

A practical guide to socially responsible public procurement

Edition 3



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Glossary

Glossary of Terms

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Whilst every effort has been made to ensure that the information herein is accurate, this toolkit is not provided as 'legal advice' and users should therefore seek legal advice before using this material where appropriate.

Note on terminology. In this Toolkit, the term 'Client' has been used to refer to the purchasing organisation. In construction contracts this role is normally referred to as 'The Employer' and this is retained in the Addendums since these are examples from a works contract.



'Buy Social'
Toolkit Part 1 –
**Principles and
Priorities**



Introducing the 'Buy Social' Approach

1.1 Why 'Buy Social'?

'Buy Social' is simply a principle. People responsible for public purchasing should consider how they can do this in a way that delivers additional benefits for Northern Ireland's people and communities, and especially those with the greatest needs.

This principle sits alongside the longer-established principles relating to transparency, open competition, fairness and equality, and value for money that are set out in legal and policy frameworks and good procurement practice.

The key policy driver for 'Buy Social' is the 2010 **Sustainable Development Strategy for Northern Ireland**.¹ In line with UK policy this has two guiding principles. The first is the widely-understood environmental principle of 'living within environmental limits'. The second is 'ensuring a strong, healthy, just and equal society' which refers to "promoting personal well-being, social cohesion and inclusion, and creating equal opportunity".²

Implementing both principles is an obligation across the public sector in Northern Ireland and this Toolkit aims to provide a methodology for helping deliver the 'social sustainability' elements. It is supported by the commitment in the **Programme for Government 2011-15** to "include Social Clauses in all public procurement contracts for supplies, services and construction".³

The contribution to 'social sustainability' can be:

- targeted recruitment and training opportunities for young people and long-term unemployed people through public contracts;
- extending what has traditionally been provided to improve the outcomes for users and communities e.g. adding vocational training and employability options to traditional drug and alcohol treatment services.

So 'Buy Social' is essentially a driver of 'fine grain' innovation. It is about paying attention to the relatively small and easy changes that can be made that will improve outcomes for communities and therefore deliver better value. In some cases, the innovation may have cost implications, but in many cases the changes will not cost more, or any additional costs can be covered from external sources (see section 8).

'Buy Social' is a way to maximise the benefits from public procurement in terms of personal well-being, social cohesion and inclusion, equal opportunities and sustainable development.

This toolkit has been produced by The Strategic Investment Board (SIB) to assist staff and colleagues in all areas in which we work to adopt a 'Buy Social' approach. It seeks to express our core values of:

- collaboration: supporting government departments and agencies as they plan and deliver major projects;
- strategy: making policy operational in ways that are credible and affordable;
- trustworthiness: through competency, honesty and reliability.

However, we recognise that the 'Buy Social' approach is still relatively new. There is something of a track record in the construction sector in relation to jobs and skills and 'Considerate Contractor' schemes, but there is not

yet much experience of rolling this practice out to services and supplies contracts and to other social benefits. The structure of the Toolkit will reflect this. This element (Part 1) sets out the principles and priorities. Part 2 will focus on delivering jobs and skills as social outcomes from construction and services contracts, with further parts to be added – along with case studies and useful contacts – as experience is developed and 'captured'.

SIB is clearly not the only government body with an interest in this topic. But in carrying out our role for government we will pursue the 'Buy Social' principle by encouraging and enabling our staff – and the parts of government they are working with – to:

- include jobs and skills outcomes in investment, procurement and other activities they are involved in; and
- work with other stakeholders – especially service users and the communities in which services are being delivered – to look for ways of better delivering the Executive's commitments to social sustainability.



'Buy Social' is a way to maximise the benefits from public procurement in terms of personal well-being, social cohesion and inclusion, equal opportunities and sustainable development.

1.2 Background to 'Buy Social'

The Procurement Board requested in November 2014 that there should be a more thorough evaluation of the impact of social clauses. It was subsequently agreed that the Strategic Investment Board would undertake an independent review. The review was undertaken in consultation with CPD, particularly in terms of developing practical models for the future and included consultation with Permanent Secretaries and senior staff in Departments, with representative organisations from both the Construction Industry Forum for Northern Ireland (CIFNI) and Business and Industry Forum (BIFNI); and with Centres of Procurement Expertise in Northern Ireland (CoPEs).

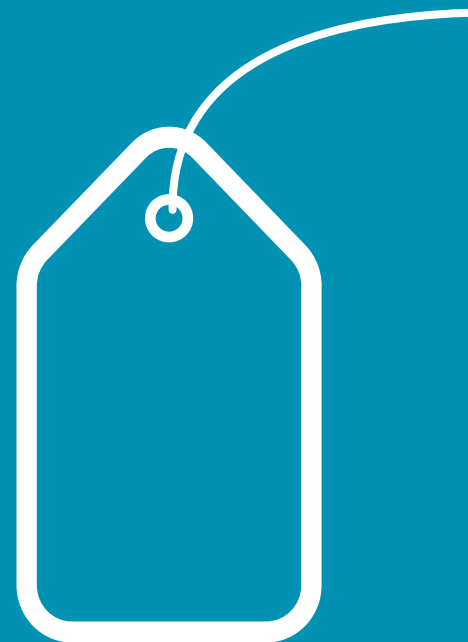
Drawing on best practice, the Review concluded that a change of emphasis would secure the best outcomes, including:

- a focus on paid employment and training opportunities;
- concentration on the larger contracts – where efforts will have the biggest impact;
- bringing together requirements for opportunities for “new entrant trainees”: long-term unemployed people, young people leaving education (because of higher levels of youth unemployment), apprentices, and paid student work placements. This offers flexibilities for contractors in tailoring compliance with the clauses that their workforce needs;
- the establishment of a social benefits reference group, as a means of promoting the new arrangements in Departments and encouraging early engagement at business case stage;
- a proposal for more comprehensive brokerage services to help link new entrants and relevant contractors and provide a support service for new entrants that facilitates their transition into work; and
- underpinning these arrangements with legislation in the new Assembly mandate.

The proposals also included new monitoring arrangements to provide more comprehensive data on the outputs secured.



On 5th November 2015 the Procurement Board agreed the Strategic Review of Social Clauses and the Buy Social Construction model for implementation from April 2016. The Procurement Board agreed that a letter should be sent to the Executive, detailing the desire to move forward with the Construction sector straight away, with a model for services to be further investigated and consulted on. From April 2016 the Buy Social requirements are expected in procurement above £2m for building contracts and above £4m for civil engineering contracts.





Understanding the terminology

The terminology around **‘Buy Social’** is still evolving.

Firstly it is useful to unpack the term ‘social clauses’, as used for example in the Programme for Government 2011-15. This is a generic term for any text in a document that seeks to deliver the range of matters discussed. Traditional examples include equalities requirements, health and safety requirements, ‘considerate contractor’ requirements and so on. We can expect that new social clauses will be developed to incorporate ‘Buy Social’ requirements into the procurement process for works and services.

The term ‘Buy Social’ is derived from a European Commission guidance publication in 2010⁴. This describes ‘socially responsible public procurement’ as promoting “employment opportunities, decent work, social inclusion, accessibility, design for all, ethical trade, and ... wider compliance with social standards”. The latter might typically include health and safety, workers’ rights, minimum wages, disabled access, equalities etc., where the standard is set out in legislation and regulations. All of these elements could help deliver the social justice and equalities parts of sustainable development.

This focus can be distinguished from activities during the procurement process that will address the environmental aspects of sustainable development which are dealt with in other Commission guidance. This distinction between social and environmental considerations mirrors the approach taken by the UK Government, for example in Social Issues in Purchasing (Office of Government Commerce, 2006).

The Central Procurement Directorate (CPD) guidance PGN 01/13 uses the term ‘social considerations’⁵ and links this specifically to ‘maximising the economic and social outcomes for the local community’⁶. This is a useful way of understanding the objective and fits with the range of specific examples used in the European Commission’s guidance and the UK Government’s term ‘social issues’. **So ‘Buy Social’ = social considerations in contracts = social issues in purchasing = socially responsible public procurement.**

Scotland was 'switched-on' to social benefits from procurement before the UK Government started to produce guidance and the 'Buy Social' agenda emerged using the term 'community benefits'.⁷ In England and Wales the Public Services (Social Value) Act 2012 introduced the concept of 'social value' which includes environmental matters.

In this toolkit we will use 'Buy Social' as shorthand for the approach to 'social considerations in public procurement' adopted by CPD, and 'socially responsible public procurement' as used in European Commission guidance. For our purposes, this excludes environmental matters which can legitimately be pursued through public procurement but has its own literature and is much more widely accepted and practiced by procurement teams here and elsewhere.

Other public bodies will develop their own policies and may include environmental matters in their definition of 'social considerations' and their policy for 'social clauses'.



SIB Definition:

'Buy Social' is a way to maximise the benefits from public procurement in terms of personal wellbeing, social cohesion and inclusion, equal opportunities and sustainable development.

⁷ See for example Community Benefits in Public Procurement. The Scottish Government 2008. This presents outcomes and good practice from a pilot programme that ran from 2003-2007.

03

Compliance with legal frameworks

'Buy Social' requirements can be part of 'the subject matter of the contract' where the purchasing body has the necessary powers and has a relevant policy – e.g. as part of its sustainable development or sustainable procurement policy.

Incorporating the 'Buy Social' approach into the procurement process may involve some innovation to ensure compliance with the established legal frameworks for procurement. Innovation often requires some new learning and care, and the following sections will help procurement teams with this.

It is not intended to repeat here all of the advice included in the CPD Guidance Note 01/13 which should be referred to as the key source of advice.

Whilst every effort has been made to ensure that the information contained herein is accurate, this toolkit is not provided as 'legal advice' and users should therefore seek legal advice before using this material where appropriate.

3.1 Including social requirements in the 'subject matter of the contract'

As the CPD Guidance Note 01/13 makes clear, social considerations can be included in the subject matter of the contract (sometimes called the core requirements) and then used in the award of the contract – provided this is clearly stated in the tender documentation. The latter should include Contract Notices. This reflects the UK approach to procurement where it is left to the purchaser to decide what it is they want to buy – the subject matter of the contract.

There is a tendency to treat what has historically been the subject of the contract as pretty fixed, and present 'social considerations' as a 'bolt-on extra' that is of lesser significance. However this does not need to be the case provided that two tests are met:

- the purchaser has the legal power to purchase the proposed 'social considerations' i.e. it is not ultra vires;
- there is a policy basis for the decision to incorporate the social considerations (to avoid the risk of challenge e.g. through a judicial review).

If these tests are met and the purchaser wishes to do so then the social considerations can be included as a part of the subject matter of the contract (a 'core requirement') and used in the award of the contract. This may raise questions of affordability – see section 8.

In the local context, a decision on how to treat social considerations should be included in the 'strategic options appraisal' in the business case (see section 5). In the step by step chart in the CPD's guidance note this is expressed as:

Consider economic, social and environmental policy objectives/obligations and possible fit with your procurement... (PGN 01/13, Page 14)

Many public sector organisations have very wide powers which will permit purchasers to include social considerations in their purchasing. But this may need to be checked. In relation to policy it may be sufficient to rely on the NI Government's Sustainable Development Strategy to provide the policy basis for including contract requirements that relate to 'ensuring a strong, healthy, just and equal society' including "promoting personal well-being, social cohesion and inclusion, and creating equal opportunity".⁸ However, given this is a very wide agenda it may be worthwhile developing a more specific 'Buy Social' policy (as The NI Government's Procurement Board has done) that sets out priorities that are more clearly linked to the other work of the purchasing organisation and reflect the local concerns and priorities (see section 4).

In principle, the stronger the policy commitment to specific social benefit requirements the stronger is the rationale for including these as 'core requirements' and award criteria.

It may be especially important that innovative contract requirements are included in 'the subject matter of the contract' and given weight in the procurement process. This will help potential suppliers/contractors recognise the importance of these requirements to the client and take account of this when they are developing their methodology, i.e. at the tender stage.

3.2 Conditions relating to the delivery of the contract

An alternative to including the social considerations as part of the subject matter of the contract, is to include them as a contract condition that influences the way the contract is delivered. These conditions:

- must be related to the subject matter of the contract;
- cannot be used in the award of the contract;
- cannot be treated as key performance indicators.

It might also be noted that social considerations that effectively extend what is required to be delivered, e.g. an extension of the works or services, should properly be included in the subject matter of the contract rather than as conditions relating to the delivery of the contract.

It can be seen that contractors and suppliers may well regard these 'conditions' as less important to the client than the core deliverables in the contract.

In practice, social considerations that are 'conditions relating to delivery' can be made clear and given some weight in the procurement process by:

- including relevant questions in the Pre-qualification Questionnaire (PQQ); purchasers are entitled to ensure that whichever contractor/supplier they appoint has the capacity to deliver the contract conditions;
- including detailed requirements in the specification (in the Invitation to Tender or equivalent) so that the contractor/supplier knows what is expected in the delivery of the contract and can take this into account in developing their methodology.

It is also possible to ask bidders to provide a recruitment and training plan setting out how they will meet the contract condition. This could be submitted with the tender and used in pre-contract discussions with the preferred bidder provided

that it is disregarded in the award of the contract. The key requirement is that the purchaser can defend their award decision without reference to commitments made on delivery of the social considerations.

'Buy Social' requirements that are to be 'conditions relating to the delivery of the contract' can usefully be included in the specification so that the contractor can take account of this when developing their methodology. But the contractor's response must not influence the award of the contract.

Utilising these opportunities to make sure that contractors recognise the importance of the social considerations to the client is especially important where these requirements are innovative. The chances of achieving good outcomes are diminished if the successful bidder has not properly taken account of the social considerations when developing their methodology and price for the contract.

3.3 Voluntary agreements and Corporate Social Responsibility

In the absence of clear guidance on how to incorporate 'Buy Social' requirements into the procurement process, some public bodies have referred to their policies around social sustainability and community benefits in tender documentation without making clear that delivering these policies is either part of the subject matter of the contract, or a condition relating to the delivery of the contract. This is poor procurement practice and may result in the contractor not addressing the purchaser's requirements.

Where a contractor is being asked to deliver added benefits on a voluntary basis this should not be raised until after the award of the contract to ensure that

any inferred offer from bidders does not influence any part of the award process. This is important in a context where potential bidders may well emphasise (e.g. through their brochures etc.) their expertise and track record in delivering social benefits because they think this will increase their chances of being invited to tender even when such social outcomes are not a part of the specification or contract conditions.

It should be noted that a 'Buy Social' approach is very different in character from a 'Corporate Social Responsibility' (CSR) approach. Under the latter the contractor decides what will be delivered, on what scale and to whom, and they also decide what information is provided to their clients and the communities in which they are working. Under a 'Buy Social' approach these matters are determined by the purchaser.

Where a contractor is being asked to help deliver the purchaser's social and community goals on a voluntary basis this should not influence the selection of the tender list and should not be raised until after the award of the contract.

3.4 Complying with the EU Procurement Directive and case law

The EU Procurement Directive and related case law is a complex matter on which CPD will provide advice and guidance. New Directives are being introduced into UK law and so the situation is changing, but generally in a direction favourable to 'social considerations'.

It should be noted that the Procurement Directives provide a procurement methodology that must be followed for contracts that are above threshold values. The latter vary with the subject matter of the contracts e.g. between works, social services and healthcare, other services, supplies, utilities etc. However, all Directives are based on general principles of transparency, non-discrimination, equal treatment and proportionality derived from the EU Treaties that apply to all public contracts, including those below the threshold values.

A key requirement of the Directives is that contracts above the threshold values must be open to bidders from any EU country. This requires information to be made available, and procurement timetables and procedures to be followed. It also requires that the subject of the contract must not disadvantage non-local bidders, and especially those from other parts of the EU, either directly or indirectly.

In 1989, the Commission of the European Communities issued a discussion document based on a judgement in the European Court of Justice in the case of *Gebroeders Beentjes B.V. vs the Netherlands*. This document discusses the issue of if and how legitimate concerns about issues like unemployment can be addressed through a contract. It sets out a position where the inclusion of local labour requirements in a specification has the potential to disadvantage non-local bidders for a contract since these are less likely to have an existing local workforce and have less ability to access the local labour market than a local contractor. However, it also discusses how this potential disadvantage could be addressed by a condition that requires the winning tenderer to employ a given

number or percentage of long term unemployed registered with the local employment office, indicating that in this case local and outside firms must both recruit to the same extent and from the same source. The document also indicates that the same principle can be applied to other social considerations.

'The Beentjes doctrine' remains a powerful influence on the use of social considerations in public procurement, giving rise to folklore that 'you can't include local benefits'. The true position is that for all social considerations, care must be taken to ensure that non-local bidders have equal ability to deliver the contract requirements. In relation to requiring opportunities for trainees the local benefit may come through providing the names of agencies that will work with the contractors to help them recruit from a target community such as the long term unemployed.

