



<b>Subject:</b>	Social Clauses policy adoption and output update
<b>Date:</b>	22 January 2016
<b>Reporting Officers:</b>	Gerry Millar, Director of Property & Projects Donal Durkan, Director of Development
<b>Contact Officers:</b>	Donal Rogan, Head of Contracts Lisa Toland, Head of Economic Initiatives

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>The purpose of the report is to:</p> <ul style="list-style-type: none"><li>– Seek elected members’ approval to adopt the draft revised Social Clause Policy, as one element of a strategic and integrated approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda</li><li>– Advise members of the social clause outputs achieved to date and identify future opportunities for the inclusion of social clauses within upcoming contracts.</li></ul>
2.0	<b>Recommendations</b>
2.1	<p>It is recommended that members:</p> <ol style="list-style-type: none"><li>1. Adopt the revised draft Social Clauses Policy on an interim basis and agree with the proposal to review it within 18 months to take into consideration changes in the operating context across local and central government</li><li>2. Note the outputs of social clauses for council contracts to date</li><li>3. Note and agree the potential to vary the 12 month definitions of long term unemployed to 6 months, in the case of youth unemployed, or where there are specialist skills sets required on a case-by-case basis.</li></ol>

3.0	<b>Main report</b>
3.1	<p><b><u>Key Issues</u></b></p> <p>Following committee approval in October 2013, the Council has been using social clauses developed in conjunction with the Construction Industry Federation (CIFNI). These clauses set out a series of agreed opportunities for work placements, apprenticeships and Training for Success opportunities, based on the labour value of the respective contracts. The Council continues to actively seek to include social clauses in both Supplies and Services and Works Contracts and regularly monitors tenders to verify whether social clauses should be applied.</p>
3.2	<p>A report (Appendix 1) on the council's draft Social Clauses Policy (Appendix 2) was presented to SP&amp;R committee on the 24<sup>th</sup> April 2015 and was subsequently referred back at the council meeting in May. On 22<sup>nd</sup> May 2015 the committee agreed to defer consideration of the matter. The Committee also agreed to seek a meeting with the DCAL Minister in order to understand how DCAL was developing and managing social clauses. This meeting has not yet taken place.</p>
3.3	<p>In the interim, officers have been working closely with representatives from the Strategic Investment Board (SIB) who have just completed a review of the impact of social clauses within government contracts across all departments. This review was undertaken in consultation with CPD, Government Departments, COPEs and business representatives. The findings of the review recommended a number of changes to how social clauses are managed. These included the need for improved monitoring (currently, social clauses within central government contracts are only measured at the end of the contract), need to explore additional opportunities for including social clauses as an evaluation criteria and the need for better integration of services to look at how social clauses can contribute to addressing key challenges such as economic inactivity.</p>
3.4	<p>At a meeting of the Procurement Board – chaired by the Finance Minister – on 5 November 2015, the findings of the review were presented and a new “Buying Social” approach was endorsed. This will now be presented to the Northern Ireland Executive for ratification. SIB is keen to work with Belfast City Council to see how this work can be extended to involve local government as well as central government departments.</p>
3.5	<p>Officers have undertaken some analysis of the proposed approach and consider that it has a number of benefits:</p> <ul style="list-style-type: none"> <li>– Greater transparency for contractors and suppliers – consistent approach across</li> </ul>



3.8	<p>There are a number of challenges with the current social clause regime, from the point of view of both the commissioning organisation and contractor. Anecdotal feedback from contractors suggests that they are having some difficulty in recruiting suitable candidates to meet their social clause targets or in finding replacement candidates if a client is not suitable for a post. For government contracts, DEL advises contractors to engage with the Jobs and Benefits offices as well as their contracted organisations (such as Ingeus, who run the Steps2Success programme). However, given that DEL only monitors social clause implementation on project conclusion, this presents a risk that social clauses may not be met or that the experiences provided to the clients are not useful in helping them find sustainable employment. For council contracts, officers are working with training providers that we are supporting through ESF funding in order to improve the linkages between training organisations and contractors, providing a single point of contact.</p>
3.9	<p>Currently, the definition for “long term unemployed” is someone who has been out of work for at least 12 months. While this definition supports the delivery of the Real Jobs Now motion approved by the council, practical experience of social clause highlights the need to be more flexible. It is proposed that consideration be give to varying the definition on a case-by-case basis, in order to support access to opportunities for young people or to support contractors in accessing specialist skill sets.</p>
3.10	<p>While social clauses in contracts provide one mechanism for the council to maximise the impact of its expenditure, there are other, potential more significant ways for this objective to be achieved. The move towards a “social value” agenda – identified by SIB in their work – means that the council can look across all its activity – not just its procurement spend – to see how this can be used to address economic and social challenges in the city. The Belfast Agenda provides a framework within which the Social Clause policy can evolve further as outlined in the separate report on the development of a strategic and integrated approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda, to maximise our combined contributions to social outcomes.</p>
3.11	<p><b><u>Financial &amp; Resource Implications</u></b></p> <p>There is no evidence to suggest that the inclusion of social clauses increases the cost charged to the council. The monitoring and management of the policy to date has been absorbed within the existing resources across departments.</p>

3.12	<p><b><u>Equality or Good Relations Implications</u></b></p> <p>As detailed in the original report the draft policy was screened out during the equality screening process, however two respondents asked that a full equality impact assessment be performed. Advice was sought and it suggested that a full EQIA would not provide further clarity. However, because of this request, the council rescreened the policy using an independent expert and taking into account the feedback from the consultation. The policy, with some minor changes, was screened out. The version in Appendix 2 takes account of the comments from the independent expert.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	<p>Appendix 1: Strategic Policy &amp; Resources Report 24 April 2015</p> <p>Appendix 2: Draft Social Clauses Policy</p> <p>Appendix 3: Detailed overview of Social Clauses Outcomes by Contract</p>