**SLIDE 1**

This is an information session for Contract Managers which sets out how social value is included in public contracts and practical advice on how the social value requirements can be monitored and managed to ensure they are delivered.

**SLIDE 2**

By the end of this session, you will be able to:

* Outline the social value approaches public bodies in Northern Ireland use in public tender competitions.
* Explain how public bodies in Northern Ireland score social value in public tender competitions in accordance with [Procurement Policy Note (PPN) 01/21 (Scoring Social Value Policy)](https://www.finance-ni.gov.uk/publications/ppn-0121-scoring-social-value).
* Detail how public bodies in Northern Ireland monitor and manage the delivery of social value requirements.

**SLIDE 3**

Here, Jayne Brady, Head of the Northern Ireland Civil Service explains the positive impact scoring social value in public procurement will have for people and communities in Northern Ireland.

“As Head of the Northern Ireland Civil Service, I am invested in transforming our services and for that reason I’m delighted that Procurement Policy Note - Scoring Social Value was approved by the Executive. We, the Northern Ireland Government, as well as being the largest employer in Northern Ireland, invest close to £3 billion each year in public sector contracts and this enables us to effect change.

To maximise this investment, from the 1st June 2022, the Northern Ireland Executive has committed to mandatory scoring of social value within public procurement contracts in services and in works.

Put simply, scoring social value introduces a new criterion asking suppliers to demonstrate how the award of that contract will benefit their community, the environment or society at large. The training you are about to complete will explain more about the concept of social value, how social value can be scored, evaluated and effectively contract managed.

This valuable policy will help us to harness the full potential of our spending. In doing so, we can change the course of people’s lives and benefit communities right across Northern Ireland.”

**SLIDE 4**

Public procurement is an important source of expenditure in Northern Ireland, with central and local government spending upwards of £3 billion annually on supplies, services and construction works. This expenditure offers tremendous potential to contribute to the economic, environmental and social outcomes contained in the Executive’s Programme for Government.

Social value refers to the wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment.

The social value derived from a public contract is the positive legacy created through its performance such as a more diverse workforce, fewer single use plastics in the environment and more cohesive communities.

Think about when you buy a takeaway hot drink from a café. More and more of us are now conscious to bring a reusable cup with us. In doing so, we are saving money, reducing waste and reducing carbon emissions – that is Social Value.

Many of us are already making purchasing decisions in a way that delivers social value, and now it is time to bring this mindset into the workplace and harness the potential of Northern Ireland’s spending power.

**SLIDE 5**

By including social value in procurement, Contracting Authorities and Suppliers can:

* Create job opportunities for people who face barriers to work
* Invest in skills
* Support Social Enterprises and new businesses
* Support Voluntary and Community organisations
* Reduce poverty
* Promote equality and diversity
* Reduce our carbon footprint
* Improve mental health and wellbeing

**SLIDE 6**

Procurement Policy Note 01/21 was approved by the Executive in July 2021 and has the status of government policy.

The PPN mandates that from 1 June 2022 public sector tenders must allocate a minimum of 10% of the total award criteria to social value in services and works contracts where the Procurement Regulations apply. It is not currently mandatory to score social value in supplies contracts though some Contracting Authorities may opt to do this.

Where appropriate, public bodies can also:

score for social value on contracts outside of these thresholds and/or

give greater weight to social value than the 10% minimum.

The policy will be reviewed ahead of 2023with a view to increasing the % of the total award criteria to 20% for social value.

**SLIDE 7**

PPN 01/21 provides a framework of themes and indicators which are linked to the Programme for Government outcomes. A common framework enables Contracting Authorities and Suppliers to develop a shared understanding of the social value requirements of public contracts and how they will be scored.

There are 4 themes:

* Increasing secure employment and skills
* Building ethical and resilient supply chains
* Delivering zero carbon and
* Promoting wellbeing

Each theme is broken down into a set of indicators.

Contracting Authorities may select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order to reflect the Authority’s strategic priorities.

**SLIDE 8**

Each theme aims to address risks and maximise opportunities to deliver social value in relation to the area in question, so:

* Increasing secure employment and skills aims to create employment and training opportunities for those who are disadvantaged in the labour market, contribute to in-work progression and skills development, create opportunities for entrepreneurs and support economic growth.
* Building ethical and resilient supply chains aims to tackle employment inequality, reduce the risk of modern slavery and human rights abuses within the supply chain, and promote diverse and secure supply chains.