So the potential to disadvantage non-local bidders, especially those from other EU member countries, is real and can lead to challenges. However in the field of social considerations any potential disadvantages can be removed by being considered and addressed early and included in the specification. It is important to also do this for contracts that are not subject to the EU Procurement Directives, especially where contractors of all sizes will flow easily in both directions across the border with the Republic of Ireland.

The 2014 Directive covers social and health services (where the contract value exceeds €750,000 i.e. currently £589,148) that were previously excluded from the Directives but also includes arrangements to reserve contracts for mutual organisations and social enterprises that have a long track record in delivering these types of services. Furthermore, the existing facility to reserve any contract (not just health and social care) for sheltered workshops has been revised such that the definition of the latter can include those offering employment to disadvantaged people (including, for example, long-term unemployed). In both cases, the contract may still be subject to EU-wide competition.

With all 'Buy Social' requirements care must be taken to ensure that non-local bidders – including those from other EU states - have equal ability to deliver the contract requirements.

3.5 Complying with equalities legislation and EU Freedom of Movement requirements

Where the social consideration relates to employment, concerns may be raised about the EU Treaty requirements on the freedom of movement which secure the right of any EU resident to live and work in other EU states. This means that insofar as the contract requires job or training opportunities to be made available to job-seekers from a defined area or registered with a named agency, residents from anywhere in the EU who are living in the defined area or register with the agency must be treated equally to other people. Named agencies must be willing to register and support these other EU nationals in the same way they would their other 'clients'.

It should also be noted that GB and NI equality legislation may be relevant when deciding to target the social considerations. This can include the potential of indirect discrimination e.g. where the social consideration is geographically targeted and the population of the target area is not representative of the wider community.

When drafting 'Buy Social' requirements, care must be taken to ensure that they comply with local and national equalities policies and that all EU nationals have the same opportunities to access them.

04

Adopting specific policy

Given the range of potential 'Buy Social' activities that could be considered it will be helpful for public bodies to develop and formally adopt a 'Buy Social' policy either as part of a Sustainable Procurement policy or as a stand-alone policy. This will:

- provide a sound basis for the 'Buy Social' approach;
- ensure that the focus reflects the organisation's range of work and priorities;
- provide a focus for procurement teams;
- allow expertise and standard clauses and approaches to be developed;
- allow relationships to be developed with potential partners that will help develop the 'Buy Social' requirements and/or work with contractors to deliver these;
- allow standard monitoring and reporting arrangements to be created; and
- allow resources to be identified to help procurement teams and progress-chase with contractors.

The policy may usefully include a set of criteria that should be met if additional social considerations are to be added to the policy. This could include, for example, the availability of knowledge, expertise and resources to monitor and progress-chase each new requirement.

In adopting the policy it may be appropriate to consult existing contractors and suppliers, and organisations representing or working with the intended beneficiaries. For example, if the intention is to add targeted recruitment and training requirements into home care contracts then discussion with current providers, industry bodies, charities working in the sector and care training organisations would be beneficial.

It will help procurement teams if the policy covers boundaries, targets and model social clauses.

The boundaries will indicate what contracts the 'Buy Social' policy applies to. A key criterion here may be the amount of work required to implement the policy through a specific contract, and the scale of benefits that will be achieved. So smaller contracts may be exempt, as may very specialised contracts (see the NI policy agreed by The Procurement Board in section 1). For example, in relation to employment there may be little benefit to the community served by the procuring body from a supplies contract (because most of the labour input takes place far away), or from a small-value works contract that may be both specialist and short-term.

The key issue with targets is the definition (the wording to be used) and how the requirements are to be measured. Ideally outcomes from contracts should be measurable and a duty placed upon client bodies to ensure that the requirements are delivered. Getting the targets right is a technical task that requires consideration of:

- how the social consideration is best described and measured, including compliance with EU Directives, case law and equalities legislation;
- what scale of output is appropriate in the context of the other key requirements including quality, delivery timetable and affordability;
- what monitoring requirements and review procedures should be included;
- whether the 'Buy Social' requirement is part of the subject matter of the contract or is best delivered as a condition relating to the delivery of the contract; and
- how the social requirement is included in the procurement process.

Use of model social clauses can save time and ensure that most clauses meet the standards set by procurement managers and their legal advisers. This gives all parties confidence and reduces risks of challenge.

Adopting a formal policy will take time but will help ensure that the 'Buy Social' approach becomes embedded in the purchasing organisation. It also demonstrates a proper development and decision-making process that will help avoid challenges.

However, while developing the policy it may be possible to pilot the approach on a number of contracts, perhaps using the practice and learning of similar organisations. In an increasingly-pressurised public sector environment it is often only the commitment to take action that will get the attention from colleagues that need to be involved. And a successful pilot will demonstrate what can be achieved and help the organisation move towards a more long-term policy and practice.

Adopting a 'Buy Social' policy demonstrates a proper decision-making process and helps ensure that the approach becomes embedded in the purchasing organisation. The policy can usefully include boundaries to the use of the approach, targets and definitions, and model clauses.

05

The Business Case/Plan

CPD’s guidance on developing a Business Plan makes strong statements on the importance of considering sustainable development in the procurement process. The social elements of sustainable development are not excluded from this statement.



“Any procurement must meet its requirements for equality of opportunity and sustainable development to be deemed of good quality and fit for purpose”. (CPD Step Guide to Business Plans section 2.7.7.17).

The social and equality elements of sustainable development are not exempt from this.

The Business Plan guidance also suggests that the sustainable development objectives of procurement should be:

- considered early in the development of the business case;
- defined in detail: they should be ‘specific, measurable, achievable, relevant and time dependant’.⁹

This is a good discipline to apply to the social objectives alongside other objectives, in the business case: it is a requirement of ‘good procurement practice’.

Clearly, if a specific ‘Buy Social’ policy has been developed, this will make it easy to provide the relevant information for the business case. If not, then the approach set out above for developing a policy will need to be utilised on a case by case basis – although after the first time this should be easier.

Given the sometimes long time-breaks between developing the business case and proceeding with the procurement, there may a desire to include ‘Buy Social’ requirements in a procurement even when this was not included in the Business Case. This should be considered where:

- there is a ‘Buy Social’ champion that the procurement team can work with to identify the proposed social considerations, and networks that can help the contractor deliver these;
- the additional costs associated with the social considerations are likely to be small relative to the whole procurement (see section 8); and
- the social considerations are included as conditions relating to the delivery of the contract (see section 3.2).

In the context of strengthening commitment to a ‘Buy Social’ approach it should not be the case that major investments go ahead without including a ‘Buy Social’ element simply because this was not included in the business case.

06

Maintaining good procurement practice

A 'Buy Social' approach should be delivered using best procurement practice. Because this is a new concept for some public bodies and their procurement teams, uncertainty about what is expected and how to define and measure this can lead to poor practice. Late consideration of 'Buy Social' can exacerbate this.

In a context where 'Buy Social' is innovative there may be a temptation to put an 'open question' in the specification, drawing attention to the 'Buy Social' policies of the client organisation and asking bidders to say how they will help deliver these. This assumes that the bidders have more experience of delivering social considerations than the client organisation which is often not the case. There may well be value in talking to 'the market' about what social considerations would be relevant to the contract that is being procured, and their experience of delivery elsewhere. This is best done

in the early stages of the procurement process – in the development of the business case – and then used to develop a specification that all bidders have to respond to.

Some of the key elements of good procurement practice that should be maintained are:

- the specification sets out the required outcomes, creating a 'level playing field' for all bidders;
- the requirements should be capable of measurement or assessment: the purchaser has a legal obligation to make sure they are delivered;
- the bidders may be asked to provide a method statement saying how they will deliver the specification; and
- where the method statement is being scored as part of the quality assessment of a tender, then a standard scoring framework should be published and used. An objective assessment is important.

It is also good practice to consider how the procurement can be undertaken in a way that ensures there are opportunities for small and medium sized businesses including social enterprises, to compete for some or all of the work. The 'Buy Social' approach should assist with this by including requirements that these businesses may be well placed to deliver. However, this may not be sufficient. The key means of increasing access for these businesses is to reduce the size of the contract, e.g. by breaking it down into 'lots', and by eliminating unnecessary criteria in the PQQ.

It is better to consult potential providers before the start of the procurement exercise and use their knowledge and experience in specifying the 'Buy Social' requirements than ask bidders to say what they will provide through an open question in the specification.





New networking

The procurement process always involves collaboration e.g. between the client officers (the experts on what is needed and what budget is available), the procurement officers (the experts on procurement processes), and procurement lawyers (responsible for ensuring that the process does not leave the client organisation open to a legal challenge). To implement a 'Buy Social' approach it may be useful to include a new 'partner' in the procurement team who champions the social considerations elements.

The role of the 'Buy Social' champion can include:

- identifying social needs that the intended procurement could help address, and agree with the client officers which of these would be most beneficial;
- to provide information on how requirements could best be specified and outcomes measured so that the procurement officers can develop bespoke social clauses and the legal adviser can consider any risks attached;
- to identify and make links with other organisations that can help with the above tasks and can help identify resources that can be drawn on by contractors in the delivery of the contract e.g. charities and community organisations, sector training organisations etc;
- to help prepare an information sheet for bidders that sets out information on organisations and funders who can help them deliver the social requirements of the contract: this will help level the playing field between local and non-local bidders (see section 3.4); and
- to advise on monitoring and reporting arrangements for the social requirements.

It should be remembered that the 'Buy Social' champion may have little knowledge of the procurement process at the beginning and may need coaching and support to ensure that good procurement procedures are maintained.

Where does the 'champion' come from? In larger organisations it is possible that the required skills and commitment are available from another department. For example, a local authority procurement team for social care may wish to create more opportunities for new trainees in social care, or the up-skilling of existing staff in a care provider. In this case, they could work with local authority staff engaged in employment and training – either in general or specifically in the care sector.

Some organisations may already have an officer whose role is to develop and champion a 'Buy Social' approach, either across the organisations or within individual departments. There is merit in having such a function, perhaps built on the back of a 'Buy Social' policy.

In some cases the 'champion' may work for another organisation. A common example is the role that the Construction Industry Training Board has played in supporting organisations that want to use their works procurement to promote industry inputs to education and careers advice in schools, or increase apprenticeships. Other 'champions' can be found in charities and community organisations, colleges and job-search agencies. Again, these champions may have a limited understanding of the procurement process and as 'outsiders' may need to be excluded from sessions where commercially sensitive matters are being discussed.

It is very helpful to include a 'Buy Social' champion in the procurement team: someone with knowledge and experience of the additional outcomes being sought. Suitable 'champions' may be found in other parts of the purchasing organisation or in partner organisations.

08

Value for Money (VfM) and affordability

Where the social considerations are a part of 'the subject matter of the contract' it is necessary to take account of any associated costs as a part of the VfM (or best value) assessment. This makes the delivery of the 'Buy Social' requirements subject to competitive pressures, which is desirable. As suggested above, it is good practice to develop a 'Buy Social Policy' and incorporate 'Buy Social' elements in a business case, which will enable the social requirements to be part of the VfM assessment.

It would be unwise to assume that there are no costs associated with 'Buy Social' requirements that are 'conditions relating to the delivery of the contract' (see section 3.2). If there are costs, these will be included in management/overheads.

However, the fact that the costs are a legitimate part of the VfM assessment does not make them affordable, so the potential costs do have to be considered at the business case stage.

It is not the case that all 'Buy Social' requirements add costs to the contract. The social benefits might be achieved by:

- delivering the 'traditional' contract requirements in a different way so as to deliver added value at no extra cost e.g. architects consulting a local community as a part of their development of a design;
- delivering additional contract requirements that are resourced by the contractor obtaining grants or services from other organisations e.g. utilising industry/government training services or working with volunteers;
- the client obtaining additional resources to fund the social considerations e.g. external or internal grants including (e.g.) European Union funding;
- the contractor using their own resources to deliver the additional benefits e.g. bringing in their Human Resources staff to organise training and recruitment, or funding additional requirements from a corporate social responsibility budget.

To maximise affordability it is important to identify and specify social considerations that will have modest impact on the overall costs, taking account of the above matters. However, there is likely to be a trade-off between the benefits achieved and the risks of increased costs: the client officers and the 'Buy Social' champion may need to identify how to

off-set potential costs in order to maximise impact and affordability. This will influence what is included in the specification.

A second area of action is in the cost information provided by bidders. This should be on a 'net cost' basis whereby the contractor shows what external or internal resources they will utilise in order to minimise the cost to the contract. For example, in some cases a client has required the employment of a set number of trainees or apprentices and asked the contractor to demonstrate how this can be done at no cost to the contract. The zero net cost is achieved by obtaining industry training grants, utilising existing HR teams, and obtaining productivity from the trainees.

It can be seen that making a 'Buy Social' approach affordable will be easier if there is proper development of a policy and the provision of staff and resources able to help procurement teams incorporate specific proposals into business cases and the procurement process. There is also support that can be given by other Government Departments and agencies where their programmes and targets will benefit from the incorporation of social considerations in the contracts of other public bodies. Could these resources be made available through the clients for the contracts?

Where the 'Buy Social' requirements are part of 'the subject matter of the contract' then any associated costs are rightly part of the VfM assessment. However, costs can be limited (and affordability increased) by careful selection of the 'Buy Social' requirements and by looking at how any costs can be off-set with additional funding. It is not the case that adding 'Buy Social' requirements will automatically add costs.



Informing the market

Where innovative requirements are to be included in a specification it is good practice to:

- introduce these to potential suppliers ahead of the procurement process e.g. at information sessions and 'Meet the Buyer' events;
- provide a specific briefing session for bidders where they all get the same information on what is required and what external organisations they could contact for resource and delivery support; and
- accept questions on the 'Buy Social' requirements during the tender timetable and provide responses to all bidders (so all have the same information).

As part of this process there will be value in briefing any local business development staff/agencies (including those promoting social enterprises) on what is required, and encouraging them to provide support to local SMEs and micro-enterprises that may be interested in either bidding for the contract or offering sub-contract services to the main contractor. These smaller local organisations may be in the best position to help the main contractor deliver the social considerations.



10

Monitoring, reporting and progress-chasing

Public bodies have a legal duty to monitor and enforce all contract conditions. In practice this may happen in line with the priorities for the contract, but if innovative requirements are to become properly embedded it is critical that these are 'enforced'.

The latter word is in inverted commas because it is unlikely that a 'Buy Social' requirement will be enforced through the contract as these will only rarely be of sufficient significance to the client. So in most instances 'enforcement' will come through the relationship with the contractor/supplier. These relationships may be triangular, involving the client (perhaps via the 'Buy Social' champion), the contractor, and any partner organisations that have a particular interest in the social consideration that has to be delivered.

In part, these relationships may come through formal contract meetings where the outcomes and related issues relating to the social requirements are discussed. However, delivery may also require interactions outside of this session, including perhaps specific meetings to discuss the delivery arrangements, outcomes, etc. for the social requirements.

Fundamental to these discussions is the availability of information on what is being delivered. So the monitoring requirements and due dates should be included in the specification, giving the client the right to information. It is important to restrict the range of information to matters that are directly necessary to evaluate performance against the contract. This could include:

- key performance indicators: those on which the performance of the contractor will be assessed and which (for example) will be used in the allocation of work under a framework contract; and

- other monitoring requirements, including those that will help verify the KPI information.

Where more detailed information is required for the client's internal reporting, then a separate system may be set up and included in the contract. For example, where the social benefit is 'targeted recruitment and training' the client team may be expected to answer questions about the characteristics of the beneficiaries: where they live, previous employment status, gender, age, ethnicity etc. Relevant data might best be obtained by requiring each beneficiary to be registered with the client or their job-matching/monitoring agent so that this data can be recorded, aggregated and used in reports.

Where data on beneficiaries is being collected this is likely to be 'personal data' covered by the Data Protection Act, and the contractor will only be able to provide this with the permission of the beneficiary. In this context, the contract specification should state that the registration form must be signed by the beneficiary.

Depending on the scale of the outcomes required it may be important to set up a database to record monitoring information before the contract commences, or soon afterwards. Case studies reveal that too often the monitoring data is incomplete or not sufficiently detailed to properly assess the outcomes: not just the contract outcomes but the wider social benefits that were being sought.

Finally, progress-chasing from an early stage in the contract is vital. Contractors and suppliers are used to reading the sub-text of a contract – correctly or otherwise – to identify the highest priorities of the client. They then focus their attention on these elements. The 'Buy Social' aspects might be viewed

initially as motivated by 'political correctness' rather than real intentions, and if this is the case it needs to be challenged at the earliest stages of the contract.

