

Guidance on the use of

**Social Clauses and
Social Considerations
in Procurement Contracts**



November 2017

Foreword

by the Transformation Implementation Group.

The essence of the Minister’s strategy “Health and Wellbeing 2026 – Delivering Together” is the closer working relationships in delivering care between our service users, our staff and our care providers, if we are to meet the challenges facing health head on it is essential that we maximise the opportunities that this presents for us.

As we move to implement the strategy we must ensure that we take steps to spend resources wisely and in such a way that we are confident that we are drawing as much benefit from those resources as we possibly can. This means working differently across HSC organisations, engaging our service users in the care decisions affecting them and where we procure services endeavouring to derive as much benefit as we can from that expenditure for the population of Northern Ireland.

This guidance, produced in collaboration with representatives from HSC commissioners, HSC providers, policy makers and representatives of the community / voluntary sector, seeks to support HSC organisations in maximising the social value available through public procurement in order to deliver together the health and wellbeing of our population.

Members of the Transformation Implementation Group



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1 Purpose

To provide guidance to HSC organisations on the use of Social Considerations and Social Clauses in Procurement, in particular those contracts let directly by those organisations, and to encourage their wider use throughout HSC.

2 Definition of a Social Consideration and Social Clause

It is widely acknowledged that public procurement can contribute positively to the delivery of greater equality and social inclusion as well as broader sustainability goals.

Social Considerations in contracts relate to the economic, social and environmental benefits that can accrue from the procurement process. Social clauses are one part of the wider concept of social considerations and in a Northern Ireland context form an integral part of initiatives such as 'Buy Social'.

For example:

A contract which will lead to new employment could ensure that the long term unemployed are employed; or

A contract that will lead to increased accessibility to opportunities for individuals with a disability who are economically inactive.

The Northern Ireland Assembly has noted that a social clause is:

“A requirement within procurement contracts or processes which allow the contract to provide added social value through fulfilling a particular social aim.”¹



3 Setting the Context: Why is this Guidance necessary? A Policy Context for using Social Clauses

The Northern Ireland Public Procurement Policy's Procurement Guidance Note 01/13 Integrating Social Considerations in Contracts states that:

"The Procurement Board agreed on 5 November 2015 that the standard approach to be used in the procurement of construction projects above £2m and infrastructure projects above £4m was the Buy Social NI construction model. The Procurement Board also agreed that the Buy Social model should be piloted in services contracts with a value exceeding £500,000 with a view to a standard approach being agreed in 2016."

This is supported by the Draft Programme for Government for Northern Ireland (2016-2021), whereby Buy Social helps directly address five of the 14 outcomes i.e.:

- 01: We prosper through a strong, competitive (regionally balanced) economy
- 03: We have a more equal society
- 06: We have more people working in better jobs
- 08: We care for others and help those in need for people with disabilities to secure paid employment²
- 09: We are a shared society that respects diversity

Specific reference is also made in the Delivery Plans for Outcomes eight and nine which state that the Northern Ireland Executive will 'support people with disabilities to live more independent lives through the implementation of social clauses in service contracts to create opportunities for people with disabilities to secure paid employment'.³ Furthermore relevant to the purposes of this document are Outcomes 2 "We work and live sustainably." and 5 "We are an innovative, creative society."

This policy context follows on from the Programme for Government for Northern Ireland (2011-2015) which stated that the Northern Ireland Executive should include:

*"Social Clauses in all public procurement contracts for supplies, services and construction."*⁴

Further work has been undertaken by Strategic Investment Board in developing 'Buy Social'⁵ beyond the construction field into the service sector through 'Buy Social Model for Services' which has recently been approved, therefore any reference to Social Clauses should be considered to include the 'Buy Social' initiative.

It is likely that the future will bring a 'Social Value Act' to Northern Ireland and this may place obligations on public bodies in respect of the use of social clauses and/or maximising social benefits from public procurement expenditure, in this context the use of social clauses will form an important feature of future procurement activity.

From the policies in place to date and those planned for the future it is clear that the use of Buy Social and social clauses in public procurement in Northern Ireland is a priority for the Government of Northern Ireland and that public organisations procuring goods and services are required to adhere to this guidance, consider and, where possible, include appropriate clauses that increase the social value and social benefit from public expenditure.



