Social Value in Procurement in Northern Ireland

Guidance for Suppliers

IT & Services Contracts

Introduction

This guidance explains how social value is incorporated into public procurement in Northern Ireland and what suppliers need to do when responding to tenders that include social value requirements.

Social value is a key component of public procurement policy in Northern Ireland and is embedded throughout the procurement lifecycle, from early market engagement through to contract management. Under Procurement Policy Note (PPN) 01/21, Contracting Authorities must consider opportunities to maximise social value and, for applicable contracts, allocate a minimum proportion of award criteria to social value requirements.

This guide will help suppliers:

- Understand what social value means.
- Understand how social value is evaluated in tender competitions.
- Develop strong social value responses.
- Understand social value monitoring requirements.
- Identify organisations that can support delivery of social value commitments.

Note: The information contained in this document is guidance only. Tenderers must read their procurement documents carefully and ensure they complete and upload to e-Tenders the required documentation accurately.

What is Social Value?

Social value refers to the wider financial and non-financial impacts that an organisation can create for individuals, communities and the environment through the delivery of a contract.

The social value generated through public contracts creates a positive legacy beyond the core goods, services or works being delivered.

Examples of social value include:

- Creating employment opportunities.
- Developing skills and training pathways.
- Increasing supply chain diversity.
- Supporting voluntary, community and social enterprise organisations.
- Reducing carbon emissions.
- Enhancing biodiversity.
- Improving health and wellbeing.
- Promoting equality, diversity and inclusion.

Social Value in Northern Ireland

Social value has evolved significantly within Northern Ireland procurement. While earlier approaches focused primarily on employment-related contract clauses, the current approach considers economic, environmental and social outcomes across the entire procurement process.

Social value is now embedded through:

- Preliminary market engagement.
- Procurement design.
- Contract specifications.
- Award criteria.
- Contract conditions.
- Contract management arrangements.

Procurement Policy Note 01/21

PPN 01/21 introduced a strategic approach to social value across public procurement.

Key requirements include:

- Government Departments must develop Social Value Strategies.
- Contracts should include at least one social value Key Performance Indicator (KPI).
- Fair Work and Real Living Wage provisions are mandatory.
- Public bodies should ensure procurement opportunities are accessible to social enterprises and micro businesses.
- Contracting Authorities are encouraged to specify sustainability requirements relevant to the contract.

For applicable service contracts valued above £500,000 (inclusive of VAT), a minimum of 10% of award criteria must be allocated to social value. Contracting Authorities may choose to apply social value to contracts below this threshold or increase the weighting above 10%.

Social Value Themes

Contracting Authorities select the themes and indicators most relevant to the contract being procured.

Theme 1: Increasing Secure Employment and Skills

This theme focuses on:

- Creating employment opportunities.
- Supporting individuals furthest from the labour market.
- Developing skills and qualifications.
- Supporting in-work progression.

Increasing representation of person with disabilities within the workforce. Examples include:

- Paid employment.
- Work placements.
- Apprenticeships.
- Skills development initiatives.
- Digital inclusion programmes.

Theme 2: Building Ethical and Resilient Supply Chains

This theme seeks to:

- Promote fair work.
- Address inequalities.
- Reduce risks relating to modern slavery and human rights abuses.
- Support diverse and resilient supply chains.
- Create opportunities for SMEs, social enterprises and VCSE organisations.

Examples include:

- Human rights due diligence.
- Fair employment practices.
- Supply chain engagement.
- Business development support for small organisations.

Theme 3: Delivering Climate Action

This theme supports environmental improvement and the transition to a low-carbon economy.

Indicators include:

- Delivering additional climate action benefits.
- Supporting climate adaptation and mitigation.
- Enhancing biodiversity.
- Working towards net zero emissions.
- Improving air and water quality.
- Supporting circular economy initiatives.
- Reducing embodied carbon.
- Creating green jobs and associated training opportunities.

Examples include:

- Reducing carbon emissions.
- Reusing or recycling materials.
- Biodiversity projects.
- Environmental action plans.

