

**Scoring Social Value  
Guidance  
For  
Suppliers**

## Introduction

This is a practical guide for Suppliers which sets out how Public Bodies in Northern Ireland score social value in public tender competitions in accordance with [Procurement Policy Note \(PPN\) 01/21 \(Scoring Social Value Policy\)](#).

PPN 01/21 mandates that from 1 June 2022 tenders must include a minimum of 10% of the total award criteria to social value.<sup>1</sup> This 10% minimum will apply to contracts for services and works above the threshold where the Procurement Regulations apply.

A review of the Policy will take place in advance of June 2023 with the intention of increasing the minimum weighting to 20% subject to the approval of the Executive.

PPN 01/21 covers social, environmental and economic objectives and requires public bodies to score social value using an outcomes-based framework which has four broad themes:

- increasing secure employment and skills;
- building ethical and resilient supply chains;
- delivering zero carbon, and
- promoting well-being.

Departments have the option of giving different weight to different model criteria, setting a minimum score for individual criteria, and requiring a minimum average score across the social value criteria.

## What is Social Value?

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

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 significant potential to contribute to the economic, environmental and social outcomes contained in the Executive's Programme for Government.

In addition to the legislative and policy requirements, by including social value in procurement contracting authorities and suppliers can work together to:

- > 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

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<sup>1</sup> A review of the Scoring Social Value Policy will take place in advance of June 2023 with the intention of increasing the minimum weighting to 20% subject to the approval of the Executive. This guidance will be updated to reflect any changes to the Scoring Social Value policy following the review in 2023.

## Translink Security Contract

### **Strategic Context**

Translink is committed to the promotion of social inclusion and equal opportunities in Northern Ireland, and maximising the progression into the workforce of people who are long term unemployed and those leaving education and training.

### **Social Value Requirements**

- 40% of new personnel engaged on the contract to be either long term unemployed or leaving education/training.

### **Results**

- 42% of new personnel engaged on the contract are either long term unemployed or leaving education/training.
- Sharon hadn't ever worked in the security industry before but has found she is able to work her new job around her family commitments:

*"I'm new to the security industry and only got my SIA licence in October 2018. I really enjoy working for Sword Security (NI) Ltd. and everything is perfect. I wanted to get my SIA licence as I am a single parent to 4 children and the hours I work fit in with my life."*



## Department of Education: Teachers' Pension System Contract

### **Strategic Context**

*Closing the performance gap, increasing access and equality* – addressing the underachievement that can hold our children and young people back; ensuring that young people who face barriers or are at risk of social exclusion are supported to achieve to their full potential.

### **Social Value Requirements**

- Business in Education initiatives to support the development of young people who are considered to be disadvantaged in the labour market or at risk of social exclusion.
- Unwaged work placements for people who are disadvantaged in the labour market.

### **Results**

- Coding workshop for primary school children to encourage greater participation in STEM and promote ICT career pathways
- Work placement opportunities for female students to help address the gender disparity within the ICT sector



Further examples of social value in practice can be found on the [Social Value Unit's website](#).

## Thinking Social: the pre-procurement stage

Pre-procurement engagement can help Contracting Authorities identify opportunities to maximise social value outcomes for each procurement competition. For Suppliers, it is an opportunity to communicate and highlight:

- the market capacity and capabilities, particularly in relation to Voluntary, Community and Social Enterprise (VCSE) sector organisations;
- different delivery models that may meet the Contracting Authority's objectives;
- feedback on high level evaluation strategies;
- any potential barriers to delivery; and,
- how the market could enhance and maximise opportunities to add social value.

Suppliers should attend any supplier engagement events and respond to pre-procurement engagement questions.

By contributing to a Contracting Authority's pre-procurement engagement, Suppliers can provide feedback on how social value can be maximised, which can lead to:

- more innovative social value initiatives; and
- better social value outcomes.

## Buying Social: Social Value Themes and Indicators

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

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 subject matter of the contract and the Authority's strategic priorities.

A list of the Social Value Themes and Indicators is available in Annex A.

Under the Social Value Model, Contracting Authorities assess and score the quality of the social value offered in the tender against the social value requirements at evaluation stage, in the same way as they would do for any other evaluation criteria designed to assess quality.