4 Public Procurement in the EU

The EU Directive, 2014/24/EU

The new EU Public Contracts Directive 2014/24/EU came in to effect on 17 April 2014. Member States were required to transpose these Directives into national law by 18 April 2016. The new rules support UK Government priorities of economic growth and deficit reduction by making the public procurement process faster, less costly, and more effective for business and procurers alike.⁶

The brief guide to the EU Procurement Directive references improved rules on social and environmental aspects, making it clear that:

- social aspects can now also be taken into account in certain circumstances (in addition to environmental aspects which have previously been allowed)
- contracting authorities can require certification/ labels or other equivalent evidence of social/ environmental characteristics, further facilitating procurement of contracts with social/ environmental objectives



5 Public Procurement in Northern Ireland

Public Procurement in Northern Ireland is bound by:

- Legislation – Public Contract Regulations, 2015
- Policy – Northern Ireland Public Procurement Policy, 2014 (<http://tinyurl.com/htt9das>)

Public Contracts Regulations 2015

In implementing EU Directive 2014/24/EU on Public Procurement the UK has endorsed the Directive's position on the use of Most Economically Advantageous Tender and permitted award criteria which enable assessment of bids using a broad range of criteria including "social aspects". These criteria **may be scored** provided they are linked to the subject matter of the contract

Furthermore the Public Contract Regulations (2015), (England, Wales and N. Ireland) makes provision for specific conditions for performance of contract, including social clauses, stating:

"contracting authorities may lay down special conditions relating to the performance of a contract, provided that they are;

(a) linked to the subject-matter of the contract within the meaning of regulation 67(5), and

(b) indicated in the call for competition or in the procurement documents.

Those conditions may include economic, innovation-related, environmental, social or employment-related considerations" ⁷

Northern Ireland Public Procurement Policy

The NI Public Procurement Policy (2014) sets out the Northern Ireland Executive's definition of Public Procurement as:

"the process of the acquisition, usually by means of a contractual arrangement after public competition of goods, services, works and other supplied by the Public Service." ⁸

Guiding Principles of Public Procurement

The NI Public Procurement Policy has outlined 12 guiding principles that govern the administration of all public procurement in Northern Ireland including:

Accountability	Integration
Competitive Supply	Integrity
Consistency	Informed Decision Making
Effectiveness	Legality
Efficiency	Responsiveness
Fair Dealing	Transparency

Value for Money and Affordability

NI Executive has endorsed the concept of "Best Value for Money" as:

"The most advantageous combination of cost, quality and sustainability to meet customer requirements"⁹;

- **Cost** – whole life cost
- **Quality** – specification is fit for purpose and sufficient to meet the customer's requirements
- **Sustainability** – economic, social and environmental benefits

This best value for money definition enables public bodies to compile a procurement specification which includes social, economic and environmental policy objectives within the procurement process. All HSC procurement processes endorse the 'best value for money' strategic aims in relation to cost, quality and sustainability in the specification detail.

The procurement policy further recommends that:

"The wider economic, social and environmental strategies and initiatives of the Executive should be more closely integrated into procurement policy." ¹⁰

The integration of environmental, social and economic considerations into procurement is:

"compatible with EU and existing international law within certain parameters-namely that the integration is transparent, that it does not discriminate directly or indirectly between suppliers; and that all requirements as to the procurement process are complied with. The consolidated Directives allow for the integration of economic, social and environmental policy into procurement provided the terms are compatible with community law." ¹¹

6 HSC's response

The HSC Commissioning Plan 2016/17 notes the benefits of using social clauses in procurement to demonstrate extended commitment by the HSC sector to address the wider determinants of health.

*"The HSCB Commissioning Plan should also detail the early intervention measures being taken by the Regional Board and Regional Agency, where appropriate working in partnership with other organisations, and should demonstrate a commitment to address the wider determinants of health through, for example, the use of social clauses in procurement and service contracts where appropriate, and to maintaining and developing grassroots community organisations."*¹²

The Department of Health Strategic Procurement Action Plan for 2015-2018 (updated 2016) outlines six targets in the action plan of which one relates to the development of social clauses for the procurement of goods and services;

- The paper references that the work at Central Procurement Directorate is complete on developing the construction model
- Central Procurement Directorate confirms that it is currently using the 'Buy Social NI' approach on a number of upcoming projects
- Business Services Organisation's Procurement and Logistics Service advises that work with the Strategic Investment Board continues for services and the 'Buy Social Model for Services' approach is available at Buy Social Model for Services

Success Story:

Altnagelvin North Wing

The SIB Buy Social Unit and the Department of Health agreed a set of Buy Social clauses that require the successful contractor, Farrans to provide 1664 person weeks employment for individuals who are long term unemployed, participating in or about to leave education or training over the 3 year duration of the contract.

