



**CabinetOffice**

Office of the **Third Sector**

## **Social Clauses Project Responses to Consultation**



<b>Introduction</b> .....	<b>5</b>
<b>Survey participants with experience of Social Clauses</b> .....	<b>7</b>
<b>Purchaser</b> .....	<b>7</b>
Respondent profile .....	7
Respondent organisation profile .....	7
Use of Social Clauses .....	7
How would you summarise your experience of Social Clauses? .....	8
What do you consider are the three most significant benefits of Social Clauses? .....	8
What do you consider are the three most significant problems with Social Clauses? .....	9
What do you consider are the three main barriers to the use of Social Clauses? .....	10
What three things do you consider would increase the use of Social Clauses most? .....	10
Who would you go to for support in work such as this? .....	10
What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base? .....	11
Are there specific outcomes that Social Clauses are particularly well placed to deliver? ..	11
In what policy contexts could Social Clauses have the most/least impact? .....	12
What are the necessary conditions for the successful use of Social Clauses? .....	12
Is there anything else about social clauses that you have not had an opportunity to record above? If so, please do so here. ....	13
<b>Provider</b> .....	<b>13</b>
Respondent profile .....	13
Respondent organisation profile .....	13
Use of Social Clauses .....	14
How would you summarise your experience of Social Clauses? .....	14
What do you consider are the three most significant benefits of Social Clauses? .....	15
What do you consider are the three most significant problems with Social Clauses? .....	15
What do you consider are the three main barriers to the use of Social Clauses? .....	16
What three things do you consider would increase the use of Social Clauses most? .....	16
Who would you go to for support in work such as this? .....	16
What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base? .....	17
Are there specific outcomes that Social Clauses are particularly well placed to deliver? ..	17
In what policy contexts could Social Clauses have the most/least impact? .....	17
What are the necessary conditions for the successful use of Social Clauses? .....	18
Is there anything else about social clauses that you have not had an opportunity to record above? .....	18
<b>Intermediary</b> .....	<b>18</b>
Respondent profile .....	18
Respondent organisation profile .....	19
Use of Social Clauses .....	19
How would you summarise your experience of Social Clauses? .....	19
What do you consider are the three most significant benefits of Social Clauses? .....	19
What do you consider are the three most significant problems with Social Clauses? .....	20
What do you consider are the three main barriers to the use of Social Clauses? .....	20
What three things do you consider would increase the use of Social Clauses most? .....	21
Who would you go to for support in work such as this? .....	21
What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base? .....	21
Are there specific outcomes that Social Clauses are particularly well placed to deliver? ..	22
In what policy contexts could Social Clauses have the most/least impact? .....	22
What are the necessary conditions for the successful use of Social Clauses? .....	22
Is there anything else about social clauses that you have not had an opportunity to record above? .....	22

**Survey participants without experience of Social Clauses .....23**

**Purchaser.....23**

    Respondent profile ..... 23

    Respondent organisation profile ..... 23

    Use of Social Clauses ..... 23

    How would you summarise your experience of Social Clauses? ..... 24

    What do you consider are the three most significant benefits of Social Clauses? ..... 24

    What do you consider are the three most significant problems with Social Clauses? ..... 25

    What do you consider are the three main barriers to the use of Social Clauses? ..... 27

    What three things do you consider would increase the use of Social Clauses most? ..... 27

    Who would you go to for support in work such as this?..... 27

    What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base? ..... 28

    Are there specific outcomes that Social Clauses are particularly well placed to deliver?. 29

    In what policy contexts could Social Clauses have the most/least impact? ..... 29

    What are the necessary conditions for the successful use of Social Clauses? ..... 29

    Is there anything else about social clauses that you have not had an opportunity to record above? ..... 30

**Provider.....31**

    Respondent profile ..... 31

    Respondent organisation profile ..... 31

    Use of Social Clauses ..... 31

    How would you summarise your experience of Social Clauses? ..... 32

    What do you consider are the three most significant benefits of Social Clauses? ..... 32

    What do you consider are the three most significant problems with Social Clauses? ..... 34

    What do you consider are the three main barriers to the use of Social Clauses? ..... 35

    What three things do you consider would increase the use of Social Clauses most? ..... 35

    Who would you go to for support in work such as this?..... 35

    What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base? ..... 36

    Are there specific outcomes that Social Clauses are particularly well placed to deliver?. 36

    In what policy contexts could Social Clauses have the most/least impact? ..... 37

    What are the necessary conditions for the successful use of Social Clauses? ..... 38

    Is there anything else about social clauses that you have not had an opportunity to record above? ..... 38

**Intermediary.....39**

    Respondent profile ..... 39

    Respondent organisation profile ..... 39

    Use of Social Clauses ..... 39

    How would you summarise your experience of Social Clauses? ..... 40

    What do you consider are the three most significant benefits of Social Clauses? ..... 40

    What do you consider are the three most significant problems with Social Clauses? ..... 42

    What do you consider are the three main barriers to the use of Social Clauses? ..... 42

    What three things do you consider would increase the use of Social Clauses most? ..... 43

    Who would you go to for support in work such as this?..... 43

    What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base? ..... 44

    Are there specific outcomes that Social Clauses are particularly well placed to deliver?. 44

    In what policy contexts could Social Clauses have the most/least impact? ..... 45

    What are the necessary conditions for the successful use of Social Clauses? ..... 45

    Is there anything else about social clauses that you have not had an opportunity to record above? ..... 46

**Appendix 1.....47**

**Participant Profile.....47**

<b>Appendix 2.....</b>	<b>48</b>
<b>Glossary.....</b>	<b>48</b>
<b>Appendix 3.....</b>	<b>49</b>
<b>Copy of the web survey .....</b>	<b>49</b>

## **Introduction**

This report records the 158 responses to a web based survey conducted between July and September 2007 as part of the Social Clauses Project. It is published to inform and promote debate on this emerging area of practice.