## Buying Social: Social Value Points

This approach uses social value points to ensure social value outcomes are delivered through public sector contracts in a measureable, proportionate and flexible manner.

Each Social Value indicator is broken down into subsequent initiatives. Each initiative has been allocated a number of social value points. The table below provides an example of this:

Theme 1: Secure Employment and Skills

Social Value Indicator	Social Value Initiatives	Unit of Measurement	Beneficiaries	Social Value Points
<b>1.3 Create employment and/or training opportunities in industries with known skills shortages or in high growth sectors</b>	Paid employment	52 full time equivalent weeks of employment	people who face barriers to employment or are from deprived areas	75
			people from the Client's priority group	90
	Work placements	4 full time equivalent weeks	people who are considered to be disadvantaged in the labour market or at risk of social exclusion	10
			people from the Client's priority group	15
	Skills development and educational attainment	8 hours of support or training	people who are considered to be disadvantaged in the labour market or at risk of social exclusion	10
			people from the Client's priority group	15
	Digital skills development, cyber security awareness training and educational attainment	8 hours of support or training	people who are at risk of digital exclusion	10
			people from the Client's priority group	15

*(Please note the information contained within the table above has been provided for illustrative purposes only.)*

**How does the Social Value Points Model work?**

The Social Value Points Model requires that the Supplier deliver a minimum of 100 social value points per £1m of contract value (and pro-rata). For example, a £6m contract over 6 years would require the Supplier to deliver a minimum of 600 social value points over the lifetime of the contract.

The default position is that the points will be capped at an averaged contract value of £3 million per annum (for services and ICT contracts only) though this may be increased by the Contracting Authority on a contract by contract basis.

The Supplier will have 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.

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. 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.

Approach for the delivery of the social value requirements set out in Schedule 4			
The Contractor must deliver a minimum value of 100 Social Value points for every £1 million (and pro-rata) in invoiced value, capped at an averaged contract value of £3 million per annum.			
Estimated value of contract (in millions)	£	45.0	million
Total Social Value points to be delivered		2400	Social Value points
Term of contract (in years)		8	years
The social value initiatives which are eligible for inclusion on this contract and their associated points are detailed on the previous tab of this spreadsheet 'Social Value Initiatives'.			
<b>Bidders must complete the table below to demonstrate how the social value requirement will be delivered. This will be submitted with the tender.</b>			
Social value initiative	Unit of Measurement	Planned Delivery [to be completed by Bidder]	Points Value
Paid employment for people who face barriers to employment or are from deprived areas	Number of FTE person weeks which will be delivered throughout this contract	832	1200
Unwaged work placements for people who face barriers to employment or are from deprived areas	Number of FTE person weeks which will be delivered throughout this contract		0
Digital skills development, cyber security awareness training and educational attainment for people who are at risk of digital exclusion	Number of hours which will be delivered throughout this contract	400	500
In-work Progression and Skills Development Strategy	Strategy will be submitted in relation to work carried out on this contract	yes	30
In-work Progression and Skills Development Strategy - annual updates	Number of annual updates which will be submitted throughout the duration of the contract	7	70
Inclusion of Social Enterprises in the contract's supply chain	Use of at least one social enterprise in the supply chain (in relation to work carried out on this contract)		0
Inclusion of Micro Enterprise which is in its first 48 months of trading in the contract's supply chain	Use of at least one micro enterprise which is in its first 48 months of trading in the supply chain (in relation to work carried out on this contract)		0
Business development and knowledge sharing with a Voluntary or Community organisation or Micro Enterprise in Northern Ireland	Number of hours which will be delivered throughout this contract	320	400
Health and Wellbeing strategy	Strategy will be submitted in relation to work carried out on this contract	yes	30
Health and Wellbeing strategy - annual updates	Number of annual updates which will be submitted throughout the duration of the contract		

Tenderers will be required to submit a Social Value Delivery Plan setting out how they will deliver the specified minimum number of points with the tender and asked to complete a methodology detailing how they will ensure the required social value points are delivered. The methodology will evaluate a number of areas including:

- timescales for delivery of the social considerations requirements;
- the resources, both internal and external, that the tenderer will use to plan and deliver the social considerations;
- the activities the tenderer will undertake to deliver the social considerations 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); and
- confirmation that the planned activities are additional to activities the tenderer already undertakes.
- how the tenderer will monitor and report on the delivery of the social value requirements and address any performance issues

**A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023). Suppliers should check the invitation to tender carefully to determine the weighting allocated to social value.**

### Buying Social: Alternative to using Social Value Points (Service and ICT only)

Social Value Points may not be suitable in Services and ICT contracts when the contract value is below £250k per annum per supplier or where it can be justified by the characteristics of the specific contract or framework.