Impact:

One New Entrant Trainee who benefited from the clauses is Sean who has been supported by Mencap Employment services in Derry~Londonderry. Sean has been successful in gaining employment with Farrans on their site at Altnagelvin Hospital.

Getting a job on his own merits has not only rewarded Sean's dedication to seeking work, but also proven that with the appropriate support, individuals can meet their full potential and gain long term meaningful employment.

"I was surprised and delighted when they rang to offer me the job. I value this opportunity and am really enjoying working for Farrans. They provided me with a full uniform and set out a schedule for me. The team I work alongside are all friendly and have made me feel welcome from the start. I finally got my chance!"

The Department of Health Strategic Procurement Action Plan 2015-2018 outlines a number of target action plans relating to social clauses which the Department of Health wish to deliver of which include:

- "To further refine and develop social clauses for integration in public procurement contracts for services and construction, in order to achieve PfG commitments (page 28)".¹³ This will be taken forward by CPD, BSO (Procurement and Logistics Service, PaLS) and the HSCB/PHA (lead) ALBs (contribute)
- "Embed the use of social clauses in public procurement contracts including consideration of "looked after children" (page 28).¹⁴ This will be taken forward by CPD and BSO PaLS with the participation of the Health and Social Care Trusts. The paper advises that the DoH Investment Directorate has passed on latest CPD advice on this initiative to Trusts"

Since the Strategic Procurement Action Plan for 2015-2018 was agreed a number of developments have taken place such as the use of 'Buy Social' clauses in the Ulster hospital project that include provision for 'looked after children'.

7 Principles to Guide the HSC Approach

The principles that underpin the HSC approach to social clauses (including SIB's Buy Social NI) are derived from the agencies legislative mandates, the joint HSCB/PHA community development strategy¹⁵ and the new Public Health Strategy 'Making Life Better'.

The role of the HSC is to: "secure the improvement of the health and social well-being of, and to reduce health inequalities between people in Northern Ireland." ¹⁶

The role of the HSCB is defined as: "establishing and maintaining effective systems for managing the performance of HSC Trusts and for commissioning health and social care and for ensuring resources are used in the most economic, efficient and effective way in commissioning such care." ¹⁷

The role of the PHA includes: "developing and providing, or securing the provision of programmes and initiatives designed to secure the improvement of the health and social well-being of, and reduce health inequalities between people in NI and health promotion, including in particular enabling people in NI to increase control over and improve their health and social well-being." ¹⁸

In addition: "it is the duty of an HSC Trust to exercise its functions with the aim of improving the health and social well-being of, and reducing health inequalities between, those for whom it provides, or may provide, health and social care." ¹⁹

HSC commissioning of care and support will include social clauses in contracts that are above the recommended threshold.

Taking all this into account HSC organisations are committed to –

- Ensuring social clauses is integral to the HSC commissioning process and is identified early in the process at Business Case development
- Ensuring that as we move forward all new contracts make use of the 'Buy Social' approach, according to PGN 01/13 and the associated thresholds set out by 'Buy Social'
- Implementing existing and new 'Buy Social' approaches when they become available

Success Story:

HSC Energy Contract

HSC organisations worked with their procurement advisors to design a tender competition that challenged bidders to offer social benefits in line with the Public Health strategy "Making Life Better". This approach delivered not only lower energy costs but a range of social benefits.

