Hours	Minutes	
22-Jul-16	S7	Managing Director/Contract Manager	1	31	F
29-Sep-16	RSL2.1	Community Benefits Co-ordinator	1	44	F
05-Oct-16	LA4.1	Contract Manager (Property Maintenance)	1	34	F
13-Oct-16	LA4.2	Contract Manager (Housing)	0	56	F
01-Nov-16	LA5.1	Procurement Director	0	58	T
01-Nov-16	S12	Contract Manager	0	57	T
01-Nov-16	S16	Contract Manager	0	43	T
03-Nov-16	S17	Community Benefits Co-ordinator	0	45	T
04-Nov-16	RSL3.1	Procurement Director	0	55	F
04-Nov-16	S8	Contract Manager/Health & Safety Co-ordinator	0	50	F
04-Nov-16	S9	Contract Manager/Business Development Manager	0	56	F
07-Nov-16	S10A&10B	Contract Manager & Community Benefits Co-ordinator	1	38	F
11-Nov-16	RSL3A2	Community Benefits forum	4	30	W
21-Nov-16	S11	Managing Director/Contract Manager	0	52	F
21-Nov-16	S13	Managing Director/Contract Manager	1	44	F
21-Nov-16	S14	Community Benefits Co-ordinator	1	19	F
14-Dec-16	LA4.3&4.4	Procurement Manager and Community Benefits Co-ordinator	1	03	F
16-Dec-16	RSL4.1	Community Benefits Co-ordinator	0	32	T
16-Dec-16	S3	Community Benefits Co-ordinator	0	44	T
16-Feb-17	S15	Community Benefits Co-ordinator/Contract Manager	1	15	F
Total number of contact hours			51	44	

Appendix M: Codes added after reviewing interview records

Qref	Description	Code
Barrier	Personnel changes	BLES
Barrier	Lack of feedback	BLF
Barrier	CBs are not publicised	BLPR
Barrier	Sector specific issues	BSS
Barrier	Training related issues	BTRI
Barrier	Failing to understand the implications for contractors and unintended consequences	BUC
Barrier	Lack of consistent approach	BLOC
Barrier	Other commercial barriers	BOCB
Barrier	Health and safety related issues	BHS
Barrier	Late payment	BCF
Barrier	CBs too construction focused	BCBP
Barrier	Tokenism or 'box-ticking'	BBT
Barrier	Personnel changes	BLES
Benefit	Other commercial benefits	BOC
Benefit	Personal benefits such as job satisfaction	BJS
Benefit	Individual benefits for beneficiaries of CBs initiatives	BFDR
Benefit	Ability to report benefits	BFR
Benefit	Mutual benefits for clients and contractors	BFBP
Benefit	Perceived benefits for suppliers (unspecified)	BFS
Benefit	Benefits for recruitment/staff retention or training	BFSRTS/ BFST
Driver	Client driving implementation	DRCR
Driver	Organisation doing / would do anyway	DRDA
Driver	Evidencing CBs for future bids	DRFB
Driver	Funding requirements	DRF
Driver	Organisational challenges	DROC
Driver	Organisational policy/strategic goals	DOP
Driver	Maximising value for money	DRV
Enabler	Buyer and contractor communication/ liaison	EGCC
Enabler	Inter-contractor collaboration	ECOC
Enabler	Cost-neutrality/value for money	EVFM
Enabler	Work pipeline/contract certainty	EWP
Enabler	Collaborative procurement/joint bidding	ECP
Enabler	Contract management/ monitoring and enforcement	EPM

Appendix N: Categorising findings

Based on Carroll (1979,1991), Walker and Jones (2012) and other key sources (refer to Chapter 2)

Table N1: Categorising Drivers, Benefits and CBs types

Factor	Level	Categorisation	Key finding
Driver	External	<i>Economic/Commercial</i>	Funding requirements
		<i>Economic/Political</i>	Client driving implementation Evidencing CBs for future bids
	Organisational	<i>Discretionary</i>	Organisational culture/ethos Organisation doing / would do anyway Organisational policy/strategic goals Doing the 'right thing'
		<i>Economic/Communication</i>	Raising profile of organisation/department
	Individual	<i>Discretionary</i>	Individual or leadership commitment
Benefit	External	<i>Economic/Social</i>	Local socio-economic benefits
	Organisational	<i>Economic</i>	Added value benefits Benefits for suppliers Other commercial benefits
		<i>Economic/Communication</i>	Enhances reputation/PR
		<i>Economic/Performance</i>	Ability to report benefits Benefits for recruitment/staff retention or training
	Individual	<i>Economic/Social</i>	Individual benefits for beneficiaries of CBs initiatives Personal benefits such as job satisfaction
Type of Community Benefits	External	<i>Social/Economic</i>	Supply chain measures
		<i>Environment/Economic/Sectoral/Performance</i>	Environment
	Organisational	<i>Communication/People</i>	Contributions to Education
		<i>People/Communication/Discretionary</i>	Community Engagement Philanthropic donations

Factor	Level	Categorisation	Key finding
	Individual	<i>People/social/economic</i>	Targeted recruitment and Training (TR&T) Retention and training of existing employees (R&T)

Table N2: Categorising barriers

Level	Categorisation	Barrier
External	<i>Communication</i>	Lack of feedback
	<i>Communication/Sectoral/People</i>	Identifying external support Training-related issues Failing to understand the implications for contractors and unintended consequences
	<i>Economic</i>	Lack of contract certainty Late payment.
	<i>Economic/Sectoral</i>	Market forces/competition Other commercial barriers
Organisational	<i>Communication</i>	CBs are not publicised
	<i>Economic/People</i>	Lack of managerial support Resource-related issues
	<i>Policy/Process/Communication</i>	Lack of consistent approach CBs too construction focused Ambiguous goals/standards/targets
	<i>Policy/Process/Functional</i>	Devolved responsibilities and related issues
	<i>Policy/Process/People</i>	Low priority/commitment
	<i>Performance</i>	Enforcement/monitoring issues Reporting and measurement issues
	<i>Sectoral</i>	Sector specific issues
Individual	<i>Process</i>	CBs viewed as an additional burden
	<i>People</i>	Personnel changes Lack of guidance/training Cultural barriers

Table N3: Categorising Enablers

Level	Categorisation	Enabler
External	<i>Communication/Sectoral/People</i>	External liaison/networking and support Buyer and contractor communication/liaison
	<i>Economic</i>	Work pipeline/contract certainty
	<i>Economic/Sectoral</i>	Supply chain support Collaborative procurement/joint bidding Inter-contractor collaboration
	<i>Political/Legal</i>	Legislation/policy
Organisational	<i>Economic</i>	Buyer's power Cost-neutrality/value for money
	<i>Economic/Sectoral</i>	Organisational structure/size
	<i>Economic/People</i>	Organisational support/resources
	<i>Performance</i>	Contract management/ monitoring and enforcement Project reviews
	<i>Policy/Process/Communication</i>	Clearly communicated goals/ targets/ expectations Flexibility/realistic targets
	<i>Policy/Process/Functional</i>	Strategic/policy focus/embedding Strategic role of procurement in implementation Early internal involvement
	<i>Process</i>	Tools/templates etc.
Individual	<i>People/Communication</i>	Guidance/training Participant's experience

Appendix O: Tables linking findings to theory

Table O1: Linking drivers to theory

DRIVERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Client driving implementation	DRCR	Clients are key stakeholders and also offer external resources such as payment for contracts.	Some clients are including CBs in tender documents... Some clients have also asked about work placements or apprenticeships. (S12)	ST&RDT
Doing the 'right thing'	DRT	Demonstrate to stakeholders that organisation is doing the right thing but also linked to personal ethos and employees are a key resource.	We're doing the right things and we're absolutely committed to it. (S4A) Because I want to and because I feel it is the right thing to do. (RSL3.2, A2)	ST&RBV
Evidencing CBs for future bids	DRFB	Need to demonstrate credentials to stakeholders, for example prospective clients. This helps the organisation secure financial resources.	Hopefully a demonstrable experience of delivering CBs gives the organisation a competitive edge when tendering. (S1)	ST&RDT
Funding requirements	DRF	Organisations rely on external resources such as funding from stakeholders, eg government and funding bodies and may be required to report CBs.	Another driver for reporting is ensuring good standing with the funding bodies. If the organisation is reporting a high level of benefits, this may influence the funding decision. (RSL2.1)	ST&RDT
Individual or leadership commitment	DRPC	Employees or individuals are stakeholders They are also organisational resources.	I think generally people do it because they care and it's not just 'a tick in the box'. (S3)	ST&RBV
Legislative/policy drivers	DRL	Government is a stakeholder; Public sector organisations rely on Government for resources.	Welsh Government's Public procurement statement (LA4.1)	ST
Leveraging the power of procurement spend	DRP	The organisation uses its buying power, viewed as a resource to influence external organisations and is under pressure from external stakeholders to do so.	CBs, community engagement, TR&T and whatever has to be included under major public sector frameworks are important parts of CBs delivery. (S10A)	ST&RBV
Local socio-economic goals	DRLE	Members of the local community are external stakeholders. For some organisations ensuring the needs of local community stakeholders are met is an organisational priority driven by organisational stakeholders.	Being part of the local community and employing people from the local community is another key driver. (S11)	ST
Maximising value for money	DRV	Organisations need to ensure resources are maximised and are under pressure from external stakeholders to ensure VFM/Best Value	You certainly can't get best value without considering CBs. (LA1.4)	ST&RBV
Organisation doing / would do anyway	DRDA	Organisations need to ensure they have sufficient resources through training and recruitment. May also reflect organisational culture.	The organisation has never stopped training... because you've always got to keep looking at the future. (S5) The organisation is now seeing a requirement for CBs in tenders but was already involved in community initiatives, and has been for many years (S15)	RBV

DRIVERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Organisational challenges	DROC	Organisations need to ensure sufficient organisational resource and reduce dependency on external organisations such as subcontractors.	The organisation prefers to directly deliver services through an engaged workforce for several reasons, eg best value for money for the customer; greater level of service consistency; quality; more profitable, as opposed to subcontracting; and greater control of these factors. (S4A)	RDT&RBV
Organisational culture/ethos	DOC	Organisational culture is a resource and may be influenced by individuals (organisational stakeholders).	It is part of the organisation's philosophy to recruit and train labour as close as possible to the place of service. S8 CBs are embedded in a strong organisational culture (LA3.A1). The organisation is now seeing a requirement for CBs in tenders but was already involved in community initiatives, and has been for many years (S15)	ST&RBV
Organisational policy/strategic goals	DOP	The organisation needs to ensure inclusion in policy to gain support of employees, who are stakeholders and organisational resources, to be motivated towards achievement of goals.	The organisation is very focused on its core purpose and maximising CBs that contribute towards achievement. (HE1.4)	ST&RBV
Raising profile of organisation/department	DROP	Organisation's or department's profile and it is important to demonstrate it meets stakeholders' expectations, which may lead to obtaining further external resources.	The organisation is seeking to do a fewer number of things but do them really well then shout about them. (HE1.4) The company's reputation and we might gain a bit more business in future from it (S3).	ST&RBV

Table O2: Benefits

BENEFITS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Ability to report benefits	BFR	The ability to report CBs to key organisational and external stakeholders may increase access to organisational or external resources.	The organisation can evidence what it does with the money to benefit the community (RSL4.1).	ST&RDT
Added value benefits	BAV	Maximising value for money from organisational resources may be important, particularly when faced with diminishing resources. Pressure from stakeholders, internal and external.	It also ensures value for money... It's taxpayers' money at the end of the day and it's the community (LA1.2).	ST&RBV
Benefits for recruitment/staff retention or training	BFSRTS/BFST	Staff are a key organisational resource and key stakeholders who may be attracted by the organisation's culture. The organisation benefits through staff trained in the organisation's methods.	... and it is a big recruiter tool, it retains our staff and allows people to get involved... A driver for entering for such awards is to be seen as a great company to work for, and to retain staff as well. (S4A) to maintain the organisation's standards through providing its own training. If we can train them in our way of thinking and	ST&RBV

BENEFITS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
			work, then we get a better workforce as far as we're concerned" (S7)	
Benefits for suppliers	BFS	Suppliers may benefit from sustainable competitive advantage.	This scheme offered by the organisations works well, as it helps sub-contractors provide CBs. (S17)	RBV
Enhances reputation/PR	BFPR	Enhanced reputation/PR may help gain legitimacy in view of external or organisational stakeholders. Viewed as a way to boost recruitment of key staff resources.	The website promotes community projects etc. and strongly promotes community... Winning awards for this approach... with investment in communities being one of a range of criteria so we're a good company. (S4A)	ST&RBV
Individual benefits for beneficiaries of CBs initiatives	BFDR	Beneficiaries may be community stakeholders.	CBs have resulted in retained employment and employment opportunities for local people, including long-term unemployed... Tenants have benefited through tenant engagement in the contracting process. (LA3, A1)	ST
Local socio-economic benefits	BFLE	Members of the community, local SMEs may benefit as stakeholders.	The project is expected to yield an estimated £14M worth of social value via CBs (CBs) over 10 years (LA4.1)	ST
Mutual benefits for clients and contractors	BFBP	Procuring and supplying organisations, both key stakeholders are reliance on the resources of the other. May enjoy mutual benefits, both accessing external resources.	Having additional benefits associated with the project can help the planning applications, the consultation process, and addressing local planning objections (LA4.2)	ST&RDT
Other commercial benefits	BOC	Developing good relationships with clients, as key stakeholders, is a benefit related to CBs delivery. The organisation can benefit in other commercial ways, enhancing competitive advantage.	By donating unused stock and ex-demonstration furniture, space is released for stock that can be turned around quickly. (S15)	ST&RBV
Personal benefits such as job satisfaction	BJS	Job satisfaction may be linked to personal commitment and motivation as well as staff retention. Employees are stakeholders.	Pride, job satisfaction etc... continued professional development, keeping up with changing methods of work. (S13)	ST&RBV

Table O3: Barriers

BARRIERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Ambiguous goals/standards/targets	BT	Stakeholders such as clients may impose standards or targets that are ambiguous, making it more difficult for the organisation to provide the required CBs	We've kind of been a bit bland and woolly... sometimes there hasn't been that specificity around what we want to achieve, so we're just saying 'can you deliver some CBs?' (RSL3.1). Sometimes the client doesn't really know what they need. (S9)	ST&RDT
CBs are not publicised	BLPR	Publicising CBs can assist in communicating achievements to external and organisational stakeholders and gaining support.	PR is not really welcomed, even though the organisation could showcase some of the good CB work being done... It's disappointing the suppliers deliver so many good CBs but don't do the PR and then fail to fully realise the benefits. (LA2.1)	ST&RDT
CBs too construction focused	BCBP	Stakeholders may convey an impression that CBs are mainly TR&T related. This could also be related to perceptions of individuals within the organisation.	There's stereotyping, for example on the link between TR&T and construction which could be overcome with guidance... They [other Directorates] tend to think automatically of apprenticeships. (LA4.1)	ST&RDT
CBs viewed as additional burden	BAB	Organisational or external stakeholders may view CBs as an additional burden, particularly if they are under-resourced or do not appreciate the importance of CBs to the achievement of organisational goals.	Organisational customers would see [SRA completion] as another obstacle to be overcome before they can obtain much needed resources, although some might understand why they are being asked to go through the process. (HE1.4)	ST&RDT
Cost or perceived cost	BC	There is a cost related to CBs due to the need for organisations to "buy" external resources such as training. Stakeholder such as clients do not necessarily recognise the costs.	There has been a reluctance, with some of the stakeholders we work with, about 'we're just going to have to pay for it some way or another'. (LA4.3)	ST&RDT
Cultural barriers	BCC	Cultural barriers may inhibit the organisation or key stakeholder individuals' motivation or capability to deliver CBs.	There may be elements of defensiveness or denial when trying to change the way things are done; but the organisation needs to look at itself in depth, ask difficult questions, it's a little bit like I've told people that their baby is ugly. (S1)	ST&RDT
Devolved responsibilities and related issues	BDP	The level of responsibility that is devolved across the organisation may result in many organisational stakeholders but lack of involvement or commitment of key stakeholders who hold resources such as specialist knowledge may inhibit the organisation's ability to obtain, deliver or monitor and enforce CBs.	By the time one contract has been handed over to the contract managers, the procurement unit is on to the next one. This means missed opportunities to maximise CBs. (LA4.1)	ST&RDT
Enforcement/monitoring issues	BE	Organisations may lack the resources or capability to monitor or enforce CBs.	Although contractors drive the CBs agenda down the supply chain, through subcontractors, for example passing on TR&T targets down the line, there is a risk it will not be monitored (LA2.1)	ST&RDT

BARRIERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Failing to understand the implications for contractors and unintended consequences	BLU	Stakeholders, such as clients, fail to understand the consequences of their decisions for the supply chain.	Where an organisation is a current supplier across several lots but is only permitted to apply for one [lot], this could severely impact on its ability to retain staff. (S12)	ST&RDT
Health and safety related issues	BHS	Legislators as stakeholders impose legislation, which may inhibit CBs delivery, particularly in a highly regulated industry such as construction.	An additional barrier is the number of persons that could be trained at a time, with the need for close supervision and a limited space and equipment on site because this industry is so dangerous, with 6 being optimal. (S6)	ST&RDT
Identifying external support	BIA	Organisations rely on external organisations to help deliver CBs but sometimes it is difficult to identify the best organisation/individual to approach.	There is also a lack of availability of information, for example on training funds. Where do I go to find out how much funding is available? (S14)	RDT
Lack of consistent approach	BLOC	Key stakeholders such as clients do not adopt a consistent approach to CBs implementation, which may inhibit the ability of suppliers (other stakeholders) to provide CBs.	There are different requirements in different areas... and different types of clients within those areas also have different requirements... There can even be inconsistencies within an organisation.... (S2)	ST
Lack of contract certainty	BFC	Since suppliers rely heavily on clients to provide suitable contracts for CBs, uncertainty inhibits CBs provision.	Suppliers need to have commitment, know how much they're going to obtain through a contract, before committing resources to CBs... (RSL1.1) Years ago there were always big jobs... you could be there six months, you could be there two years, now it's all little jobs... so how do they forecast to keep everybody going from job to job? (S6)	RDT
Lack of feedback	BLF	Stakeholders need to provide feedback to those delivering CBs. Positive feedback may further motivate individuals, as an organisational resource, to deliver CBs.	Although about 11 reports have been submitted no feedback has been received [from the Welsh Government] other than acknowledging submissions, there's no feedback on how the organisation is doing. (LA2.1)	ST&RDT
Lack of managerial support	BLS	Management and organisational support is key for organisational stakeholders to maximise CBs.	Until benefits are supported by senior management is there any desire to set and achieve goals? (LA3, A1)	ST&RDT
Lack of policy framework/ process alignment	BPF	The lack of a policy framework or process alignment inhibits the organisation's ability to deliver CBs since key organisational stakeholders controlling knowledge or other resources may not support the CBs policy.	There is a misconception that the procurement process starts with the OJEU notice when pre-market engage is often the key. The scooping of the arrangement is crucial. (LA5.1)	ST&RDT

BARRIERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Lack of practical guidance/training	BLG	Individuals and organisations need practical guidance and knowledge, which may be provided by or to key stakeholders. Where this is lacking the organisation's ability to maximise CBs delivery will be affected.	In particular there is a need for more beneficial support/engagement from Welsh Government. Currently there is a lack of sharing of knowledge and experience or standard practice throughout the sector, a lack of a cross-organisational approach, deemed essential to move forward in areas such as social care. (LA3, A1)	ST&RDT
Late payment	BCF	Suppliers, particularly SMEs, rely on clients to pay on time, since payment is a key external resource.	Cash flow is important, particularly for longer jobs, so shorter schemes of work are preferred, as interim payments are hard to negotiate. If there is any concern about the probability of payment, the participant will turn work down. (S11)	RDT
Legislation/policy related	BL	Lack of knowledge on how to ensure compliance with legislation impacts on the organisation's ability to provide CBs.	Another issue is identifying how the organisation can legally protect local suppliers, with increasing risk of legal challenge from disgruntled tenderers and increasing use of large framework agreements. (LA1.3)	RDT
Low priority/commitment	BLC	Organisations or individuals may give a lower priority or commitment to CBs when balanced against other competing goals. This may also link to the relevant power of stakeholders.	The need to meet multiple targets can result in a trade-off. (LA1.1)... The concern of the project manager is usually to complete the project on time, to quality and budget. (S9)	ST&RDT
Market forces/competition	BMF	Competition is important to demonstrate the achievement of VFM and fears that including CBs may reduce competition may hinder implementation.	It is also important to establish why companies pull out of bidding, eg to establish any bias in the specification that wasn't detected in the process. (RSL1.1)	RDT
Other commercial barriers	BOCB	Suppliers face a number of external commercial barriers, and these may impact on their ability to maximise competitive advantage, for example increased competition on CBs means it is becoming more challenging to offer a unique selling point.	Many competitors are now competing heavily on CBs... so firms are all at a benchmark... so it is becoming a lot more challenging to offer a unique selling point. (S2)... Some builders seem to be looking for one-upmanship on other builders or fishing to find out what competitors are doing. (S7)	RDT
Personnel changes	BLES	External and organisational stakeholders involved in CBs delivery are a key resource and any change can inhibit CBs delivery.	Lack of continuity, in terms of staffing projects because also when you have new staff come in... they don't always have the same understanding, so you've almost got to bring them up to a level and hope that nothing has been missed in the meantime. (S14)	ST&RDT
Political risks/uncertainty	BPSF	Politicians may be key stakeholders and provide funding for public sector procurement. Political risks or control are external to the organisation and could affect the external resources available for CBs delivery.	A few developers have already pulled out of projects due to Brexit, so uncertainty will result in a reluctance to invest in training and development. An added risk is that the construction industry could not survive without EU workers. (S2)	ST&RDT

BARRIERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Potential conflict between goals/objectives	BCE	The need to meet competing demands of external or organisational stakeholders may result in competing objectives. Where organisations or individuals seek to satisfy potentially conflicting goals, CBs implementation may be inhibited.	A lot of contradicting policies, for example pressure to use National Procurement Service yet support the local supply chain, SMEs, third sector etc. (LA4.1)	ST&RDT
Process related issues	BPR	Processes and a lack of resources to comply may deter organisations, particularly SMEs, from offering or delivering CBs.	Clients in tenders asking questions that are impossible to answer, for example to predict what percentage of new employees would fit into certain ethnic or other categories.... Another question asked the organisation to predict how many persons it would be taking off unemployment benefit or employed via the job centre. (S15)	ST&RDT
Reporting and measurement issues	BIT	Stakeholders may impose inappropriate measurement/reporting requirements. Organisations may lack time or resources to report CBs.	People have struggled with the CBMT, often not using it to report benefits and keeping separate records of CBs in projects. (HE3.1). There are also reporting issues, including issues around robust reporting that works for all parties... the organisation can have up to 5 reports to produce for different organisations, all for the same job. (S10A)	ST&RDT
Resource-related issues	BR	Organisations need to be adequately resourced to deliver CBs. External and organisational stakeholders need to ensure sufficient resources are available.	Resource issues, primarily around staff resources, how much time it takes to do it, the opportunity cost of doing it, taking resources away from other work that can't be delivered as a result. (HE3.1). Many organisations lack the resources to monitor whether CBs are being delivered... (S17)	ST&RDT
Sector specific issues	BSS	Organisations or participants who are key stakeholders may view themselves or their sector as unique or distinctive. Such perceptions may comprise a barrier to CBs implementation.	RSLs are not currently subject to Welsh Government Fitness Checks, so this is not a driver... Not subject to the same level of political/legal pressure as Local authorities, eg not subject to the Future Generations Act but partner local authorities are subject to the act (RSL2.1)	ST&RDT
Supply chain issues	BSC	Organisations rely on members of the supply chain to deliver CBs but they may lack the capability or willingness to comply.	The need to advertise subcontracts on Sell2Wales has not generally resulted in the inclusion of additional local SMEs as they don't often meet the stringent requirements, eg health and safety, quality assurance or are not competitive... There are some supply chains not available in Wales at the moment, such as piling. (S2)	RDT
Tokenism or 'box-ticking'	BBT	Coercion by stakeholders or lack of knowledge on how to apply CBs may result in box-ticking or tokenistic approach.	Complying with the advertising requirement can be a tick-box exercise, because the organisation in many cases already knows the suppliers that are capable of meeting requirements... and bids are put in with these subcontractors (S2)	ST&RDT

BARRIERS	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
Training related issues	BTRI	Organisations rely on external organisations to improve capabilities, particularly in relation to TR&T related CBs.	It can be difficult to work with colleges, as much depends on the development officer's role. For example they don't always recognise the importance of liaising with the organisation to facilitate site visits/observations in advance. (S8)... The CITB works differently in different areas, even though contractors are essentially constructing the same types of buildings across those regions... Careers Wales and CITB are doing a lot less than they used to do. (S2)	RDT

Table O4: Enablers

Enablers	Code	Discussion	Supporting statements	Combined Theory
Buyer and contractor communication/ liaison	EGCC	Clients are key stakeholders and may hold information and resources that can enhance CBs delivery.	A key enabler would be early involvement of key contract managers to discuss CBs and how they can be delivered. (S9)... Contractors are very much viewed as partners, working together to achieve outcomes. (RSL2.1)	ST&RDT
Buyer's power	ERPB	The buying organisation is a stakeholder and hold resources that potential suppliers wish to access (contracts and payment).	The huge investment in estates projects across the sector has also enabled CB s such as TR&T to be implemented, linked to grant conditions. (HE3.1)... The main enabler is the relationship with main contractors who give the organisation a lot of work. (S7)	ST&RDT
Clearly communicated goals/ targets/ expectations	ECG	External and organisational stakeholders need clear goals and expectations in order to develop capacity and capability to deliver the anticipated benefits.	Goals should be achievable, realistic, SMART, relevant, over and above the baseline... CBs should be easy to specify, deliver and measure. (RSL3.1, A2)... The way forward is to ensure key people understand specifically what they have to do... or it won't happen. (S2)... What would most help us is to be clear about those objectives from the outset... or if not as soon as we've started the contract. (S9)	ST&RDT
Collaborative procurement/joint bidding	ECP	Since organisations do not necessarily hold sufficient resources (contracts of sufficient size, skills to perform contracts) they co-operate with other organisations to obtain/deliver CBs.	Collaborative procurement can also be an enabler, with a good number of organisations buying through the same framework. (LA4.3)... The organisation participates in consortium bids (joint bidding) to ensure the wider range of services included in tenders or lots can be provided.(S16)	ST&RDT
Contract management/ monitoring and enforcement	EPM	Since CBs are delivered by external organisations it is essential to monitor delivery and take enforcement action if necessary.	Contract monitoring includes quarterly meetings with all the suppliers on each lot, as a very open forum, so all the suppliers will be there from that lot. (HE1.1)... This organisation ensures site records could be produced to verify Community Benefits requirements have been met. (S8)	RDT