So make sure that:

- monitoring information is delivered on time;
- this is analysed and followed up; and
- delivery of the 'Buy Social' requirements is on the agenda for each contract review meeting.

It is important that the responsibility and resources for progress-chasing and data analysis is considered in the 'Buy Social' policy development, the business case for the individual procurement, and/or by the contract manager (for the client). In many cases, the view may be that this is best undertaken by the 'social value champion' on behalf of the contract manager because the latter may not have the expertise to properly evaluate and progress-chase this aspect of the contract, at least in the beginning. The 'champion' may also be in the best position to facilitate the triangular partnership described above, through which delivery may best be achieved.

The provision of monitoring data on 'Buy Social' requirements should be a contract condition and discussed at each contract-review meeting. It is critical that this is enforced from early in the contract and remedial action required where outputs are not being achieved. However, delivery will mainly be achieved through a positive relationship with the contractor.



Summary of how to proceed

Three charts that summarise issues and good practice on how to implement the principles and priorities set out in Part 1 are included in Addendums 1 to 3. These are reproduced with the permission of The Joseph Rowntree Foundation and were first published in *Tackling Poverty Through Public Procurement* (Richard Macfarlane with Anthony Collins Solicitors, 2014).

These provide an approach to incorporating a 'Buy Social' requirement into public contracts in three ways:

- as a part of the subject matter of the contract;
- as a condition relating to the delivery of the contract; and
- as a post-award voluntary agreement under 'Corporate Social Responsibility'.

It should be noted that in Addendums 1 and 2, it is suggested that questions relating to the 'Buy Social' requirements should be included at the PQQ stage in order to check that all bidders have the technical and managerial experience to deliver the 'Buy Social' elements. This is especially important where the 'Buy Social' elements are only 'conditions relating to the delivery of the contract'. This is in the context where some research has suggested that management commitment and capability are key elements in the successful delivery of social requirements.





Addendum



Addendum 1 – Social considerations in ‘the subject matter of the contract’ (core requirements)

The Buy Social team is available to assist - contact info@buysocialni.org.

Stage of Procurement	Actions	Reasons
<p>Pre-procurement/Business Case</p>	<p>Identify what the subject matter of the contract is to be. Consider what social considerations could be obtained through the contract in order to achieve the organisation’s objectives and policies, within the budget available.</p> <p>Consider how the procurement should be undertaken. For example, use smaller contracts or divide the contract into ‘lots’ to maximise SME and social enterprise opportunities.</p>	<p>The requirements should be within the powers of the organisation and should ideally have a basis in its policies.</p> <p>There should be a considered and consistent approach. Consultation with the client(s) and potential contractors is possible.</p>
<p>Contract notices</p>	<p>Routinely include a statement that social considerations relating to the area of the delivery of the contract may be included in the specification and/or as contract conditions.</p> <p>Indicate what proportion of the scores in the award process will be given for specified ‘Buy Social’ requirements.</p>	<p>Use every opportunity to identify for potential bidders that ‘Buy Social’ requirements will be part of the contract.</p>
<p>Pre-qualification Questionnaire (PQQ)</p>	<p>Consider whether questions relating to the technical and professional competence of the bidder to deliver the specific ‘Buy Social’ requirements should be asked or not. If not, consider including a statement that the potential contractor must affirm that they have the capability to deliver the social clauses.</p> <p>If questions are included, set out what % of the selection marks will be given for this.</p> <p>Score any relevant PQQ response to ensure that contractors invited to tender have the competence to deliver the social/benefit requirements.</p>	<p>This is in the context of:</p> <ul style="list-style-type: none"> - CPD’s concerns that there may be insufficient bidders with relevant experience; and - the general concern about adding further ‘hurdles’ for SMEs.
<p>Specification (or equivalent) and the Invitation to Tender (ITT)</p>	<p>Detail the ‘Buy Social’ requirements so that all bidders provide a price that reflects the same specification.</p> <p>Include monitoring and KPI¹⁰ requirements.</p> <p>The drafting should be such that non-local bidders are not disadvantaged, so include references to organisations that can help contractors to deliver the ‘Buy Social’ requirements and target the benefits.</p> <p>The ITT should require the submission of a pro-forma Method Statement for the ‘Buy Social’ requirements with each valid tender. The latter will make standardised scoring easier.</p>	<p>A requirement to provide ‘local benefits’ can disadvantage non-local bidders that may have little knowledge of relevant supply-chains and resources (e.g. for recruitment, training and sub-contractors). Naming sources that can be used to deliver the targeted ‘Buy Social’ requirements is a means for ensuring that any bidder can deliver the required benefits¹¹.</p> <p>Good procurement practice suggests that requirements should be measurable so that delivery can be monitored and the contract conditions enforced.</p> <p>Obtaining a Method Statement with the tender will ensure that contractors consider ‘Buy Social’ at this stage.</p>

Stage of Procurement	Actions	Reasons
Mid-tender interviews	If mid-tender interviews with bidders are organised (subject to the procurement rules) these should include clarification of the 'Buy Social' requirements.	Because 'Buy Social' requirements are often innovative every opportunity should be taken to explain what is required. This will help 'level the playing field' between bidders.
Scoring of the tenders	<p>Develop a scoring framework for the 'Buy Social' requirements with 'experts' in these requirements, before the tender process begins. The scoring process must be robust as it could be challenged.</p> <p>Score the Buy Social Method Statement and incorporate this in the overall tender evaluation.</p>	The award of the contract must be based on the subject of the contract – the 'core requirements' - which now includes the 'Buy Social' requirements.
Contract conditions	Include the 'Buy Social' requirements in the contract conditions.	The 'Buy Social' requirements have to be delivered by the successful contractor.
Pre-contract discussion	Engage with the contractor during the pre-contract stage to agree a methodology for delivery of the 'Buy Social' requirements and the provision of monitoring information based on the contractor's tender submissions.	Outcomes are derived from these early relationships. The contractor's staff involved at the bidding stage may not be those responsible for delivery. The latter may need induction and encouragement. However, the methodology must be based on the contractor's tender submissions to avoid challenge.
Enforcement	<p>Monitor the outcomes and routinely discuss progress at contract review meetings.</p> <p>If necessary the client's contract manager must exert pressure on the contractor's senior staff to obtain compliance.</p>	<p>Recognise that enforcement will largely come through the building of positive relationships with the contractor's team and delivery-support organisations.</p> <p>However, in framework contracts poor delivery of 'Buy Social' requirements could influence the allocation of further work.</p>



Addendum 2 –

Social considerations as ‘conditions relating to the delivery of the contract’ (only)

The Buy Social team is available to assist - contact info@buysocialni.org.

Stage of Procurement	Actions	Reasons
Pre-procurement/Business Case	<p>Identify what the subject-matter of the contract is to be. Consider what ‘Buy Social’ requirements could be obtained through the contract in order to achieve the organisation’s objectives and policies, within the budget available.</p> <p>Consider how the procurement should be undertaken, for example, use smaller contracts or divide the contract into ‘lots’ to maximise SME and social enterprise opportunities.</p>	<p>The requirements should be within the powers of the organisation, and should ideally have a basis in its policies (e.g. the NI Government’s policy as adopted by The Procurement Board).</p> <p>There should be a considered and consistent approach. Consultation with the client(s) and potential contractors is possible.¹²</p>
Contract notices	<p>Routinely include a statement that social considerations relating to the area of the delivery of the contract may be included in the specification and/or as contract conditions.</p> <p>No marks should be indicated in the scoring framework for the contract.</p>	<p>This alerts potential contractors to the client’s focus on these issues.</p>
Pre-qualification Questionnaire (PQQ)	<p>Consider whether questions relating to the technical and professional competence of the bidder to deliver the specific ‘Buy Social’ requirements should be required or not. If not, consider including a statement that the potential contractor must affirm that they have the capability to deliver the social clauses.</p> <p>If questions are included, set out what % of the selection marks will be given for this.</p> <p>Score any relevant PQQ response to ensure that contractors invited to tender have the competence to deliver the ‘Buy Social’ requirements.</p>	<p>This is in the context of:</p> <ul style="list-style-type: none"> - CPD’s concerns that there may be insufficient bidders with relevant experience; and - the general concern about adding further ‘hurdles’ for SMEs. <p>It is legal to ensure that all bidders have the technical and managerial competence to comply with the contract conditions, but this is not critical.</p>
Specification (or equivalent)	<p>Detail the ‘Buy Social’ requirements so that all bidders provide a price that reflects the same specification.</p> <p>The drafting should be such that non-local bidders are not disadvantaged.</p> <p>Include references to organisations that can help contractors to deliver the ‘Buy Social’ requirements and target the benefits.</p>	<p>Good procurement practice suggests that these should be expressed as measurable requirements so that outcomes can be monitored and the contract conditions enforced.</p> <p>It is good practice that the requirements do not disadvantage non-local bidders. Enabling them to make links with local organisations can target the benefits and provide access to resources.</p>

Stage of Procurement	Actions	Reasons
Mid-tender interviews	If mid-tender interviews with bidders are organised (subject to the procurement rules) these should include clarification of the 'Buy Social' requirements.	Because 'Buy Social' requirements are often innovative every opportunity should be taken to explain what is required. This will help 'level the playing field' between bidders.
Scoring of the tenders	No action.	The award of the contract must be based <u>only</u> on the 'core requirements'.
Contract conditions	Include the 'Buy Social' requirements in the contract conditions.	Although they have not been used in the selection of the contractor the 'Buy Social' requirements have to be delivered by the successful contractor.
Pre-contract discussion	Engage with the contractor during the pre-contract stage to agree a methodology for delivery of the 'Buy Social' requirements and the provision of monitoring information. Naming sources that can be used to deliver the targeted 'Buy Social' requirements can help deliver the outcomes.	Outcomes are derived from these early relationships. The contractor's staff involved at bidding stage may not be the same as those responsible for delivery. The latter may need induction.
Enforcement	<p>Monitor the outcomes and routinely discuss progress at contract review meetings.</p> <p>If necessary the client's contract manager must exert pressure on the contractor's senior staff to obtain compliance.</p>	Enforcement will largely come through the building of positive relationships with the contractor and 'supply-chains'.



Addendum 3 – Post-award voluntary agreement

The Buy Social team is available to assist - contact info@buysocialni.org.

Stage of Procurement	Actions	Reasons
Pre-procurement/Business Case	<p>Identify what the subject-matter of the contract is to be. Consider what 'Buy Social' requirements could be obtained through the contract in order to achieve the organisation's objectives and policies, within the budget available.</p> <p>Consider how the procurement should be undertaken, for example, use smaller contracts or divide the contract into 'lots' to maximise SME and social enterprise opportunities.</p>	<p>Always consider what action could be taken before choosing a particular method.</p> <p>Any action sought from a contractor, even on a voluntary basis, should be within the powers of the organisation, and should ideally have a basis in its policies.</p>
Contract notices	Routinely include a statement that social considerations relating to the area of the delivery of the contract may be discussed after the award of the contract on a voluntary basis.	This is not necessary, as it does not form part of the contract, but it is worthwhile alerting contractors to the client's focus on 'Buy Social'.
Pre-qualification Questionnaire (PQQ)	No questions.	As the 'Buy Social' requirements are <u>not</u> to be part of the contract, the experience of bidders is not relevant.
Specification (or equivalent)	<p>Include text referring to the purchaser's policies and priorities for 'Buy Social' and stating that the contractor will be asked to make a voluntary contribution to the achievement of these if appointed.</p> <p>Include references to organisations that can help contractors to deliver the social/ community benefit aspirations.</p>	This information may encourage bidders to consider how they can contribute to the purchaser's policies and priorities when they are developing their methodology and tender price.
Mid-tender interviews	If mid-tender interviews with bidders are organised (subject to the procurement rules) these should include clarification of the 'Buy Social' aspirations, while making clear that these are not contract conditions or award criteria.	Every opportunity should be taken to encourage a positive response to the social/community aspirations from potential contractors. However the contracting authority must be confident it can do this in a way which does not influence the contract award decision.
Scoring of the tenders	Disregard in the evaluation of tenders.	Because delivery is an aspiration and not a contract condition, any 'offer' from a bidder in relation to the aspiration must be disregarded in the award of the contract.

Stage of Procurement	Actions	Reasons
Contract conditions	Nothing is included in the contract.	The contractor is not obliged to deliver any outcomes.
Pre-contract discussion	No reference to the 'Buy Social' aspirations.	The aspirations should not influence any stage of the award of the contract.
Post-award discussion	Engage with the contractor to agree a methodology for delivery of the 'Buy Social' aspirations and the provision of monitoring information. Naming sources that can be used to deliver the 'Buy Social' targets can help deliver the outcomes.	It is at this stage where any voluntary agreement with the contractor can be made. The contractor can legitimately decide not to offer any outcomes.
Enforcement	Work with the contractor to maximise the outcomes, e.g. by maximising links to 'delivery organisations'. Organise regular reviews of progress with the contractors and delivery organisations.	Recognise that enforcement will largely come through the building of positive relationships with the contractor's team and delivery-support organisations. The contractor can disengage at any point.



'Buy Social'
Toolkit Part 2 –
**Targeted
Recruitment and
Training (TR&T)**

01

Introduction

'Buy Social' is a way to maximise the benefits from public procurement in terms of personal well-being, social cohesion and inclusion, equal opportunities and sustainable development.

Part 2 of the Strategic Investment Board (SIB) 'Buy Social' Toolkit provides advice and good practice on the most widely-used 'social benefit' that has been achieved through public procurement – recruitment and training. It follows on from Part 1 – Principles and Priorities that provides an introduction to:

- the rationale behind a 'Buy Social' approach;
- the terminology;
- compliance with legal frameworks;
- strengthening the policy basis for action;
- complying with good procurement processes;
- value for money and affordability issues;
- creating networks to help develop and deliver the social benefits; and
- monitoring and progress-chasing.

Readers should refer to Part 1 before proceeding to use this document. They should also refer to the Central Procurement Directorate (CPD) guidance (PGN 01/13).

The reason that recruitment and training outcomes are the most widely-sought social benefits is that all works and services contracts have a significant labour component, and often this is delivered in or around the area of delivery of the contract. Supplies contracts may have a similar labour content, but this is less likely to be 'local'. It is because of the purchaser's locality-focus – which derives from their powers and policies – that the word targeted is added to recruitment and training. For many public bodies these duties or policies mean that they want to go further and target the benefits at some part of the population of their operating area, e.g. young job-seekers or other marginalised groups. This is explored further in section 1 of this Toolkit, and some options for requirements that can help deliver Targeted Recruitment and Training (TR&T) are set out in section 3.

It should be noted that whereas it is legitimate for public bodies to have policies on such matters as local employment and training, maximising opportunities for local SMEs and supporting the local economy, care must be taken on how these aims are achieved through the procurement process. This must be done in a way that is compatible with European and UK procurement frameworks and case law. Understanding the 'how' is a key aim of this toolkit.

Although this material will be new to many readers, it has been used by public bodies for many years, especially in the construction sector. It demonstrates a process whereby the inclusion of TR&T in public contracts can be treated as a normal part of a professional procurement exercise. For many it will be an innovation and may be seen as an added risk. But no innovation can take place without practical application, and this Toolkit aims to maximise the social benefits and minimise the risks of such application. It should be noted that this area is constantly evolving and this Toolkit will remain subject to review in light of updated guidance.

02

Why Targeted Recruitment and Training (TR&T)?

2.1 Targeting impacts

Including recruitment and training requirements in public contracts is 'a labour market initiative'. As such it is important to understand why the intervention is being made and then make sure that the contract requirements and the outcomes achieve this. Common reasons for intervening are:

- to help promote 'social inclusion'¹ and equality of opportunity, key objectives of the Sustainable Development Strategy for Northern Ireland;
- to get better value from investment in a range of public sector activities by ensuring that beneficiaries can progress to independent living and contribute to society (e.g. achieving better progressions from education and training into work produces better value from the initial investment in education/training);
- to address skills and labour shortages that could affect the quality and cost of works and services now and in the future;
- to support the economy: the more people in employment the greater the money going into the economy where the client is investing, and as this is spent it will support more jobs (the multiplier effect).

All public policy involves priorities and choices. In a procurement context it is for individual organisations to identify their priorities on the basis of their powers and policies. However it can be argued that the first two reasons for intervention should be paramount for public bodies:

- as a way of delivering the Executive's sustainable development strategy; and
- as a way of maximising value for money from public expenditure.

The achievement of these objectives will also contribute to the other reasons for intervention listed above.

The 'targeted' element of TR&T means that the contract requirements seek to maximise the opportunities for people and communities that are:

- experiencing social exclusion; and/or
- recipients of the client's services whose progression into work is judged to add value to its wider expenditure.