Impact:

5 SSE VIP Box Visits for
Looked After Children

150 W5 tickets p.a. for use
by Looked After Children

4 Giants Season Tickets for use
by Looked After Children

World Ice Hockey Championships Tickets
for use by Looked After Children

6 electric vehicles for Trusts
worth £103k

Nursing bursaries
worth £17.9 k pa

9 electric vehicle charge points
across Trusts

Energy Awareness
Roadshows

- Monitoring the implementation of social clauses to ensure the additional benefit envisaged is delivered
- Ensuring Equality and Human Rights considerations inform the approach to the development of social clauses. Further information can be found in the following publication from the Equality Commission (available on the CPD website) - www.finance-ni.gov.uk/publications/guidance-equality-opportunity-and-sustainable-development-public-sector-procurement. CPD guidance on Human Rights is currently under development and when available will be published here: www.finance-ni.gov.uk/articles/procurement-guidance-notes-pgns

- Acknowledging that HSC organisations have a shared statutory responsibility under Children (Northern Ireland) Order 1995 as corporate parent to looked after children and mindful that we have a duty to promote better outcomes for this vulnerable group that we use the 'Buy Social' model to maximise opportunities for Looked After Children / Care Leavers
- As per the Programme for Government Northern Ireland (2016-2021) HSC organisations will care for others and help those in need to increased accessibility to opportunities to ensure long, healthy and active lives including individuals with a disability who are economically inactive

In undertaking this HSC organisations will be guided by the following principles-

- **Promoting Social Justice and Inclusion** – Using social clauses to promote social justice equity and inclusion
- **Building Collaboration** – Using social clauses to strengthen partnership working and collaboration across community, voluntary, statutory and non-statutory sector organisations including partnering with organisations such as Looked After Children / Care Leavers teams in the Trusts and those included at www.buysocialnibrokerage.org
- **Encouraging Engagement and Involvement** – Improve design delivery and evaluation of health and social care services through the involvement of individuals, communities and the community, voluntary, statutory and non-statutory sector organisations
- **Supporting and Empowering** – Supporting volunteering and personal development (including self-health)
- **Strengthening families and communities** – Promote social inclusion choice, control, support and independence
- **Improve Service quality and outcomes** – By providing safe and effective services and promoting the active involvement of service users in the development, monitoring and evaluation of services

- **Promote the engagement of communities** – In the development of our understanding of need and planning of services
- **Sustainable Organisations** – Encourage the development of sustainable organisations
- **Benefit the most vulnerable** – Including 'targeted recruitment and training opportunities for Looked After Children/Care Leaver where contracts are above the Buy Social thresholds
- **Learning** – Recognising that this document represents the first step for HSC in applying social considerations. We will adopt a learning approach to further developing our application of social considerations and will work with the Buy Social Unit to do so
- **Sharing** – through regular interaction between practitioners we will share learning and experience in the use of social clauses, application of social considerations and deployment of key tools in particular 'Buy Social NI' and associated 'Buy Social' initiatives. This will be achieved through establishment of a regional HSC 'interest group'



8 Guidance on Social Clauses

Procurement Guidance Note (PGN01/13)

Integrating Social Considerations into Contracts

In September 2016, CPD issued updated guidance, PGN 01/13 (as amended): which outlines the benefit of including social considerations in public procurement (<https://www.finance-ni.gov.uk/publications/procurement-guidance-note-0113-integrating-social-considerations-contracts>). This guidance only relates to construction and services contracts.

This document advises that social considerations can be incorporated into contracts provided that they are:

- Considered at business case stage and
- Relate to the 'subject matter' of the contract as part of the award criteria; or the performance of the contract

The amended guidance refers to the detail provided in the Procurement Regulations²⁰ document that shares ways to incorporate Buy Social into specifications, contract performance clauses, selection criteria and award criteria.

The N.I. Procurement Board has adopted a revised model for the delivery of Buy Social known as 'Buy Social' (www.buysocialni.org).²¹ 'Buy Social' is a means of maximising the personal wellbeing, social cohesion and inclusion, and equal opportunities elements of sustainable development, from all public procurement. The Strategic Investment Board's Buy Social Team has been put in place to support the inclusion of this approach into the design, monitoring and implementation stages. Contractors can be asked to cost for Buy Social if the client wishes, however it should be noted that including Buy Social requirements does not necessarily add to the cost of the contract.