Enablers	Code	Discussion	Supporting statements	Combined Theory
Cost-neutrality/value for money	EVFM	Public sector buyers as stakeholders consider the achievement of VFM and cost-neutrality important in terms of managing resources. Suppliers take this into account when formulating tenders.	The organisation tries to ensure cost neutrality, ensuring suppliers can tap into employment programmes in the area, working with a range of agencies. (LA1.3)... CBs appear to be cost neutral, from the client's perspective, because it can't be shown in the price. (S14)	ST&RDT
Early internal involvement	ELI	Key organisational stakeholders need to be involved as early as possible to ensure the organisation has the capacity to obtain/deliver CBs.	The tenants themselves need to input what is required via community managers or working groups, or a community is missed because they don't shout the loudest. (RSL1.1)... Early involvement ensures that reporting requirements can be planned for. (S8)	ST&RDT
External liaison/networking and support	EEX	Organisations rely on external organisations to implement CBs.	External organisations such as jobcentre plus, CITB, Y-prentice shared apprentice scheme etc., that work with the organisation on TR&T. (HE1.4)	RDT
Flexibility/realistic targets	EF	External stakeholders such as clients need to provide realistic targets but flexibility may be necessary to match the supplier's capacity and capability.	Where it's not possible to offer on-site work placements for H&S reasons, the organisation will offer business support placements for business students, for example, exposing them to how the business operates. (S2)... The organisation would want to see TR&T in every contract where it is appropriate but it is important to identify those situations and alternative methods of delivering CBs, where it is not. (RSL3.1)	ST&RDT
Guidance/training	EGT	Organisations rely on external organisations for guidance and training. Ensuring employees understand CBs increases dynamic capabilities.	Attending training and events put on by Value Wales, Cardiff University etc. (LA5.1)... Maximising Welsh Pound CBs guidance and the Can-do toolkit (LA4.2)	ST&RDT
Inter-contractor collaboration	ECOC	Suppliers rely on the resources of other suppliers to assist in CBs delivery. This occasionally takes the form of joint bidding.	Collaborating with other contractors... identifying the organisations in a position to contribute towards a community regeneration project and taking part by supplying apprentice decorators for the project.... The organisation can also rotate its apprentices to other organisations to ensure they have the range of experience. (S8)	RDT
Legislation/policy	EGPL	Legislators and policy makers are key stakeholder, may influence other stakeholders; and hold valuable resources (eg funding).	If there's somebody in Welsh Government at that level saying look we want this done, that done, then you have to think 'how can we make it happen'. (HE1.5)	ST&RDT
Organisational structure/size	ESS	Organisations that are better resourced are more capable of delivering or reporting CBs.	The larger suppliers have dedicated staff who do understand CBs and know it inside out and back to front. (LA1.1). The CITB is mainly utilised by larger companies. They have resources to ensure they obtain	RBV

Enablers	Code	Discussion	Supporting statements	Combined Theory
			the training grants they are entitled to. (S3)	
Organisational support/resources	EOS	Organisational stakeholders need organisational support and resources to deliver CBs.	Senior support ensures that staff across the organisation understand that Community Benefits must be included in major procurements. (HE1.1). A dedicated Apprenticeship Officer to oversee all the recruitment and training of all the organisation's apprentices nationally, demonstrates the organisation's commitment (S4C)	ST&RDT
Participant's experience	EEP	Participants are stakeholders and organisational resources, holding significant knowledge and experience of CBs delivery.	Experience, knowledge and confidence... it has become easier with experience. (LA2.1)	ST&RBV
Project reviews	EPR	The organisation and its employees (organisational resources) can enhance learning and experience by reviewing projects and communicating lessons learned.	Lessons learned and KPI scoring will be recorded at the end of each project and used to feed into future projects. (HE1.2). The organisation is continually learning and adapting its approach. (LA1.4)	RBV
Strategic role of procurement in implementation	ESR	Procurement staff as key organisational stakeholders can play a role internally and externally in CBs implementation.	Procurement is a strategic enabler, so will support the high value contract management, or really difficult contract management. (RSL3.1)... I'd say we have full influence over the organisation... because we're involved in all the major tenders, we can drive that (LA4.3)	ST&RBV
Strategic/policy focus/embedding	ESF	In order to motivate organisational stakeholders including employees to maximise the organisation's potential to achieve CBs they should be embedded across the organisation and in key policies.	Embedding CBs in institutional procurement procedures... it is part of the process, everybody is doing it, they recognise it, they're implementing CBs. (HE3.1)... Trying to embed CBs in all projects so site managers are aware of them and don't ignore them if working for a private developer. (S2)	ST&RDT
Supply chain support	ESC	Supply chain support is essential for PS organisations and main contractors to deliver CBs.	Generally, a good response from suppliers, although first of all they weren't necessarily happy about having to report benefits. They particularly like to be involved in community projects within their own local communities. RSL2.1	RDT
Tools/templates etc.	ET	External organisations can provide tools and templates but these may also be developed in-house to increase capability and reduce dependence on external providers.	The organisation's own reporting tool, which suppliers find easier to complete than the VW version. (RSL2.1). Every project is registered on Sell2Wales to give the local community an opportunity to be aware that the organisation has won the project. (S10)	RDT&RBV

Enablers	Code	Discussion	Supporting statements	Combined Theory
Work pipeline/contract certainty	EWP	Clients as stakeholders can provide contracts of a sufficient term or value (external resources) suitable for CBs.	Workflow is the key to what can be offered in terms of CBs, regardless of contractor size. (S13) ... Structuring the contracts/frameworks to ensure ongoing work to support apprentices over 3-4 years (LA4.1)	ST&RDT

Table 05: Community Benefit types and theoretical considerations

COMMUNITY BENEFIT TYPES	CODE	DISCUSSION	SUPPORTING STATEMENTS	COMBINED THEORY
TR&T	1	Stakeholders drive the inclusion of TR&T but organisations also need to recruit and train to ensure capacity and reduce dependence on external organisations.	Some of the beneficiary targets have been driven from above by corporate objectives, for example the desire to include veterans, NEETs, etc (LA4.2). There needs to be more discussion around whether TR&T is job creation, job retention, or who the organisation wants to involve in any employment or training opportunities created. (RSL3.1)	ST,RDT&RBV
Retention and training for existing workforce	2	Some public sector clients (stakeholders) ask for evidence of retention and training but this is more strongly driven by the need to retain staff to ensure capacity and reduce dependence on external organisations or associated costs.	The organisation has never stopped training... we could do with some more work but we still train... because you've always got to keep looking at the future (S5)... Clients are also asking about training, so ensuring high standards of training for retained staff puts the organisation in a good position when tendering. (S12)	ST,RDT&RBV
Supply chain initiatives	3	Public sector organisations (stakeholders) encourage supply chain CBs, particularly the inclusion of local SMEs. Large main contractors rely on subcontractors and emphasise their use of local contractors or TSOs.	The main target is to increase the local supply base in and around the area year on year (LA3.1)... Engaging the local supply chain as far as possible, right through the supply chain 'tiers' including ancillary services such as security and cleaning (S10A)	ST&RDT
Inclusion of social enterprises or supported businesses	4	Although public sector organisations sometimes encourage TSO inclusion, examples of their inclusion in the supply chain was more often found on suppliers' websites.	Contracts have been reserved in the past where third sector organisations could be involved (LA4.1)... One local authority client uses an organisation that does employ disabled (ex-Remploy) employees to assemble kitchen cabinets (S4A)	ST&RDT
Contributions to education	5	Local authorities in particular emphasise contributions to education as a stakeholder and rely on the resources of contractors in this regard. Suppliers are keen to promote career opportunities to students to ensure future capacity.	On a current project there is a viewing platform for school pupils to see progress, compiling time-lapse videos of the project etc. (LA1.3)... The organisation offers work experience for school pupils and this can include site visits where there is no health and safety risk (S4C)	ST&RBV