### **Context**

The project delivers a commitment made in both the Public Service and Social Enterprise Action Plans (Cabinet Office 06)

*“The Office of the Third Sector in collaboration with NERCE will consult partners on how to tackle barriers to the use of social clauses, for example through the development of a small number of template social clauses for key social outcomes as tools to enable and focus their use.*

*The Office of the Third Sector will also work with those commissioners pioneering the use of social clauses to learn about their experiences and the costs of social clauses, and to draw together leading practice.”*

The project board has developed the following definition of social clauses for this project: "*Social Clauses* describe relevant, legitimate and value for money aspects of a procurement lifecycle which fulfill a particular social aim. (This may include social requirements within the technical specification and award criteria of a contract, where they are relevant to the subject of the contract and compliant with public procurement legislation, as well as the UK's value for money policy (or equivalent commitment).)"

The survey was undertaken using SurveyMonkey.com, a web-based questionnaire using a mixture of tick box and free text questions. A significant number of responses were received that included information on individual role and organisation only. These have been excluded from the data. The data recorded in this report has been cleaned to remove double counting and uninformative responses such as “not enough experience to answer”. Otherwise the responses are reproduced as they were submitted. The text has been arranged to provide some shape to the diversity of answers, also thereby ensuring confidentiality of respondents. Where relevant responses have been edited to remove names in order to comply with Data Protection. Where free text questions invited respondents to make a number of comments these are grouped using italics and bullet points.

A summary of respondents' profile is included as Appendix 1.

The survey is one element of the work seeking to capture experience and leading practice. A second stage of the project will work with a small number of Local Authorities seeking to enhance the social value of procurement exercises in waste and recycling. The project runs until the end of March 08.

### **Compact compliance.**

The survey has been run in a Compact compliant spirit. As the research was seeking to gather information and inform evolving work, rather than run as a consultation exercise on a specific proposal, some aspects of the Compact code of practice do not

apply. Project timescales required the survey to be initiated during the summer; however its 12 week length, continuing throughout September, limited any potential negative impact. There was active promotion of the survey to a wide range of agencies including third sector infrastructure agencies, specific agencies with a known interest in the issue, and across central government departments with a request to promote the work within their networks. As well as being made available electronically, this report is being circulated to all participants that requested a copy.

The results of the survey will contribute directly to the work of the project, which will in turn inform future work in this area, including the commitment made in 'The Future Role of The Third Sector in Social and Economic Regeneration: Final Report' (Treasury & Cabinet Office, July 2007).

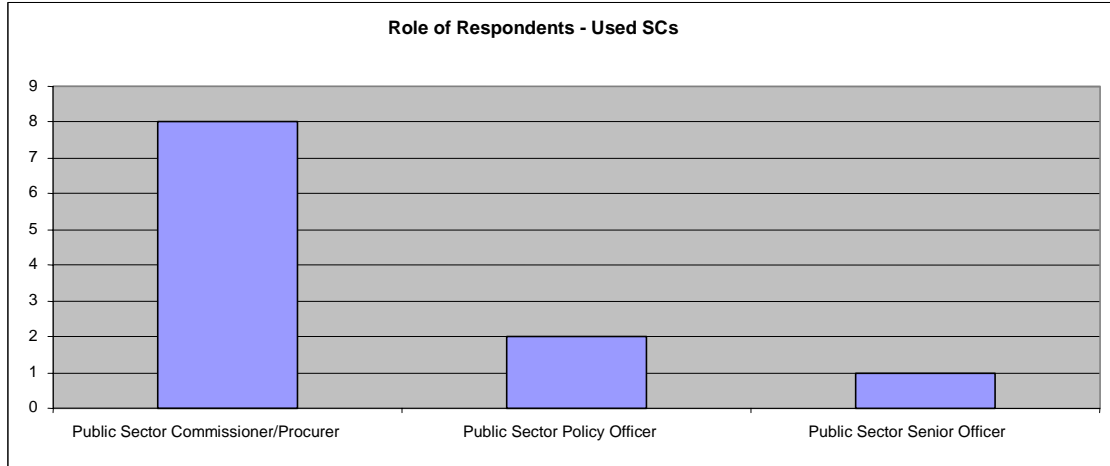
"4.17 The North East Regional Centre of Excellence and the Office of the Third Sector are already leading on work to support the development of template social clauses for key service areas through commissioning and procurement frameworks, in order to achieve multiple and joined-up outcomes for citizens. Alongside the Office of Government Commerce, they will continue to work over the 2007 CSR period with commissioners pioneering the use of social clauses and will draw together leading practice."

The North East Centre of Excellence and the Office of the Third Sector would like to thank all agencies that helped promote the survey and all participants for sharing their knowledge and experience.

