



Glasgow City Region - City Deal

Cabinet

Report by Intelligence Hub

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Item 12

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Cenefits Pilot Evaluation – Stakeholder Interview Report

Purpose of Report

This report seeks to:

- provide the Cabinet with a summary of key stakeholders' views of the Cenefits Pilot; and
- inform the overall review of the Cenefits Pilot.

Recommendations:

The Cabinet is invited to note the content of this report.

1. Introduction

- 1.1 At their meeting on 12th February 2019, Glasgow City Region (GCR) City Deal Cabinet approved a 2-year pilot IT system, Cenefits, to manage and maximise the delivery of community benefits secured through City Deal contracts.
- 1.2 The City Deal Programme Management Office has requested the assistance of the Intelligence Hub with the evaluation of the Cenefits Pilot. This report is the Intelligence Hub's analysis of in-depth interviews with key stakeholders involved in the Cenefits system.

2 Purpose This report seeks to:

- provide the Cabinet with a summary of the key stakeholders' views of the implementation of the Cenefits Pilot; and
- inform the overall review of the Cenefits Pilot.

3 BackgroundAs part of the community benefit knowledge exchange collaboration, the City of Edinburgh Council advised that, through their Open Innovation Programme, they were working with Wildcat Applications to develop a software system, Cenefits 1.0, to assist with the challenges in managing community benefit delivery

- 3.2 The Cenefits 1.0 system was assessed by a sub-group of officers from the Legal and Procurement Support Group - the Community Benefit Group (CBG) - who concluded that, with the development of some additional features, it had the potential to address the weaknesses identified within the existing City Deal Member Authority community benefits arrangements

- 3.3 With a number of MAs indicating that they were considering adopting, or had already decided to adopt, the Cenefits solution for their day-to-day management of community benefits on non-City Deal contracts, it was agreed that, in order to avoid the development of potentially differing versions of Cenefits within the Region and subsequent costs associated with retrofitting these disparate approaches, the MAs should work together to develop a Glasgow City Region specific version of Cenefits - Cenefits 2.0.

- 3.4 It was agreed that the development, initial roll out and reviewing of Cenefits 2 should be encompassed within a 2-year Pilot. The outcome of the Pilot would not only inform the decision on whether to adopt the Cenefits 2.0 for City Deal Community Benefit contract management in the longer-term, it will also inform the decision on whether to roll-out the system to non-City Deal contracts.

- 3.5 Four pre implementation training and capacity building sessions were delivered in April 2019 attended by officers, suppliers and delivery partners from across the region. Testing of developments and additional features took place between May and July 2019 which concluded that the roll out of the system could begin. The roll out was supported by two webinars delivered on

29th August 2019 to internal and external stakeholders in partnership with the Supplier Development Programme (SDP).

- 3.6 The Community Benefit Group agreed that Cenefits would be used to manage benefits for all GCR City Deal contracts let from 1st October 2019 onwards. Three full day training workshops delivered to key officers from across the region on the 4th, 7th and 8th October 2019.
- 3.7 In December 2019, further training and support was provided by a second series of webinars that was delivered to key stakeholders. This was followed by a one day training session focused on reporting functionality of the system.
- 3.8 Also, in early December 2019 a mass import exercise – whereby all historical City Deal data was uploaded to the system for Cenefits to become the ‘Single Point of Truth’ –was concluded with data quality issues addressed as part of the process.
- 3.9 Following the success of the mass import, the Cenefits system was used for the first time to provide figures for Q3 19/20 reports (covering the period up to 31st December 2019). Information downloaded from Cenefits was used for the 2019/20 annual contract and community benefit update and to meet the reporting requirements of the Programme Management Toolkit covering the period up to 31st March 2020.
- 4 **The Cenefits Review** To ensure best value for the council and also compliance with the council’s standing orders and procurement regulations, the Sole Supplier Justification includes a schedule for review(s).
 - 4.2 A review of Cenefits is to be completed by 30 June 2020 which is, 16 months into the overall pilot period and 14 months into the delivery phase and that approvals, based on the recommendations of the review, will be sought from Chief Executives Group and Cabinet between July and August 2020.
 - 4.3 As part of the review it was agreed that one-to-one interviews would be completed by the independent staff with the City Region Intelligence Hub.
- 5 **Stakeholder Interview Approach**The Intelligence Hub carried out interviews with twelve key stakeholders (Appendix 2). The interviews took place between 8th and 9th of April 2020 using a set list of questions (Appendix 3). It should be noted that a few stakeholders from the private sector who were originally intended to participate were unable to be interview. Moreover, a few respondents had not yet used the Cenefits software and thus, had limited input on the usefulness of the Cenefits system to their organisation.
- 6 **Stakeholder Interview Analysis**The process of analysing the data obtained during the interviews included:
 - identifying key patterns in interviews and
 - grouping key elements thematically.