Community initiatives	6	Some public sector client stakeholders request involvement in community initiatives through donations of time, money or materials and this can save resources. Suppliers are also keen to highlight their contributions to their local communities and this may enhance their reputation.	...flagship engagement projects, including a project working with a particular local community to enhance a community facility for use by community groups (HE1.4). Three blocks of flats were refurbished, with a number of apprentices working on them from other organisations, paid for by those organisations, to gain the work experience through this contractor on that project (S8)	ST&RDT
Promoting environmental benefits	7	Promoting specific environmental initiatives is less prevalent although corporate stakeholders may expect environmental benefits to be demonstrated for example through BREEAM standards. For suppliers this may enhance their reputation and lead to cash savings.	Wider CBs, such as donation of surplus materials, tends to be addressed via negotiation with appointed suppliers and the organisation is less prescriptive (LA1.1)... By donating unused stock and ex-demonstration furniture, space is released for stock that can be turned around quickly (S15)	ST&RBV

Appendix P: Tables linking findings to literature review

Table P1: Linking drivers to the literature

DRIVER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	EXAMPLES
Legislation/policy	70.83	20	47.73	Yes	Well covered in literature and highly supported in findings.	Seuring and Muller 2008
Personal commitment	54.17	40	47.73	Yes	Some coverage in literature of personal motivation, highly supported in findings.	Huq <i>et al.</i> 2014 McMurray <i>et al.</i> 2014
Local socio-economic	45.83	40	43.18	Yes	Greater coverage in CBs literature than academic studies, highly supported in findings.	Loosemore 2016 Wright 2015 Lynch <i>et al.</i> 2016 Jabang 2017 Kuijpers <i>et al.</i> 2017
Organisation doing anyway	20.83	40	29.55	Yes	A few references in the literature, quite highly supported by suppliers.	Sutherland <i>et al.</i> 2015 Jabang 2017
Organisational culture/ethos	25	20	22.73	Yes	A few references in the literature, supported by findings.	Jabang 2017 Kuijpers <i>et al.</i> 2017
Raising profile	20.83	20	20.45	Yes	Several references to reputational benefits in the literature, supported by findings.	Walker and Jones 2012 Sarkis <i>et al.</i> 2011 Wright and Brown 2013
Value for money	37.5	0	20.45	No	This is reported in the literature as a benefit or enabler rather than a driver but public sector organisations view CBs as a way to maximise VFM.	
Client driving	0	40	18.18	Yes	Scant coverage in the literature but a key driver for suppliers.	Walker and Jones 2012
Future business	0	35	15.91	Yes	The need to demonstrate capability to deliver CBs is linked to the client driving the requirement.	Cabinet Office 2014
Doing the 'right thing'	12.5	20	15.91	Yes	Well covered in the literature and supported by findings	Gormly, 2014 McMurray <i>et al.</i> 2014 Walker and Jones 2012
Procurement power	12.5	15.00	13.64	Yes	The client's power to influence suppliers is well covered in the literature but this is only partly supported by the findings.	Walker and Jones 2012 Sutherland <i>et al.</i> 2015 Loosemore 2016 Jabang 2017
Ethical considerations/risk	12.5	5	9.09	Yes	Well covered in the literature but not strongly supported by the findings.	Walker and Jones 2012 Sarkis <i>et al.</i> 2011 Wright and Brown 2013
Organisational challenges	25	55	38.64	No	The literature does not appear to discuss this driver, which is high priority for suppliers.	
Organisational policy/goals	50	20	36.36	No	The literature does not appear to discuss this driver, which is high priority for public sector organisations but may	

DRIVER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	EXAMPLES
					be intrinsically linked to other drivers.	
Funding requirements	50	10	31.82	No	The use of funding as a policy lever does not appear in the literature but is a key driver for recipients of Welsh Government funding.	
Performance indicators	16.67	0	9.09	No	This does not seem to be overtly covered in the literature but using performance indicators in reporting is a driver for some organisations.	

Table P2: Linking Benefits to the literature

BENEFIT	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Local socio-economic benefits	58.33	35	47.73	Yes	Good coverage in the literature and highly supported by findings	McCrudden 2007 Walker and Preuss 2008 Wright 2015 Anthony Collins Solicitors 2014
Enhances reputation/PR	62.5	35	50	Yes	Good coverage in the literature and highly supported by findings	Perry and Tower 2013 Welford and Huq <i>et al.</i> 2014 Wright 2015
Added value benefits	37.5	15	27.27	Yes	Good coverage in the literature, supported by findings	Huq <i>et al.</i> 2014 Welsh Government 2014
Other commercial benefits	0	35	15.91	Yes	Competitive advantage is covered in the literature and supported by findings.	Huq <i>et al.</i> , 2014 Foerstl <i>et al.</i> 2015
Mutual benefits for clients and contractors	16.67	10	13.64	Yes	Benefits for clients or TSOs are reported in a few studies are supported by findings	Kanapinskas <i>et al.</i> 2014 Welsh Government 2011 i2i, 2014
Benefits for supplier (unspecified)	16.67	10	13.64	Yes	A few references to benefits for suppliers are found in the literature.	See Benefits for recruitment etc. below
Benefits for recruitment/staff retention or training	0	25	11.36	Yes	Employment and training related benefits for suppliers reported in the literature are supported by findings.	Welford and Frost 2006 Perry and Towers (2009) McWilliams <i>et al.</i> (2011) Huq <i>et al.</i> 2014

BENEFIT	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Individual benefits for beneficiaries of CBs initiatives	62.5	70	65	Yes	Some examples of outcomes for beneficiaries such as finding long-term employment appear in the literature.	McDermid <i>et al</i> 2008 Wright 2015
Ability to report benefits	37	10	25	No	Few references in the literature but a key perceived benefit for public sector participants and some suppliers	McDermid <i>et al.</i> 2008
Personal benefits such as job satisfaction	41.67	50	45.45	No	This does not appear to be addressed in the literature but may be closely linked to personal commitment.	

Table P3: Linking Barriers to the literature

BARRIER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Supply chain issues	66.67	60	63.64	Y	Well covered in literature and raised by the majority of participants.	Walker and Brammer 2009 Walker and Jones 2012 Perry and Tower, 2013 Sutherland <i>et al.</i> 2015 Loosemore 2016
Identifying external support	41.67	60	50	Y	Does not seem to be well covered in the literature but a key barrier according to half the participants	Walker and Jones 2012
Legislation/policy related	62.5	35	50	Y	Well covered in the literature although more frequently mentioned by public sector participants.	Walker and Jones 2012 Anthony Collins Solicitors 2014 Sutherland <i>et al.</i> 2015 While <i>et al</i> 2016 Kuijpers <i>et al.</i> 2017
Training related issues	8.33	85	43.18	Y	Mainly reflected in literature concerned with workforce initiatives.	Erridge <i>et al.</i> 2005 Loosemore 2016 While <i>et al</i> 2016 Kuijpers <i>et al.</i> 2017
Lack of contract certainty	20.83	60	38.64	Y	Mainly reflected in CBs literature and reports	Constructing Excellence in Wales 2012 Loosemore 2016
Political risks/uncertainty	29.17	40	34.09	Y	A concern for both buyers and public sector suppliers but scant coverage in the academic literature.	Walker and Brammer 2009
Failing to understand the implications for contractors and unintended consequences	12.5	40	25	Y	These barriers are only reflected in CBs literature.	Constructing Excellence in Wales 2012 Kuijpers <i>et al.</i> 2017
Other commercial barriers	0	35	15.91	Y	Scant reference in the academic literature	Walker and Jones 2012 Constructing Excellence in Wales 2012

BARRIER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Late payment	0	30	13.64	Y	A particular concern for SMEs but only reflected in the CBs literature.	Constructing Excellence in Wales 2012
Market forces/competition	20.83	5	13.64	Y	Some coverage, particularly in the CBs literature.	Walker and Jones 2012 Scottish Government 2008 Kuijpers <i>et al.</i> 2017
Resource-related issues	95.83	55	77.27	Y	Well covered in the literature and a major concern, particularly for public sector organisations and SMEs.	Preuss 2007 Walker and Brammer 2009 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
Reporting and measurement issues	83.33	65	75	Y	Well covered in the literature, particularly that concerned with CBs.	Eadie <i>et al.</i> 2011 Nijaki and Worrel 2012 Gormly 2014 Walker and Jones 2012 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
Cost or perceived cost	29.17	80	52.27	Y	Well covered in the literature and raised by the majority of suppliers.	Walker and Brammer 2009 Walker and Jones 2012 Sutherland <i>et al.</i> 2015
Potential conflict between goals/objectives	66.67	5	38.64	Y	Well covered in the literature.	Walker and Jones 2012 Erridge and Hennigan 2012 Sutherland <i>et al.</i> 2015 Jabang 2017 Kuijpers <i>et al.</i> 2017
Ambiguous goals/standards/targets	45.83	25	36.36	Y	Well covered in literature	Walker and Jones 2012 Mont and Leire 2009 Lund-Thomsen and Costa 2011
Tokenism or 'box-ticking'	37.5	25	31.82	Y	Not well covered in the literature but a concern for almost a third of participants.	While <i>et al.</i> 2016
Process related issues	25	40	31.82	Y	Greater coverage in the literature concerned with CBs and a particular concern for SMEs	Walker and Jones 2012. Constructing Excellence in Wales 2012 Davies and Schon 2013 Kuijpers <i>et al.</i> 2017
Devolved responsibilities and related issues	37.5	10	25	Y	Mainly discussed in literature specific to public sector procurement.	Walker and Brammer 2009 Walker and Jones 2012 Preuss 2009 Jabang 2017
Lack of consistent approach	4.17	40	20.45	Y	Not well covered in the literature but of concern to public sector suppliers.	Walker and Jones 2012
Low priority/commitment	16.67	20	18.18	Y	Some coverage in public sector literature.	McCrudden 2007 Walker and Brammer 2009 Preuss 2011
Enforcement/monitoring issues	25	0	13.64	Y	Not well covered in the literature.	Walker and Brammer 2009 Walker and Jones 2012
Lack managerial support	20.83	5	13.64	Y	Well covered in the literature.	Min and Galle 2001 Walker <i>et al.</i> 2008 Mont and Leire 2009 Walker and Brammer 2009