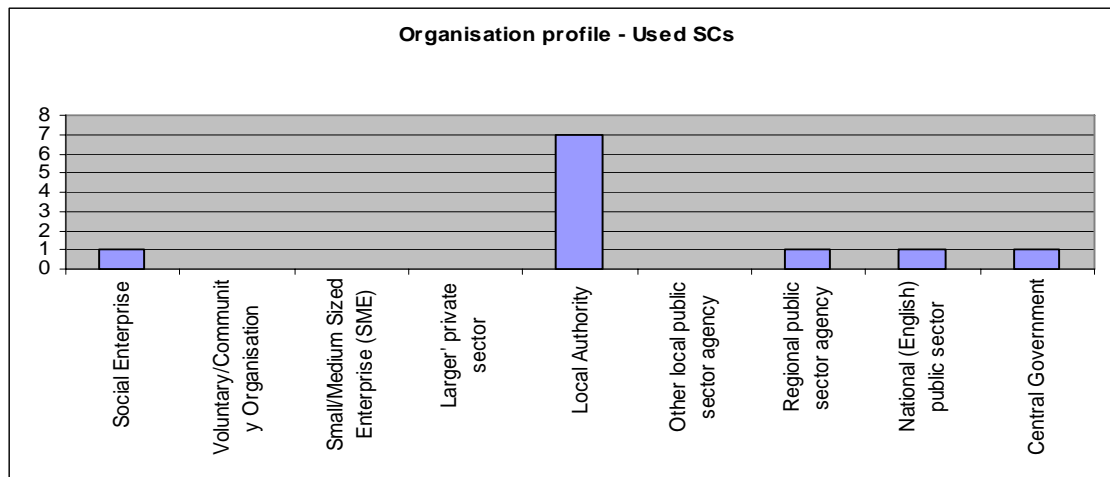
# Survey participants with experience of Social Clauses

## *Purchaser*

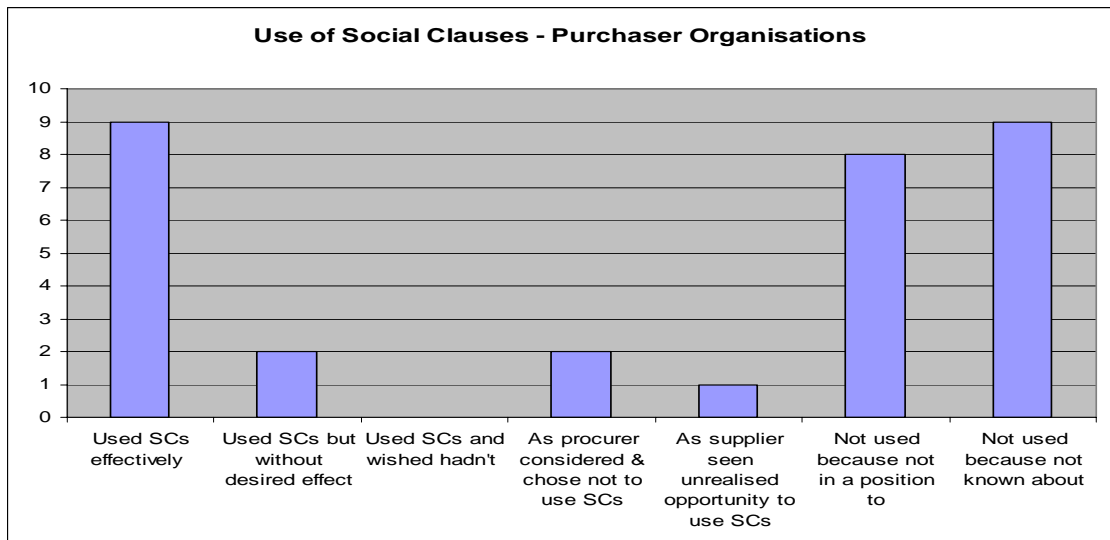
### Respondent profile



### Respondent organisation profile



### Use of Social Clauses



### **How would you summarise your experience of Social Clauses?**

- Using community benefits in contracts and assisting in the development of a Community Charter that promotes community benefits.
- Social clauses have been used to improve service and socio-economic benefits. It is not always possible to include these clauses but when successful can have a significant impact on many key policy areas such as regeneration, worklessness and education.
- SCs on the one hand are seen by the Council as important methods in which to drive forward our objectives within our various strategies, be they Procurement, Community, etc., but are not necessarily given the weighting required for potential bidders to give them serious consideration when bidding for a contract.
- An essential tool in converting requirements embedded in Local Area Agreements into neighbourhood employment development support via planning, procurement and regeneration.
- We have used SCs but not as effectively as I would like. Requirements end up becoming too little to make a difference or too much as being irrelevant to the scope of supply.
- Have tried to include these in a 'best endeavours' format without much success. Sound policy basis with effective direction of organisation needs to be established and written up in over-arching documents. This needs to be supported by a legal framework and importantly adopted by all involved as 'normal practice'. All of this takes a lot of time and resources. It then needs to be monitored/enforced which again is resource intensive.
- Limited.

### **What do you consider are the three most significant benefits of Social Clauses?**

- SCs can directly benefit our most hard to reach groups by providing opportunities for training and sustained employment.
- They can be used to ensure benefits to the local supply chain, which will address the local economic impact of public spend.
- SCs can be used to address concerns within the construction industry about the availability and cost of construction within the North East and the impact on cost and quality of building and building maintenance.
- ❖ *Ensure minimal or neutral effect on the environment.*
- ❖ *Ensure certain groups are not excluded unnecessarily.*
- ❖ *Ensure equality, non-discrimination and transparency to achieve genuine competition.*
- Provides evidence of added value.
- Enables procurement to validate community benefits.
- Helps provide a level playing for the third sector in winning contracts.
- ❖ *Delivers on priorities.*
- ❖ *Provides even-handed and unambiguous message to contractors.*
- ❖ *Sets measurable requirements.*
- Forces procurers/suppliers to take a 'wider' view.

