

**Delivering Social Value
Guidance
For
Contract Managers**

Introduction

This is a guide for Contract Managers which sets out how social value is included in public contracts and practical advice on how the social value requirements can be monitored and managed to ensure they are delivered.

Public Bodies in Northern Ireland include and score social value in public tender competitions in accordance with the [Procurement Policy Note \(PPN\) 01/21 \(Scoring Social Value Policy\)](#). PPN 01/21 mandates that from 1 June 2022 tenders must include a minimum of 10% of the total award criteria to social value.¹ This 10% minimum will apply to contracts for services and works above the threshold where the Procurement Regulations apply.

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

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

Buying Social: Social Value Themes and Indicators

PPN 01/21 provides a framework of social value themes and indicators which are linked to the Programme for Government outcomes. A common framework enables Suppliers to develop a shared understanding of the social value requirements included in public contracts.

Contracting Authorities select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order to reflect the subject matter of the contract and the Authority's strategic priorities.

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

Buying Social: Social Value Points Model

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

Each Social Value indicator is broken down into subsequent initiatives. Each initiative has been allocated a number of social value points.

How does the Social Value Points Model work?

The Social Value Points Model requires that the Supplier deliver a minimum of 100 social value points per £1m of contract value (and pro-rata). The default position is

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

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

The Contracting Authority decides which of the Social Value Themes and Indicators are relevant to include in their contract, in light of the subject matter of the contract and the Authority's strategic priorities. The Contracting Authority may set minimum mandatory targets for specific social value indicators within the Social Value Points Matrix and Delivery Plan, which the Supplier must deliver as part of the overall social value requirements on the Contract.

The Supplier will have flexibility to choose which indicators they deliver against from the Contracting Authority's selected list, giving them the benefit of aligning the requirements of the Contracting Authority with their own business models or solutions and with feedback gathered through community engagement.

The bid stage

The Contracting Authority sets an indicative minimum number of points that the Supplier is required to deliver based on the estimated contract value at the time of procurement.

Tenderers submit a Social Value Delivery Plan setting out how they will deliver the specified minimum number of points with the tender and asked to complete a methodology detailing how they will ensure the required social value points are delivered. **A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023).**

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

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

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

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

The bid stage

Tenderers will be required to submit a methodology detailing how they will ensure social value outcomes relevant to the indicator(s) are delivered. **A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023).**

Monitoring Social Value

Where Social Value requirements are included in the contract they must be enforced. To facilitate this, the Supplier must provide you with regular progress reports on their Social Value activities, e.g. details of the number of weeks work experience opportunities delivered or the number of hours of health and wellbeing initiatives delivered as a result of the contract.

Social Value Points

There is a robust Social Value monitoring system in place for the Social Value Points Model. The monitoring system calculates the number of Social Value Points which have been delivered through the Supplier's activities and what % this is of the contract's overall Social value Points target.

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

- Once a contract with Social Value Points has been awarded, **you must inform the Social Value Unit at SIB**. You will also need to inform the Unit if the contract is delayed and when the contract has completed. You can contact the Social Value Unit at info@buysocialni.org;
- The Unit will set up the contract in the Social Value Monitoring Portal, prepopulating the Social Value Points targets included on the contract, and issue the Supplier with login details and guidance on how to add information relating to the delivery of their targets;
- The Supplier will receive a reminder to update the report; however, Suppliers can log in to the monitoring portal at any time;
- Suppliers record their progress to date against each indicator. (There is also a notes section which Suppliers should be encouraged to use to record any efforts that they have made to fulfil their targets); and,
- A report will be sent from the system at regular intervals to both the Supplier and Client Project Managers. This report should be regularly reviewed during progress meetings to determine if the Supplier is on track to deliver their targets.

The monitoring reports generated by the system will allow you to understand how much Social Value has been delivered to date and who the beneficiaries of each social value initiative have been, including a breakdown to include priority groups. In this way, the Social Value monitoring system reports are a key contract management tool, and can also be used to report delivery against your organisation's strategic priorities and Programme for Government responsibilities.

Alternative approach

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

Managing Social Value

Social Value is part of the contract and should be adequately managed to ensure that it is delivered in line with contract commitments and that value for money, which is a key driver behind the inclusion of Social Value, is achieved.

The reputation of a Department and Supplier can be damaged by a poorly managed contract that does not deliver the expected outcomes.