6.2 The findings are structured under three key areas outlining interviewees views on:

- a) Delivery of Community Benefit Prior to Cenefits;
- b) Cenefits Pilot Expectations and Delivery to Date;
- c) Areas for Development for:
 - i. Community benefit policy;
 - ii. resource use; and
 - iii. Cenefit software system.

6.3 Detailed findings for each area are recorded in Appendix 1. The key findings for each area are summarised in the following section.

7. Key Findings

a) Delivery of Community Benefits prior to Cenefits

- It was felt that arrangements prior to Cenefits in terms of strategies, systems and resources worked well to a certain extent.
- However, some issues were highlighted with operational delivery from buyers and suppliers perspective:

“The delivery of community benefits projects was left to project managers who had limited time and expertise in the field.”

“If a local authority is not very prescriptive with community benefits, it is challenging for SMEs to understand what is appropriate”.

- A number of potential improvements/needs were widely recognised including:
 - o a need to improve transparency between partners;
 - o the need to automate various administrative tasks;
 - o failure on various occasions to effectively match companies' capacity with communities' needs;
 - o a need to agree on a common framework on what community benefits mean;
 - o need for a systematic way to engage partners;
 - o a strong consensus among interviewees that there is a need for better monitoring, reporting and evaluation of community benefits projects.

b) Cenefits Pilot Expectations and Delivery to Date

- Stakeholders expressed overall high expectations of Cenefits in terms of system functionality. It is believed that monitoring and reporting as well as communication between partners will be improved.
- Local authorities expect that information collected through the Cenefits system can be converted to intelligence for strategic decision-making.
- Interviewees reported a range of positive views from the Cenefits system including that it:
 - o has facilitated open and confident conversations between partners;
 - o provides an opportunity for local authorities to push for attitudinal change with respect to the importance of community benefits and to improve efficiency in the delivery of community benefits projects in both City Deal and non-City Deal contracts;
 - o provides a simpler way of monitoring the delivery of a project and offers an opportunity for improved transparency;
 - o has provided confidence that the information that partners have is accurate and up to date. There is now more focus in analysis and how data can be used for strategic decision-making. There is also more dialogue around regional issues;
 - o has encouraged partners to communicate more with each other which reduces the problem of duplication and lack of consistency.
 - o has encouraged more top-down communication within and between member authorities so that each stakeholder understands their role.

c) Areas for Development for: community benefit policy; resource use; and Cenefit software system

- No widespread negative effects were reported as a result of the roll out, however a number of areas for improvement/future development were identified in relation to:
 - o resourcing the system;
 - o Cenefit system upgrades; and
 - o community benefit policy development.

Resource Use

- o interviewees recognised making a new system work is very resource intensive and here has been a lot of effort from officers and communities to make Cenefits successful. However, some felt that costs should be shared more equally between authorities;
- o resources are a strong barrier to the successful operation of any system monitoring community benefits. In the

- o context of Cenefits, it was suggested that other authorities who have reaped more benefits, such as Edinburgh or West Lothian, should be asked to put it more resources to system development;

Cenefit Software System Developments

- o from a supplier's point of view, Cenefits could be more flexible as more qualitative community benefits cannot be measured through the system
- o users reported that there is a need for more flexibility in adding notes, comments and other information.
- o the dashboard is seen as important in reducing the time needed to produce a report and extract data as well as highlighting to suppliers what should be done.
- o the system should have a 'Comments' feature, which will not be widely accessible to both suppliers and buyers.
- o project managers further suggested that there are a few elements missing from the reports that would improve following-up on a task, such as suppliers' contact details.