BARRIER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Lack of policy framework/ process alignment	12.5	5	9.09	Y	Well covered in literature.	Walker and Jones 2012 Lund-Thomsen and Costa 2011 Preuss 2009
Lack of practical guidance/training	54.17	5	31.82	Y	Well covered in the literature and a concern for over half the public sector participants.	Walker and Jones 2012 Mont and Leire 2009 Preuss 2011 Cabinet Office 2014
Cultural barriers	16.67	20	18.18	Y	Covered in the SSCM literature and CBs literature or reports but not of high concern.	Hoejmosse and Adrien-Kirby 2012 Preuss 2009 Jabang 2017 Cabinet Office 2014
CBs viewed as additional burden	25	5	15.91	Y	Not well covered in the literature but a concern for a quarter of public sector participants.	Walker and Jones 2012 Welford and Frost 2006
Personnel changes	12.5	5	9.09	N	Not covered in the literature but only mentioned by a few participants.	
Health and safety related issues	8.33	55	29.55	N	Suppliers and particularly SMEs were very concerned about the impact of such legislation on workforce measures	
Lack of feedback	12.5	30	20.45	N	Not found in the literature but both suppliers and buyers would appreciate feedback.	
CBs too construction focused	54.17	10	34.09	N	Does not seem to be covered in the literature but mentioned by half public sector participants. Several reports focus specifically on the construction sector.	
CBs are not publicised	16.67	15	15.91	N	Not found in the literature but only mentioned by a few participants.	
Sector specific issues	16.67	10	13.64	N	Not found in the academic literature but some CBs literature is linked to specific sectors, for example Constructing Excellence in Wales 2012	

Table P4: Linking enablers to the literature

ENABLER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
External liaison/ networking and support	79.17	75	77.27	Y	Not well covered in the SSCM literature but frequently discussed in the literature specifically concerned with CBs. This was mentioned by over three-quarters of participants.	Walker and Jones 2012 Anthony Collins Solicitors 2006 Bonwick 2014 Davies and Schon 2013 Loosemore 2016
Supply chain support	79.17	45	63.64	Y	Well covered in the literature.	Skarya <i>et al</i> 2012 Bonwick 2014 Walker and Jones 2012 Loosemore 2016 Davies and Schon 2013 Kuijpers <i>et al.</i> 2017
Legislation/ policy	58.33	10	38.64	Y	Well covered in the literature.	Henty, 2012 Walker and Jones 2012 Anthony Collins Solicitors 2014 Jabang 2017
Buyer and contractor communication/ liaison	20.83	55	36.36	Y	Well covered in the literature and of high concern for suppliers.	Bonwick 2014 Walker and Brammer 2009 Constructing Excellence in Wales Report 2012 Kuijpers <i>et al.</i> 2017
Work pipeline/contract certainty	29.17	30	29.55	Y	Not well covered in the literature, only raised within a report specifically concerned with CBs implementation.	Constructing Excellence in Wales Report 2012
Collaborative procurement/ joint bidding	25.00	10	18.18	N	Does not appear to be covered in the literature.	
Inter-contractor collaboration	0.00	30.00	13.64	Y	Only appears to be considered in one academic article.	Walker and Jones 2012
Contract management/ monitoring and enforcement	83.33	35	61.36	Y	Only appears to be covered in literature specifically concerned with CBs but highly cited by public sector participants.	Sutherland <i>et al.</i> 2015 Macfarlane and Cook 2002 Jabang 2017
Organisational support/ resources	75.00	40	59.09	Y	Well covered in the literature.	Walker and Brammer 2009 Andersen and Skjoett-Larsen 2009 Walker and Jones 2012 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
Tools/templates etc.	83.33	25	56.82	Y	Mainly covered in the literature more directly related to CBs.	Eadie <i>et al.</i> 2011 Davies and Schon 2013 Bonwick 2014 Loosemore 2016 Kuijpers <i>et al.</i> 2017
Flexibility/ realistic targets	58.33	50	54.55	Y	Mainly covered in the literature concerned with CBs	Preuss 2007 Constructing Excellence in Wales 2012 Loosemore 2016
Early internal involvement	75	25	52.27	Y	Only appears to be covered in one academic article but highly cited by public sector participants.	Walker and Jones 2012

ENABLER	% ALL PS	% ALL S	% PS AND S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Clearly communicated goals/ targets/ expectations	37.5	40	38.64	Y	Well covered in the literature	Preuss 2009 Walker and Brammer 2009 Constructing Excellence in Wales 2012 Sutherland <i>et al.</i> 2015
Strategic/policy focus/ embedding	62.5	10	38.64	Y	Very well covered in the literature.	Walker and Jones 2012 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017
Buyer's power	41.67	15	29.55	Y	Only appears to be covered in one academic journal article.	Walker and Jones 2012
Project reviews	41.67	0	22.73	Y	Not well covered in the literature.	Walker and Jones 2012 Scottish Futures Trust 2013
Cost-neutrality/ value for money	33.33	10	22.73	Y	Only found in the Welsh Government guidance and only cited by a third of public sector participants.	Welsh Government 2014
Organisational structure/ size	29.17	5	18.18	Y	Not well covered, only appear to be included in one journal article.	Walker and Jones 2012
Strategic role of procurement in implementation	29.17	0	15.91	Y	Not well covered and appears mainly in the public sector studies.	Harwood and Humby 2008 Walker and Brammer 2009 Walker and Jones 2012
Guidance/ training	87.5	40	65.91	Y	Covered in the literature.	Sarkis <i>et al.</i> 2011 Walker and Brammer 2009 Walker and Jones 2012 Constructing Excellence in Wales 2012
Participant's experience	29.17	35	31.82	Y	This only seems to be covered in one journal article, yet almost a third of participants mentioned this.	Carter, 2005

Table P5: Linking Community Benefit types to the literature (from discussions)

TYPE OF COMMUNITY BENEFIT	% ALL PS	% ALL S	IN LITERATURE	COMMENTS	LITERATURE EXAMPLES
Targeted Recruitment and Training (TR&T)	71	71	Y	References to targeted recruitment and training are very well covered in the literature and this type of Community Benefit is strongly supported in findings.	Wright 2015 Kanapinskas <i>et al</i> 2014 Lynch <i>et al</i> 2016 Sutherland <i>et al.</i> 2015 Kuijpers <i>et al.</i> 2017 Constructing Excellence in Wales 2012 While <i>et al.</i> 2016
Retention and Training of existing employees (R&T)	0	12	?	There are few references in this literature to this type of Community Benefit.	Welford and Frost 2006; Huq <i>et al.</i> 2014
Supply chain measures	33	12	Y	Well supported in the literature and supported by public sector findings but not by suppliers.	Thornton <i>et al.</i> 2013 McMurray <i>et al.</i> 2013 Lynch <i>et al.</i> 2016 Constructing Excellence in Wales 2012 Sutherland <i>et al</i> 2015 Kuijpers <i>et al.</i> 2017
Contracting with Supported Businesses or Social Enterprises (TSOs)	33	6	Y	Scant coverage and a higher priority for public sector organisation than suppliers.	Kanapinskas <i>et al.</i> 2014 Loosemore 2016
Community Engagement including philanthropy	41	47		Philanthropy and volunteering are well covered in the literature with mixed results geographically. Highly supported by findings.	Walker and Brammer, 2009 Brammer and Walker, 2011 Worthington <i>et al.</i> 2006 Welsh Government 2014
Contributions to Education	25	24	Y	This appears only to be covered within CBs guidance.	MacFarlane and Cook 2008 Welsh Government 2014
Environmental measures (specific)	8	18	Y	Generally, the academic literature is more balanced in favour of environmental SSCM than social or economic measures. There were few references to specific environmental measures.	Meehan and Bryde 2011 Gormly 2014 Welsh Government 2014