Labour market initiatives are conventionally evaluated on the basis of 'additionality': what outcomes were achieved that would not have happened anyway – albeit over a longer period (e.g. when the labour market improves). Additionality is maximised when the labour market intervention successfully helps people that are not in a position to compete in the labour market even if this improves. In this context existing skilled/experienced job-seekers should not be a key target, although they may benefit from a general requirement to notify all vacancies arising from a contract to named agencies.

The approach set out above places public policy and priorities at the centre of a TR&T approach in public procurement. This can be contrasted with an approach that is driven by the contractor's concerns including skills and labour shortages that can have an

impact on costs. Targeting recruitment and training is a way of promoting social inclusion and equality of opportunity, and achieving a better 'social value cost' for the client, but it will also help address an industry's labour force needs.

"From the contractor's perspective the incorporation of the training requirements in the contract reminded them that there could be benefits in giving opportunities to people that would normally be considered difficult to place in employment. This example demonstrated that with the right support in place, the hiring of long-term unemployed people could actually enhance the contract rather than being a difficulty."

Source: *Community Benefits in Public Procurement*. The Scottish Government. 2008. Case study of the Stirling Western Access Road contract.

2.2 Social value costing

Staff involved in public procurement will be familiar with the concept of ‘whole life costing’ where the active life-time operating costs as well as the initial investment cost can be considered in the VfM assessment. Giving weight to the wider ‘social sustainability’ impacts of public expenditure are not conventionally treated the same way, but perhaps should be:

‘social value costing’ is a means of taking the wider benefits to society and the public purse into account when making a value for money decision’

So for example, under social value costing an education service could legitimately include opportunities for people leaving education and training as part of its procurement of works or services since this would generate better value for money from their whole budget.

Likewise, a hospital trust could legitimately include recruitment and training opportunities for socially disadvantaged groups – including especially those at risk of ill-health or recovering from ill-health where research shows there are beneficial impacts from employment – when commissioning works and services contracts.

All public bodies could consider a ‘social value cost’ approach as a way of achieving the social elements of ‘sustainable development’ as set out in the Executive’s Sustainable Development Strategy.²

The term ‘social value cost’ usefully picks up the language used in the Public Procurement (Social Value) Act 2012 that applies to England and Wales. This Act requires commissioners covered by the Act to “consider social value before the procurement starts” and includes the following text linking it to value for money:

In these tight economic times it is particularly important that maximum value in public spending is achieved. However currently some commissioners miss opportunities to secure both best price and meet the wider social, economic and environmental needs of the community³

The ‘social value cost’ approach could be applied wherever the purchaser is able to include social requirements in the subject matter of the contract – see 3.1 in Part 1 of the Toolkit – Principles and Priorities. In other cases, the social benefits may be included as ‘a condition relating to the delivery of the contract’ – see 3.2 in Part 1 of the Toolkit – and the ‘social value cost’ would not be considered.

There is an emerging body of work on how to measure ‘social value’⁴ and as greater use of the ‘social value cost’ approach emerges, it should stimulate academics and practitioners to give more attention to this issue.



² Everyone’s Involved – Sustainable Development Strategy www.sustainableni.org Chapter 4. See also Buy Social Toolkit Part 1, section 1.

³ The Public Services (Social Value) Act 2012, S8.

⁴ See for example *Measuring Value: a guide to social return on investment*. New Economics Foundation. London. 2008.

03

When is TR&T appropriate?

Whilst every effort has been made to ensure that the information contained herein is accurate, this toolkit is not provided as legal advice and users should therefore seek legal advice.

3.1 Targeting opportunities: a policy approach

The 'targeted' element of TR&T means that consideration of these requirements is only appropriate where there is potential benefit to the people and communities that are the focus of the client's activities, e.g.

- in the elements of works and services contracts that are being delivered within some or all of the areas or communities served by the client;
- where the scale of the jobs and training opportunities is sufficient to justify the additional work for the procurement team and the contractor to deliver the TR&T requirements.

In Part 1 of the 'Buy Social' Toolkit it is recommended good practice to adopt a Buy Social policy or similar, either as a stand-alone policy or as part of a Sustainable Procurement policy, and this should include criteria that determines where a TR&T requirement should be included, and where not.⁵ Pending the adoption of such a policy this decision needs to be made on a case-by-case basis as part of the business case. The information on how to set targets (in section 5) will help with this.

Bath and North East Somerset Council (BANES)

"We will prioritise Social Value for our community. This means targeting opportunities for the local economy, providing for a sustainable future and supporting the vulnerable".

Source: BANES Council Procurement Strategy 2013-17. Delivering Social Value for our Community.

It is likely that the benefits for a target community from most supplies contracts will not justify the inclusion of TR&T elements because the main labour inputs happen far away. This may apply to any off-site manufactured elements of works contracts.

3.2 Displacement effects

One of the arguments against TR&T in contracts is that this will displace existing skilled and experienced workers, some or many of whom will contribute to the economy. This may explain why the main focus has been larger construction contracts where the 'displacement effect' is hidden because the workforce moves from contract to contract.

There are good arguments for including 'new entrant trainee' opportunities in contracts and accepting a degree of displacement:

First, all employers should engage in new entrant training and up-skilling their workforce to avoid skills and labour shortages in the future. The construction sector is an example of an industry that has an aging workforce and has relied on finding new sources of labour from elsewhere in Europe to fill skills shortages. However, this means that the cost of hiring the necessary skills – which mainly affects the client not the contractor – is subject to the EU-wide labour market for these skills. This is not a good long-term basis for clients to operate on when considering local investment strategies and policy: they should ensure that all of their contractors contribute to the training of a workforce in the areas where the client is investing. This will help keep down costs in the future. Some of these trainees/workers may decide to travel elsewhere to work, but a significant proportion will base their lives in their 'home area'.

Secondly, at a time when there are insufficient jobs for everyone it is important to ensure that those without the skills, productivity and track record to compete for jobs do have the opportunity to obtain these 'labour market requirements'. This is especially true of young people joining the labour market for the first time, including those that have faced difficulties in their lives that are beyond their control e.g. family breakdown, ill-health, a disability, members of asylum-seeking families etc.

It is not right that these 'new entrants' should have to stand in line behind all of the skilled and experienced workers in the labour market before they get an opportunity. So some action is justified to provide a parallel entry route for these job-seekers, even if this has some displacement effects for existing skilled and experienced workers. The key difference is that the latter will be able to get another job through the labour market, whereas many 'new entrants' will not. This is a reasonable response to the 'social inclusion' and 'equal opportunities for all' elements of the Sustainable Development Strategy for Northern Ireland.

3.3 Procurement options

Part 1 of the 'Buy Social' Toolkit should be read before proceeding to include TR&T in a procurement process. This indicates that TR&T requirements can be included in the procurement process in one of three ways:

- as a part of 'the subject matter of the contract' (i.e. a core requirement') and as an award criteria;
- as 'a condition relating to the delivery of the contract';
- as a voluntary agreement (although this should not correctly be seen as part of the procurement process at all).

04

What to include: options

Targeted Recruitment and Training can be achieved by including one or more of the following requirements in a contract.

4.1 New entrant trainee opportunities

This term has been widely used in construction contracts (e.g. in Scotland and Wales) to provide opportunities for people who lack the skills and experience to compete for and sustain a job through 'the labour market'. The aim is to provide a job with training and support that continues – possibly through a number of such employments – until the individual can compete because they have accreditation, productivity and a track record.

This may be required because in an EU-wide labour market many employers may not see the need for training, they can just hire the labour they need, often on a self-employed or agency basis where they have no long-term obligations. It addresses a key need from individuals – to move towards a job that pays a 'living wage' and enables them to move permanently 'off benefits' - while also contributing to other aims e.g. training more productive workers and contributing to the economy. Effective targeting of the opportunities will maximise 'additionality' and facilitate 'social mobility'.

To ensure that the 'new entrant trainee' opportunities are targeted the contract should require them to be recruited from named agencies, or an equivalent agreed by the client, that primarily serve the intended 'community of benefit'. This will:

- ensure that most beneficiaries – and therefore most outcomes – contribute to the aims of the client for the contract; and
- provide a level playing field for bidders contractors from anywhere in the EU: whether they are local and have good knowledge of local recruitment and training arrangements, or not local and lack this knowledge, all have equal ability to recruit from the named agency.

It is important that the named agencies are equal opportunities providers and will accept registrations from any EU resident (see 'Buy Social' Toolkit Part 1 – section 3.5).

In Scotland, the preferred wording is 'recruited from an agency named by the client for this purpose, or an equivalent agreed by the client'. This provides ongoing control by the client (e.g. they can change the agency if they wish) and it allows a contractor that has a preferred 'partner' agency to use this provided that the client is happy that the agency will target recruitment as it would wish. That decision is likely to be taken after the award of the contract.

The named agencies can be selected to reflect the priorities of the client. For example, a NHS Trust might name an agency that is supporting people recovering from mental health problems back into work; an education client may name an agency working specifically with young people that are 'not in education, employment or training' (NEETs); a local authority may name an agency helping young people that are leaving the care system etc. The Northern Ireland Government is addressing the issue by establishing a web-accessed portal site where job-brokerage and training organisations can register to offer their services to contractors to the public sector. This provides a single source of information for contractors, opens the opportunities to a wide range of organisations, and ensures a degree of targeting and quality control.

New entrant trainee targets may be set as a number of jobs or a number of person-weeks of employment. The 'jobs' option is perhaps easiest to monitor but it has the weakness that a cynical contractor can hire on day one, fire on day two and call this a job outcome⁶. The strength of a person-week target is that if a new entrant trainee started and then left they would need to be replaced by another 'new entrant trainee' in order to complete the contract obligation.

The person-weeks target can also work well for employers where the nature of the contract may mean they can only employ the 'new entrant trainees' for limited periods. For example, in the construction sector the contractor can

decide what mix of trade apprentices (that require two years or more to get qualified) and other trainees (that can become productive quicker because the work is less skilled) they will recruit to achieve the target. The latter might include office staff, catering staff and general operatives, all of whom can contribute to the contract from day one.

Employers should be encouraged to retain the new entrant trainee until they are able to compete in the labour market. To facilitate this they should be able to count time when the beneficiary is working on other contracts (i.e. not the one in which the TR&T requirement is included) towards the contract requirement. So what matters is the outcome for the beneficiary rather than the numbers of weeks they deliver on 'the contract'.

It should be noted that 'new entrant trainees' are in paid employment. This does not include unpaid interns and work experience placements (see 2.2).

A typical social clause relating to new entrant trainees would be:

Employed-status New Entrant Trainees

The contractor shall provide that [a minimum of [] new entrant trainees] or [a minimum of [] person weeks of employment for new entrant trainees] recruited from an agency named from time to time by the client, or an equivalent agreed by the client, for this purpose shall be employed where a 'new entrant trainee' means a person that:

- *is leaving or has within the last 12 months left an educational establishment or a training provider (including paid student work placements); or is*
- *a person aged under 25 that has been registered as a job-seeker for more than 26 weeks and is seeking employment that includes on-site training and assessment, or offsite training (or a mix of these); or*

⁶ This occurred for example in a Welsh Government pilot project in Llandudno Junction.

- a person aged 25 or over that requires training and support and has been registered as a job-seeker for more than 52 weeks and is seeking employment that includes on-site training and assessment, or off-site training (or a mix of these); or
- an existing 'new entrant trainee' known to the Employer that is seeking a new position to complete their 'new entrant' period, or another person accepted as a new entrant trainee by the Employer.

A new entrant trainee may be an apprentice on an industry-recognised scheme who may be counted as a new entrant for up to [104]⁷ weeks, or an 'other trainee' who can be counted as a new entrant trainee for up to [52]⁸ weeks.

Each new entrant trainee is to have a training plan (using a pro-forma provided, that is signed by the trainee to permit information to be passed to the client for monitoring purposes) that is agreed by the Employer or agencies named by the Employer for this purpose.

4.2 Work experience opportunities

The provision of un-paid work experience and 'intern' opportunities has a key role as 'a step towards employment', and it can provide a 'work trial' for both the beneficiary and the employer. However, because many placements will not lead to a job, the provision of work experience opportunities will not achieve the same level of 'additionality' as the provision of 'new entrant trainee' jobs.

Managing work experience placements can be time consuming for an employer and care must be taken to ensure that the placements are motivated and have something to offer towards the delivery of the contract. Furthermore the number/duration of the requirement needs to be considered alongside any 'new entrant trainee' requirements since the capacity of a contract to cope with 'new labour' and deliver other priorities like quality, timely delivery and cost will be limited.

Again, the work experience opportunities can be defined as an absolute number or a number of person-weeks, and the client

Constructing West Midlands (CWM) Framework Contract procured by Birmingham City Council

At the tender stage bidders had to submit a TR&T and Supply-chain Opportunities Method Statement that would achieve the following:

- 60 person-weeks of paid employment for a 'new entrant trainee' per £1m in invoiced contract value;
- every vacancy arising from the contract to be notified to the Employer* (i.e. the client for the contract);
- notification of all sub-contract and supply opportunities to a Portal site identified by the Employer (e.g. Find it in Birmingham);
- registration of each 'new entrant trainee' with the Employer for contract monitoring purposes.

A new entrant trainee was defined as:

'a person leaving school, college, training etc., people that are over 6 months unemployed and seeking a job with training (i.e. because they are new to the sector), or people that are recognised as 'new entrant trainees' but need a new position to complete their allotted time (156 weeks for an apprentice or 52 weeks for an 'other trainee').

Source: *Tackling Poverty Through Public Procurement*. Richard Macfarlane with Anthony Collins Solicitors. Published by The Joseph Rowntree Foundation. 2014.

*In works contracts this is the term used for the client.

should have the right to name the agency or agencies from which the beneficiaries should be recruited so as to ensure that the 'social value' is maximised. A typical clause would be:

Up to 2 weeks of unwaged placement opportunities per £1m in contract value (and pro-rata) must be made available when requested by the Employer or an agency named by the Employer for this purpose.

4.3 Notifying vacancies

The 'new entrant trainee' requirements aim to create a parallel access route into the labour market for people that could not otherwise access the market. It is right that the client should expect that most people engaged to deliver their contract have appropriate accreditation, skills, experience and productivity, and so the 'new entrant' cohort will always be a modest proportion of the total workforce.

It is proposed above that one aim for TR&T may be to maximise incomes

to the local economy, and one way of achieving this is to maximise the number of local residents that are working on the contract. As explained in the 'Buy Social' Toolkit Part 1 the 'Beentjes doctrine' means that public bodies could be subject to a legal challenge if they required contractors to recruit 'local labour'⁹ because this could disadvantage non-local contractors when bidding for the contract.

However, this does not mean that nothing can be done to maximise opportunities for potential workers that live in and around the area of delivery of the contract. The key principle is that both local and non-local bidders must be equally capable of delivering the requirement.

In this context, the client could include in the specification a requirement that all vacancies be notified to named agencies, or an equivalent agreed with the client, and that candidates from these agencies have an equality of opportunity in being considered for the vacancy.

⁷ This can be adjusted to suit the typical requirement in the sector, but remembering that the longer the period for which a person can be counted the smaller number of opportunities will be provided.

⁸ As above, but allow a reasonable time for a new entrant to become productive and gain a track record, even if the required training period is short.

⁹ See Buy Social Toolkit Part 1, section 3.4.

One reason for not giving too much weight to the local advertising of vacancies is the difficulty in verifying when a vacancy occurs and therefore actively ensuring that the contract requirement is being delivered. The client will be dependent on the contractor and any sub-contractors notifying what they consider to be vacancies in a context where new positions may be filled by workers transferred from another contract or brought in by a new subcontractor.

Nevertheless, in many cases the contractor will be happy to notify vacancies and consider local candidates, in part because this can save them money. The following text could be included in a contract to achieve this goal.

All vacancies arising from the contract – including those with subcontractors – are to be notified to Jobs and Benefits offices and agencies identified by the client from time to time for this purpose or an agreed equivalent, and adequate time provided for candidates identified by this agency to be given an equal opportunity to be considered for the post.

4.4 Business in education

The practice of developing partnerships between employers and schools is well established but can be encouraged by including conditions in contracts that oblige the contractor to collaborate in this way. Typical outcomes could be a number of contributions to classes or career development sessions, visits to the workplace and work experience placements.

While this is valuable as a way of inspiring young people and raising their aspirations it should perhaps be seen as secondary to the provision of new entrant trainee opportunities. There is a risk that such work can raise applications from young people to work in the sector or for the specific employer without increasing the actual entry-level positions which they can apply for.