Community Benefit Policy Development

- o concern was expressed from a small number of respondents about the extent to which the points system reflects local needs.
- o no significant changes have been made so far for how authorities manage community benefits in non-city deal contracts as a result of the pilot, but if successful, many plan to adopt Cenefits for all business-as-usual contracts.
- o in the context of City Deals, there needs to be more active participation of member authorities and individuals involved in community benefits.
- o although most respondents gave positive feedback for the relationship of buyers and suppliers, it is worth mentioning that there is no clear indication that the relationships between council and supplier has improved as a result of Cenefits Pilot.

8 Recommendations The Cabinet is invited to note the content of this report.

Appendix 1: Stakeholder Interviews

a) Delivery of Community Benefits prior to Cenefits

- Local Authority officers reported that there is generally a lack of understanding of the importance of community benefits. The concept of community benefits seems to be complex, primarily due to the fragmented and disjointed framework of community benefits and expectations of the partners involved.
- A closely related issue is that community benefits policies between partners are not always aligned (i.e. NHS, Scottish Government), which makes it particularly challenging for the private sector to deliver community benefits projects.
- Divergence in community benefits policies seems to have also created a resource problem, as there is additional work and knowledgeable resources required to formulate a coherent framework of what community benefits are.
- One respondent emphasised that there are operational and system complexities which make the delivery community benefits challenging. Member Authorities also reported that they are cautious about employing priority groups. One officer mentioned that *“they think of them as not capable enough to work at the company”*. This acts as an additional barrier to the successful delivery of community benefits.
- From a business growth and strategic lead perspective, engaging partners and matching the opportunities to the needs of the community has not been an easy task.
- There is a difficulty in ensuring that requirements are relevant and proportionate as buyers are often not specific enough in what they require from the contracts.
- Consequently, it is difficult to monitor the value generated from the projects. To improve the delivery of community benefits, better engagement across the communities and councils is deemed necessary. This will also help buyers have a clearer understanding on what to ask.
- Difficulty in understanding how to match suppliers' needs to community needs was also raised by a few respondents in one of the Member Authorities along with challenges in coordinating community benefit activities overall as a council.
- From a micro SME point of view, it is hard to identify what is relevant for them. Officers from local authorities involved in supplier development reported that if “a local authority is not very prescriptive with community benefits, it is challenging for SMEs to understand what is appropriate”.
- According to SMEs, community benefits contracts are very rigid. For example, it was pointed out that “a company with less than 10 employees has less capacity to take apprentices and graduates”. Therefore, there is a

need for more flexibility in the system to accommodate different company needs.

- It was also mentioned that the scoring exercise brings further challenges in terms of comparing a company's capacity with community needs. *"For stakeholders engaging with small suppliers it is important to involve the supply chain before the tender goes out and getting SME's prepared"*.
- Most of the stakeholders reported that their organisation had a community benefits register in the form of a large excel spreadsheet. In the context of City Region City Deals, those who had a register argued that, to some extent, the system was effective.
- An officer from a Member Authority claimed that the system was overall a good recording of processes managed via the spreadsheets. There was also a change in the mindset through having community benefits officers and advisors in the council. This factor facilitated the actualisation of community benefits in projects.
- Some of the Member Authorities appear to have robust process, but there is potential for confusion and errors as tasks get managed manually via an excel spreadsheet.
- One respondent from a Member Authority also reported the use of spreadsheets and recognised their importance in terms of sharing the benefits of community benefits with other partners.
- A number of officers from Member Authorities suggested that their register was not very effective due to the lack of structure. In particular, *"there was a lack of consultation regarding the kind of benefits that should be targeted in particular contracts and a lack of collaboration between teams"*. As there were no community benefits officers in post, *"the delivery of community benefits projects was left to project managers who had limited time and expertise in the field"*.
- For some suppliers, their arrangements in delivering community benefits also worked well prior to Cenefits. Various contractors, mainly in the construction industry, *"have been delivering community benefits for 10 years. They have brought their expertise, their own social value projects and corporate social responsibility"*. Despite this positive aspect, a few stakeholders in the public sector are concerned that since these initiatives are led by industry interests, they reflect primarily their priorities.
- Local authorities would like their priorities to be projected more in community benefits clauses and to set up a more sustainable model for delivering community benefits.
- One of the suppliers reported delivering community benefits prior to the Cenefits system but did not have a system of recording and reporting. The company supported local universities, organised STEM talks and career visits. These activities were only reported on an ad-hoc basis in the company's annual procurement report. From their perspective, there is a

need for a more structure reporting system as well as more flexibility in the contracts and their requirements.

