**Frequently Asked Questions**

**What contracts does PPN 01/21 apply to?**

There are elements of PPN 01/21 that apply to all contracts. See Annex A for details. The requirement to allocate a minimum of 10% of the tender score to social value applies to contracts for works above the UK Procurement Threshold[[1]](#footnote-1) and contracts for services above £500,000, (inclusive of VAT).

Where appropriate, Departments can also score for social value on contracts outside of these thresholds. Departments can also give greater weight to social value than the 10% minimum.

**Does PPN 01/21 apply to Utilities Contracts?**

Yes, PPN 01/21 will apply to Utilities contracts

**Does PPN 01/21 apply when the contract is likely to be delivered from outside of Northern Ireland?**

Yes PPN 01/21 still applies. You are encouraged to carry out preliminary market engagement to ensure that appropriate themes/indicators are selected. Remote delivery is an option for some of the social value initiatives, while other initiatives deliver social value by improving conditions for the employees working on the contract or reducing the environmental impact of the contract, regardless of location.

**Can overseas suppliers be mandated to deliver the social value benefits in Northern Ireland?**

Whilst we can encourage bidders as much as possible to deliver the initiatives in Northern Ireland they cannot be mandated to do so because non-local bidders must not be discriminated against.

We encourage bidders to deliver the benefits in Northern Ireland as much as possible by, for example:

* Setting out that PPN 01/21 is a Northern Ireland Executive Commitment
* Stating that the Supplier may deliver the social value requirements remotely
* Maintaining [a database of broker organisations based within Northern Ireland](https://buysocialni.org/contractors/find-a-broker/) that can support contractors to deliver their social value requirements both in person and remotely.
* Requiring that the Supplier notifies the social value requirements listed to one or more of [the brokers registered on the Social Value website](https://buysocialni.org/contractors/find-a-broker/). In relation to paid employment opportunities, the Supplier must also notify the job opportunities to [www.jobapplyni.com](http://www.jobapplyni.com)
* Encouraging Suppliers and Contract Managers to discuss and plan the delivery of the social value requirements at contract management meetings to ensure social value is maximised.

**Is it a requirement to score social value in contracts that have been reserved?**

Yes, if the contract is a services or works contract above the threshold where the Procurement Regulations apply.

**Does PPN 01/21 apply to frameworks?**

Yes, PPN 01/21 applies to frameworks. If social value is to be included as criteria at call-off stage it must be explicitly provided for in the framework agreement. Social value can be scored at framework level but you should consider carefully your approach to this. Please contact the Social Value Unit for advice.

In some cases it may be more appropriate to include social value as a condition of contract. PPN 01/21 states

“Where Framework Agreements have either i) no guaranteed level of spend; or ii) the guaranteed level of spend is not greater than £500,000, a contracting authority can include social value as a condition of contract in lieu of scoring.”

**What happens if Lots are being used and the value of one Lot is below the threshold and in another Lot it is above the threshold?**

In order to establish if social value must be scored when a contract uses lots, Contracting Authorities are required to take into account the total estimated value of all lots. If this value is above £500,000 (inclusive of VAT) for services contracts or over the UK Procurement Threshold for works contracts, then the contracts must allocate a minimum of 10% of the total award criteria to score social value (the remaining available marks should be allocated to cost and quality). Contact the Social Value Unit via socialvalueni@sibni.org for support.

**The bidder has committed that they will comply with legal requirements in relation to the social value indicators, e.g. Fair Work, Human Rights. Is this considered social value?**

The social value asked for/delivered must be additional to the legal requirements. Social value is about going beyond the minimum legal requirements.

Note there are mandatory fair work and living wage requirements that must be included in the contract.

**Can a bidder’s Corporate Social Responsibility (CSR) statements, policies and/or case studies be accepted as proof of how they intend to deliver the social value indicators?**

No CSR refers to how the organisation performs corporately. It is not contract-specific and therefore will not adequately address the social value award criteria.

**Can the 10% score be split across the themes/indicators and prioritising some over others?**

When using the Fixed Social Value Indicator Approach, you should agree the split across the selected indicators (if you are using one indicator).