To have a local benefit the delivery of the contract requirement does of course need to be wanted by some local schools, colleges or training organisations. The following text could be included in the contract:

The contractor is required to engage with a school, college or training provider agreed with the client and provide [] curriculum or career advice sessions that benefit students and trainees, either in the education/training establishment or in the workplace/site.

4.5 Workforce training

Requiring contractors to facilitate the training and accreditation of their workforce – whether directly employed or self-employed – may have an impact on the beneficiaries' earnings and assist with social mobility. However, for this to benefit people living in and around the area of development - as the client may wish - these people need to be working on the contract.

The link between locality of residence and place of employment varies between sectors and types of job. For example, in the retail, catering and hospitality sectors the bulk of the workforce will be relatively low-paid and many will work part-time or anti-social hours, and these characteristics mean that a higher proportion of the workforce will live locally: they cannot afford to travel far. In the construction sector even low-paid workers may travel many miles to work: hence the term 'white van man'.

The growth of budget airlines has seen a new pattern emerging where even low-paid workers are recruited through agencies elsewhere in the EU and fly in for a series of shifts before flying home again.

In this context, thought needs to be given to the value of requiring contractors to facilitate training and accreditation except where this is part of a programme of support for new entrant trainees recruited from a named source – see 3.1.

There may be a wider purpose for including a training and accreditation requirement: having a skilled and qualified workforce to draw on provides benefits for every client, e.g. by reducing skill shortages and associated wage inflation. But is this the aim of the client when they are implementing a 'Buy Social' approach? Why not aim to achieve this by targeting recruitment and then up-skilling this workforce?

4.6 Local supply-chain opportunities

Engaging local enterprises in the supply-chain for the contract is a way of supporting the economy in and around the area where the investment is taking place, and may be an indirect way of supporting targeted recruitment and training. It can also be an approach for which there is a considerable amount of lobbying from the business community. However, the outcome depends on the characteristics of the local firms that are engaged. For example, in large urban areas there may be little connection between a firm based in an area and where its workforce live, with the latter potentially commuting from some distance and possibly from more affluent residential areas. And it is not necessarily the case that locally-based firms will undertake training and if they do will seek to recruit from the local area.

Since the output of firms contributes to the Gross Domestic Product (GDP) of an area, in official statistics any additional supply-chain work they get through a contract clause will appear to add to the local economy. However, the degree to which this additional turnover actually benefits the local economy and has a 'multiplier effect' will vary from firm to firm and cannot be taken for granted. This multiplier effect can be measured using tools like LM3¹⁰ but the data inputs required may make this unreasonable for most contracts.

The effectiveness of a local supply-chain in securing TR&T and support for the local economy can be increased by ensuring that firms do in fact recruit locally, engage trainees, and use other local suppliers. This approach was pioneered by Greenwich Local Labour and Business in London during the late 1990's where a single organisation (part of the local authority) worked with local businesses to help them develop and obtain contracts from major developments (like the Millennium Dome – now London's O2 Centre), and it supported local people to develop their skills and get jobs with employers on major developments.

There is considerable literature on how to improve access to public contracts for SMEs (including social enterprises), and most of this relates to the way that the procurement is conceived: maximum opportunity will be achieved by breaking the contract into smaller 'lots', removing unnecessary pre-qualification requirements, and improving information-flows to the target businesses.

Nevertheless it may be possible to include conditions in a contract that require the main contractor to open their supply-chain to firms based in and around the area where the contract is being delivered, provided that this can be done in a

way that provides a level playing field for bidders/contractors from anywhere in the EU. An example of this is provided in the Constructing West Midlands example quoted above where the local authorities in and around Birmingham have established a business portal site – Find it in Birmingham – that can be accessed by contractors from anywhere in Europe.

This portal site primarily aims to facilitate business to business relationships to increase inter-trading and the multiplier impact on the local economy. Such portals are available in a number of areas of the UK and can be distinguished from portal sites that have been conceived as a way of enabling local businesses to get information about forthcoming public sector procurements. The latter often decide that they have a duty to allow any business in the EU to register and this may increase the competition for local suppliers!

The following text could be included in the contract. It should be noted that this does not require local firms to be engaged:

All supply and sub-contract opportunities arising from the contract must be notified to businesses registered with an agency named by the client, or an equivalent agreed with the client, from time to time for this purpose and a minimum of [2] organisations registered with the agency must be invited to price for the supply/subcontract, where suitable firms exist.

4.7 Focusing the effort

It is important that the procurement team focuses the 'Buy Social' requirements: better to achieve good outcomes on a few requirements than to dissipate the energy and effort of the contractor/supplier and the client's contract management team across a wide range of requirements. This is in the context where public bodies must ensure that all contract requirements are delivered, and the more 'Buy Social' requirements that are included, the more monitoring and verification data will need to be obtained and followed-up.



Calculating targets

5.1 Why set measurable targets?

One of the barriers to the specification of measurable requirements for TR&T is uncertainty about what level of outcomes should be required. This may lead procurement teams to merely put in a general requirement to work with the client to maximise TR&T, rather than specify outcomes. This is a weak approach because:

- there is often no indication of the scale of outcomes required;
- the contractors may have very different understandings of what types of response they could make (from the range set out in section 3);
- since some types and scales of outcomes could have cost implications for the contractor they may eliminate these at the tender stage to avoid pushing up their bid price.

The outcome is likely to achieve very little 'additionality' through the use of the 'Buy Social' approach.

It is also good procurement practice to set measurable targets as part of providing 'a level playing field' for bidders and being able to properly enforce the contract conditions.

Derry City Council has been using a 'voluntary clause' in tender documents for construction contracts of £1m and over. This requests that 'contractors uphold [the Council's] aspirations to the implementation of social clauses in procurement' and indicates to contractors that the council will seek the following:

- secure the creation of employment opportunities for one long-term unemployed person (registered for over six months) for each £1m in construction contract value;
- secure one apprenticeship for each £2m in construction contract value;
- comply with fair employment, equality of opportunity and anti-discrimination legislation.

This approach is not a contract condition but does indicate what outcomes are being sought. Good delivery has been achieved through the services of a Council-run employability and job-brokerage project, Kickstart to Work, including three jobs and three apprentices on the £4.7m Guildhall restoration contract. Using a similar approach Ilex urc secured five apprentices and three jobs on the construction of The Peace Bridge.¹¹ However, the robustness of this approach depends on the commitment and negotiating skills of the Kickstart staff, rather than the contract conditions.

The outcomes from Glasgow Housing Association (GHA) framework contracts (2004-2013) are important in understanding the value of setting measurable targets. There were six frameworks that had more than three contractors carrying out a similar

programme of work. At the tender stage all contractors had completed a Method Statement (that was scored as a part of the award process) saying how they would achieve the contract condition that '10% of the person-weeks were delivered by 'new entrant trainees' engaged in a training programme agreed by GHA'. However, the outcomes achieved by different contractors carrying out a similar schedule of works varied considerably. The average across all contractors was that 11.4% of the total labour used was provided by 'new entrant trainees', but in electrical rewiring this varied between 4.6% and 19.2%, in kitchen and bathroom re-fits between 9.2% and 21.7%, and in high-rise demolitions between 2% and 17.2%. This indicates that the outcomes achieved are greatly influenced by the commitment and management skills of the contractor, rather than the type of work they are carrying out.

Glasgow Housing Association Framework contracts (35 contracts to 2013) Highest and Lowest New Entrant Trainee %* in each type of contract**

Contract	New Entrant Trainee Outcomes		
	Highest achieving contractor	Lowest achieving contractor	Average across all contractors
Electrical rewiring	19.2%	4.6%	9.6%
Environmentals	12.5%	12.3%	12.4%
Kitchens and bathrooms	21.7%	9.2%	15.7%
Roofing and cladding	18.6%	4.7%	10.1%
Low rise demolition	19.1%	0%	4.5%
High rise demolition	17.2%	2.0%	8.6%

*new entrant trainee person-week as a % of total person-weeks utilised.

**where three or more contractors carried out the works.

Source. *Tackling Poverty Through Public Procurement*. Richard Macfarlane with Anthony Collins Solicitors. The Joseph Rowntree Foundation. 2013. Case Study 1.

In the construction sector there is some evidence of what scale of outcomes can be achieved and a methodology developed for setting 'new entrant trainee' targets. As the GHA example shows, a 10% target for new entrant trainees can easily be surpassed in a range of types of work, with the right attitude from the contractor. In the service sector this evidence is not yet available, but the approach from the construction sector provides a methodology that could be used.

5.2 Setting targets for 'new entrant trainees' in construction contracts

Procurement teams dealing with construction can benefit from the services of a profession – Quantity Surveyors – that have a thorough understanding of the make-up of the costs of a project. This may be available for services and supplies contracts, but it seems that this is not routinely the case.

To set targets for 'new entrant trainees' it is important to understand:

- how much labour time is required to deliver the on-site elements of the contract; and
- what proportion of this could be delivered by 'new entrant trainees' without putting at risk other key requirements like quality, price and timely delivery.

In relation to 'the risk' element of this it should be remembered that 'new entrant trainees' are not unproductive and it is for the contractor to decide what mix of new entrants they want to recruit, train and support in order to deliver all of the contract requirements at a competitive cost. So for example, apprentices will take time to acquire the skills to be fully productive, but they are also paid at a lower rate than qualified trades-people. Many other sub-trade activities require a shorter period of training and new entrants can become productive more quickly.

It is important that procurement teams don't go too far in pre-empting the work of bidders for the contract. The latter are being tasked and in the end paid to come up with the best solution to delivering the contract requirements, including any 'new entrant trainee' requirements.

The examples provided in this text suggest that in excess of 10% of the workforce on a construction contract can be 'new entrant trainees'. The Construction West Midland framework contract is achieving over 60 person-weeks per £1m in contract value, and GHA averaged 11.4% new entrant trainee weeks against a 10% target. In each case a person could be counted as a new entrant trainee for between one year (for an 'other trainee') and three years (for an apprentice). These targets are in line

with that used in the Construction Industry Training Board's Construction Academy approach which sets benchmarks in terms of apprentice starts and existing apprentices utilised: a £3.5-£6m contract would 'require' two apprentice starts. If each apprentice is retained for three years this would generate 312 person-weeks.

So a typical calculation for new entrant trainees for a construction contract might be:

Total anticipated contract value (for example) = £10m.

Less off-site manufactured elements of £4m = £6m on site value.

Estimated % of the value that is on-site labour costs = 40%¹² = £2.4m.

Estimated average labour cost per worker per year = £35,000¹³ (including on-costs).

Therefore person-years of work required = 69 (£2.4m/£35k).

10% new entrant trainee target = 6.9 person years = 357 person-weeks.¹⁴

In a particular contract the figures that are entered into the above formula will vary: the labour component may be higher or lower and the assumed average wage costs may be different. But this is a calculation which the surveyor advising the client team can make.

The target can be set as a number of new entrant trainee starts, or as a number of person-weeks. As indicated earlier the former may be open to cynical manipulation. Both 'starts' and person-weeks should be easy to monitor. It will be more difficult to monitor a target set as a % of all labour used because this requires a verification of the total labour usage as well as the new entrant trainee weeks provided.

The methodology set out above is sufficiently well understood for international cost consultants and construction programme managers Davis Langdon (now known as AECOM) to develop a forecasting model that estimates the total labour requirements and potential trainee opportunities – in

person-weeks/years - for a range of construction types and values. This is based on the actual labour use on projects they have managed in different parts of the UK.

It is important to recognise that a key variable in determining an appropriate 'new entrant trainee' target is how long a person can be counted as a 'new entrant'. The longer this period, the more productive and valuable the new entrant will become for the employer and the higher the target % (for 'new entrant trainees') that can be achieved. If the target is to be set as a number of beneficiaries (e.g. new starts) then the average duration for which a new entrant can be counted is a necessary assumption. For example the number of beneficiaries from the 357 person-weeks calculated above could be assessed as follows:

Assumptions:

- Apprentices can be counted as a new entrant for 104 weeks;
- 'other trainees' can be counted as a new entrant for 26 weeks; and
- there will be a 50/50 mix of apprentices and other trainees.

In this case:

- the average duration would be 52 person-weeks;
- there would be 6 beneficiaries (assuming that all stay for the full period).

If this is the desired outcome the text in the specification could be changed to:

Employed-status New Entrant Trainees

The contractor shall provide that [a minimum of [3] new entrant trainees who are apprentices] and [a minimum of [3] new entrant trainees who are other trainees] shall be recruited from an agency named from time to time by the client, or an equivalent agreed by the client, for this purpose to deliver a minimum of [357 person-weeks] where a 'new entrant trainee' means:

- a person progressing from an education or training establishment who needs a job with training and support to achieve full accreditation and productivity; or
- a person who has not been employed

in the sector before and has not been regularly employed for more than 12 months, and who will be given training and support in order to achieve accreditation and productivity; or

- a person that has been engaged as a new entrant trainee on another contract or by another employer and whom the client accepts as requiring a further period of engagement as a new entrant trainee.*

An apprentice must be registered on an industry-recognised scheme and may be counted as a new entrant for up to 104 weeks. An 'other trainee' can be counted as a new entrant trainee for up to 26 weeks.¹⁵

It may be important to discuss the likely number and mix of beneficiaries with organisations that support the employment and training of the target groups, to make sure that the requirements address what is needed, and that the requisite number of applicants to fill the new entrant posts will be available. However, make sure that the client's objectives for including new entrant trainees are not just replaced by those of the training or job-matching agency. If they are funded on the basis of their results – which many are – then they may see the new entrant trainees as a way of achieving their obligations and increasing their income. This is not a problem if there are shared objectives.

5.3 Adapting this for other sectors

The above methodology can be adapted to other sectors, especially services contracts. The key here is to work with a person that understands the labour elements of the service to be provided, e.g.;

- How much of the contract value is spent on labour costs?
- What is the average wage cost in the sector (including employers' on-costs)?
- So how many person-years or person weeks work will be required to deliver the contract?
- How long does it take for a new entrant trainee to become productive (i.e. to cover their costs through the work they do), and what is a reasonable time to

allow a new entrant to get accredited, productive and obtain a reasonable 'track record'?

- What is the 'safe' level of new entrant trainees for an employer to manage and also achieve the other objectives of the contract?
- What are the training arrangements and what organisations locally should be consulted and possibly considered by the client as the named source of new entrant trainees?

For example, in one Scottish local authority the procurement officer for care contracts suggested that 80% of the contract was for labour costs, and the average labour cost was just over £400 per week = £21,000 per year. So a £100,000 contract implied 4.76 person-years of work = 248 person-weeks. Furthermore, a new entrant could become productive very quickly and it was not unreasonable for a contractor to have 15% of their staff as new entrants if the latter are defined as being 'new entrants' for up to 26 weeks. In this context the contract specification might require 37 person-weeks employment for a new entrant trainee per £100,000 in contract value (15% of 248).

It is interesting to consider what this set of assumptions produces in terms of new entrant trainees for a £6m contract – equivalent to the value of the construction contract given above.

Total anticipated contract value = £6m.

Estimated % of the value that is labour costs = 80% = £4.8m.

Estimated average labour cost per worker per year = £21,000.

Therefore person-years of work required = 228 (£4.8m/£21k).

10% new entrant trainee target = 23 person years = 1,196 person-weeks.

So, on a like for like target of 10% new entrant trainee, this services contract offers nearly three times as many person-weeks of work. If each beneficiary consumed 26 weeks of these the contract would generate 46 opportunities compared with perhaps just 7 in the construction contract.

It is important to note that there is little experience of including TR&T requirements in services contracts. One reason for this may be the potential displacement issues: see section 2.2 for a discussion of why a degree of displacement may be justified.

5.4 Setting targets for Buy Social construction contracts

On 5th November 2015 the NI Department for Finance and Personnel's Procurement Board agreed the recommendations made by the Central Procurement Directorate (CPD) and the Strategic Investment Board (SIB) as a result of the Strategic Review of Social Clauses. These recommendations included a set way to calculate social clause targets for construction contracts, effective from 1st April 2016.

For building contracts worth more than £2m a target of 52 person-weeks of waged employment per £1m of contract value is applied. So a typical calculation for new entrant trainees might be:

Total anticipated contract value (for example) = £10m

Less off-site manufactured elements of £4m = £6m on site value

New entrant trainee target = £6m x 52 person-weeks = 312 person-weeks

For civil engineering contracts worth more than £4m a target of 26 person-weeks of waged employment per £1m of contract value is applied. So a typical calculation - assuming no off-site manufacture - for new entrant trainees might be:

Total anticipated contract value (for example) = £10m

New entrant trainee target = £10m x 26 person-weeks = 260 person-weeks

An example of TR&T in a construction framework contract and related documents can be found in Addendum 1. The 'Buy Social' team is also available to assist in the design of 'Buy Social' targets for NI Government organisations—contact info@buysocialni.org

¹⁵ This would provide a target of 390 new entrant trainee weeks.