Theme 4: Promoting Wellbeing

This theme focuses on:

- Health and wellbeing.
- Community cohesion.
- Equality, diversity and inclusion.
- Workforce development.

Examples include:

- Mental health support.
- Health promotion initiatives.
- Equality, diversity and inclusion programmes.
- Community wellbeing projects.

Preliminary Market Engagement

Suppliers are encouraged to participate in supplier engagement events and respond to preliminary market engagement activities.

This provides an opportunity to:

- Highlight market capacity and capability.
- Discuss social value risks and opportunities.
- Suggest innovative approaches.
- Identify potential barriers.
- Provide feedback on procurement design.
- Explore opportunities for collaboration.

Early engagement can help shape more effective and deliverable social value requirements.

Approaches to Scoring Social Value

For Services and IT contracts, Contracting Authorities generally use one of two approaches:

1. Social Value Points Approach

This is the default approach for Services and IT contracts.

Under this model:

- The Contracting Authority selects relevant themes and indicators from the PPN.
- Each indicator sets out a range of eligible initiatives related to that indicator.
- Each initiative is assigned a social value points value.

- Suppliers have flexibility to choose which initiatives they will deliver.
- Suppliers must achieve a minimum of 100 social value points per £1 million of contract value (pro-rata).

For example, a contract valued at £2 million would require a minimum of 200 social value points over the lifetime of the contract.

The specific requirements are set out within the Social Value Schedule (or equivalent document) which includes:

- Eligible initiatives.
- Points allocations (see table below).
- Priority groups.
- Monitoring requirements.
- Data protection requirements.
- Any mandatory minimum requirements or limits.

Table A: this table shows an example of initiatives and their points allocations for theme 1. Please note, points allocations may differ and they will be clearly set out in tender documents. Please note the information contained within the table above has been provided for illustrative purposes only.

Social Value Indicator	Social Value Initiative	Unit of Measure	Beneficiaries	Social Value Points
Indicator 1.1 **Create employment, retraining and other return to work opportunities for those furthest from the labour market**	**Paid employment**	26 person weeks (Full Time Equivalent)	people considered to be disadvantaged in the labour market or at risk of social exclusion	**75**
			people who meet the Contracting Authority's priority groups	**90**
	Work placements	4 weeks FTE	people considered to be disadvantaged in the labour market or at risk of social exclusion	**10**
			people who meet the Contracting Authority's priority groups	**15**
	Skills development and educational attainment	8 hours of training or support	people considered to be disadvantaged in the labour market or at risk of social exclusion	**10**
			people who meet the Contracting Authority's priority groups	**15**
	Digital skills development and		people considered to be at risk of digital exclusion	**10**

	educational attainment	8 hours of training or support	people who meet the Contracting Authority's priority groups	**15**

Tailoring Social Value Requirements

Contracting Authorities may tailor social value requirements through:

Priority Groups

Additional points may be awarded for activities benefiting specified priority groups. For example, the Department of Health may identify a group such as Young People on the Looked After Child care pathway.

Minimum Requirements

Contracting Authorities may require suppliers to achieve a minimum proportion of their points through specific initiatives. For example, a minimum of 20% of social value points must be achieved through digital inclusion initiatives.

Maximum Requirements

Contracting Authorities may limit the proportion of points that can be achieved through a particular initiative to encourage a balanced delivery plan. For example, a maximum of 20% of the social value points through donation of supplies.

All requirements will be clearly set out in the procurement documents.

Social Value Delivery Plan

For the purposes of evaluation, where Social Value is to be scored as award criteria, the Contracting Authority will set a minimum number of social value points. The supplier must complete and upload a Social Value Delivery Plan (excel doc) to eTendersNI to demonstrate that they will achieve the minimum required Social Value points for the contract, including adhering to any mandatory minimum/maximum requirements. Exceeding this minimum number of social value points will not influence the assessment. In line with tender documents, all proposed social value initiatives should be directly related to the Authority's contract.