- Opens up new opportunities for both parties.
- Benefits of contracts are multiplied and more locally focused.
- Local employment and training opportunities.
- A way of measuring your social impact in a locality.
- Community accountability.
- Social.
- Economic.
- Service.
- Getting local suppliers in.
- Ensuring Local Authority meets its Corporate Aims & Objectives.
- To enable the delivery of the wider Council objectives through procurement.

### **What do you consider are the three most significant problems with Social Clauses?**

- Demonstrating what added value equates to in financial terms; Gershon efficiency savings driving public service procurement.
- The third sector demonstrating what social benefits they can provide
- Culture shift for third sector and public sector; third sector being honest about what it can deliver and public sector embracing new initiatives.
- ❖ *The Council needs to understand its responsibility to the successful contractor in sourcing clients and assisting with the engagement of the local supply chain. Failure to do so will cause significant problems in the ability of the contractor to deliver on their SCs.*
- ❖ *Insufficient Weighting. SCs are way down on the Council's list of priorities when procuring services. We must make sure that we make the most of these opportunities.*
- ❖ *Monitoring. A dedicated member of staff is required to receive and respond to monitoring information, including discussing any problems with the delivery of the SCs, particularly with regard to Targeted Recruitment and Training clauses. Due to time/funding restraints, this role is not always filled.*
- Complexity.
- Available Provision in Local Area.
- Local Supplier expectations.
- ❖ *Hampers working across wider geographies.*
- ❖ *Maintaining updated legal position.*
- ❖ *Demands an effective labour supply side response.*
- Not used enough.
- Used too much.
- Many of the standards used are not recognised by the Public Contracts Regulations 2006 so have no force in procurement law.
- ❖ *Resources involved in establishing the basis for these.*
- ❖ *Issues with wording/legality of such clauses.*

- ❖ *Monitoring/enforcement of clauses.*
- Lack of experience across procurement specialists.
- Clarity and examples of use/ case studies of significant beneficial outcomes.
- Lack of examples of use in the less obvious areas.
- ❖ *EU legislation blurry.*
- ❖ *Organisations are very afraid to use them.*
- ❖ European Legislation.

### What do you consider are the three main barriers to the use of Social Clauses?

Barrier	No of responses
Difficulty in formulating as core contractual requirement	5
Difficulty in measurement at tender evaluation stage	4
Difficulty in measurement of contract delivery	2
Additional complexity and cost to procurers	2
Additional complexity and cost to potential suppliers of tendering	2
Additional complexity and cost of contract delivery	1
Lack of legal assurance	5
Lack of policy in agencies' procurement strategies	1
Need for parallel activity by purchasing agency to allow contract delivery	1
Outcomes delivered do not contribute to procuring agencies' core targets	2
<b>'Other'</b>	
All of the above actually apply in equal measure	1

### What three things do you consider would increase the use of Social Clauses most?

Would increase use	No of responses
Further Government guidance	6
Guidance from national improvement agencies	4
Assessment as part of procuring agencies' accountability and/or regulatory mechanisms	3
Peer support amongst procuring agencies	0
Peer support amongst supplying agencies	0
Web based resources	2
Raising awareness of the opportunities and benefits	3
Issues included in professional development programmes	0
Policy development support	2
Case Studies	5
<b>'Other'</b>	
It needs regulatory force to work properly - an excuse can always be found to ignore guidance	1

### Who would you go to for support in work such as this?

- Office of Third Sector
- OGC
- Welsh Assembly Government
- Centres of Excellence
- NECE

- IDeA
- SOPO
- Local Authority corporate procurement team
- LA legal team
- Colleagues from other LAs
- Regeneration and legal services
- Work colleagues
- VCS Infrastructure organisations
- Outside consultants
- Other useful internet sites
- South Tyneside Council has actively supported the development of the Targeted Recruitment and Training toolkit, arising out of one of the Tyne and Wear Chief Executives Efficiency collaboration projects. This was led by [RM] (Joseph Rowntree researcher) and [MC] (Anthony Collins law specialist).

**What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base?**

- A positive impact. It helps to provide a level playing field, supports competition and enables the third sector to identify and describe the value of their business.
- Levels the playing field; improves the ability of Social Enterprise the voluntary and community sector to win contracts.
- They create opportunities for local suppliers, social enterprises and voluntary sector organisations.
- In theory it should expand this greatly however the reality is that SMEs and the Third Sector organisations etc are often still excluded by a host of factors which override/outweigh the social clause.
- The principles of SCs relate here to mainly recruitment and training. However, a requirement in contracts is that suppliers should seek out the local supply chain, via encouragement to engage with additional SMEs.
- Very little impact. Our supplier base is no different fundamentally than it was 2-3 years ago.

**Are there specific outcomes that Social Clauses are particularly well placed to deliver?**

- Depends on how relevant they are to the contract. SCs are very useful in the right place but shouldn't become a regulatory burden, particularly on smaller operators.
- Helping to strengthen links with outsourcing bodies: RSLs/ALMOs, PFI, other public sector agencies, etc.
- SCs could support the council in the delivery of the Narrowing the Gap agenda.
- Meeting the priorities of the Local Area Agreement.
- Use of local suppliers.

- Specific requirement for opportunities to diverse groups, ie unemployed, people with disabilities, lone parents, BME community. young people, etc
- Targeted recruitment and training for local people.
- Targeted recruitment and training.
- Training of long term unemployed.
- Provision of services such as care or catering.

