



Subject:	Social Value Procurement Policy – Applying a Minimum Contract Period <6 months
Date:	11 <sup>th</sup> February 2025
Reporting Officer:	Noleen Bohill, Head of Commercial and Procurement Services ‘CPS’
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<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
	To ask Members to approve an amendment to the Social Value Procurement Policy ‘SVPP’ to allow for additional flexibility so that Officers can opt out of including social value scoring and weighting in tenders that are <6 months (approx.) in duration.
<b>2.0</b>	<b>Background</b>
	<p>The SVPP was approved by Committee in April 22 with full application of the SVPP from 1<sup>st</sup> April 2023.</p> <p>A copy of the SVPP can be found here - <a href="https://www.belfastcity.gov.uk">Social Value Procurement Policy (belfastcity.gov.uk)</a></p> <p>In short, the SVPP mandates that for all tenders<sup>1</sup> over £30,000:</p> <ul style="list-style-type: none"><li>• Suppliers must pay the Real Living Wage to all its employees assigned to work on a BCC contract.</li><li>• Suppliers must not use zero hours contracts for any of its employees assigned to work on a BCC contract.</li><li>• Social value scoring and weighting is applied as part of the evaluation. SV weighting is determined by the cost weighting (i.e. if cost is &gt;50% then SV is 10%; if cost is ≤50% then SV is 15%.)</li><li>• A minimum social value scoring threshold is applied during evaluation.</li></ul> <p>The SVPP only uses the £30k contract value as a measure of when the SVPP is to be applied to tender competitions. While this has largely worked well to date (see section 2) it has presented some challenges; particularly more recently for shorter duration contracts i.e. &lt;6 months duration. Some examples of this are set out in section 3.</p>
<b>2.0</b>	<b>SV delivery to date (as of Dec 24)</b>
	Below is some key data from our records setting out SV commitments suppliers have made to date as part of tender competitions under the SVPP.

<b>Data Metric/ Initiative</b>	<b>No./Value/ Metric</b>
No. of tenders SVPP fully applied (SV offers evaluated from suppliers)	101
Total contract values	£112m
Avg. contract value	£1.1m
Avg. contract term	36 months
Number of employment weeks (FTE) created for Apprenticeships	17 FTE
Number of employment weeks (FTE) created for Priority Groups	7 FTE
Number of employment weeks (FTE) created for Students	22 FTE
Employability or skills initiatives to support Priority Groups	215 Days
Initiatives to enhance employability of young people	230 Days
Use of a social enterprise or co-operative in the supply chain (in relation to contract)	78 SEs supported
Initiatives to support VCSE organisation	238 Days
Initiatives to improve good relations between people from different religious, political, racial & ethnic backgrounds	26 Days
Initiatives to reduce or prevent crime (including hate crime) and/or ASB	26 Days
Initiatives to reduce or prevent health related inequalities	90 Days
Initiatives to increase participation in sports related activities	82 Days
Initiatives to increase participation in arts related activities	26 Days
Reduce carbon emissions associated with energy supply	55 strategies/ action plans
Reduce carbon emissions associated with transportation	52 strategies/ action plans
Improve waste management, including recycling, upcycling and supporting the circular economy	64 strategies/ action plans
Improve resource efficiency	25 strategies/ action plans
Enhance environmental natural resources and biodiversity	29 strategies/ action plans

Work is ongoing to monitor the delivery of these SV commitments through the Council's contract management procedures.

### **3.0 Short duration contracts < 6 months**

The Council procures a small number of >£30k projects each year that are of short duration i.e. <6 months. These are typically Works type contracts (e.g. installation projects). Some recent examples include:

<b>Tender/ Project</b>	<b>Value (£)</b>	<b>Duration</b>
Henry Jones Car Park CCTV & Floodlighting Installation Works	£52k	<12 weeks. (6 week lead time for products and 1 week on site)
NRF_ACT Initiative – Interpretive fit out design & installation	£75k	< 4 months
Stained Glass window (LGBT) at City Hall	£32k	<12 weeks (On site <3 days for fitting)

Officer’s experiences to date when trying to apply the SVPP to projects < 6 months (approx.) have found that in most cases it is not practical and often leads either to no bids or poor-quality submissions from the market.

This is due to there not being sufficient time for a supplier to deliver a meaningful SV initiative(s) in the short period of time.

Based on tenders awarded (89 total) during 2024 six (6) were <6 months in duration with 3 to 4 of those tenders also low value. This recommended change to policy only likely to affect <5 tenders per year (<5%).

**4.0 Proposed amendment to SVPP**

Members are asked to approve that the SVPP is updated to include flexibility so that Officers can opt out of including social value scoring and weighting in tenders that are < 6 months (approx.) in duration. Other aspects for the SVPP will continue to apply to over £30k tenders i.e. Reserved Contracts, SV Organisational Behaviours, RLW and Zero Hours Contracts.

Depending on the requirement Officers can still apply SV scoring and weighting to tenders <6 months i.e. larger value short duration projects.

This should help address some of the challenges faced by Officers and suppliers set out above with marginal impact to value add that the SVPP is continuing to deliver.

The SVPP and associated SV toolkit and guidance for Officers and suppliers will be updated to reflect this.

Instances where SVPP has not been applied will continue to be reported to Members via the Social Policy Working Group as part of the regular reporting.