In the Procurement Guidance Note (PGN) 01/13 that was revised in 2016, CPD have provided an outline of broad social clauses principles. It states that social clauses can;

- Enforce the requirement for measurable outcomes and outputs by the successful service provider through the inclusion of social clauses in an organisations business objectives and tender specification (when relevant to subject matter)
- They can be used in tandem with other approaches, e.g. to include measurable requirements in a specific contract as a means of implementing legislation
- Help secure value for money by providing additional benefits to the community alongside the contracted service
- Enable the awarded organisation to innovatively deliver on the social clauses to achieve these outcomes
- Social clauses are a method of defining additional community benefits that a service can provide alongside the agreed outcomes and outputs of the actual service (that will be agreed in the contract). However it is important to note that they are not designed to disadvantage one organisation / sector over another

The **Public Contract Regulations 2015** requires Contracting Authorities to uphold:

- EU Treaty Principles of: Equal treatment, Non-discrimination, Mutual Recognition, Transparency and Proportionality
- EU Freedoms: Movement of People, Goods and Services; and Establishment

Therefore to include social clauses in public procurement, contracting authorities must understand that social clauses cannot favour:

- Local providers over incoming (outside the locality, region or nation) providers
- Any sector (Community, Voluntary, Private or Social Economy Enterprise) over another

Executive Commitment

The Executive are committed to the inclusion of social considerations in public procurement however currently under the recently published procurement guidance, Procurement Guidance Note (PGN) 01/13, this is yet to extend beyond the public procurement contracts for services and construction as highlighted in the Programme for Government 2011-2016.

Strategic Development and Identifying Needs

Social Considerations can be included in the procurement process provided they are considered at the business case stages. CPD provide a non-exhaustive list of considerations that Departments should work through when identifying needs including;

- Department responsibilities and policy priorities
- Programme for Government commitment
- The 'Buy Social' approach
- The definition of Best Value for Money and affordability considerations
- The key procurement principle of integration
- Statutory obligations
- The requirements of the Procurement Board Strategic Plan

Integrating Social Considerations into Procurement

The Buy Social approach is a relatively new approach that has focused on:

'delivering employment with training and support for new entrant trainees for building contracts with a value above £2m, and infrastructure projects with a value over £4m'.²²

The guidance outlines that Departments should note that the definition of Best Value for Money requires sustainability, including social, considerations to be defined in the business case. Although the current Buy Social approach had initially focused on the construction sector, CPD highlight that Departments have the opportunity to add their own social or

economic goals and extend the inclusion of the Buy Social approach to any contract irrespective of value. This includes services contracts over £500,000 per annum in value. Guidance on Buy Social specific to the purchase of services can be found at Buy Social Model for Services (www.buysocialni.org/?download=file&file=511)

The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) outlines how social considerations should be addressed in the course of the initial strategic option approval; when determining the strategic context, the need for the project and project objectives and/or when assessing the costs and benefits of alternative options.

Specification of Social Considerations

The amended Procurement Guidance suggests that developing the specification is the most appropriate time to begin considering in detail the social clauses for inclusion in the contract. Departments should work with Centre of Procurement Expertise (CoPE) to do this and agree a specification for the procurement. The SIB Buy Social Unit is also available to provide support. Specifications must clearly describe the procurement requirements (including social consideration) so contractors can decide whether to bid or not.

Contract performance clauses set out how the contract must be performed.²³ They identify mandatory requirements that successful bidders must accept and must be delivered when the contract is awarded to them. Contracts must not be awarded to bidders who do not accept contract performance clauses.

Given that the Buy Social approach is relatively new,²⁴ CPD²⁵ does not propose to implement scoring, but will keep this under review on a sector by sector basis as a wider range of firms develop expertise in delivery of social considerations. The Buy Social Unit are currently undertaking mock scoring as part of a wider research piece and the Unit are available to provide support. The Buy Social Unit has developed a monitoring system for client project managers to use for this purpose. This information will be used to compile reports for civil servants and elected members on the outputs of the clauses.



Careful and ongoing contract performance monitoring is essential to ensure all contract performance clauses are delivered in full. Poor contractor performance should be addressed in accordance with the recommendations on poor contractor performance set out in Procurement Guidance Note 01/12 (www.finance-ni.gov.uk/sites/default/files/publications/dfp/PGN%2001%2012%20Contract%20Management%20%E2%80%93%20Procedures%20and%20Principles_0.PDF). The new monitoring arrangements will allow Contractors to demonstrate a 'track record' of delivering Buy Social in future.