### **In what policy contexts could Social Clauses have the most/least impact?**

- SCs that support the council's vision, community strategy, regeneration strategy and procurement strategy. Most impact could be through Local Area Agreements.
- Most impact in delivery of social and community benefits.
- Achieving community strategy objectives.
- Procurement policy.
- Planning policy (via Local Development Framework/PGS).
- Enables economic development role in wider Council functions.
- Regeneration policy.
- Employment, Skills, and Education policy.
- Don't know. Could be all of them in theory; depends on the relevance of SCs to the contract to be awarded.
- Unknown.

### **What are the necessary conditions for the successful use of Social Clauses?**

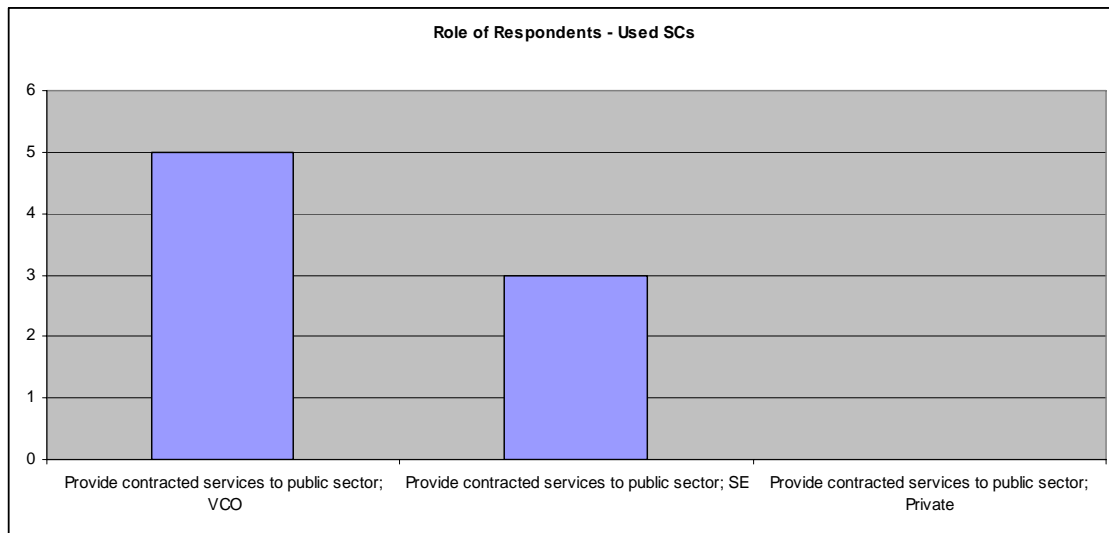
- Good policy context from LA plans and strategies.
- Relevant policy framework.
- To have an appropriate policy.
- Legal and not in breach of contract procurement rules or EU rules.
- Legal support.
- Joined-up management.
- The SCs would need to be transferable.
- Flexibility in the use of SCs.
- Inclusion within the procurement process at the earliest stage to ensure consistency.
- Full support of all involved in procurement process. Holistic view of contract taken. Understanding of suppliers (procurers understanding how they work and suppliers understanding the procurement system). Resource to monitor and enforce.
- Knowledge of how they can be used to develop projects, develop tenders and use in drafting contracts. Also knowing "good" SCs from "bad" SCs - how do procurers use objectivity to evaluate these?
- Clear understanding among all parties of what we're trying to achieve.
- Effective employment driven network.

**Is there anything else about social clauses that you have not had an opportunity to record above? If so, please do so here.**

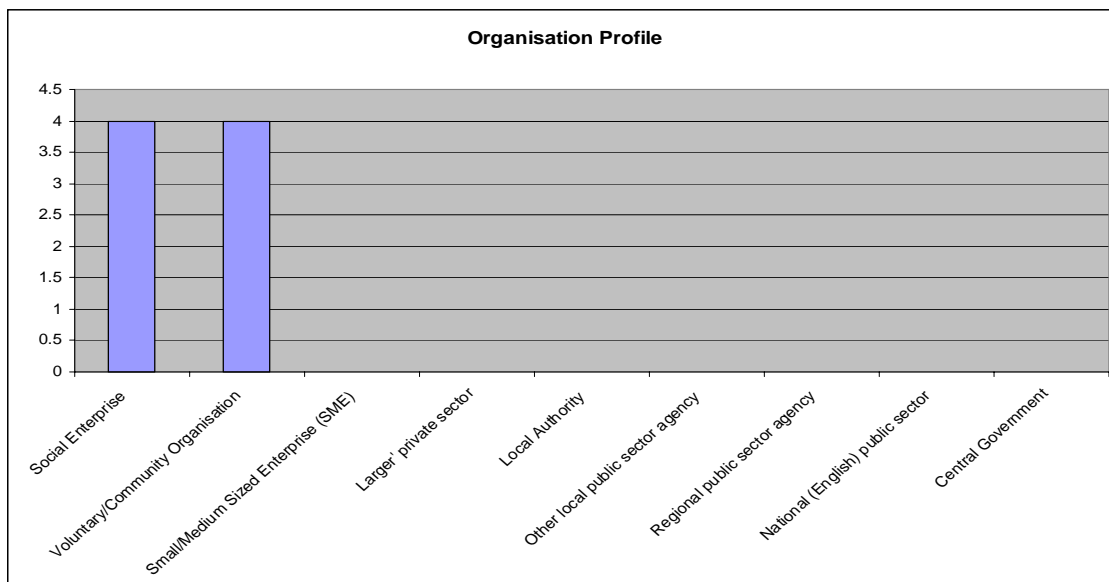
- Sharing best practice is essential. The guidance and clause are also essential and available as soon as possible.
- Everyone agrees that social clauses are a good idea therefore the willingness to include/accept these is already in place. Implementation must be simplified. Procurers must look at things other than 'best value' or take this in its widest context and stop assuming that bigger contracts are better.
- It would be useful if the procurement regulations allow to specify use of EMAS/ISO without having to use the words "or equivalent".
- Social clauses support South Tyneside's external funded employment development agenda. The external funding demands shape the way we frame our requirements, and our view is that these issues are best dealt with within the Authority. We recognise that some procurement and planning activity is most efficiently managed more centrally, and if so the centralised body should consult with its network to ensure that the best form of SCs are used. In general, SCs should be localised if that is where the policy justification for their inclusion sits.