**SLIDE 9**

* Delivering zero carbon aims to promote environmental benefits, influence environmental protection and improvement and work towards net zero greenhouse gas emissions
* Promoting wellbeing aims to improve the health and wellbeing of the contract workforce, tackle employment inequality, contribute to in-work progression and skills development, and improve community integration.

**SLIDE 10**

Each theme is broken down into a set of indicators.

Contracting Authorities may select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order the Authority’s strategic priorities.

Here we have the 4 indicators that relate to the building ethical and resilient supply chains theme:

2.1 Demonstrate action to promote collaboration and a fair and responsible approach to working throughout the supply chain

2.2 Demonstrate action to promote ethical supply chains and practices; and, identify and manage risks of modern slavery and human rights abuses in the delivery of the contract, including in the supply chain.

2.3 Maximise security of supply, for example by minimising proximity of supply chains to point of delivery

2.4 Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs and VCSEs.

You can download a list of all the Social Value Themes and Indicators from the Contract Manager section of the Social Value Unit website.

**SLIDE 11**

Contracting Authorities will score for social value based on the 4 themes. A common framework enables contracting authorities and suppliers to develop a shared understanding of what social value requirements will be taken into account and how they will be scored.

**SLIDE 12**

The social value model sets out two options for scoring social value depending on the size and nature of the contract:

* social value points; and,
* an alternative to using social value points.

Both approaches are based on the 4 social value themes and both evaluate Tenderers’ qualitative responses to the award criterion. Therefore the response is evaluated based on a methodology setting out how the tenderer will deliver the required social value against the particular themes/indicators set out.

To establish which approach has been used to score the social value of a particular contract, Contract Managers should review the social value requirements which have been included in the Invitation to Tender and supporting contract papers (including the Supplier’s response to the social value award question).

We will now look at how the social value points approach works.

**SLIDE 13**

The social value points approach is the default position for all Services and IT contracts with a value of over £250,000 per annum.

Using social value points ensures that social value outcomes are delivering in a measureable, proportionate and flexible way.

Social value points tenders are assessed and given a score based on the tenderer’s methodology for delivering the minimum social value points for that contract.

**SLIDE 14**

When a tender uses the social value points approach:

* the Supplier is required to deliver a minimum of 100 social value points per £1m of contract value (and pro-rata).
* The points are capped at an averaged contract value of £3m per annum. This may be increased on a contract by contract basis.
* The Contracting Authority selects the Social Value Theme(s)/Indicator(s) which are relevant to the contract.
* Each Social Value Indicator from PPN 01/21 is broken down into subsequent initiatives. Each initiative has been allocated a number of social value points.
* The Supplier will have flexibility to choose which of those initiatives they deliver.

**SLIDE 15**

In this example, the Contracting Authority has selected Indicator 1.2 from the secure employment and skills theme. You can see the Indicator on the left hand side, which is then broken down into 4 initiatives:

* Work placements
* Skills development and educational attainment (for services contracts)
* Digital skills development and educational attainment (for IT contracts) and
* In-work progression and skills development

The Supplier has flexibility to choose which social value initiatives they deliver against from the Contracting Authority’s selected list, giving them the benefit of aligning the requirements of the Contracting Authority with their own business models or solutions.

In the procurement documents, the Contracting Authority will set out an indicative minimum number of points that the Supplier is required to deliver based on the estimated contract value at the time of procurement. For example, if this was for a £1m contract the minimum number of social value points required would be 100. A tenderer may choose to deliver those 100 points through 20 weeks of work placements, or 80 hours of skills development and educational attainment, or a combination of both perhaps.

The Contracting Authority may set minimum mandatory targets for specific social value indicators within the Social Value Schedule, which the Supplier must deliver as part of the overall social value requirements on the Contract. For example, they could stipulate that 20% of the social value points must be delivered through work placements.

**SLIDE 16**

When responding to a tender that uses social value points, tenderers will be required to submit two things. The first is a Social Value Delivery Plan setting out how they will deliver the specified minimum number of points and the second is a written methodology detailing how they will action the initiatives they have set out in the delivery plan.

Tenderers do not have to deliver against every social value initiative selected by the Contracting Authority and included in the Social Value Delivery Plan. The tenderer must ensure that the initiatives they do plan to action deliver will the minimum number of social value points. In this example, you can see the tenderer is going to deliver 832 weeks of paid employment, 400 hours of digital skills development and an in-work progression and skills development strategy with annual updates. They do not intend to deliver work placements or include a social enterprise in the supply chain. The minimum indicative number of points will be proportionate to the contract value.