9 Sample Performance Clauses

The Central Procurement Directorate (CPD) has agreed a set of standard performance clauses which if used appropriately by HSC organisations can represent good practice in Public Procurement, HSC's Centre of Procurement Expertise can advise accordingly. These clauses should demonstrate sustainability (economic, social and environmental benefits) and be delivered through;

- Being linked to the performance of the contract
- Relevant to the subject matter of the contract (and appropriate to the size/term of the contract)
- Must not confer unrestricted freedom of choice on Departments;
- Must be set out in the contract notice and tender documentation
- Compliance with fundamental principles of EU law

Depending on their nature, social considerations can be included in the procurement process provided that they are considered at business case stage and relate to the subject matter of the contract or the performance of the contract. The 'Buy Social' requirements need to be clearly stated in the tender documentation.

The 'Buy Social' clauses for services contracts are available by contacting info@buysocialni.org

Other potential clauses that could be used in HSC are set out below.

Further drafting guidance is available in NI Public Procurement Policy.

Social:

Clause	Example Wording	Supporting Principle
<p>Equal Opportunity</p>	<p>The Contractor shall comply with all applicable fair employment, equality of treatment and anti-discrimination legislation. In addition the Contractor shall use his best endeavours to ensure that in his employment policies and practices and in the delivery of the services required of the Contractor under this agreement he has due regards to the need to promote equality of treatment and opportunity between:</p> <ul style="list-style-type: none"> Persons of different religious beliefs or political opinions; Men and women or married and unmarried persons; Persons with and without dependants (including women who are pregnant or on maternity leave and men on paternity leave); Persons of different racial groups (within the meaning of the Race Relations Northern Ireland Order 1997); Persons with and without a disability (within the meaning of the disability discrimination acts 1995); Person of different ages; and Persons of differing sexual orientation <p>The Contractor shall take all reasonable steps to ensure the observance of the provision of the above clause by all servants, agents, employees, consultants and subcontractors of the Contractor.</p>	<p>Promoting Social Justice and Inclusion</p>

Clause	Example Wording	Supporting Principle
Health and Safety	<p>The Contractor will be required to have third party certification of their documented health and safety management systems at the commencement of the contract.</p> <p>The Contractor shall comply with the requirements of the Health and Safety at work (Northern Ireland) Order 1978 and any other acts, orders, regulations and codes of practise relating to health and safety, which may apply to staff and other persons working in the performance of its obligations under the Contract.</p>	Improve Service Quality and Outcomes
*Promoting Accessible services	<p>Contracted services must deliver services from facilities appropriate and accessible to clients in the geographical area of the contract</p> <p>Equally all communications about the services must be in accessible formats for service users</p>	Promoting Social Justice and Inclusion
*Strengthening engagement between services and the community and other service providers	Providers must actively engage with the community and other organisations to ensure any benefits from working collaboratively can be realised	Building Collaboration Strengthening Families and Communities
*Volunteering	Actively promote the involvement of volunteers in the organisation and provide evidence of learning and development opportunities that have been provided to volunteers recruited	Promoting Social Justice and Inclusion Supporting and Empowering
*Participation	Contracted services must have a process for gathering the views of service users on the service they receive.	Improve Service Quality and Outcomes
*Working cooperatively with existing providers	The service must link (where appropriate) to existing networks of service providers where such networks are designed to improve the coordination of services to families, for example Family support Hubs)	Sustainable organisations

*developed by HSCB and PHA

Economic:

Clause	Example Wording	Supporting Principle
Audit accounts	Except where an audit is imposed on the Contracting Authority by a regulatory body, the Contracting Authority may, not more than [twice in any contract Year] [and for the period of 12 months following the Term], conduct an audit to verify the accuracy of charges and proposed or actual variations to them in accordance with this Agreement, and/or the costs of and payments made to all suppliers, including <i>subcontractors</i> , of the Services.	Improve Service Quality and Outcomes
Access to subcontracting opportunities	The contractor shall publicise future opportunities within the supply chain, in relation to the performance of this contract.	Improve Service Quality and Outcomes
Charging and Invoicing	The <i>Contracting Authority</i> shall pay all sums due to the Contractor within [X] days of receipt of a valid invoice, submitted monthly in arrears.	Improve Service Quality and Outcomes
Payment of subcontractors	Where the Contractor enters into a subcontract with a supplier or contractor for the purpose of performing its obligations under the contract, it shall ensure that a provision is included in such a subcontract which requires payment to be made of all sums due by the <i>Contractor</i> to the <i>subcontractor</i> on receipt of a valid invoice and within a specified period on terms as contained in the Contractor's contract with the Contracting Authority.	Improve Service Quality and Outcomes