**Provider**

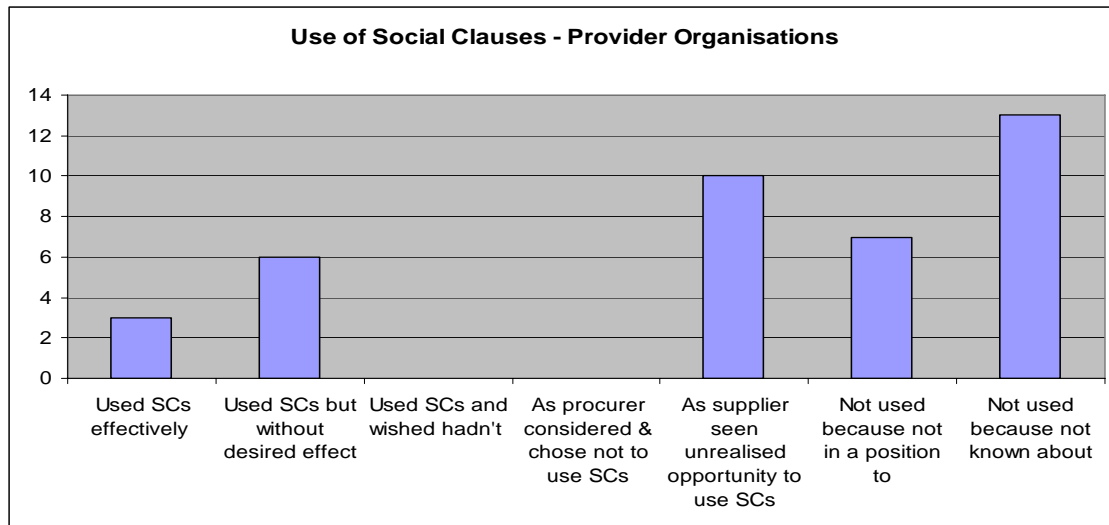
**Respondent profile**



**Respondent organisation profile**



## Use of Social Clauses



### How would you summarise your experience of Social Clauses?

- When they are used they are very effective in bringing in added value into contracts. The added value would just not be there in a standard procurement contract.
- I have experienced SC as trying to extract jobs and training opportunities from construction contracts in local area regeneration. (Local Labour Clauses) They need a lot of policing! It is very easy for contractors to sign up to them and then come up with a whole host of reasons why they cannot fulfil them. Or conversely fulfil them by simply reorganising their own direct labour to use local people employed by them on local contracts, which they would have done anyway. The worst offenders are the major contractors who subcontract all of the site work to sub-contractors and then claim that they have no control of the sub-contractors recruitment practices. To make SC work effectively they need robust clauses written in at an early stage and then robust – not to say aggressive - policing to make them work. Few Public Sector bodies have the stomach for this kind of regime. Often weak Public Sector procurement practices and personnel are unable to deal with the highly aggressive contracting departments of national and international construction companies. Risk averse and weak Public Sector Legal departments advising on contracting make matters worse. However, if Local labour Clauses can be agreed then the local training and employment infrastructure needs to get its act in gear to ensure supplies of local job ready labour and employer friendly training programmes and trainees are available from day one of contracting. This is often not the case as the colleges, training providers, JC+ and LSC move far too slowly and without coordination to meet employer demands and expectations.
- Some interest from commissioners, but not part of their usual approach and little experience of what they are or how to use them effectively.
- Procurers only recognise them if it suits them to do so. The response is not consistent.
- Procurers are not at the stage of using social clauses except where they are specifically measured on. For example, social clauses relating to Sustainable Community Strategy are not being used effectively. If it gets measured, they would have to.

- Poor.

### **What do you consider are the three most significant benefits of Social Clauses?**

- ❖ *More effective use of public monies.*
- ❖ *Better services for individuals.*
- ❖ *More appropriate services for individuals.*
- Help meet procurers targets.
- Provide consistency and level playing field in contracting.
- Potentially ramp up standards.
- ❖ *Levelling the playing field for third sector.*
- ❖ *Added value in contracts, beyond just service delivery.*
- ❖ *Greater benefits for local people and taxpayers.*
- Bring real added value to a contract, training, employment opportunities, tackling unemployment.
- Contract income tends to stay more in the community than big national / international companies, LM3 effect.
- Provides building foundation to develop other contracts to increase added value across all public sector contracts.
- ❖ *Simple economic model - keeps money in circulation in local area creating the multiplier effect.*
- ❖ *Recognises value of social benefits as well as economic value.*
- ❖ *Encourages recognition of the additionality of the social benefit as adding value.*
- It will take account of full value/impact of the project (financial, economic, social benefits etc) - social benefits will not be seen as the "Cinderella" - but of real value in terms of the impact it has on citizens - suppliers (specially private suppliers) will be forced to weave in social benefits - which will be beneficial to whole society - ensuring a more joined up approach meeting the actual/changing needs of citizens.