06 Identifying partners



In the 'Buy Social' Toolkit Part 1 emphasis is given to identifying/including a 'Buy Social' champion in the procurement team. This will:

- help identify partner organisations that have specialist knowledge of recruitment and training in the sector being procured;
- provide information for the 'target setting' process set out in the previous section;
- provide information on the training routes and the potential sources of applicants for 'new entrant trainee' opportunities; and
- provide information on training and job-matching resources (agencies colleges and funding) that contractors can contact when responding to the tender and delivering the contract.

In the absence of a 'champion' it is possible that existing training and job-matching organisations will be prepared to help e.g. colleges, 'job centres', specialist industry training providers, sector training organisations (like the Construction Industry Training Board). In these circumstances it is important to identify

and work with a partner that has objectives that are similar to those of the client. The training and job-matching sector is highly competitive and in many cases the income of colleges and agencies is dependent on delivering the outcomes required by their funding body: typically a public agency.

In Birmingham City Council and (on a different scale) Derry City Council, this team not only supports procurement teams but then works with the contractor to identify opportunities and works with communities and training/job-matching agencies to target recruitment to these vacancies.

Other public bodies work with colleges and Government employability agencies but these can sometimes be less stable because local staff do not control policy and programme design – which can change very abruptly. Although individual staff can be very helpful and supportive this is sometimes a personal decision that does not survive staff changes. The central policy may not be sufficiently flexible to support what clients want to see their contractors deliver. These should be seen as part of the employer's

person specification which training and job-matching staff are expected to meet, but sometimes the agency's priorities take over.

Where the client has its own team that controls the recruitment process up to the point where the employer interviews and appoints the people they want (in order to meet their contract commitments) they can work with agencies that support their objectives. Where the client doesn't have this in-house capacity then it needs to identify willing partners and make sure that they work to target opportunities as required.

In Northern Ireland a brokerage website has been created to help contractors who win public work in Northern Ireland find training and employability brokers who will help them deliver their Buy Social Clause obligations. For more information visit www.buysocialnibrokerage.org

Birmingham City Council's Employment Access Team (EAT)

The EAT supports the implementation of the employment and skills element within the procurement process from the outset, devising appropriate employment and skills contract clauses, evaluating tender responses, negotiating suitable targets, supporting the recruitment process and monitoring and evaluation of outcomes.

When a contractor is appointed, an EAT officer meets with them to discuss and agree a targeted recruitment and training schedule. As each opportunity becomes available a job and person specification will be obtained and this is circulated to around 100 community-based training and employability agencies. These send candidates' 'expression-of-interest' forms and CVs through to the EAT who register them on a database, short-list suitable candidates, and arrange interviews.

Where lead-in time permits and the opportunities warrant it, customised pre-employment training courses leading to a guaranteed interview or a place in an employer assessment centre are delivered in partnership with the Job Centre, colleges and training providers.

In creating an interview list of people that meet the employer's requirements the EAT look first at applicants from the Council's priority areas and wards, and then at other Birmingham candidates. If there is a shortfall then people that don't have a Birmingham post-code are included. The employer then selects from the interviewees short-list and advises EAT who they have appointed. This is logged on the database through a registration form completed at the person's induction session for those contracts that are measured by job outcomes.

Outcomes are collected through a monitoring form provided by the main contractor. They have responsibility for collecting information from sub contractors.

Source: *Tackling Poverty Through Public Procurement*. Richard Macfarlane and Anthony Collins Solicitors. The Joseph Rowntree Foundation 2014 Case Study 2.

Kickstart to Work – The Peace Bridge in Derry-Londonderry

Kickstart to Work is Derry City Council's employment programme – funded by the European Social Fund and Ilex urc to address long-term unemployment in Derry~Londonderry. It provides:

- a job-brokerage service to employers to help them recruit long-term unemployed people from the most deprived communities.
- One-to-one mentoring and support to help people find and sustain work; and
- 50 week employment opportunities with local employers supported by an employer subsidy.

The Peace Bridge utilised the first two of these services. To attract applicants Kickstart undertook a two week

marketing campaign and recruitment drive. It advertised locations and times when its Jobs Bus would visit the target communities and job-seekers were given information and help with filling out the job application. This generated 290 applications for 12 positions. Kickstart short listed applicants and these were interviewed by the employer, who then made the appointments. Unsuccessful applicants continued to be supported through other Kickstart programmes.

Source: *Tackling Poverty Through Public Procurement*. Richard Macfarlane with Anthony Collins Solicitors. The Joseph Rowntree Foundation. 2014 Case Study 5.

The Peace Bridge in Derry~Londonderry



07

Monitoring and reporting

Where TR&T requirements are included in the contract then they must be enforced – see ‘Buy Social’ Toolkit, Part 1 section 10. This requires the provision of monitoring information to be a part of the contract condition so that the client has the right to it.

Collecting and providing monitoring information can be expensive for the contractor, and analysing the outcomes and pursuing poor performance requires client resources. It is therefore important to limit the monitoring requirements to what is essential to assess performance against the contract requirements (relating to TR&T). Thoughtful drafting of the specification and contract conditions can help limit the monitoring requirements.

A number of points should be considered when specifying the monitoring requirements:

- What are the key outcomes that you want to measure and how is this best done (where the TR&T requirements are a part of the subject matter of the contract these can be termed ‘key performance indicators’ – KPIs);
- When is this provided: it is ideal to time the report with any contract review dates so that the outcomes can be a part of each formal review;
- What additional information is important to be able to verify the reported outcomes, and how can this best be provided?

- Who should the information be sent to: who is responsible for delivering all aspects of the contract, and who might best be able to help them verify and interpret the monitoring information?

For ‘new entrant trainee’ requirements one way of verifying the outcomes and obtaining more detailed information on the beneficiaries to assess the ‘targeted outcomes’ is to require the contractor to register each beneficiary with the client (or an agent) when they start. This should be on a pro-forma provided by the client that includes personal data (for example, name and address, telephone number, age, gender, ethnicity, home address, previous employment status, how they were recruited, previous accreditation etc.). This form would need to be signed by the beneficiary to allow the personal data to be provided to the client ‘for contract monitoring purposes only’ – to comply with the Data Protection Act. The information can then be entered onto a database by the client or their agent, and this is updated as the employment continues to count the number of weeks engaged, and any accreditation obtained. This allows the client to run reports from the database (e.g. on the characteristics of the beneficiaries) and verify the output data for ‘new entrant trainees’ provided by the contractor.

In some cases this personal data is recorded by the client or their agent where they are a part of the recruitment process. There are commercial

database systems available for this job-matching process that can be adapted to also provide the verification records. However, other organisations (like Glasgow Housing Association) developed a bespoke in-house database for this purpose. Obviously, the Data Protection Act 1998 should be observed when dealing with such data.

A key requirement is that any database is set up early: ideally before the first contracts start to deliver TR&T outcomes.

Finally, it should be remembered that contractors are adroit at identifying the main concerns and requirements of their clients, and they know that focussing on these will keep the client happy. In this context it is important that the client team – and especially the ‘Buy Social’ champion - engages with the contractor and the main sub-contractors from early in the delivery of the contract and throughout the delivery, to ensure that monitoring requirements are met and that the outcomes are delivered.

Examples of possible monitoring requirements are included in Addendum 4.1.



08

Text for the Business Case

The intended requirements for a contract should be set out in a business case that is used to formally agree the allocation of resources. The 'Buy Social' requirements should be included in this.

A model text for the business case is included as Addendum 6. This covers the following matters under three headings: strategic context; lifetime opportunities; benefits realisation.

8.1 The policy basis

Show here how the inclusion of the 'Buy Social' requirements will help the purchaser meet their policy objectives and obligations e.g. as set out in their Sustainable Development (or Sustainable Procurement) Policy, the Northern Ireland Executive's Sustainable Development Strategy, or an in-house 'Buy Social' policy.

Also consider any specific benefits to the main work of the purchasing organisation.

NHS Greater Glasgow and Clyde (NHSGGC)

During community consultation on plans for a new £842m hospital complex in South Glasgow the NHSGGC identified work for local people and businesses as a key concern. It commissioned a Social and Economic Impact Study and subsequently adopted an Employability and Health Strategy. On the basis of this it sought to include these 'community benefits' in the procurement process and contract.

Legal advice indicated that it was appropriate to include targeted recruitment and training requirements in the specification because of the established links between employment and health: increasing employability and employment falls within the scope of NHS powers. On this basis a Key Performance Indicator was included in the specification: 10% of the labour required to deliver the project should be 'new entrant trainees'.

Source: Tackling Poverty Through Public Procurement. Richard Macfarlane with Anthony Collins Solicitors. The Joseph Rowntree Foundation. 2014. Case Study 6.

8.2 Calculating the targets

Set out what the intended targets for the contract will be and how these have been calculated – see sections 3 and 4. It would be appropriate to refer to:

- case studies and publications – i.e. sources that have been used; and
- research and consultations that have been undertaken in arriving at the proposed targets, including those with contractors, industry bodies, and recruitment and training partners working locally.

8.3 The status of the 'Buy Social' requirements

In the business case it should be stated whether the 'Buy Social' requirements will be:

- part of the subject matter of the contract, and if so, part of the 'quality score' in the award process; or
- a condition related to the delivery of the contract (but not an award criteria).

It should also be indicated whether questions on the management and technical experience to deliver the 'Buy Social' requirements, will be included in the Pre-qualification Questionnaire (PQQ), and if so what weighting they will be given (see section 10.2).

Likewise, any intention to provide pre-tender and/or mid-tender briefings for bidders, and perhaps an information sheet to ensure that all bidders have knowledge of local training and job-matching agencies and funds and local supply-chain registers, should be mentioned.

8.4 Contract management arrangements

Make reference to any 'Buy Social' champion or partner agency that has been identified to:

- support the development and delivery of the contract requirements;
- work with the contractors to help them deliver the 'Buy Social' requirements; and
- work with the client to help monitor and progress-chase these requirements.

8.5 Costs and affordability statement

Identify whether a specific 'net cost' (see 'Buy Social' Toolkit Part 1, section 8) for the 'Buy Social' element will be obtained, and if so what budget has been earmarked for this.

In some cases it may be appropriate to identify specific funds that have been provided (either internally or from another source to cover this item). If there is a limited budget then this could be identified in the specification e.g.;

The contractor shall provide a Targeted Recruitment and Training Method Statement with their tender setting out how they will deliver [] person weeks of employment for new entrant trainees who are apprentices, and [] new entrant trainees who are other trainees within a Provisional Sum of [£...] that has been set aside for this purpose and where:

- ***all new entrant trainees are recruited from an agency named from time to time by the client for this purpose; and***
- ***a new entrant trainee is defined as...***

Where the 'Buy Social' requirements are a condition relating to the delivery of the contract then it may not be relevant to include cost and affordability information in the Business Plan.



TR&T Method Statement

A common approach with TR&T requirements is to require bidders to include a TR&T (or Buy Social) Method Statement as part of the tender, setting out how they will deliver the TR&T (or other Buy Social) requirements. Where these requirements are a part of 'the subject matter of the contract', the Method Statement can be scored as a part of the award process: for 'conditions relating to the award of the contract'.

This should be disregarded in the award process, but can be a matter about which 'clarification is sought' in pre-tender discussions with the preferred bidder. In the latter circumstances some clients have requested that the method statement be submitted in a separate sealed envelope (which is only opened for the preferred bidder), but the key requirement is to be able to justify the award of the contract without reference to the contractor's offer on TR&T or other Buy Social matters.

The advantages of requiring a Method Statement are:

- it draws attention to the importance that the client is attaching to these elements of the specification;
- it forces the bidders to give attention to how they will deliver these requirements when they are developing their methodology for the contract and their tender;
- it provides a standard pro-forma that all bidders must complete to ensure that the client gets information in the same format, which enables a standard scoring template to be developed for TR&T etc, and makes robust and defensible scoring easier; and
- it provides a 'baseline offer' that can be used in pre-contract clarifications and then in discussions in the early stage of implementation.

However, a Method Statement should not seek to test the capacity of the contractor

to deliver the TR&T requirements, which should be assessed at the PQQ stage. The focus must be on what they propose to deliver in relation to the specification or contract condition (see section 10.2).

As can be seen from the sample Method Statement included in Addendum 4.1, a Method Statement can usefully obtain information on:

- the actions that will be taken to achieve the required outcomes; often this will be engaging with the organisations named by the client;
- a breakdown of how the outcomes, will be met e.g. the split between apprentices and other trainees, and between different trades/occupations; and
- who will be responsible for implementing and reporting on the outcomes.

Where 'net cost' information is required a format for this information can be included, showing the way additional costs have been calculated, and then showing any additional incomes that will be obtained e.g. training grants, HR services from the contractor's overheads, productivity from the trainees etc.

A scoring framework can be developed to match the questions in the Method Statement. This could usefully set out what is required for a good response and giving each component score. As can be seen from the example in Addendum 4.2 the different questions or sections within a Method Statement can be weighted - so for example the delivery arrangements for 'new entrant trainees' may have a higher weighting than the offer of work experience opportunities. Developing this scoring framework requires the scoring team for this part of the tender to think through what will best deliver the requirements (and weight these elements higher). When the actual scoring takes

place the task is to assess each Method Statement against this framework.

This approach will help to defend the scoring process from challenge.

It is important that this approach is made compatible with the approach being taken to the scoring of the contract as a whole.

While the TR&T/Buy Social Method Statement may be scored out of 100, the end scores will be incorporated as a small part of the overall contract award scoring system. In some cases the client has sought to express their commitment to the TR&T/Buy Social requirements by giving this element a relatively high score - perhaps 15% of the overall score. However, this is probably not necessary: even 5% is probably sufficient to get the bidders to take this seriously since this is likely to be a larger % than the difference between the overall scores of the best and the second-best bidders.

Glasgow Housing Association

The employment and training 'offer' in the tender is assessed using a standard scoring framework, and this typically accounts for about 40% of the 'quality score' - about 12% of the overall score.

Source: Tackling Poverty Through Public Procurement. Richard Macfarlane with Anthony Collins Solicitors. The Joseph Rowntree Foundation. 2014. Case Study 1.

10

Model Clauses

The clauses used in the different stages of a procurement process need to be agreed by the procurement team and their legal advisers. The texts included in this Toolkit aim to provide a basis for these to be developed. Once the requirements are agreed they will need to be re-formulated by the solicitors so that they work within the standard form of contract that is to be used. This is not always easy, but TR&T requirements have been made to work within a wide variety of contracts.

10.1 Contract notices

The possibility that a contract may include TR&T or other 'Buy Social' requirements can usefully be included in the standard contract notice used by public bodies, for example in the 'Other particular conditions' section of the Official Journal of the European Union (OJEU). Where these requirements are to be used in the award of the contract, potential bidders should be told what weighting these elements will have.

This approach can leave the client with the option of including TR&T/'Buy Social' requirements in the contract, either as a 'core requirement' or as a 'contract condition' only, but it is not bound to do so. The Notice may refer to information to be included in the Invitation to Tender (or similar), so this is where the final decision on what is required and what weight to give it must be clear.

Model text:

Under this [procurement/project] the [contractor/developer] will be required to support the Authority's [economic and social regeneration] ['Buy Social'] [sustainable development] objectives. Accordingly, contract performance conditions may relate in particular to economic and social considerations.¹⁶

Glasgow Housing Association

The successful economic operator and its supply chain will be required to assist in the achievement of the contracting authority's social and environmental objectives. Accordingly, economic operators should be aware that contract performance conditions and evaluation criteria may include social and environmental considerations. Details will be set out in the contract documents.

Wording from OJEU section III.1.4 'Other particular conditions'.

Source: *Tackling Poverty Through Public Procurement*. Richard Macfarlane with Anthony Collins Solicitors. The Joseph Rowntree Foundation. 2014. Case Study 1.

10.2 The Pre-qualification Questionnaire (PQQ)

A public body is justified in ensuring that all firms on a tender list have the technical, managerial and financial capacity to deliver the contract, including any 'Buy Social' requirements that are either part of the subject matter of the contract or are contract conditions. The designated way to do this is to include questions in the PQQ and score the responses. On the other hand there is a general move towards slimming down PQQs as a way of removing 'barriers' for small and medium-sized companies that may be less able to present the required evidence.

Recruitment and training is an activity many firms including SMEs will undertake. There is also an argument that all contractors should be making a contribution to training 'the workforce of the future' and this is of interest to public sector clients because a failure to do so can result in rising costs in the longer term (see section 2.2). In this context there is an argument for including some relevant questions in the PQQ.