Clause	Example Wording	Supporting Principle
Fair Treatment of Suppliers	<p>The Contractor shall have mutually agreed purchase contracts in place with its suppliers that state clearly:</p> <ul style="list-style-type: none"> a) The price to be paid (or the means by which it is to be calculated and/or varied) b) The extent of the commitment to purchase (minimum price, quantity, timing and quality) c) The agreed payment timescale(s) d) Any pre-finance/credit arrangements e) The nature and extent of risk/reward sharing f) The nature of the negotiating process and each part's rights g) The duration of the agreement and any let-out clauses (if any) h) The complaints procedure to be followed in the case of dispute, which must be independent and provide for confidentiality to be respected. 	Improve Service Quality and Outcomes

Environmental:

A range of guidance is available through HSC's Centre of Procurement Expertise in addition CPD has published guidance covering:

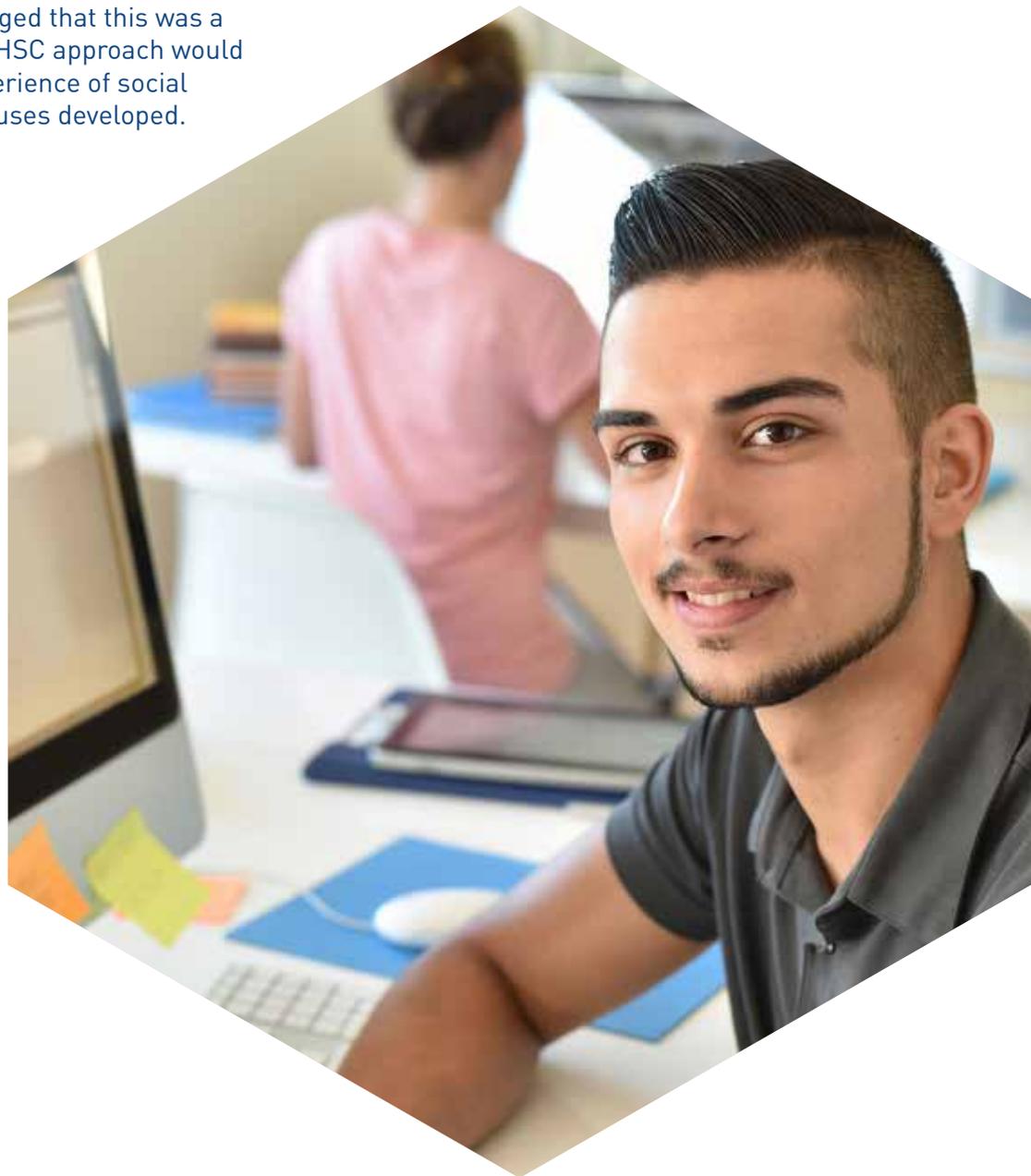
- PGN 02/06 Procurement of Fair Trade Products (www.finance-ni.gov.uk/publications/procurement-guidance-note-0206-procurement-fair-trade-products)
- PGN 04/06 Procurement of Timber and Wood Products (www.finance-ni.gov.uk/publications/pgn-0406-procurement-timber-and-wood-products)
- Equality of Opportunity and Sustainable Development in Public Sector Procurement (www.finance-ni.gov.uk/publications/guidance-equality-opportunity-and-sustainable-development-public-sector-procurement)