**SLIDE 17**

* So the Social Value Delivery Plan we have just looked at is part one of the tenderer’s response and the methodology is the second required component. Through the methodology, the tenderer details how they will deliver the initiatives they have set out in the delivery plan.  The methodology will evaluate a number of areas, for example:
* timescales for delivery of the social value requirements;
* the resources, both internal and external, that the tenderer will use to plan and deliver the social value requirements;
* the activities the tenderer will undertake to deliver the social value initiatives selected within the completed Social Value Delivery Plan including how they will engage with key stakeholders (e.g. social value beneficiaries, organisations within the voluntary, community and social enterprise sector);
* confirmation that the planned activities are additional to activities the tenderer already undertakes; and,
* how the tenderer will monitor and report on the delivery of the social value requirements and address any performance issues

**SLIDE 18**

The benefits of the social value points approach are that:

* the qualitative assessment does not disadvantage VCSEs and microbusinesses
* it ensures proportionality as targets are based on invoiced value
* it offers flexibility for the Supplier
* Progress is reported via the online Social Value monitoring system, making it easy to monitor for both supplier and contracting authority
* It requires quantifiable social value outcomes which supports effective contract management

**SLIDE 19**

As mentioned earlier, the social value model sets out two options for scoring social value depending on the size and nature of the contract:

* The social value points approach; and,
* an alternative to using social value points.

We will now look at the alternative approach.

The alternative approach does not focus on social value points. Instead, the contracting authority selects the relevant social value theme(s) and appropriate indicator(s). The Contracting Authority will include an evaluation question focussed on achieving the indicator(s) under the selected theme(s).

The alternative approach may be used when:

* The contract is below £250,000 per annum per supplier
* The contract is high value but over a short duration, e.g., 6 months.
* There is an overriding social value theme/indicator that the Contracting Authority wish to address.

**SLIDE 20**

The evaluation panel will assess and give a score based on how well the bidder’s tenderer’s methodology addresses the selected Social Value Theme(s) and Indicator(s).

A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023).

**SLIDE 21**

In their methodology response, tenderers may be asked to set out:

* The activities the tenderer will undertake and metrics for each activity;
* timescales for delivery of the social value requirements;
* the resources, both internal and external, that the tenderer will use to plan and deliver the social value requirements;
* the activities the tenderer will undertake to deliver the social value activities including how they will engage with key stakeholders (e.g. social value beneficiaries, organisations within the voluntary, community and social enterprise sector);
* confirmation that the planned activities are additional to activities the tenderer already undertakes; and,
* how the tenderer will monitor and report on the delivery of the social value requirements and address any performance issues

**SLIDE 22**

Good contract management ensures that all parties fully meet the requirements specified in the terms and conditions of the contract, including in relation to social value.

Social Value will be managed in the same way as any other aspect of the contract. Social value requirements must be delivered in line with contractual commitments, and they must provide value for money.

Contracting Authorities and Suppliers could face contractual and budgetary issues as well as reputational damage, if the social value requirements of a contract are not delivered. Reputational damage can have long lasting effects on the supplier and contracting authority. To address these risks, Contract Managers may want to draft and include social value KPIs to assist with effective contract management.

**SLIDE 23**

If the tender has used the alternative approach, the supplier must provide the client with progress reports as set out in the contract conditions.

If the tender has used the social value points model, the supplier will use the social value monitoring system which we will look at now.

At the contract initiation meeting, Contract Managers should confirm the contract’s social value requirements and how these will be monitored with the Supplier.

**SLIDE 24**

The Social Value monitoring system is a web-based system.

When a contract using social value points is awarded, you must inform the Social Value Unit at SIB via info@buysocialni.org

You will also need to inform the Unit if the contract is delayed and when the contract has completed.

The Unit will set up the contract in the Social Value Monitoring Portal, prepopulating the Social Value Points targets included on the contract.

The Unit will issue the Supplier with login details and guidance on how to add information relating to the delivery of their targets.

A report will be sent from the system at regular intervals to both the Supplier and Client Project Managers.

**SLIDE 25**

When a contract is awarded, Suppliers will:

* Receive login details and guidance on how to add information relating to the delivery of their targets;
* Receive a reminder to update the report (however, suppliers can log in at any time);
* Record their progress to date against each indicator - There is a notes section which Contract Managers should encouraged Suppliers to use to record any efforts that they have made to fulfil their targets;
* Be emailed a report at regular intervals, along with the Client Project Manager.

Contract Managers should assess each social value monitoring report to determine if the Supplier is on track to deliver their targets. We will look at a worked example of how to do this now.