Table B: an example of a completed Social Value Delivery Plan is below. Please note, points allocations may differ and they will be clearly set out in tender documents. Please note the information contained within the table below has been provided for illustrative purposes only.

For the purposes of evaluation, tenderers must submit their response based on the minimum number of social value points set out below.

Estimated value of contract (in millions)	£	5.0	million
Total Social Value points to be delivered		500	Social Value points
Term of contract (in years)		5	years

The social value initiatives which are eligible for inclusion on this contract and their associated points are detailed below under 'Social Value Initiatives'.

Bidders must complete the table below to demonstrate how the social value requirement will be delivered. This must be submitted with the tender.

Social value initiative	Points Calculation	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	52 weeks FTE = 75 points	Number of FTE person weeks which will be delivered throughout this contract	208	300
Unwaged work placements for people who face barriers to employment or are from deprived areas, including green skills	4 weeks FTE = 10 points	Number of FTE person weeks which will be delivered throughout this contract	8	20
Skills development and educational attainment for people who are considered to be disadvantaged in the labour market or at risk of social exclusion	8 hours support or training = 10 points	Number of hours which will be delivered throughout this contract		0
In-work Progression and Skills Development action plan	1 action plan = 30 points	action plan will be submitted in relation to work carried out on this contract	yes	30
Inclusion of VCSE organisation in the contract's supply chain	Use of one VCSE in the supply chain = 30 points	Use of one VCSE in the supply chain (in relation to work carried out on this contract)	2	60
Business development and knowledge sharing with a Voluntary or Community organisation or Micro Enterprise in Northern Ireland or Minority Ethnic Led/Owned enterprise	8 hours support or training = 10 points	Number of hours which will be delivered throughout this contract	8	10
Environmental Action Plan	1 action plan = 30 points	Action plan will be submitted in relation to work carried out on this contract	yes	30
Wellbeing initiatives to support employees, including those working remotely, on the contract .	8 hours of support = 10 points	Number of hours which will be delivered throughout this contract	16	20
Equality, Diversity and Inclusion Action Plan	1 action plan = 30 points	Action plan will be submitted in relation to work carried out on this contract	yes	30
		Total Social Value points which will be delivered by this plan		**500**
		Total Social Value points required to be delivered		**500**

Social Value Points: Methodology

Tenderers will also complete and submit a methodology which will evaluate a number of areas. Below is model text only, therefore tenderers should check the Invitation to Tender carefully for wording related to their tender.

*Suppliers must provide a written response that details **how they will deliver the social value initiatives set out** within their completed Social Value Delivery Plan.*

In line with Specification/Schedule XX, bidders must demonstrate how the proposed social value initiatives in the Social Value Delivery Plan will be integrated into the delivery of the Buyers/ Authority's contract.

Responses should clearly explain how the proposed initiatives will be directly related to the contract. Responses should not include generic descriptions of organisational policies, existing practices or corporate social responsibility initiatives, without demonstrating how each will be applied to this contract.

Your response should address the following:

- *Timescales for delivery of the social value requirements;*
- *The resources, both internal and external, you will use to plan and deliver the social value requirements (e.g. details of suppliers in your supply chain on the contract);*
- *The steps you will undertake to deliver the social value initiatives selected within your completed Social Value Delivery Plan, which are directly related to the Authority's contract;*
- *How you will engage with key stakeholders (e.g. the Buyers/Authority, social value beneficiaries, organisations within the voluntary, community and social enterprise sector etc.); and,*
- *How you will monitor and report on the delivery of the social value requirements and address any performance issues.*

In accordance with PPN 01/21, a minimum weighting of 10% of the overall award criteria will be applied on over threshold contracts. Suppliers should check the invitation to tender carefully to determine the weighting allocated to social value.

2. Fixed Social Value Indicator Approach

In some circumstances the Contracting Authority may select one or more specific indicators and ask suppliers to explain how they will deliver outcomes against them.

This approach may be used where:

- Contracts are high value but short duration.
- The Authority wishes to focus on a specific strategic objective.
- A more targeted outcome is required.