### **What do you consider are the three most significant problems with Social Clauses?**

- Procurers, mainly local authorities and PCTs do not recognise the benefits.
- They do not think strategically and across departments therefore the benefits of social clauses cannot be identified easily.
- They are seen as subsidies and not investments.
- ❖ *Ignorance of SCs and lack of desire from top to introduce them.*
- ❖ *Procurers don't like them as they are not easy to compare other tenders, whereas they can with simpler things like cost.*
- ❖ *Ignorance of the advantages of using SCs in contracts and what can be achieved through the use of them.*
- Clarity - there needs to be clear demonstration of benefit, not just woolly "wouldn't it be nice".
- Recognition that it adds benefit to all parties and not just a sop to the "sandal and lentils" brigade.
- OJEC!
- ❖ *Procurers may become too ambitious.*
- ❖ *Procurers may not recognise costs of compliance in evaluating bids.*

- ❖ *Blanket approaches are used which do not reflect the population served by a particular contract.*
- Understanding.
- Implementation.
- Monitoring and evaluation.
- ❖ *Measurement.*
- ❖ *Procurement Officers' perception of social benefits/clauses = marginal or less important.*

### What do you consider are the three main barriers to the use of Social Clauses?

Barrier	No of responses
Difficulty in formulating as core contractual requirement	4
Difficulty in measurement at tender evaluation stage	2
Difficulty in measurement of contract delivery	2
Additional complexity and cost to procurers	0
Additional complexity and cost to potential suppliers of tendering	2
Additional complexity and cost of contract delivery	0
Lack of legal assurance	3
Lack of policy in agencies' procurement strategies	3
Need for parallel activity by purchasing agency to allow contract delivery	1
Outcomes delivered do not contribute to procuring agencies' core targets	1
<b>'Other'</b>	
If it is required and is being measured, procurers will find a solution to the problems/barriers. If not, it will be shelved by most except where individual procurement officers are committed to it in principle	1

### What three things do you consider would increase the use of Social Clauses most?

Would increase use	No of responses
Further Government guidance	2
Guidance from national improvement agencies	1
Assessment as part of procuring agencies' accountability and/or regulatory mechanisms	4
Peer support amongst procuring agencies	1
Peer support amongst supplying agencies	1
Web based resources	1
Raising awareness of the opportunities and benefits	2
Issues included in professional development programmes	1
Policy development support	3
Case Studies	1
<b>'Other'</b>	
Legal assurances of the types of SCs that can be used in procurement contracts	1
Changes to the attitudes of procurement professionals who are terrified of thinking and acting outside the box (or framework!)	1
What gets measured gets done	1

### Who would you go to for support in work such as this?

- Central Govt Departments
- Audit Commission

- Regional government office
- National Improvement agencies
- Sustainability Commission.
- Social enterprise infrastructure agencies.
- People who have made it happen.

**What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base?**

- It can identify best value and those who have the most appropriate service to offer.
- Tend to attract local suppliers. This would lead to stimulation of the local economy and keep more money in the local area. Rather than the money be drawn out to national and international companies.
- Will increase diversity of supplier base - and help social enterprises and voluntary sector (which have the resources, track record and capacity) to compete more effectively.
- Giving greater opportunities to effective social enterprises and voluntary organisations.
- Potentially negative - reducing supplier base.

**Are there specific outcomes that Social Clauses are particularly well placed to deliver?**

- Economic. Environmental. Social.
- Social inclusion; access to services; better quality services and more of them; more efficient statutory agencies developing.
- Increased training opportunities; increased employment; stimulation of the local community; ability to access hard to reach groups, such as BME.
- Wider social and economic benefit. e.g. In a regeneration area if local kids help design, build, and maintain local public buildings and amenities they are less likely to vandalise them.
- Employing local people saves money from the public purse and in fact puts money in the local purse.
- Social capital; Bringing communities together/ cohesion; Improving health & wellbeing; Addressing isolation/alienation & improving volunteering; Citizenship; Providing enjoyment/fun and placeshaping, in terms of festivals, carnivals, sports events.

**In what policy contexts could Social Clauses have the most/least impact?**

- Requirement to include SCs in local Procurement Strategies; requirement to relate Procurement St to Sustainable Community Strategies. Least impact if it is just a guidance, leaving it to individual officers to decide.

- Increasing employment, increasing skills through training, accessing hard to reach groups, the list is endless.
- Health. Learning. Regeneration.
- Current Investment in VC infrastructure, eg council for voluntary services. ie CapacityBuilders. This talks the talk investment but is limited to cliques.
- Least; very little.