If a Contracting Authority decides to use the Alternative approach, they will

- select an appropriate Social Value Theme and Indicator(s)
- include an evaluation question focussed on achieving the indicator(s) under the selected theme

Example: Counselling contract

Scope: The contract will be awarded to one supplier who will deliver in-person and telephone counselling consultations to people in Northern Ireland.

Value: £500,000

Duration: 5 years.

Through pre-procurement engagement, the contracting authority knows that:

- the market for the contract opportunity included SMEs, social and micro enterprises and large enterprises.
- the workforce is highly skilled.
- the nature of the contract can present a high risk of health and wellbeing issues for contract staff.
- the health and wellbeing of the contract workforce is important to the performance of the contract.

Alternative approach contracts generally carry a value of less than £250k per annum. The value of the counselling contract is under this value.

The contracting authority also wants the supplier to focus on promoting wellbeing rather than a mixture of social value themes. The alternative model is most suitable for this.

Tenderers will be required to submit a methodology detailing how they will ensure social value outcomes relevant to the indicator(s) are delivered. The methodology will evaluate a number of areas including:

- The activities you will undertake and metrics for each activity;
- Timescales for delivery of the social value requirements;
- The resources, both internal and external, that you will use to plan and deliver the social considerations (this should include details of suppliers in your supply chain);
- How you will engage with key stakeholders (including communities impacted through the delivery of the contract);
- Confirmation that the planned activities are additional to activities your organisation already undertakes;
- How you will monitor and report on the delivery of the social value requirements and address any performance issues.

**A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023). Suppliers should check the invitation to tender carefully to determine the weighting allocated to social value.**



## Monitoring social value

Where Social Value requirements are included in the contract they must be enforced. To facilitate this, the Supplier must provide regular progress reports as set out in the contract.

Poor performance, by the Supplier on the delivery of requirements relating to social value, must be addressed in accordance with the recommendations on poor contractor performance set out in Procurement Guidance Note PGN 01/12: Contract Management Principles and Procedures.

## Social Value Points

When the Social Value Points Model has been included in the contract, there is a robust Social Value monitoring system in place so that, at intervals as stated in each contract, the Supplier must provide a report on their delivery of the contract's Social Value requirements, e.g. details of the number of weeks work experience opportunities delivered or the number of hours of health and wellbeing initiatives delivered as a result of the contract.

The Social Value monitoring system is a web-based system that works in the following way:

- The Social Value Unit will issue the Supplier with login details and guidance on how to add information relating to the delivery of their targets;
- The Supplier will receive a reminder to update the report; however, Suppliers can log in to the monitoring portal at any time;
- Suppliers record their progress to date against each indicator. (There is also a notes section which Suppliers should use to record any efforts that they have made to fulfil their targets); and,
- A report will be sent from the system at regular intervals to both the Supplier and Client Project Managers. This report should be regularly reviewed during progress meetings to ensure the Supplier is on track to deliver their targets.

## Social Value Alternative

If the contract uses the alternative social value model, the supplier must provide the client with progress reports as set out in the contract conditions.

## Tips for demonstrating social value:

### **1. Do your research**

Many public sector organisations publish business or strategic plans setting out their specific social, economic and environmental agenda. These documents may be referenced to as part of the tender or may be available on the public sector body website.

You can access a range of useful resources on the Social Value Unit's website. It may also be helpful to consult the Find a Broker section of the website database which provides details on organisations who may be able to work together with you to help you deliver social value.

It's important to do your reading and ensure you demonstrate that you understand the Contracting Authority's priorities and how you will contribute to them in your response.

