

Appendix 1d - Social Clauses: Brief analysis of responses to draft council social clause policy

- There is support to move social clauses beyond their current primary focus on jobs. This is the intention behind the Social Clause Policy and the Council's Procurement Strategy and it is intended that additional clauses are developed as experience is developed. There is current provision for the inclusion of social, economic and environmental focused clauses within the draft policy. Officers will continue to participate in the Social Clauses forum to share learning and to review developments elsewhere such as the Social Value Act in England.
- Council Officers will contribute to the planned review of CIFNI clauses with CEF and SIB and modify our example clauses appropriately.
- Officers will progress plans to provide guidance and raise awareness of social clauses among potential suppliers. This guidance will also be made available via the Council's web site.
- Several respondents highlighted the importance of monitoring social clauses. We have already recognised this as an important issue and officers are developing an appropriate database and reviewing our contract management arrangements.
- Some respondents also highlighted the issue of dealing with non-compliance with social clauses in terms of a breach of contract. Officers have already taken legal advice in this area and will continue to work to avoid non-compliance through effective contract management. Officers will also continue to work with the Council's legal team and monitor best practice to find the best approach to dealing with non-compliance.
- Some respondents proposed a change to the screening limits and the application of clauses to all contracts. To have a social clause in every contract is neither practical nor appropriate especially relating to employability clauses and would result in either an increased cost to the council and thus the ratepayer or a displacement of existing employees/jobs.
- One respondent felt that we should include more detail in the policy about how to embed social consideration in contracts by considering them at the start of the process. This is being considered in the guidance and training that is being developed for staff rather than the policy.
- One respondent highlighted a concern that our reference to 'encourage suppliers to include as much social value' suggests an approach that leaves the suppliers to determine what they will provide (e.g. as a part of corporate social responsibility). They suggested that good procurement practice suggests that the client should specify what they require. Officers agree with this comment and do work hard to ensure that our contracts clearly specify what is required. This clause is intended to encourage suppliers to start to think of ways to add social value that are above and beyond what the Council directly requires and that officers may have thought of. In effect, we hope to encourage innovation.
- One respondent said that they based their response on the assertion that the Policy on the Use of Social Clauses was the main mechanism by which Council intends to implement REAL JOBS NOW! As the SP&R Committee paper of 19th June 2014 showed, this is not the case. The Council has a range of programmes to create jobs and work opportunities many of which are far better value for money in terms of jobs per spend compared to social clauses.
- Respondents suggested that an output from the policy should be to increase spend with small and medium size enterprises (SME) and that Council should to raise

awareness about procurement opportunities and give non-traditional contractors support in bidding for work. Council is not able to specify the size of an organisation when going to tender and hence this output is not specifically included in the policy. However, the full Procurement Strategy already includes actions to help SME to bid for council contracts and we have been running initiatives to achieve this for several years. This policy also already includes an outcome “to increase accessibility to supply chain opportunities for SMEs.” There are also clauses and associated activity to promote supply chain opportunities.

- One respondent noted that the policy should focus on commissioning for ‘outcomes’, meaning the long-term changes that services and other activities achieve; promote co-production to make services more effective and bring in new resources, by working in partnership with the people using their services; and promote social value by placing social, environmental and economic outcomes at the heart of commissioning. This is already suggested within the policy but has been made more explicit in the revised draft.
- One respondent suggested that we change the definition of long term unemployed to those who have been unemployed/economically inactive for a minimum of 6 months. However, another supported the 12 month definition and complained that some organisations were using the shorter definition as a means of hitting their targets.
- Several suggestions were made about the screening limits and that they should be lowered. The policy already suggests all clauses should be considered and the £250k figure is a compulsory screening point. It is the figure recommended by CIFNI and the independent consultants who developed the policy. As such the figure should be maintained but reviewed in 18 months time when further experience has been gained.
- There is support to move social clauses beyond their current primary focus on job creation. This is also the intention behind the Social Clause Policy and the Council’s Procurement Strategy. It is intended that additional non-job related clauses are introduced as experience is developed. Officers will continue to participate in the Social Clauses Forum to share learning and to review developments elsewhere such as the Social Value Act in England.
- Two respondents insisted that a full equality impact assessment (EQIA) of the policy be performed. Further advice has been sought and this suggests that an EQIA would not provide further clarity (see section 3.7.10 for more details). However, because of this request, the council will re-screen the policy due to obligations set out under Section 75 of the Northern Ireland Act 1998.