**SLIDE 26**

You are the contract manager of a £45m contract, with a duration of 8 years. The total number of Social Value points that are required to be delivered across the lifetime of the contract is 2400. It is the start of the 5th year of the 8 year contract and you are preparing for the contract review meeting. You have included social value as a standard agenda item at all contract review meetings.

The documents you need review are:

* The Social Value Delivery Plan the Supplier submitted as part of the tender
* The most recent Social Value Monitoring Report that you have received by email from the monitoring system

**SLIDE 27**

As you can see from the Social Value Delivery Plan, the Supplier committed to delivering the following social value initiatives across the lifetime of the contract:

* 260 person weeks of employment for people who face barriers to employment
* 78 person weeks of employment for people with a disability
* 25 weeks of work experience placements for people who face barriers to employment
* 30 weeks of work experience placements for people with a disability
* 363 hours of digital skills development and educational attainment for people with a disability

**SLIDE 28**

From the Social Value monitoring reports, you can see that the Supplier has delivered 1175.5 Social Value points to date through those initiatives:

* Paid employment for people who face barriers to employment - 130 weeks – 375 points
* Paid employment for people with a disability – 22.5 weeks – 78 points
* Work experience for people who face barriers to employment – 17.5 weeks – 175 points
* Work experience for people with a disability - 11 weeks – 165 points
* Digital skills development and educational attainment for people with a disability - 204 hours - 382.5 points

**SLIDE 29**

Your first step is to establish the overall social value requirements delivered to date.

You can see from the most recent monitoring report that 49% of the total Social Value Points have been delivered to date - 1175.5 points delivered of the required 2400 Social Value points. From this preliminary analysis, the Supplier is doing well and seems to be on track for delivering the overall Social Value requirement of the contract in the 8 year timeframe.

**SLIDE 30**

Your next step is to review each social value initiative’s delivery to date. You consult the Supplier’s Social Value Delivery Plan, which they submitted at the contract’s bid stage, to understand in more detail if the Supplier is on track to deliver the specific social value initiatives they set out to explain how they would deliver the specified minimum number of points with the tender.

In this table, you can see in the red columns what the Supplier has delivered, in the orange columns is what the Supplier committed to deliver and in the final blue column is the % of each initiative that has been delivered to date.

At this stage of the contract, when 4 out of 8 years have passed, you would expect the supplier to have delivered 50% of each social value initiative included in the Social Value Delivery Plan. From this more detailed analysis, you can see that the Supplier is on track for 3 out of 5 initiatives but is at risk of falling behind with the work experience and paid employment for people with a disability.

**SLIDE 31**

Contract Managers should discuss any risks of under achievement with the Supplier and put a plan in place to mitigate the risk. Here are some actions to take at the contract review meeting to ensure delivery of the contract requirements:

Ask the Supplier how they intend to ensure full delivery of each social value initiative across the lifetime of the contract.

Request an updated Social Value Delivery Plan to show how they plan to ensure delivery

Suggest that, as they seem to be delivering well against the digital skills development initiative, they could use the contacts and systems involved in delivering that element to identify and encourage more work placement participants who have a disability, which may lead to increased applicants for paid employment on the contract.

Highlight potential brokers who work with people with a disability who may be able to nominate participants/applicants for the work placement or paid employment opportunities. The ‘Find a Broker’ page in the Suppliers’ section of the Social Value Unit website lists organisations that can help Contractors meet their Social Value requirements. These organisations tend to be Voluntary, Community or Social Enterprise organisations, and employability providers. The brokers can be searched by social value initiative, priority group, location and industry to help Contractors find a suitable organisation to help them meet their particular Social Value requirements.

**SLIDE 32**

A minimum of 10% of total award criteria will be allocated to social value in all IT and Services contracts above the threshold where the Procurement Regulations apply.

The social value approaches are based on the 4 social value themes

Monitoring progress of social value delivered on a contract helps to keep to agreed targets and ensure value for money.

Further resources are available on the Contract Manager section of the Social Value Unit website, where you can also download a written version of the guidance provided in this session.

**SLIDE 33**

To find out more and apply youR knowledge you can:

* Complete the Scoring Social Value e-learning course on LInKS (contact us if you do not have access to LInKS)
* Sign up to attend more detailed virtual training via CAL (contact us if you do not have access to CAL)
* [Read the guidance](http://www.buysocialni.org/procurement/) on how the model works in detail, available from the Procurement section of the Social Value Unit website
* Embed the contract management tips into your existing practices and discuss these with your team