The Social Value requirements which have been included in the Invitation to Tender and supporting contract papers should be reviewed by the Supplier and Contract Manager at the Contract Initiation Meeting.

It is the responsibility of the Client Project Manager to regularly monitor and review the contract including:

- Assessing reports on how the Social Value obligations are being delivered, and;
- Addressing any under-achievement.

TIP: Including Social Value as a standard agenda item at Contract Review meetings ensures that Social Value remains a priority for both the Contracting Authority and Contractor throughout the lifetime of the contract.

Assessing Social Value Points monitoring reports

The Social Value monitoring system provides Contract Managers with regular reports which set out the number of Social Value Points which have been delivered through the Supplier's activities and what % this is of the contract's overall Social value Points target.

You can use the Social Value monitoring report along with the Social Value Delivery Plan the Supplier submitted with their tender response to analyse the Supplier's social value delivery in more detail, as set out in the example below.

Worked example

You are the contract manager of a £45m contract, with a duration of 8 years. The total number of Social Value points that are required to be delivered across the lifetime of the contract is 2400. It is the start of the 5th year of the 8 year contract and you are preparing for the contract review meeting.

The Supplier's Social Value Delivery Plan committed to delivering the following social value initiatives across the lifetime of the contract:

- 520 person weeks of employment for people who face barriers to employment

- 156 person weeks of employment for people with a disability
- 50 weeks of work experience placements for people who face barriers to employment
- 60 weeks of work experience placements for people with a disability
- 380 hours of digital skills development and educational attainment for people with a disability

From the Social Value monitoring reports, you can see that the Supplier has delivered 1175.5 Social Value points to date through the following initiatives:

Social Value Initiative	Units delivered	Points earned
Paid employment for people who face barriers to employment	260 weeks	375
Paid employment for people with a disability	45 weeks	78
Work experience for people who face barriers to employment	35 weeks	175
Work experience for people with a disability	22 weeks	165
Digital skills development and educational attainment for people with a disability	204 hours	382.5

1. You calculate the overall social value requirements delivered to date:

1175.5 points delivered	}	49% of total Social Value Points delivered to date
2400 Social Value points required		

From this preliminary analysis, the Supplier is doing well and seems to be on track for delivering the overall Social Value requirement of the contract in the 8 year timeframe.

2. You analyse each social value initiative's delivery to date

You consult the Supplier's Social Value Delivery Plan, which they submitted at the contract's bid stage, to understand in more detail if the Supplier is on track to deliver the specific social value initiatives they set out to explain how they would deliver the specified minimum number of points with the tender.

Social Value Initiative	Units delivered	Points earned	Target units	Target points	% delivered to date
Paid employment for people who face barriers to employment	260 weeks	375	520 weeks	750	50%
Paid employment for people with a disability	45 weeks	78	156 weeks	270	29%

Work experience for people who face barriers to employment	35 weeks	175	50 weeks	250	70%
Work experience for people with a disability	22 weeks	165	60 weeks	450	37%
Digital skills development and educational attainment for people with a disability	204 hours	382.5	380 hours	712.5	54%

At this stage of the contract, when 4 out of 8 years have passed, you would expect the supplier to have delivered 50% of each social value initiative included in the Social Value Delivery Plan. From this more detailed analysis, you can see that the Supplier is on track for 3 out of 5 initiatives, but is at risk of falling behind with the work experience and paid employment for people with a disability.

Potential actions:

- Ask the Supplier how they intend to ensure full delivery of each social value initiative across the lifetime of the contract.
- Request an updated Social Value Delivery Plan to show how they plan to ensure delivery
- Suggest that, as they seem to be delivering well against the digital skills development initiative, they could use the contacts and systems involved in delivering that element to identify and encourage more work placement participants who have a disability, which may lead to increased applicants for paid employment on the contract.
- Highlight potential brokers who work with people with a disability who may be able to nominate participants/applicants for the work placement or paid employment opportunities (see Find a Broker in the resources section below).

Key Performance Indicators

Social Value can be included in KPIs which should be clearly drafted, achievable and reflect the importance of the Social Value to the project as a whole.

If the KPIs put as much emphasis on the Social Value requirements as on other performance measurements you are more likely to achieve the outcomes you specified.