- One respondent from a Member Authority suggested that an area of improvement is the perception of suppliers about community benefits. *“There is a need to make delivery of community benefits more effective by better understanding what suppliers can deliver and better tracking, monitoring and promotion of opportunities”.*
- As many stakeholders struggle with resources, there also needs to be better clarity at member authority level on who is responsible for each activity. One respondent from a member authority pointed out that this *“should include getting ownership of individual tasks, processes and people involved and compliance with the policy when delivering”.*

b) Cenefits Pilot Expectations and Delivery to Date

- Cenefits was overall expected to make processes easier and reduce duplication. Moreover, it was expected to bring consistency in processes between local authorities and suppliers, improve reporting, (expected and realised) performance of community benefits and encourage partners to be more involved.
- A recurrent theme in discussions with stakeholders was the expectation for improved transparency in processes between buyers and suppliers.
- From a project management perspective, *“the new system is expected to close gaps in organisational development and operations and save time in monitoring and reporting”.* It is further believed that project managers would also get a more accurate picture of what has been delivered and where are the gaps that need to be addressed.
- A few respondents from a Member Authority anticipate that the system will reduce paperwork and bureaucracy through the reminders and tracking features and in general make reporting less labour intensive and manual.
- There is also an expectation from community benefits officers at a Member Authority that the Cenefits system will provide better reporting and thus, presents an opportunity to push back on Strategic Leads.
- The Scottish Government Procurement Group sought to ensure that the new system took account of the policy context. They expect that the developers will deliver a product which can be widely applicable. It is important for them to improve procurement processes, such as helping with contract management and identification of what has been achieved as well as understanding the resources needed in a certain area.
- Suppliers expect that the improved reporting and visualisation of the impact of various community benefits projects would act as a powerful tool to show ministers the value of procurement contracts. Furthermore, it is expected

that “data collection, ease of reporting and better downloading would lead to a better understanding of suppliers’ delivery capabilities.”

- Respondents were looking forward to the ‘Substitution’ option for when there are delivery issues with what was originally proposed. It is believed that for future projects this will give information on what can be used in future contracts.
- In terms of the system’s functionality, most respondents highlighted that there are reporting and forecasting benefits.
- The system allows users to identify queries and areas for improvements, making the processes quicker and more accessible. Moreover, the progress of community benefits can now be monitored more accurately, and the system provides more detailed reports and insights.
- Project managers are also able to investigate more complex questions and there is more capacity for an evidence-based approach to decision-making.
- Directly inviting partners to provide evidence is perceived to have made the process more efficient. From a strategic lead perspective, the system is useful as it allows for a clear review of all the evidence provided.
- In terms of early learning, stakeholders acknowledged that there was additional work needed on Cenefits to have it provide the features that the council needs. The process of making improvements and reviewing all the contracts was time consuming, but the benefit was that led to consolidation of what was outstanding.
- An officer raised the concern that the automated emails system might not be useful for suppliers. Furthermore, a senior employee of a company delivering community benefits suggested that “the timing of the training could have been better, for instance, nearer to when they plan to use it”.
- Cenefits seems to have also been beneficial to the relationship between buyers and suppliers. An important aspect of the development stage was that stakeholders were engaged throughout the process. This approach is perceived to be more effective than local authorities dictating suppliers what should do.
- It is further believed that webinars have brought suppliers and buyers together to talk through the system and how it is going to work in process, thus improving engagement. It was also mentioned that the system has helped businesses share their approaches with regards to community benefits and has further provided a regional structure to exchange knowledge between and across groups.
- One officer from a Member Authority reported that there is now less scope for suppliers to use community benefits for their own objectives and thus, more control is passed on to local authorities. Due to improved reporting, suppliers know what is expected from them. Overall outcomes are improved, but some suppliers feel challenged by the system. It was

suggested that in the long-term suppliers will identify the necessity of making processes more consistent and will welcome the system more.