One benefit in including relevant questions at the PQQ stage is that it will alert the bidders to the importance attached to TR&T/Buy Social requirements at this early stage, and get them to think about what experience they can contribute to the delivery of this objective. However, it is important that the weighting given to the answers to this question are not disproportionate to the weight given to the 'Buy Social' element in the overall project.

¹⁶ Based on text in *Community Benefits in Public Procurement*. The Scottish Government. 2008.

It is perhaps more important to include PQQ questions where TR&T is merely a condition relating to the delivery of the contract because there will not be an opportunity to evaluate the methodology put forward by each bidder (in relation to TR&T) at the tender evaluation stage. Any potential barrier to competition can be countered by:

- holding a briefing session prior to the PQQ stage to explain what is required; and/or
- to ensure that business development agencies working with local businesses provide some training and support on how to address the PQQ question.

10.3 The specification (Invitation to Tender or similar)

Some examples of TR&T– related texts that could be included in the specification have been provided above, along with guidance that the requirements should be focussed on just a few of the possible ‘Buy Social’ possibilities. The focus should be agreed in the business case taking into account:

- the client’s sustainable development, ‘Buy Social’ and procurement policies;
- the wider purpose of the client organisation (e.g. social inclusion, regeneration, education, health etc);
- the scale and content of the proposed procurement; and
- the resources available to help ensure that the ‘Buy Social’ requirements are affordable.

The specification can usefully include the following elements:

- the policy basis for the ‘Buy Social’ requirements (or reference to the business case);
- definitions of terms (which may be incorporated with other definitions in the specification);
- the actual measurable requirements;
- the monitoring and reporting requirements;
- the provision of information on local training and job-matching agencies, business registers etc. that are available to all bidders/contractors;
- a statement that the contractor is responsible for obtaining the cooperation of sub-contractors and suppliers to help deliver the requirements;
- information on insurance requirements that may be necessary for the delivery of the requirements; and
- a ‘disclaimer’ making clear that the client is not guaranteeing any people or businesses being available to deliver the requirements, and making clear that any action it or agencies it names takes does not mean that they consider any individual, business or agency as suitable for engagement by the contractors.

Where information is required at the tender stage or during the delivery of the contract a pro-forma that the contractor

must use should be provided. This will provide standardised information and will allow the client to develop a standard data-management and reporting process.

One issue for the use of ‘Buy Social’ requirements in contracts is that there is an increasing tendency to procure through framework contracts, including multi-client frameworks. In some cases the procurement process covers a number of frameworks e.g. a framework for each of a number of Lots that can be broken down by type of work, area of delivery, value of typical call-off contract etc. Appendix 1 provides an annotated example of how social benefit requirements (targeted recruitment and training requirements) can be incorporated in the procurement of such a contract.

This is followed through into an example of a related Method Statement and then an approach to the rigorous assessment of each Method Statement.

What this example illustrates is that the drafting of the specification for TR&T and other ‘Buy Social’ requirements in a way that maximises outcomes and satisfies good procurement practice is not simply a matter of bolting-on a general clause. The best outcomes will be achieved where this element of the client’s requirements is given the same level of thought and development as other elements of the procurement. It takes time for procurement teams to develop the expertise and confidence to properly undertake this work, but there is increasingly an expectation that they will do so – working in tandem with colleagues that have specialist knowledge of the ‘Buy Social’ requirement that the client wants to include.

The required expertise and confidence can only be developed by applying professional practice and experience to this increasingly-important element of public procurement.

Example of a PQQ Question on Targeted Recruitment and Training

Please give examples of your involvement in each of the following:

- generating employment and training for long-term unemployed people;
- providing training opportunities;
- the development of trade skills in your existing workforce;
- equal opportunities recruitment processes.

What was your exact involvement in each of the above activities? Which of the examples you cited have been most successful and which have been less successful, and why?

Source: *Community Benefits in Public Procurement*. The Scottish Government. 2008. Page 19.



Addendum



Addendum 4 – Example of TR&T in a construction framework contract and related documents

A4.1 – Text for the Specification

A4.2 – Scoring Framework – Social Benefit Requirements

Notes

1. These documents refer to works contracts where the norm is to use the word Employer (with a capital E) to refer to the client. In services and supplies contracts 'Employer' should be replaced with 'client'.
2. The model presented here is the 'Buy Social' approach developed by the Strategic Investment Board for Northern Ireland (SIB), working closely with Central Procurement Directorate (CPD). Following approval by The Procurement Board (for Northern Ireland) this should be used by Departments and agencies in contracts over agreed threshold values from April 2016. However, this model that will be further developed as SIB's Buy Social team helps NICS organisations to pilot the approach and CPD develops guidance and a monitoring service.
3. Readers will note that the Buy Social approach gives some priority to creating opportunities for people aged under 25. This reflects the need to address the high levels of unemployment and economic inactivity amongst this age group in Northern Ireland, while still generating opportunities for older 'long term unemployed' people to return to the labour market. The requirements in this Addendum are therefore somewhat different from the more generic requirements used elsewhere in Part 2 of the Toolkit.
4. SIB is now working with CPD and NICS Departments to develop a set of model recruitment and training requirements for services contracts.
5. **Whilst every effort has been made to ensure that the information contained herein is accurate, this toolkit is not provided as 'legal advice' and users should therefore seek legal advice before using this material where appropriate.**

A4.1 – Text for the Specification

Social Benefit Requirements

Part 1 – Background information

The Northern Ireland Assembly and Civil Service and their associated agencies and Authorities are committed to the promotion of social inclusion and equal opportunities as key objectives in the Sustainable Development Strategy for Northern Ireland. They are also committed to maximising the progression into the workforce of people who are long term unemployed and those leaving education and training, both as a way of maximising value for money from its investment in these services and to provide a skilled and productive workforce that can deliver future Government investment and help attract inward investment. To help achieve these objectives it is expected that contractors delivering larger works contracts (as determined by the Department for Finance and Personnel from time to time, now the Dept. of Finance) will, as a condition of contract, deliver measurable recruitment and training outcomes as set out in Part 2 below.

Part 2 Contract requirements

2.1. Recruitment and training plan

The contractor is required to submit a Recruitment and Training Plan with their tender¹ using the pro-forma on page 54 setting out how they will deliver the following requirements:

2.2. New entrant trainee opportunities

2.2.1 52 person-weeks of paid employment per £1m in contract value (and pro-rata) [26 person-weeks of paid employment per £1m in contract value (and pro-rata)] [... person-weeks² of employment]³ to be provided for 'new entrant trainees' that have an apprenticeship, trainee or employment contract with the contractor or a sub-contractor, where:

- a person-week is the equivalent of one person working for five days either on site, or through a mix of on-site work and off-site training;
- a new entrant trainee is a person that is:
 - leaving or has within the last 12 months left an educational establishment or a training provider (including paid student work placements);⁴ or is
 - a person aged under 25 that has been registered as a job-seeker for more than 26 weeks and is seeking employment that includes on-site training and assessment, or offsite training (or a mix of these); or
 - a person aged 25 or over that requires training and support and has been registered as a job-seeker for more than 52 weeks⁵ and is seeking employment that includes on-site training and assessment, or offsite training (or a mix of these); or
 - an existing 'new entrant trainee' known to the Employer that is seeking a new position to complete their 'new entrant' period, or another person accepted as a new entrant trainee by the Employer.

⁴So there is no 'waiting period' for young people in their first year after leaving education/ training.

⁵This provides opportunities for the long term unemployed that are new to the sector.

¹This aims to ensure that bidders consider the social benefit requirements when they are developing and pricing their approach to the specification.

²Use 52 weeks for building contracts and 26 weeks for civil engineering contracts (because the labour content is generally much lower).

³The expectation is that the client would use the 26/52 week requirement to calculate an actual target e.g. in a £10m building contract the target would be 520 person-weeks. In calculating this target the client team may disregard specialist items that have significant costs but would not be delivered by NI firms. In a framework contract this might be stated as 26/52 weeks per £1m in contract values delivered.

⁶The aim here is to provide each individual with sufficient work experience to become productive.

⁷So at least 50% of opportunities should be for operatives and sub-trade personnel, or for people in support roles. People in these roles can be expected to become productive quicker than people in apprentice roles.

⁸So up to 50% of apprentices and students can be 'existing'.

⁹The aim is to have a range of broker and support agencies that contractors can recruit from, and to open opportunities to a wider range of applicants.

¹⁰So not all of the beneficiaries' time has to be on the NICS contract.

¹¹So the contractor does not need to seek work placements, and the obligation is capped.

¹²This provides opportunities for skilled/experienced workers.

A 'new entrant trainee' can be:

- an apprentice who is undertaking a paid apprenticeship, registered within the ApprenticeshipsNI programme or a similar scheme agreed by the Employer (e.g. Level 2 or Level 3 framework apprentices or a similar scheme for construction trade apprentices), who can be counted as a 'New Entrant' for up to 104 weeks;
- a professional trainee (post primary degree or equivalent) who is working towards full corporate membership of a professional institution and/or registration body e.g. CIBSE, ICE, IStructE RIBA, RICS, ARB etc and is registered with an appropriate professional body. These individuals can be counted as a 'New Entrant' for up to 104 weeks;
- an undergraduate student working towards a primary degree and required by a university or college to undertake a placement in industry to gain relevant training and experience through paid employment.
- an other trainee who can be counted as a 'new entrant' for up to 52 weeks.⁶ This can include but is not limited to semi-skilled, operative, administration, and other support positions

2.2.2 The Recruitment and Training Plan should show that:

- no more than 50% of the new entrant trainee person-weeks will be provided by apprentices and students/professional trainees;⁷
- at least 25% of the New Entrant Trainee person-weeks will be provided by apprentices
- at least 50% of these apprentice and professional trainee person-weeks will be delivered by people that are newly recruited to work on the contract⁸ - other people may be transferred on a permanent basis from other contracts or via a shared apprentice scheme).

2.2.3 Each new entrant trainee vacancy is to be notified to Jobs and Benefits Offices and other agencies named by the client for this purpose.⁹ Recruitment procedures should be avoided where applicants are mainly or wholly identified through the existing workforce or any other restricted group, and sufficient time must be allowed for information on vacancies to be made available and applications submitted

2.2.4 Each new entrant trainee should be:

- provided with the opportunity to obtain training and accreditation relevant to the tasks they are expected to perform;
- asked if they would like to receive support with numeracy, literacy and information technology, and those that do must be sign posted to sources of training and accreditation for these essential skills;
- supported in undertaking training e.g. through flexible working arrangements, where practicable.

The costs of training and accreditation/registration should be covered by the contractor either directly or through public or industry sources that they identify.

2.2.5 To help retention and broaden experience a new entrant trainee may be utilised on sites other than that to which this contract relates for up to 40% of their new entrant trainee period and their costs should be apportioned accordingly¹⁰ They can only be counted towards the outputs of one contract at a time.

2.3 Unpaid work experience placements

Up to two weeks of unwaged placement opportunities¹¹ per £1m in contract value (and pro-rata) must be made available when requested by the Employer or an agency named by the Employer for this purpose..

2.4 Opportunities for skilled/experienced workers

2.4.1 Every vacancy, including those with sub-contractors, must be notified to Jobs and Benefits Offices¹² in and around the area where the contract is being delivered and other agencies named by the Employer for this purpose;

2.4.2 Recruitment procedures should be avoided where applicants are mainly or wholly identified through the existing workforce or any other restricted group, and sufficient time must be allowed for information on vacancies to be made available and applications submitted

2.5 Business in Education

When requested by the Employer, to work with education, training and job-search providers to support the development of people aged under 25 e.g. through vocational talks, support for the curriculum, workplace visits and unwaged work experience.

2.6 Monitoring information

- 2.6.1 Within 10 working days of the end of each calendar month the contractor is to provide a listing of all of the 'new entrant trainees' by name that have been engaged on the contract, their status (apprentice, student professional trainee or other trainee), the number of weeks they have delivered in the month and the period since their employment engagement commenced.¹³
- 2.6.2 10 days prior to each Employer's site meeting or contract review meeting to provide to the Employer a report setting out information for the following Performance Indicators and Key Performance Indicators (KPIs):
- the value of works invoiced to date;
 - the total number of person-weeks employment/engagement for new entrant trainees required in relation to this value of works (e.g. proportionate to the full value of the contract or the number stated in the contract);
 - the total number of new entrant trainee person-weeks that have been delivered (split between apprentices and student/professional trainees, and other trainees) and a comparison with the number required for the value of works invoiced (KPI);¹⁴
 - the total number of unwaged work-experience weeks that have been delivered and a comparison with the number required for the value of works invoiced;
 - the number of people working on the project that have a home address (not a temporary accommodation address) in the []¹⁵postcode area;
 - information on any special factors that have influenced the delivery of the new entrant trainee person weeks, and actions being undertaken to address any problems in the delivery of the new entrant trainee opportunities.

¹³CPD is planning a centralised web-based service for receiving and aggregating output data that relates to the delivery of the recruitment and training contract conditions. This would be generated by the client's Project Manager on the basis of this monthly report.

¹⁴So outputs will be assessed in relation to the value of works delivered.

¹⁵There is no target for recruitment by postcode. This is merely to allow the Employer to report on the benefits to the local economy.

2.7 Insurances and Health and Safety

The contractor must ensure that insurance cover includes people aged 16 and over and staff from employment and training organisations when visiting some or all parts of the site.

It is the responsibility of the contractor to ensure that persons recruited or otherwise visiting the site in relation to the targeted Recruitment and Training Requirements has or is supported to obtain the necessary health and safety accreditation and appropriate personal protective equipment.

2.8 Costs

[The contractor is expected to deliver the Recruitment and Training Requirements within their management fee and by good supervision and support of trainees so that they contribute positively to the contract.]

or

[The contractor is required to complete the Net Cost Schedule included as a part of the pro-forma Recruitment and Training Plan showing the costs associated with the delivery of the Recruitment and Training Requirements and resources that will be obtained to offset these costs. The latter could include external resources (grants and use of free services), in-house resources (e.g. existing management and corporate services, and corporate social responsibility contributions), and the productive work produced by the new entrant trainees. The Net Cost should be included in the tender cost summary sum in].¹⁶

¹⁶State where the net cost should be included in the tender schedule.

2.9 The Employer's support activities

In the spirit of partnership the Employer may seek to ensure that there is appropriate construction training and job-matching services available to contractors carrying out works on its behalf. However, this action does not comprise or imply any promise on the part of the Employer or their agents to provide suitable services. Responsibility for sourcing new entrant trainees remains with the contractor.

Organisations delivering employability, education and skills training are listed on the NICS Brokerage website established for the purpose of helping contractors identify new entrant trainees (www.buysocialnibrokerage.org)

Any action taken by the Employer to broker relationships between the contractor and local individuals/firms/agencies does not imply and should not be deemed to imply that they or their agents consider the individual/firm/agency as suitable for engagement by the contractor.

2.10 Sub-contractors

It is the contractor's responsibility to develop a working method and where necessary secure sub-contractor co-operation in order to achieve the Employer's recruitment and training requirements.

Recruitment and Training Plan

Title and reference of the contract

Name of company _____

Address of company _____

Contact Name _____

Position _____

Telephone numbers _____

E-mail address _____

I confirm that this Recruitment and Training Plan sets out the actions that will be undertaken to ensure the achievement of the recruitment and training requirements of the contract. It is recognised that [this document will be evaluated as part of the tender assessment and contract award procedure, and as a contract condition] or [delivery of the employment and training requirements will be a condition relating to the delivery of the contract].¹⁷

¹⁷Select as appropriate, but if the Plan is to be scored this must be referred to in the contract Notices.

Signed _____

(Print Name) _____

Date _____

Please provide information in each of the following sections. This document must be submitted as part of each valid tender.

**Note: please ensure that you enter the company name in the page header.*

2. Opportunities for skilled/experienced workers.

- 2.1 Describe the steps you will take to ensure that all vacancies are notified to the agencies named by the Employer for this purpose, and that candidates from these organisations have a fair chance of being considered for recruitment.
- 2.2 How will you ensure that sub-contractors comply with this requirement?
- 2.3 How will you collect data on the numbers of people with a [] (enter the relevant postcode as included in the specification) home postcode that are engaged on the contract

3. Management, administration and reporting

Who will be responsible for the achievement of the Recruitment and Training Requirements? Who will they report to on this matter?

4. Describe any additional actions you intend to take to ensure the delivery of the social benefit requirements.

5. Costs schedule²⁰

Please complete Table 2 in relation to the resources required to deliver the Recruitment and Training Requirements as set out in this Method Statement. This should be included in the tender²¹ at.....

²⁰This will be omitted if no cost information is required.