You will need to conduct frequent reviews to ensure data is being collated and reported.

Managing Poor Performance

Continued poor performance cannot be ignored and Departments should work with the Supplier in order to ensure they meet contract requirements.

Contract checklist for Contract Managers

Task	Complete
Review the Social Value requirements which have been included in the Invitation to Tender and supporting contract papers.	
Inform the Social Value Unit at SIB that the contract has been awarded	
Consider drafting and including Social Value KPIs.	
At the Contract Initiation meeting, confirm the contract's Social Value requirements and how the requirements will be monitored with the Supplier	
Include Social Value as a standard agenda item at Contract Review meetings	
Assess each Social Value monitoring report to determine if the Supplier is on track to deliver their targets.	
Discuss any risks of under achievement with the Supplier and put a plan in place to mitigate the risk.	

Further resources are available at the [Contract Manager's section](#) of the Social Value Unit website.

Frequently Asked Questions

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

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

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

- Setting out that PPN 01/21 is a Northern Ireland Executive Commitment
- Stating that the Supplier may deliver the social value requirements remotely
- Maintaining a database of brokerage organisations based within Northern Ireland that can support contractors to deliver their social value requirements both in person and remotely.
- Requiring that the Supplier notifies the social value requirements listed to one or more of the brokers registered on the Social Value website. In relation to paid employment opportunities the Supplier must also notify the job opportunities to www.jobcentreonline.com.

- Encouraging Suppliers and Contract Managers to discuss and plan the delivery of the social value requirements at contract management meetings to ensure social value is maximised

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

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

Can bidders' Corporate Social Responsibility (CSR) statements, policies and/or case studies be accepted as delivery of the social value indicators?

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

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

It is the responsibility of the Client Project Manager to regularly review the Social Value Delivery Reports to monitor Supplier performance against the social value requirements.

As set out in PPN 01/21, poor performance by the Supplier on the delivery of the social value requirements must be addressed in accordance with the recommendations on poor contractor performance set out in Procurement Guidance Note PGN 01/12: Contract Management Principles and Procedures

Resources

['Find a Broker'](#)

The 'Find a Broker' page in the Suppliers' section of the Social Value Unit website lists organisations that can help Contractors meet their Social Value requirements. These organisations tend to be Voluntary, Community or Social Enterprise organisations, and employability providers.

The brokers can be searched by social value initiative, priority group, location and industry to help Contractors find a suitable organisation to help them meet their particular Social Value requirements.

Specific guidance

Contract Managers can access and download more detailed guidance on Ethical Supply Chains and Human Rights Due Diligence from the [Contract Managers section of the Social Value website](#).

What you can do next

Training

- Complete the Scoring Social Value e-learning course ****add link****
- Sign up to attend more detailed training via video conference ****add link****

Apply your knowledge

- Read the guidance on how the model works in detail
- Embed the model into your existing practices and discuss it with your team
- Use the contract checklist to ensure Social Value is embedded throughout the contract management process

Annex A

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

SOCIAL VALUE THEME 2: BUILDING ETHICAL AND RESILIENT SUPPLY CHAINS
SOCIAL VALUE INDICATORS
2.1 Demonstrate action to promote collaboration and a fair and responsible approach to working throughout the supply chain
2.2 Demonstrate action to promote ethical supply chains and practices; and, identify and manage risks of modern slavery and human rights abuses in the delivery of the contract, including in the supply chain.
2.3 Maximise security of supply, for example by minimising proximity of supply chains to point of delivery
2.4 Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs and VCSEs.

SOCIAL VALUE THEME 3: DELIVERING ZERO CARBON

SOCIAL VALUE INDICATORS

3.1 Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions

3.2 Contract specifications that support environmental protection and improvement.

3.3 Supply chains that minimise carbon footprint and emissions.

3.4 Companies employ low or zero-carbon practices and/or materials.

3.5 Assessing and minimising embodied carbon.

SOCIAL VALUE THEME 4: PROMOTING WELLBEING

SOCIAL VALUE INDICATORS

4.1 Support the health and wellbeing, including physical and mental health, in the contract workforce

4.2 Influence staff, suppliers, customers and communities through the delivery of the contract to support health and wellbeing, including physical and mental health

4.3 Promote equality, diversity and inclusion in the contract's workforce

4.4 Allocate a percentage of the budget to artwork or cultural activities