Appendix Q: Linking Barriers and Enablers to CBs types

CBS TYPE	LEVEL (External, Organisational or Individual)	BARRIER	ENABLER
Targeted recruitment and training (TR&T) including work placements	External	Difficult to identify support agencies to help meet specific targets. This may be exacerbated by austerity and demise of some agencies.	External liaison with agencies that can provide links to beneficiaries or training funds.
	External	Lack of work certainty, pipelines mitigates against longer-term traineeships or work placements or predicting the likely number of new employees/trainees.	Greater client commitment to genuine regeneration.
	External	Legal barriers, eg level of H&S training vetting mitigate against short-term work placements.	Legislation/policy and raising profile of industries.
	External	Unintended consequences such as need to supervise trainees impacting on work programme or “carousel” effect of requiring new TR&T.	Organisational liaison and close client-contractor communication at an early stage, pre-market engagement.
	External	TR&T targets are sometimes unrealistic or unachievable	Set clear, realistic targets and embed to ensure monitoring.
	External/Organisational	Perceptions of industries may deter potential applicants	Generally addressed through contributions to education
Retention and training of existing employees	External	Lack of work results in loss of existing employees.	Early engagement may identify opportunities for enhancing R&T.
	Organisational	Time out of operations to undertake refresher training etc or mentoring	Less costly than TR&T
Community Engagement	Organisational	Suppliers have limited resources and decreasing profit margins or can be overwhelmed by requests.	Easier and less costly for SMEs to provide. Ensure co-ordination of requests within the organisation.
	External	Suppliers don’t know what suppliers can offer but buyers don’t know what can be available.	Pre-market engagement and communication
Supply Chain: Subcontracting	External	Lack of capacity (supply voids)	Tools such as Sell2Wales to identify suppliers. Network events.
	External/Organisational	Potential conflict with established supply chain relationships	Some contractors will work with potential suppliers to develop.
	Organisational	Preference for direct supply over sub-contracting	?

CBS TYPE	LEVEL (External, Organisational or Individual)	BARRIER	ENABLER
Supply Chain: Direct contracting with local suppliers, social enterprises/supported businesses	External	Difficulty defining “local” and legal issues restricting the use of this word.	Supplier development programmes and publishing forward work plans. Meet the Buyer events.
	External/Organisational	Conflict between collaborative procurement (NPS) and maintaining supply arrangements with local SMEs too small to bid.	Joint bidding guidance
	External	Process barriers faced when bidding for public sector contracts exacerbated by tender timescales.	Identify barriers for SMEs and seek to address.
	External	Difficulty identifying social enterprises and supported businesses	Directory or unique code on Sell2Wales.
Supply Chain: Prompt and fair payment	External	Processes for withholding payment where even small discrepancies occur.	Project bank accounts. Public sector organisations need to consider methods to ensure prompt payment.
Contributions to education	External	Most difficult to determine outcomes.	Cost effective.
	External	Access to schools	Organisational and external liaison
	External	Negative perception of certain industries of teachers, careers advisers and parents.	Can link to curriculum to show relevance of certain skills/subjects to careers.
	External/Organisational	H&S issues involved in offering some types of work placements.	Identify roles that are available and ensure adequate supervision.
Environment: Carbon reduction	Organisational	Difficult to attribute carbon costs when performing multiple contracts with same vehicle.	BREEAM standards and other recognised tools.
Environment: Minimising waste to landfill	External/Organisational	Contractors may exaggerate performance in reports.	Set targets and report results. Good communication with clients to divert unused stocks. Can use TSOs that recycle or up-cycle unused stock.

Appendix R

Implications and key recommendations

These implications for public sector practitioners are based on key barriers and enablers suggested by participants. The implications for suppliers are largely drawn from the opinions expressed by public sector participants and are aimed at broadening their understanding of the challenges faced by their clients. Some implications arise from discussions with suppliers on how Community Benefits are managed within their organisation. Implications for policy makers are mainly drawn from the barriers and enablers reported by public sector participants and suppliers. It is hoped that the Welsh Government can take action to help overcome such barriers and maximise opportunities for implementing Community Benefits. The results may also be useful to policy makers in other areas of the UK or EU, which are covered by similar legislation and where public sector organisations and suppliers face similar barriers to implementation.

Key Finding	Recommendation	Target audience
Increasing contract certainty A major barrier for suppliers is the lack of contract certainty, particularly when TR&T benefits are sought. Few public sector participants recognised the need for greater client commitment to bring about genuine regeneration.	Where possible, projects should be structured to allow trainees to progress. Examples include structuring a series of building projects like schools or housing sequentially or awarding a commitment contract for buildings maintenance rather than a framework with smaller lots that are divided between several suppliers.	Procurement managers
Recognising the costs incurred within the supply chain An organisational barrier reported by suppliers, particularly SMEs, is the cost incurred in providing CBs which cannot always fully be offset. These costs are often “hidden” to ensure that bids appear to be cost-neutral.	Procuring organisations need to recognise that costs are involved in delivering Community Benefits, particularly for SMEs. Costs associated with TR&T could be minimised by providing greater assistance to suppliers, for example facilitating access to funds for training.	Procurement managers Main Contractors
Unintended consequences Suppliers report that clients fail to recognise that their decisions may lead to unintended consequences, either in relation to R&T or the impact of the work programme that supervising trainees entails.	Undertake pre-market engagement and ensure early client-contractor communication to address any problems.	Procurement managers
Improving communication with suppliers and organisational colleagues Suppliers report that opportunities to maximise Community Benefits are missed, particularly when they are not able to liaise with key departments	Ensure early client/buyer liaison with those within the organisation responsible for regeneration or	Procurement Managers and other managers

Key Finding	Recommendation	Target audience
within the client organisation or external organisations that can offer support	employability with links to specific agencies who can access targeted groups.	involved in CBs implementation
Determining and communicating clear organisational objectives A key barrier for public sector organisations is being presented by conflicting organisational objectives. The failure to prioritise and communicate organisational goals or targets impacts on the organisation's ability to link Community Benefits to the organisation's goals. This is exacerbated by a lack of the policy or process framework alignment in some organisations. The fact that procurement and contract management responsibilities are devolved hinders early discussions about Community Benefits as well as monitoring and reporting.	Public sector organisations need to ensure CBs goals are prioritised and communicated throughout the organisation and that Community Benefits are linked to the achievement of these goals. Policies and processes should be aligned and training provided to ensure that employees capable of contributing to Community Benefits realisation are involved from an early stage. Organisational objectives should also be clearly communicated through the supply chain.	Procurement managers
Setting and communicating realistic achievable targets Suppliers suggest that public sector organisations either set no targets, "woolly" targets or unrealistic targets. Public sector organisations seem to create unrealistically high targets based on those designed for specific types of construction. All types of suppliers need procuring organisations to clearly communicate their goals, expectations and targets. Public sector organisations acknowledge that setting targets that are realistically achievable within the scope of the contract is difficult. SMEs in particular can be enabled to provide Community Benefits by greater flexibility, ensuring that commitments can be aligned to the organisation's capabilities and resources.	Conduct pre-market engagement to determine what Community Benefits may be available to set realistic targets or publish guidance on the types of benefits that could be achieved. An alternative is to require the contribution of a percentage of profits towards a community fund. Where this approach is adopted public sector clients should provide feedback to contributing suppliers on how the fund has been used, including case studies highlighting the benefits achieved. Ensure performance is monitored and review the causes of missed targets.	Procurement managers
Provide organisational support and resources Despite the Welsh Government's commitment to Community Benefits, the organisational support and resources needed to maximise socio-economic benefits are lacking in some organisations. Organisational resources at all levels have declined due to economic pressures, with procurement departments facing reductions in staffing resources. This compromises their ability to deliver a wide range of objectives, including Community Benefits.	Public sector organisations should review the support available for Community Benefits and avoid a "tick box" approach such as nomination a Champion who may be just a figurehead. Sufficient resources should be in place to review projects and transferred knowledge to future projects.	Directors and managers within procuring organisations and the supply chain
Minimise process-related barriers	Publish work plans. Ensure realistic timescales for tendering, for example not sending a tender out before	Procurement managers and managers within

