

A&L Goodbody

Social value: Supported by legally robust examples that work, how do you attribute cost to social value objectives such as climate change, population health and wellbeing?

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2020



Social Value objectives



- Buying power of public sector
- Increased pressure on public spending
- Impact of COVID-19
- Increased awareness of societal and environmental issues
- An expectation that public services should be delivered with values at their heart

Legal Framework



Case law



Case C-513/99 Concordia Bus



Case C-448/01 Wienstrom



Case C-368/10 Dutch coffee

Northern Irish legislative framework

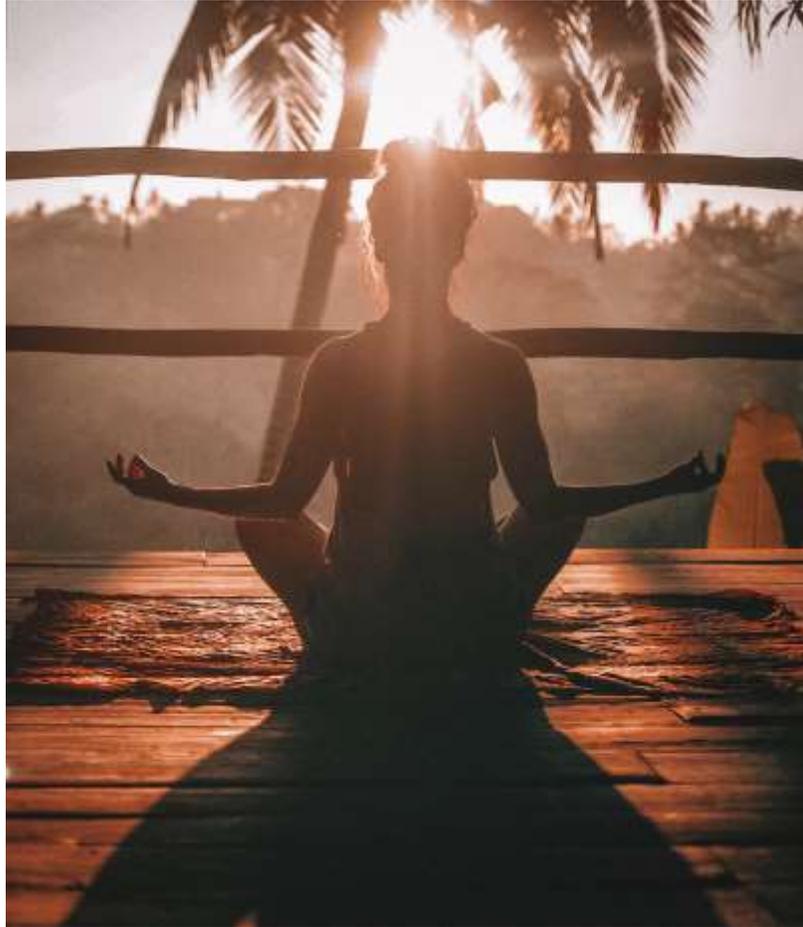
- ✓ Directive 2014/24 and 2014/25 EU
- ✓ Public Contracts Regulations 2015 and Utilities Contracts Regulations 2016
- ✓ PGN 01/13 Integrating Social Considerations into Contracts
- ✗ Social Value Act
- ✓ Northern Ireland (Miscellaneous Provisions) Act 2006



Procuring social value



Start small and work in phases



“The foremost thing you need to do is wake up in the morning, stretch your arms, take in a deep breath, and remind yourself that today you’re not going to save the world, but today you’re going to focus on saving one small, discrete, very clearly defined part of it.”

George Schaller

Define the objective

- Altnagelvin North Wing redevelopment project awarded by Western Health and Social Services Board
- Buy Social Clauses to employ those in long term unemployment or those participating in, or about to leave education or training



Be proportionate

- SIB have developed a specific strategy for the inclusion of Buy Social for ICT contracts
- All ICT contracts with a contract value of over £100,000 p/a requiring that the Contractor delivers a minimum of 100 Buy Social points per £1m of contract value (pro-rata).



Allow for a phased approach

1

Northern Ireland Housing Executive awarded their Response Maintenance Contracts in 2016

2

Contained an obligation for contractors appointed to establish a social enterprise

3

Requirement outlined in detail in the ITT and contained specific KPI's related to delivery

4

The social value objective continues to evolve within NIHE



Contract Management

- NICS Counselling Contract valued at £2m over 5 years
- Contained a requirement to deliver a number of hours mental health training to people under the age of 25





Attributing cost



Price, Cost and Value for Money



Crown Commercial Service Guidance on Awarding Contracts

What is the difference between price & cost?

Cost is the acquisition price plus other economic costs.