- An officer from procurement team of a Member Authority believes that the alerts have helped ensure that the community benefits will be delivered. *“The system shows the suppliers what needs to be achieved for the benefits to delivered in a timely manner as the delivery dates are in the system”*. Therefore, there is less room for suppliers to try and address them at the end of the contract.
- Other officers from the same member authority reported that the pilot helped in understanding how to put a tender together in a consistent manner. It enables sharing of information and a better understanding of what can be asked from the market. As a result of the Pilot roll out, the relationship between buyers and suppliers is thought to be more structured and formal.

c) Cenefit Software System Developments

- The Software Development stage was seen to have led to some positive changes in the delivery approach as both buyers and suppliers gave feedback on the aspects that were not working well, which was then integrated into the system.
- The System Training brought all stakeholders together and forced them to make a decision on issues that were left open, for instance, deciding on the points system.
- The Historic Data Upload stage was key as it allows for the storage of data from all member authorities. It was an opportunity to see the benefits of contracts and make comparative reports easier. Consequently, partners involved can better understand the capabilities of the City Deals.

Appendix 2: List of Stakeholders Interviewed

Name	Organisation	Designation	Email	Telephone
Jane Thompson	GCR City Deal PMO	Assistant Head	Jane.thompson@glasgow.gov.uk	0141 287 5369
Anita Jane Smith	GCR City Deal PMO	Legacy Officer	Anitajane.smith@glasgow.gov.uk	0141 287 8511
Tom Inglis	Wildcat Applications	Managing Director	tom.inglis@wildcatapps.com	05603862504
Dorothy Balfour	North Lanarkshire Council	Enterprise Category Manager	BalfourD@northlan.gov.uk	01236 632616
Marion Sneddon	Glasgow City Council	Community Benefit Officer	marion.sneddon@glasgow.gov.uk	0141 287 4245
Jane Morrison	Glasgow City Council	Economic Development Manager	Jane.Morrison2@glasgow.gov.uk	0141 287 0046
Nicola Gooch	Morgan Sindall	Community Benefits Advisor	Nicola.gooch@morgansindall.com	07970 844 753
Shona Hainey	Amey	Principal Business Improvement Manager	Shona.Hainey@amey.co.uk	01698 730240 /07834 254239
Pauline Wallace	Glasgow City Council	Strategic Lead	Pauline.Wallace2@glasgow.gov.uk	0141 465 7610
Jonathan Speed	North Lanarkshire Council	Project Manager	SpeedJ@northlan.gov.uk	0123663 2745
Kevin Millar	Inverclyde Community Development Trust	Delivery Partner	Kevin.millar@the-trust.org.uk	01475-553337
Josephine Mitchell	Procurement Policy	Scottish Government	Josephine.Mitchell@scotland.gov.uk	0131 244 3731
Edwina Ryan	Procurement Policy	Scottish Government	Edwina.Ryan@gov.scot	0131 244 3731

Appendix 3: List of questions

Question Number	Question
1	What difficulties do you believe are faced by organisations attempting to deliver Community Benefits generally?
2	a) Thinking now about Glasgow City Region City Deal specifically, what is your perception of the effectiveness of the Community Benefits delivery arrangements for the Deal prior to the development of the Pilot? b) What, if anything, worked well? c) What areas, if any, required improvement?
3	a) What expectations did you have of the Cenefits system prior to its development? b) Which, if any of these, were most important for Cenefits to deliver/support?
4	What, if any, improvements do you believe/perceive have been made to the Community Benefit arrangements for Glasgow City Region City Deal through the Software Development, System Training and Historic Data Upload stages of the Cenefits Pilot roll out?
5	What, if any, improvements do you believe/perceive have been made to the relationship between buyers and suppliers as a result of the Cenefits Pilot roll out to date?
6	Have there been any negative effects resulting from the roll out to date?
7	What, if any, early learning or benefits have been achieved from the system or process of putting in place the arrangements necessary for the pilot to date?
8	a) Have any changes been agreed or made to date for how your authority manages community benefits in non-City Deal contracts as a result of the City Deal Pilot? b) If so, what are these changes?
9	Is there any other feedback you would like to give regarding the roll-out of the community benefit pilot in terms of: a) Its achievements/impacts to date? b) The involvement of partners/stakeholders? c) Improvements which could be made?