10 Development of HSC approach to Social Clauses

HSC organisations wishing to add any clauses to contracts which are not set out in Section 8 should agree these with BSO's Legal Services and BSO's Procurement and Logistics Service in the first instance.

A list of agreed clauses will be developed and made available as a knowledge resource to which all HSC organisations Contracts Managers will have access.

In Section 6 it was acknowledged that this was a developing area and that the HSC approach would evolve as knowledge and experience of social considerations and social clauses developed.



Endnotes:

1. Northern Ireland Assembly (2009) Research Paper-Social Clauses in Public Contracts
2. Draft NI Programme for Government 2016-2021, p.115
3. (Delivery Plan for Indicator 42) <https://www.northernireland.gov.uk/sites/default/files/publications/newnigov/dp-average-life-satisfaction-score.PDF>
4. NI Programme for Government 2011-2014, p.54
5. Buy Social currently focusses on employment and training but will be expanded over time to include other areas for social benefit and value.
6. A brief guide to the 2014 EU Public Procurement Directives (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/560261/Brief_Guide_to_the_2014_Directives_Oct_16.pdf) P 4
7. Public Procurement Regulations, 2015 p 68 (http://www.legislation.gov.uk/ukxi/2015/102/pdfs/ukxi_20150102_en.pdf)
8. NI Public Procurement Policy, Version 11, August 2014, p.3
9. NI Public Procurement Policy, Version 11, August 2014, p.3
10. NI Public Procurement Policy, 2014
11. NI Public Procurement Policy, Version 11, August 2014, p.11
12. The Health and Social Care (Commissioning Plan) Direction (Northern Ireland) 2014, p.2
13. Department of Health Strategic Procurement Action Plan for 2015-2018 (updated 2016), p.9
14. Department of Health Strategic Procurement Action Plan for 2015-2018 (updated 2016), p.10
15. 'Working in Partnership, Community Development Strategy for Health and Wellbeing', HSCB/PHA, May 2012
16. HSC (Reform) Act (NI) 2009, 3(a)
17. HSC (Reform) Act (NI) 2009, 8(2)(b)
18. HSC (Reform) Act (NI) 2009, 12 (2) (a) and (b)
19. HSC (Reform) Act (NI) 2009, 21
20. Procurement Guidance Note (PGN) 01/13 As Amended, September 2016 page 5
21. Procurement Guidance Note (PGN) 01/13 As Amended, September 2016 page 5
22. Procurement Guidance Note (PGN) 01/13 As Amended, September 2016 page 9
23. Procurement Guidance Note (PGN) 01/13 As Amended, September 2016 page 9
24. Procurement Guidance Note (PGN) 01/13 As Amended, September 2016 page 13
25. This refers to a policy requirement within PGN 01/13 but does not preclude use of scoring on advice from a Centre of Procurement Expertise.