The evaluation panel will assess the quality and credibility of the supplier's methodology and proposed delivery arrangements.

A minimum weighting of 10% of the overall award criteria will still apply.

Fixed Social Value Indicator: Example

Type: Services contract
Value: £500,000
Duration: 5 years
The contract will be awarded to a single supplier.

The Contracting Authority has selected:
Theme 4: Increasing Secure Employment and Skills and Indicator
Indicator 4.5 Take action to improve equality, diversity and inclusion in the contract's workforce and throughout the supply chain

The Invitation to Tender sets out that Social Value initiatives related to indicator **4.5 Take action to improve equality, diversity and inclusion in the contract's workforce and throughout the supply chain** may include:

- Engage with employees working on the Contract to determine the most important equality, diversity and inclusion issues and undertaking activities to address these;
- Increasing awareness and providing training about equality, diversity and inclusion issues within the contract workforce for employees and managers engaged on the Contract;
- Adopting inclusive and accessible recruitment practices to increase equality, diversity and inclusion of the contract workforce in accordance with the Equality Commission for Northern Ireland's guidance;
- Undertaking positive action measures to address representation of disadvantaged groups in the contract workforce. PositiveActionEmployerGuide.pdf (equalityni.org);
- Other relevant initiative(s).

Tenderers will be required to submit a methodology detailing how they will ensure

social value outcomes relevant to the indicator(s) are delivered. Below is model text only, therefore tenderers should check the Invitation to Tender carefully for wording related to their tender.

Tenderers can choose from any one or more of the social value initiatives detailed. Alternatively, they can choose their own initiative(s) but must ensure they meet the requirements of the Social Value Indicator selected. Tenderers must clearly state in their response which initiative(s) they are referring to.

Responses should clearly explain how the proposed initiatives will be directly related to the contract. Responses should not include generic descriptions of organisational policies, existing practices or corporate social responsibility initiatives, without demonstrating how each will be applied to this contract.

The response should include:

- *The activities you will undertake, the timescales for their delivery, and how they are directly related to the Authority's contract;*
- *Quantifiable metrics for each activity.*
- *The resources you will use to plan and deliver the social value requirements;*
- *How you will engage with key external stakeholders (e.g. suppliers in your supply chain, the Authority, social value beneficiaries, organisations within the voluntary, community and social enterprise sector etc.); and,*
- *How you will monitor and report on the delivery of the social value activities and address any performance issues*.

In accordance with PPN 01/21, a minimum weighting of 10% of the overall award criteria will be applied on over threshold contracts. Suppliers should check the Invitation to Tender carefully to determine the weighting allocated to social value.

What Makes a Strong Social Value Response?

Understand the Requirement

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. For example, don't write 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.

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)

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.

Responses should clearly explain how the proposed initiatives will be directly related to the contract. Responses should not include generic descriptions of organisational policies, existing practices or corporate social responsibility initiatives, without demonstrating how each will be applied to this contract.

Be Realistic

Only commit to activities that can be delivered and evidenced in your response.

Social value commitments become contractual obligations and will be monitored throughout contract delivery.

Remember it is a qualitative assessment; therefore, the evaluation panel will evaluate the quality of your response based on the scoring matrix set out in the Invitation to Tender.

Collaborate

Many suppliers work with broker organisations to help deliver social value commitments. Brokers are normally Voluntary, Community and Social Enterprise organisations who:

- Can benefit from the social value initiatives public sector suppliers deliver;
- Work with people who can benefit from social value initiatives; or,
- Have knowledge and skills to support suppliers to deliver social value initiatives.

Some useful resources to make connections include:

- **Social Value NI Broker Database** – lists organisations in Northern Ireland who are interested in partnering with suppliers to deliver requirements
- **Social Value Partnership Hub** - helps businesses, social enterprises, community groups and voluntary organisations across Northern Ireland connect with each other. It lists -
    - **Projects** from charities, social enterprises and community organisations.
    - **Offers of support** from businesses and suppliers.
- **Social Enterprise NI Directory** – lists social enterprises in Northern Ireland who could become a supply chain partner.