Table 2: Summary of Social Benefit Resources

Cost Item	£	Basis of calculation
Management and administration		
Health and safety training and accreditation and provision of PPE		
Training costs		
Additional site costs		
Mentoring and support activities		
Total costs		
Total cost per new entrant trainee week		Based on the numbers in Table 1 above
Resources		
Industry training grants		
Existing company staff/overheads		
Trainee productivity		
Services from other external agencies		
Total additional resources		
Net cost		Total cost less total additional resources
Net cost per new entrant trainee week		Based on the numbers in Table 1 on previous page

²¹This will only be included where the price is to be added to the tender pricing schedule.

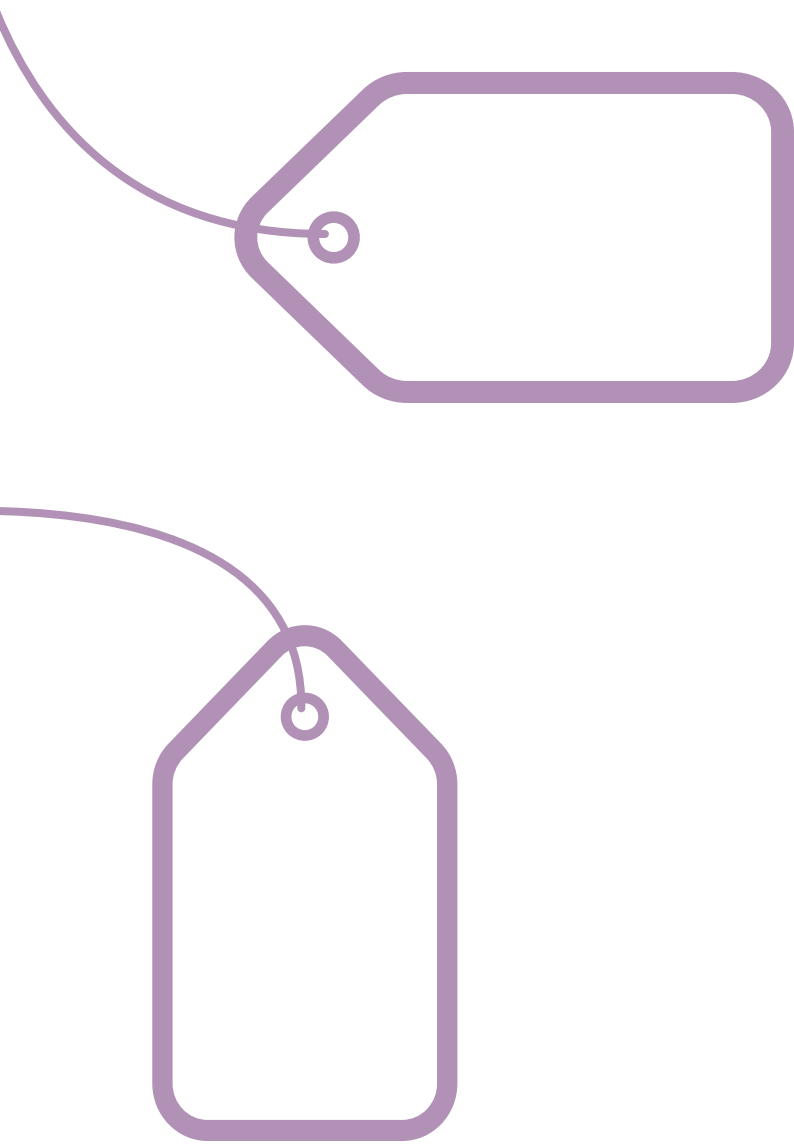
A4.2 Scoring framework – Social Benefit Requirements*

Contractor:	Work Package:
--------------------	----------------------

Question		Scores Possible	Scores Actual	Comments
1	Equal Opportunities			
1.1	The steps to be taken to notify the named agencies about vacancies			
1.2	How the main contractors will obtain sub-contractor compliance with this			
1.3	Arrangements for collecting and collating data on the postcodes of all workers on the contract.			
2	Training Opportunities			
2.1	Table 1 is completed and meets the target weeks, with a good spread across trades, and demonstrates compliance with the requirements about the mix of apprentices/professional trainees and other trainees, and the mix of new and existing beneficiaries.			
2.2	Clearly state that they will recruit the new entrant trainees through the agencies named by the Employer			
2.3	Describe adequate mentoring and support arrangements, new entrant trainees and work experience placements. Who in the Company that will do this?			
3	Management, administration and reporting			
3.1	Who will be responsible for the achievement of the Recruitment and Training Requirements and providing monitoring reports?			
4	Statement Useful additional actions being offered to ensure the delivery of the social benefit requirements			
5	Costs			
5.1	Has Table 2 been completed accurately?			
5.2	Is sufficient information provided on the basis of the calculation to allow variations in the cost to be discussed if this basis changes?			
	Total	100		

*the scores allocated to each section and question should be developed so that they fit with the scoring framework for other aspects of the contract.

Signatures of Officer's marking:	
1. _____	Date: _____
2. _____	Date: _____
3. _____	Date: _____





Addendum 5 – Model Text for an Invitation to Tender (ITT)

Part 1 – Preamble

A contractor's response to the Targeted Recruitment and Training requirements set out in Part 2 of Appendix A4.1 should be set out in a pro-forma Recruitment and Training Plan. It is recommended that this is provided as a part of each valid Tender to ensure that the contractor takes due account of the recruitment and training and other social requirements when they are preparing their tender. If it is left until after the award of the contract then key decisions about the approach to the delivery of the contract and the appointment of the main suppliers and sub-contractors may well be taken before the Plan is prepared, and these will limit the contractor's options in relation to delivering targeted recruitment and training.

Where a Recruitment and Training Plan is required as a part of the tender this needs to be included in the Invitation to Tender. See for example the text in Part 2 below. However, if the decision is to obtain this after the award of the contract then the text in Appendix A4.1, section 2.1 needs to be amended to state when the Plan is to be provided e.g. within four weeks of the award of the contract.

If a Plan is to be scored as a part of the award of the contract and/or an explicit net cost is to be included in the tender sum then the Plan needs to be obtained with the tender. However, a Plan can also be obtained with the Tender but disregarded in the award of the contract.

Part 2 – Model text to be included in the ITT

The contractor must submit a completed Targeted Recruitment and Training Plan, using the pro-forma included as Addendum 4.1, as a part of each valid tender. This must demonstrate how they will deliver the requirements set out in [] (enter the relevant references in the specification).



Addendum 6 – Model Text for the Business Case

Part 1 – Preamble

‘Buy Social’ requirements should be developed as a part of the preparation for the business case, and should be set out in the latter. Useful information on how this can be done is included in this Toolkit, and is summarised in section 7, but a key element in the development is likely to be ‘new networking’ – identifying an appropriate ‘Buy Social’ champion or organisations that can fulfil this role as a part of their normal activities – see section 5 of the Toolkit. This will provide specialist knowledge to the procurement team that will help complete the business case documentation.

A ‘Buy Social’ approach is part of Sustainable Development (see Toolkit Part 1, section 1) and shares characteristics with environmental requirements that are the parts of sustainable development that are routinely included in procurements. This is that some of the benefits of including the requirements in a procurement accrue to the wider society – both now and in the future – and/or to other parts of the public sector. An ‘environmental example’ would be that requirements that reduce vehicle use and therefore vehicle emissions benefit the health of the wider society and will reduce costs for the health service in a general (rather than a measurable) way. Likewise, ‘Buy Social’ requirements that help young and marginalised people to get the skills and experience they need to compete in the labour market will have broad and long-lasting effects for the individual and then for their families and society, potentially over several generations. This is captured in the term ‘social inclusion’¹⁷, and the financial benefit is most likely to accrue to Government agencies like The Department for Work and Pensions that subsidise people that are not in work or who have low incomes relative to the needs of their family.

The business case for including a ‘Buy Social’ approach may therefore be based on the policies adopted by the client organisation rather than on the economic benefits it will obtain, either immediately or over the lifetime of what is being commissioned/procured. This is in line with the decisions of the European Court of Justice that has established that achieving a policy outcome is sufficient: there does not need to be an economic gain to the procuring entity to justify including a requirement in the award criteria for a contract¹⁸. Over time the ways of measuring some of the wider social benefits may become clear, but the lack of this evidence now does not need to be a barrier to the use of social clauses.

Part 2 – Model Text

1.1 Strategic context

The [] (add the name of the organisation) operates in line with the 2010 Sustainable Development Strategy for Northern Ireland that includes three principles that the proposed 'Buy Social' requirements can help address:

- **Ensuring a Strong, Healthy, Just and Equal Society** – Meeting the diverse needs of all people in existing and future communities, promoting personal well-being, social cohesion and inclusion and creating equal opportunity for all;
- **Achieving a Sustainable Economy** – Building a strong, stable economy that provides prosperity and equal opportunities for all, and in which environmental and social costs fall on those who impose them (polluter pays), and efficient resource use is incentivised;
- **Promoting Opportunity and Innovation** – Supporting the successful exploitation of new and existing ideas to deliver economic, social and environmental benefits.

These commitments have been reflected in the organisation's [Sustainable Procurement Strategy / Corporate Strategy / Buy Social Policy] (add the policy name as appropriate, together with any specific commitments that support the inclusion of the proposed 'Buy Social' requirements).

In addition it is noted that the proposed 'Buy Social' requirements will support the Aims/Objectives of the [add the name of the client organisation] that include the following:

- *(Add the specific elements from the Aims/Objectives in the constitutional documents or equivalent)*

- _____
- _____
- _____

In this strategic context the intention is to include the 'Buy Social' requirements set out below as [part of the subject matter of the contract] [a condition relating to the delivery of the contract] - See Toolkit Part 1, sections 3 and Addendums 1 and 2) *(select one)*. This approach has been supported by advice from [] *(enter the name of the procurement lawyer/firm)*.

1.2 Research

The procurement team has taken account of the experience of other contracting authorities through published material and direct discussions with practitioners, including the following sources:

- *(Add the name of publications or contacts utilised)*

- _____
- _____

On the basis of the advice and research undertaken it is proposed that the following 'Buy Social' requirements will be included in the specification and contract conditions, on the basis that a contractor will be able to deliver these outcomes alongside the other requirements of the contract:

- *(add the measurable requirements e.g. relating to new entrant trainee opportunities, work experience opportunities; supply-chain opportunities etc – see Toolkit Part 2 Section 3)*

- _____
- _____

It is [intended that bidders will be given the opportunity to price for the delivery of these requirements] [will be able to deliver these requirements at minimum additional cost through good management and accessing resources that are available through other industry or public sector funding regimes] [intended that a Provision Sum of £.... be included in the contract to cover costs identified by the supplier/contractor]. (choose one).

1.3 Benefits realisation

The following steps will be taken to ensure that potential suppliers/contractors are aware of the commitment to the 'Buy Social' requirements:

- there will be suitable references in the contract notices;
- questions relating to management experience in related matters will be included in the PQQ (*delete if not intended*);
- a briefing session will be available to potential bidders [before the issuing of the PQQ] [during the tender period] (*delete as appropriate*);
- a Social Benefits Method Statement will be required as a part of each valid tender submission which [will be scored as a part of the award process] [will not be scored as part of the award process but may be used to clarify proposals with the preferred bidder] (select as appropriate).

The primary responsibility for ensuring that the 'Buy Social' requirements are delivered will rest with the client's Contract Manager.

The following key performance indicators have been identified in relation to the 'Buy Social' requirements:

- (*add the KPI*)
- _____
- _____

Performance against the 'Buy Social' requirements will be an item on the agenda for each contract review meeting and rectification notices will be issued where the contractor/supplier is not delivering in accordance with the contract conditions.



**Glossary of
Terms**



Glossary

Additionality	A term used in the evaluation of employment and training programmes. It refers to outcomes from the programme that would not have happened without the programme.
Apprentice	A person who is registered on an industry-recognised or Government-recognised apprenticeship programme.
Business Case/Plan	The document prepared to enable a decision to be made on whether to proceed with a commissioning/procurement process or not. It includes information on the proposed subject of the contract and the proposed method of procurement.
Business in Education	Actions undertaken by a business to support the work of schools, colleges, universities and other training organisations.
Buy Social	A term used to refer to the inclusion of social considerations in a commissioning/procurement process. It is a means of maximising the personal well-being, social cohesion and inclusion, and equal opportunities elements of sustainable development, from all public procurement.
Client	In this Toolkit this term refers to the organisation that is entering the contract that is being commissioned/procured.
Community	A group within society that shares some common features. This could be related to the area where they live (geographic community) or some other characteristic (e.g. age, employment status etc.) A person will be part of several 'communities'.
Community benefits	See social benefits.
CoPE	Centre of Procurement Expertise.
Core requirements	This is 'the subject matter of the contract': what must be delivered through the contract.
CPD	Central Procurement Directorate, part of the Department of Finance.
CSR	Corporate Social Responsibility: commitments made by companies on a voluntary basis.
DEL	Department of Employment and Learning.
employer	The person or organisation that engages workers to deliver a contract, either through a contract for employment or a contract for services (e.g. for a self-employed person).
Employer	See Client (above). This is the term conventionally used for the client in works contracts.
Employed-status	People that are paid a wage or salary for their work, including those that are self-employed.
Equality of opportunity	This may refer to equal opportunities as covered in UK anti-discrimination legislation, but can also be extended to cover disadvantaged groups including those facing major barriers in accessing the labour market.
EU	European Union.
Framework contract	A contract where a number of contractors are appointed. Contracts are then allocated to them through one or more call-off contracts awarded in accordance with each firm's position on the original tender evaluation or performance on earlier call-off contracts, or it may be awarded on the basis of a mini-competition that is only open to the contractors appointed to the framework.
KPI	Key performance indicators. These are typically the means of assessing whether the core requirements of the contract have been delivered.
LA	Local Authority.
Living wage	A calculation made by an independent Living Wage Foundation of the income needed by a person to sustain themselves and their families.

Method Statement	Information provided by a contractor or potential contractor setting out how they will deliver specific elements of a client's requirements.
National living wage	From 1 April 2016, the government introduced a new mandatory national living wage (NLW) for workers aged 25 and above. The national minimum wage is set by the business secretary each year on the advice of the Low Pay Commission. It is enforced by HM Revenue and Customs (HMRC).
New entrant trainees	People who lack the skills and experience to compete for and sustain a job through the labour market e.g. because they have no substantial work experience (school or college leavers) or long-term unemployed people who require training and support to become competitive in the relevant labour market
Other trainee	A person who meets the Buy Social eligibility criteria and who is not an apprentice or student/professional trainee.
PfG	The Programme for Government in Northern Ireland.
PGN	Procurement Guidance Note issued by the CPD.
PQQ	Pre-qualification questionnaire: completed by potential bidders for a contract and used as the basis upon which the client selects the tender list.
Procurement Directive	This sets out EU requirements on how public bodies must commission/procure contracts that are above prescribed threshold values. These are incorporated into UK legislation.
SIB	The Strategic Investment Board for Northern Ireland.
SME	Small and Medium Sized Enterprises.
Social benefits	Outcomes that provide added economic or social outcomes for a target community.
Social cohesion	A society where its members share a sense of belonging and inclusiveness, and opportunities for social mobility.
Social considerations	Requirements included in a commissioning/procurement process that aim to deliver social benefits. Some organisations extend the term to include environmental benefits.
Social exclusion	The opposite of social inclusion. A term commonly used to refer to the wide social and economic impacts of living in poverty.
Social inclusion	"The process of improving the ability, opportunity and dignity of people, disadvantaged on the basis of their identity, to take part in society". (The World Bank)
Social mobility	The progression of a person to a higher earnings bracket that enables them and their families to have a better quality of life.
Social value cost	A means of taking the social benefits into account when making the value for money or best value decision.
Specification	The text that sets out the requirements of the client as a part of a commissioning/procurement process. This may be included in an Invitation to Tender or a similar document and will normally be reflected in contract conditions.
Supply-chain	Suppliers and sub-contractors that are used by a contractor in delivering the contract.
Sustainable development	See www.sustainableni.org
Training plan	An agreed programme of training (basic skills and vocational skills) leading to recognised qualifications/accreditation.
TR&T	Targeted Recruitment and Training.
Vacancy	A job or trainee opportunity with an employer that is to be filled through the labour market. The latter excludes transfers of staff within the employer's organisation.
VfM	Value for money. In LAs the term 'best value' may be used.
Well-being	Essentially a psychological term referring to an individual feeling good and functioning well in society and the economy.
Work experience	People based with an employer for work-related purposes that are not paid a wage or salary by the employer. Some may be on Government 'benefits' and others may have no income (e.g. school placements).

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