### **2. Be specific**

Don't be vague. Make tangible commitments and include:

- Activities, e.g. what you will do
- Figures, e.g. how much you will do
- Timescales, e.g. over what time period
- Precise objectives and targets where possible, e.g. how you will measure and report achievement
- Responsibility for overseeing delivery of the social value requirements
- Resources (e.g. which internal resources and external partnerships will you use to deliver the requirements)

### **3. Understand what is required of you**

Make sure you fully understand what is being sought by the Contracting Authority – ask for clarification if necessary using the appropriate mechanism as set out within the tender documents.

It is important not to presume you know what the Contracting Authority wants to hear. Instead, digest the demands of the question and respond accordingly. Don't, for example, get caught up in writing about adding value through reusing and recycling resources if the question is asking you to detail how you will enhance social value through introducing additional employment/work experience opportunities.

Focus on the evaluation criteria as you complete the tender documentation. If you do not provide enough evidence for each criterion then you will not score well in that question.

### **4. Be relevant**

Do not use stock answers. Make sure your response is specific to the subject matter of the contract and the buying organisation's priorities. Any benefits identified as

social value in tenders or contracts must be over and above the core deliverables of the tender or the contract.

## **5. Ensure additionality**

The social value that you attribute to each contract needs to be generated by that contract. You can't claim the social value for eight apprentices if only four of them will be working on that project. Ensure that your social value initiatives are relevant to the Contract only. Do not submit general Corporate Social Responsibility policies.

Example: If you organise a careers talk at a school every year, you cannot now claim social value for this as the initiative has not been delivered specifically as a result of the Contract for which you are now submitting a tender response. In order to claim social value against this type of initiative, the Supplier will need to deliver an additional careers talk (s) as a result of the specific social value requirements on the Contracting Authority's contract.

## **6. Be realistic**

Only make commitments that you can deliver. Suppliers will be required to adhere to the commitments they make. Social Value offers will be built into the contract of the successful bidder and poor performance will be managed in line with Procurement Guidance Note PGN 01/12: Contract Management Principles and Procedures

## **Common terms**

VCSE: Voluntary, Community and Social Enterprise

SME: Small and Medium Enterprise

FTE: Full time equivalent

LTU: Long term unemployed person

## **Further Resources**

There are further guidance documents, videos and the 'Find a Broker' database on the Suppliers section of the [Social Value Unit website](#).

**Annex A**

<b>SOCIAL VALUE THEME 1: INCREASING SECURE EMPLOYMENT AND SKILLS</b>
<b>SOCIAL VALUE INDICATORS</b>
1.1 Create employment, retraining and other return to work opportunities for those furthest from the labour market
1.2 Create employment opportunities particularly for those who face barriers to employment and/or who are located in deprived areas
1.3 Create employment and training opportunities in industries with known skills shortages or in high growth sectors
1.4 Support in-work progression and educational attainment in the workforce, including training schemes that address skill gaps and result in recognised qualifications, to help people to move into higher paid work by developing new skills
1.5 Increase the representation of disabled people in the contract workforce
1.6 Support disabled people to develop new skills and recognised qualifications
1.7 Create opportunities for entrepreneurship and help new, small organisations to grow, supporting economic growth and business creation.

<b>SOCIAL VALUE THEME 2: BUILDING ETHICAL AND RESILIENT SUPPLY CHAINS</b>
<b>SOCIAL VALUE INDICATORS</b>
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.

<b>SOCIAL VALUE THEME 3: DELIVERING ZERO CARBON</b>
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<b>SOCIAL VALUE INDICATORS</b>
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3.1 Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions
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3.2 Contract specifications that support environmental protection and improvement.
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3.3 Supply chains that minimise carbon footprint and emissions.
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3.4 Companies employ low or zero-carbon practices and/or materials.
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3.5 Assessing and minimising embodied carbon.
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<b>SOCIAL VALUE THEME 4: PROMOTING WELLBEING</b>
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<b>SOCIAL VALUE INDICATORS</b>
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4.1 Support the health and wellbeing, including physical and mental health, in the contract workforce
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4.2 Influence staff, suppliers, customers and communities through the delivery of the contract to support health and wellbeing, including physical and mental health
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4.3 Promote equality, diversity and inclusion in the contract's workforce
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4.4 Allocate a percentage of the budget to artwork or cultural activities
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