Monitoring and Managing Social Value

The Social Value in Procurement Policy sets out:

"The successful delivery of social value must form part of effective contract management to ensure all parties fully meet the requirements specified in the contract. Regularly monitoring the delivery of social value will ensure contractual requirements are delivered and best value for money is achieved. It will also allow for full assessment of the social value impact and benefits delivered.

To highlight the importance of the delivery of social value, at least one Key Performance Indicator (KPI) must be developed for the social value aspects of the contract."

Social value commitments included within contracts are monitored and managed throughout the life of the contract through the Social Value Monitoring System which is hosted by the Strategic Investment Board.

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;
- Be emailed a report at regular intervals, along with the Contract Manager.

Only contract specific information should be recorded on the system.

Reports on Social Value delivery are regularly shared with leaders including Ministers, MLAs and Permanent Secretaries.

The Contract Manager must ensure that the Contractor's performance is carefully monitored. The Sourcing and Construction Toolkits provide advice on contract management and set out a protocol for dealing with poor contractor performance

Further Support

Additional guidance, webinars and supplier resources are available through the Social Value NI website.

Annex A

PPN 01/21 Social Value in Procurement – Themes and Indicators

Theme	Indicators - what good looks like
1. Increasing secure employment and skills	1.1. Create employment, retraining and other return to work opportunities for those furthest from the labour market and/or from deprived areas. 1.2. Create employment and training opportunities in industries with known skills shortages or in high growth sectors. 1.3. Create employment and training opportunities that support a more resource efficient, greener and low carbon economy.

	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. Support in-work progression and training opportunities to help people gain new skills and recognised qualifications that are relevant to a more resource efficient, greener and low carbon economy. 1.6. Increase the representation of disabled people in the contract workforce. 1.7. Support disabled people to develop new skills and recognised qualifications.
2. Building ethical and resilient supply-chains	2.1. Collaborate with the contract's supply chain to ensure fair work and workforce diversity throughout the supply chain. 2.2. Commit to ethical supply chains and practices by identifying and managing risks of modern slavery and human rights abuses in the delivery of the contract, including in the supply chain. 2.3. Create a diverse and innovative supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, micro businesses and VCSEs. 2.4. Support entrepreneurship and social entrepreneurship, including helping new and small organisations to grow. 2.5. Maximise security of supply, for example by minimising proximity of supply chains to point of delivery.
3. Delivering Climate Action	3.1. Deliver additional climate action benefits in the performance of the contract including working towards net zero greenhouse gas emissions and/or contributing to climate adaption measures. 3.2. Initiatives that support climate adaptation and mitigation measures to minimise the effects of climate change. 3.3. Demonstrate action to maintain and enhance biodiversity and promote the resilience of ecosystems by considering environmental protection and improvement in the delivery of the contract, including the supply chain. 3.4. Work toward net zero emissions by measuring the contract's carbon footprint and minimising scope 1, 2 and 3 emissions.

	3.5. Initiatives which contribute to improvements of air and water quality and promote nature-based solutions. 3.6. Demonstrate action that supports the circular economy, by minimising waste and extracting the maximum value of resources in the delivery of the contract, including the supply chain. 3.7. Assess and minimise the contract's embodied carbon emissions by minimising use of virgin materials, effective production techniques and effective recovery systems. 3.8. Create Green Jobs and relevant training opportunities that contribute towards a just transition by supporting a more resource efficient, greener and low carbon economy.
4. Promoting Wellbeing	4.1. Build a culture that supports the wellbeing of staff working on the contract. 4.2. Support the wellbeing of staff, suppliers, customers and communities in the delivery of the contract. 4.3. Promote and develop arts and cultural related activities relevant to the contract. 4.4. Support community cohesion and good relations in areas where the contract is delivered, for example, by ensuring people have a voice in decisions that impact them. 4.5. Take action to improve equality, diversity and inclusion in the contract's workforce and throughout the supply chain. 4.6. Support local initiatives to reduce poverty and inequality in the area where the contract is delivered.