

# **Scoring Social Value – Construction Contracts**

## **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; and
- > improve mental health and wellbeing.

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<sup>1</sup> This guidance will be updated to reflect any changes to the Scoring Social Value policy following the review in 2023.

## 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.

In order to deliver the Social Value Themes and Indicators in a consistent and transparent manner, the Social Value Model has been developed. The Social Value Model includes standard wording to be included at each stage of the procurement journey, making it straightforward for both the public and private sector to implement.

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 which suppliers can deliver. 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

*(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 Model requires that the Supplier deliver a minimum of 100 social value points per £1m of contract value (and pro-rata) and a number of Mandatory Requirements.

The Supplier will have flexibility to choose which of the non-mandatory initiatives they deliver against, giving them the benefit of aligning the requirements of the Contracting Authority with their own business models or feedback gathered through community engagement.

The Contracting Authority will set out within the tender documentation the Mandatory Requirements and the minimum number of additional points that the contractor is required to deliver based on the estimated contract value at the time of procurement.

The Contracting Authority may also set minimum mandatory targets for specific social value initiatives which have a points allocation within the Social Value Points Matrix and Delivery Plan, which the Contractor must deliver as part of the overall social value requirements on the Contract. For example, a Contracting Authority may indicate that a minimum of 50% of the points target must be achieved through employment initiatives.

Tenderers will be required to submit a Social Value Delivery Plan (examples in Annex A) confirming that they will meet the Mandatory Requirements and setting out how they will deliver the specified minimum number of points within the tender.

Tenderers will also complete a methodology detailing how they will ensure the required social value points are delivered. It is this methodology that will be scored as part of the award criteria. 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);
- confirmation that the planned activities are additional to activities the tenderer already undertakes; and,
- how the 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.**

## 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.

Each month, 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 through the Social Value monitoring system.

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.

## 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.

Remember, there is no need to provide a response for the Mandatory Requirements as long as you have confirmed they will be delivered within the Social Value Delivery

Plan. Ensure you have marked each Mandatory Requirement with 'Y' in the Social Value Delivery Plan

#### **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.

It is important to check each tender to see if there are specific requirements such as a minimum number of points to be delivered through employability initiatives or specific groups of people in the Client's priority groups.

#### **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 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

### **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: Social Value Delivery Plans



Social Value Delivery  
Plan Construction Build

**Construction Build -**



Social-Value-Deliver  
y-Plan-Construction

**Construction Civils -**