Key Finding	Recommendation	Target audience
SMEs and TSOs face particular barriers when tendering for public sector contracts or providing monitoring information. Declining resources in public sector organisations mean they may place fewer notices on Sell2Wales or prefer to manage fewer larger contracts with larger suppliers. Purchasing power is a key enabler but should be used wisely. Potential suppliers, particularly SMEs, may choose to deal with less demanding clients if procurement power is abused. The barriers posed for local SMEs or TSOs through collaborative procurement need to be considered.	Christmas and expecting it back shortly after the New Year. Use procurement in a way that does not adversely affect competition.	supply chain organisations
Ensure suppliers are paid promptly and queries are resolved in a timely manner SMEs and TSOs are particularly adversely affected by late payment. Whilst public sector organisations encourage suppliers to pay subcontractors promptly or establish project bank accounts, suppliers report that they are the worst offenders when it comes to late payment.	Ensure prompt payment systems are in place and speedy resolution where invoice reconciliation is necessary.	Procurement and Finance managers within procuring organisations, including subcontracting suppliers
Widen participation of SMEs and TSOs within the supply chain Just as public sector organisations develop approved supplier relationships and try to ensure supplier development, so do suppliers. However client requirements for subcontract advertising and meet the buyer events can be counter-productive. There is resistance to joint bidding and suppliers expressed concerns over lot rotation or a “one lot” rule. Suppliers, particularly SMEs or TSOs, do not have time to read the Welsh Government’s guidance or public sector organisations’ procurement procedures.	Support for potential suppliers should be improved including consideration of support services for local SMEs. Buyers need to recognise the barriers to joint bidding and seek to address them through greater pre-market engagement and ensuring appropriate tendering timescales.	Procurement managers
Co-ordinating community engagement There is a sense that community engagement is less costly or cost-neutral, providing benefits for both parties. For example in the case of donated stock the client benefits and the supplier minimises waste or maximises their stock holding facility. However there is a risk of suppliers, particularly SMEs, being over-burdened with requests for donations of time or materials.	Manage requests to suppliers to ensure that requests match the supplier’s capabilities and capacity.	Procurement managers
Address reporting and measurement issues Suppliers report barriers related to reporting and measuring benefits, particularly SMEs who are less well resourced. For example it is difficult	Issue clear guidance for suppliers on measuring and reporting benefits. Ensure that requirements are realistic. The client and supplier may need to work in	Procurement managers and others who collect reports

Key Finding	Recommendation	Target audience
to estimate or attribute carbon costs when a vehicle is used to perform contracts for different clients. Without a crystal ball it is difficult to predict the type of future employee that might be recruited to support a new contract.	partnership to increase opportunities that seek to widen participation and increase social inclusion and targets may need to be flexible.	
Sharing information on the benefits achieved The commitment to achieve Community Benefits may be increased by seeing the results. Promoting the benefits achieved raises the profile of the departments involved and the organisation. Whilst suppliers often promote the benefits on their websites, public sector organisations are not publishing information as widely.	Ensure that Community Benefits achievements are more widely promoted, involving key staff in public relations or other departments to achieve this.	Procurement managers and others within organisations, eg Marketing
Embed Community Benefits Key employees across the organisation need to be involved from tender formulation through to delivering and monitoring benefits. Linking educational contributions to the school curriculum can ensure that pupils are aware of the practical application of STEM subjects and a wide range of career opportunities.	Embed Community Benefits across the organisation and liaise with key persons at an early stage. These include employees specialising in contributions to education, site managers or other key colleagues who can ensure delivery or collect monitoring data.	Procuring organisations and suppliers delivering CBs
Maximising opportunities for CBs delivery Several suppliers suggested that good communication between with clients maximises opportunities for including the client's target groups in TR&T, identifying schools to visit, donating unused materials or stock or other initiatives.	Try to establish a close working relationship with the client and personnel linked to Community Benefits delivery at an early stage. Discuss any barriers that arise and seek the client's support in addressing them.	Suppliers and procuring organisations
Access to external agencies A particular issue public sector organisations, SMEs and TSOs is the lack of support and assistance of lack of knowledge on agencies that can provide practical support for TR&T. SMEs and TSOs need targeted guidance, advice and assistance in bidding for public sector tenders either individually or collaboratively through joint bidding. They also need to know how to access funds to support training and employment. It seemed that the support for SMEs offered by Business Wales had decreased rather than increased following a change in contractual terms. There is a particular need for an accessible and frequently updated directory of TSOs and this could help increase the participation of TSOs in public sector contracts, currently a neglected form of Community Benefits. Awareness of shared apprenticeship schemes could also be increased as these can help	The Welsh Government or other policy makers should examine methods of increasing support through Business Wales or other agencies that can assist SMEs and TSOs in bidding for public sector contracts directly or as subcontractors. It seemed that the support for SMEs offered by Business Wales had decreased rather than increased. The Welsh Government should also investigate methods of improving knowledge on TSOs and supported businesses. The Welsh Government should encourage greater use of shared apprenticeships and assist in developing this provision in areas where it does not currently exist.	Policy makers

Key Finding	Recommendation	Target audience
SMEs to fulfil their Community Benefits obligations and provide additional benefits.		
<p>Collaborative contracting</p> <p>Policy makers need to understand that their policies may result in conflicting goals or unintended consequences for public sector organisations. Whilst collaborative procurement increases procurement power and leverage and can lead to cost or efficiency savings, it can also lead to barriers for SMEs and TSOs that may not have the capacity to bid for larger contracts. The activities of the NPS can reduce the ability of public sector organisations to maintain existing relationships or create new relationships with local SMEs and TSOs. Initiatives such as joint bidding, lotting rules or contract rotation have not removed these barriers.</p>	<p>Recognise that public sector organisations need flexibility in terms of opting out of NPS agreements. Whilst joint bidding and lotting rules or contract rotation may provide a solution, policy makers should investigate the barriers for suppliers posed by such approaches and solutions to overcome them.</p>	Policy makers
<p>Public procurement is not the only solution</p> <p>A number of participants indicated that public procurement is viewed as a panacea to all the problems faced in Wales. Public procurement has a role to play and many participants were passionate about achieving Community Benefits.</p>	<p>A joined up approach should be taken to addressing issues such as poverty and social exclusion with public procurement playing a role as part of a wider range of initiatives.</p>	Policy makers
<p>Community Benefits reporting</p> <p>A higher level and wider range of Community Benefits provided by public sector organisations and suppliers could be realised and reported. Participants widely reported problems using the current CBMT and were critical of the current approach of gathering data via spreadsheets. The reporting only measures short-term benefits and is not capable of recording longer-term benefits.</p>	<p>Monitoring and reporting tools should be made accessible on-line and display relevant screens depending on the user's requirements. Seek methods of capturing and reporting longer-term benefits</p>	Policy makers
<p>Lack of practical guidance and training</p> <p>Participants in the public sector and suppliers expressed a need for clear and practical guidance, particularly in how to maximise benefits other than TR&T through a wide range of contracts.</p>	<p>Policy makers should review the guidance and advice available for public sector organisations and suppliers, particularly SMEs and TSO and make case studies available.</p>	Policy makers
<p>One size does not fit all</p> <p>Organisational structure or size can be an enabler and some organisations mentioned barriers they believe are specific to their sector. An example is the higher education's reliance on suppliers of specialist goods or services that are not available within Wales, limiting the potential for certain supply chain benefits.</p>	<p>Policy makers need to recognise that differences such as organisational size, sector or structure may require a variety of approaches.</p>	Policy makers

Key Finding	Recommendation	Target audience
<p>Passion and commitment</p> <p>Many individuals expressed a high level of passion or commitment to achieve or provide Community Benefits. How can this level of commitment be promoted and harnessed? Such commitment is not always met with enthusiasm or recognised by the Welsh Government and one highly committed procurement manager expressed the demoralising effect this has.</p>	<p>Policy makers or organisational managers should provide positive feedback on Community Benefits achievements and could consider promoting best practice through awards.</p>	<p>Policy makers and organisation managers</p>
<p>Over-emphasis on TR&T</p> <p>There is a perceived over-emphasis on TR&T, which may detrimentally affect a supplier's retention and training policy. TR&T can take many forms but large suppliers tend to support apprenticeships to ensure industry survival and sustainable competitive advantage. This research indicates that the majority of barriers are related to TR&T rather than alternative types of Community Benefit. SMEs in particular are less well resourced but are very happy to provide community engagement type Community Benefits, either individually or in collaboration with other suppliers. Smaller SMEs are also able to provide shorter-term work placements</p>	<p>Promote alternative forms of CBs more widely.</p>	<p>Policy makers and Procurement managers</p>
<p>There were fewer references to measures to promote the participation of social enterprises or supported businesses, either as direct contractors or within the supply chain, to ensure employment for disadvantaged persons and very few references to using reserved contracts. A particular problem is identifying TSOs that could supply the public sector directly or through subcontracting.</p>	<p>The Welsh Government should consider introducing a specific category on Sell2Wales or other measures to ensure access to updated information on potential TSO suppliers.</p>	<p>Policy makers</p>
<p>Legislation/policy, funding requirements and legal uncertainty were reported as both a barrier and enabler by public sector organisations. Government legislation or policies may result in conflicting goals or unintended consequences for public sector organisations. The Welsh Government has included Community Benefits in its WPPPS yet had reportedly reduced the level of support available for buyers and suppliers. Whilst collaborative procurement increases procurement power and leverage and can lead to cost or efficiency savings, it can also lead to barriers for SMEs and TSOs that may not have the capacity to bid for larger contracts</p>	<p>Policy-makers should recognise that legislation or policies may result in conflicting goals or barriers for public sector organisations or suppliers. Policies may need to be revised to enable more effective implementation of CBs or other socio-economic policies</p>	<p>Policy makers</p>