Using the example of buying printers, the award criteria using cost would be the acquisition price plus other costs, such as the cost of consumables (ink), electricity consumption or costs connected to dismantling and recycling

What other criteria apart from price or cost might a BQPR approach include?

Using the example of printers, other criteria could include:

Use of **recyclable materials** for the production of the printers, length of warranty, after sales service, **noise emission, involvement of persons from a disadvantaged group in the production process** and user friendliness

Measure the impact



Strategic Investment Board
- Buy Social



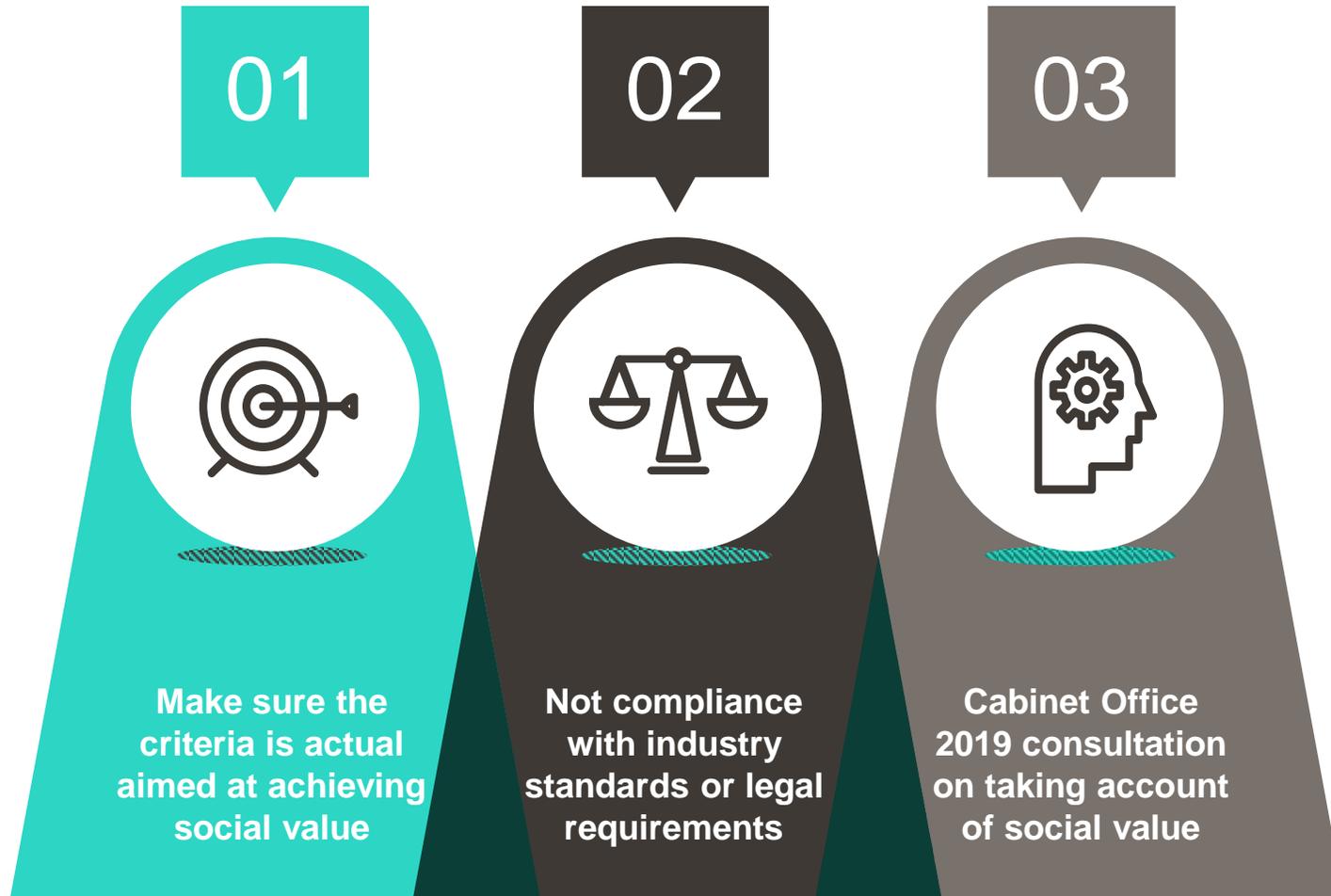
UK National TOMS Framework 2020

Theme	Outcome	Measures	Units
Employment & Skills	Employing those who face greater challenges to work	No. Young Offenders	No. people
		Training opportunities	No. hrs
Business growth	Local supply chain school	No. Voluntary hours	No. hrs
		Supporting local 3 rd sector providers	£ spent
Community	Reduce waste to landfill	Spend in local supply chain	£ spent
		Reduced CO2e	tCO2e
Environment	Reduced carbon emissions		

Evaluating Social Value



Getting it right





Thank you