**Is there a minimum score for social value, will the bidder be eliminated for submitting a poor response?**

You are encouraged to set a minimum threshold for the social value criteria but it is not mandatory to do so (e.g. a tenderer’s response will be rejected if they score 2 or below for the social value criteria). You should consider the maturity of the market when deciding whether to apply a minimum score.

**What happens if a Supplier does not deliver on their social value commitments?**

The social value requirements set out should be proportionate and achievable. It is the responsibility of the Client Project Manager to regularly review the Social Value Delivery Reports to monitor Supplier performance against the social value requirements.

As set out in PPN 01/21, poor performance by the Supplier on the delivery of the social value requirements must be addressed in accordance with the recommendations on poor contractor performance as set out in the Sourcing Toolkits.

The Contracting Authority is required to deliver a Key Performance Indicators for social value for inclusion within the contract documents. These must be clearly drafted, achievable and reflect the importance of the social value requirement to the project as a whole.

**Does the requirement to consider reserving contracts apply to all contracts?**

This element of the PPN applies to goods, services and works contracts. Guidance on reserved contracts is available in the Sourcing Toolkits.v. A directory of social enterprises can be found here [www.socialenterpriseni.org/directory](http://www.socialenterpriseni.org/directory)

V2 – Updated November 2024

**Summary of requirements in PPN 01/21 Version x**

|  |  |  |  |
| --- | --- | --- | --- |
| **Requirement** | **Services** | **Works** | **Supplies** |
| Services and works tenders must allocate a minimum of 10% of the total award criteria to score social value (the remaining available marks should be allocated to cost and quality).  | Contracts over £500,000 | Contracts over threshold | Not mandatory to score social value though Contracting Authority can score if it is relevant and proportionate to do so. |
| Consider if grant funding would be more appropriate to achieve the best outcomes and public benefit.  | **✓** |  |  |
| Consider the potential to reserve a contract. | **✓** | **✓** | **✓** |
| Departments must ensure opportunities for social value are maximised throughout the procurement process for all contracts. For example, through* The development of the procurement strategy to ensure the contract is accessible for social and micro enterprises
* Ensuring the payment mechanism is structured to assist with cash flow
* Considering ways of reducing consumption and end-of-life requirements
* Setting relevant sustainability conditions of participation which focus on environmental and/or ethical standards; and
* Specifying the minimum sustainable requirements relevant to the work, supply or service being purchased in the specification to deliver the intended outcomes (i.e., by including relevant green public procurement criteria).
 | **✓** | **✓** | **✓** |
| Major[[2]](#footnote-2) capital or infrastructure projects which impact on communities must have a plan for effective community consultation before, during and following the delivery of major capital/infrastructure projects (i.e. a social licence workstream[[3]](#footnote-3)). | **x** | **✓** | **x** |
| Mandatory fair work requirements as set out in PPN 01/21 | **✓** | **✓** | **✓** |
| Departments are required to incorporate at least one initiative in the specification or conditions of contract from the Social Value Themes at Annex A in contracts above £500,000 and below the UK threshold.  | **x** | **✓** | **X** |
| Payment of Real Living Wage | **✓** | **✓** | For the supply of goods, the living wage requirements will be applicable to contractor staff in this jurisdiction. |
| At least one Key Performance Indicator (KPI) should be developed for the social value aspects of the contract. | **✓** | **✓** |  |

**Other requirements**

Departments should develop and publish a Strategy which sets out how they intend to incorporate social value into their procurement spend. The Strategy should include an action plan with associated targets and should be updated regularly to identify the forthcoming pipeline of contracts where social value will be scored or incorporated.

Departments are also required to publish details of the contracts where they have opted out of the policy and publish case studies to show the impact of social value.

1. PPN 01/21 also mandates: *“To maximise the potential for social value in works contracts below the UK Threshold, Departments are required to incorporate at least one indicator in the specification or conditions of contract from the Social Value Themes at Annex A in contracts above £500,000 and below the UK threshold.”* For more information, please see: XXX [↑](#footnote-ref-1)
2. Major is defined as a project over £20m which is categorised as High Risk for the purposes of the Gateway Review Process. [↑](#footnote-ref-2)
3. [Social License | Strategic Investment Board](https://sibni.org/what-we-do/social-license/) [↑](#footnote-ref-3)