**What are the necessary conditions for the successful use of Social Clauses?**

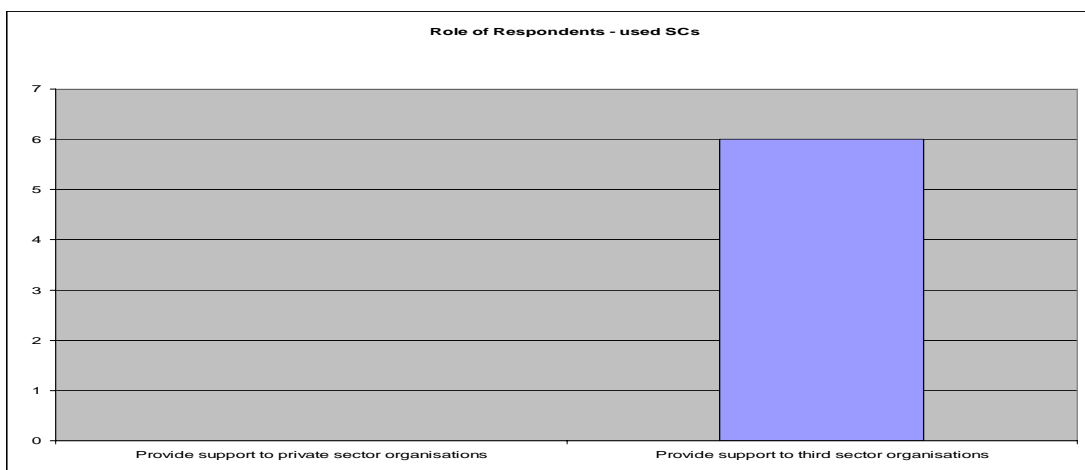
- Good will. Honesty. Shared Benefits
- Wider perspectives. Government requirements and/or incentives. An investment mindset, rather than a funding mindset.
- SCs that are understood by the procurement department and supported by senior management. Procurement Officers need to know that they are working in an area that is supported by senior management and politicians, both local and national.
- Clear policy guidelines, formal requirements. Measurement tools to ensure implementation and outcomes. Rewards for compliance.
- It must be measured under the performance regime with some kind of carrot at the end of it; that way authorities will have incentives to deliver it. Carrot and stick approach is most likely to work.
- Dialogue between procurers and suppliers.

**Is there anything else about social clauses that you have not had an opportunity to record above?**

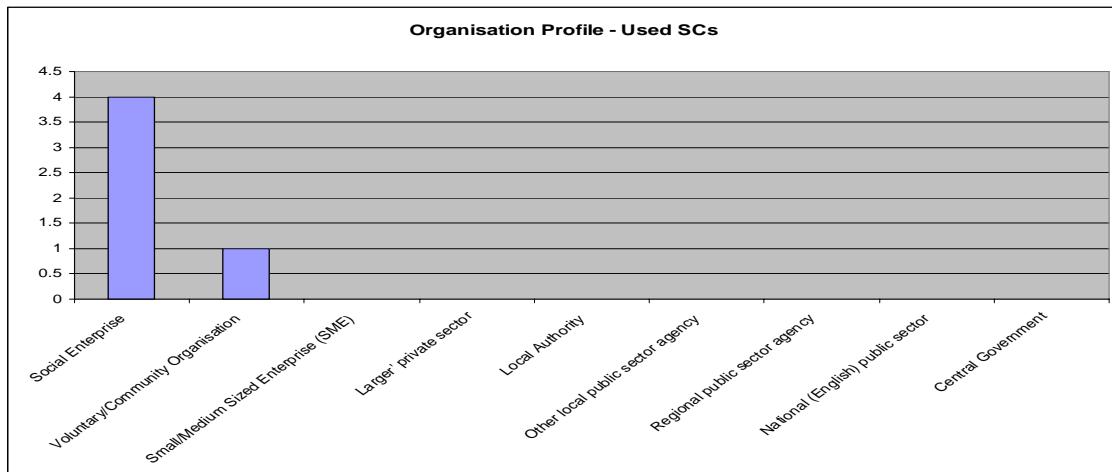
- Needs to be serious challenges to the usual " we cany do it because of legal, OJEC etc requirements." If the law is not fit for purpose; change the law.

***Intermediary***

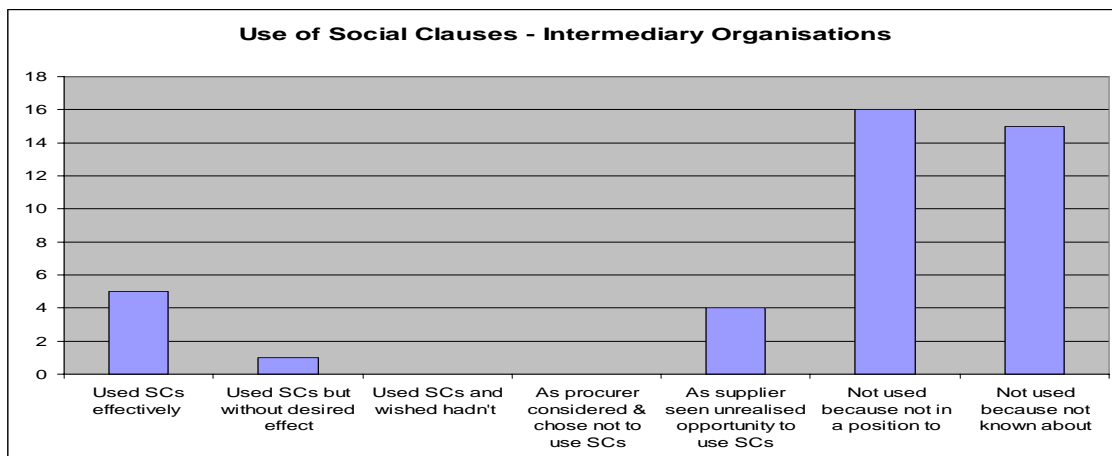
**Respondent profile**



## Respondent organisation profile



## Use of Social Clauses



## How would you summarise your experience of Social Clauses?

- Better to get the social outcomes designed into the project delivery as the burden of monitoring social clauses as well as outcomes means that social clause performance is neglected.
- The development of a tender with a social clause was part of a Public Social Partnership pilot in North Lanarkshire. The pilot was based on experience of using social clauses in Italy. As a social enterprise support organisation, we believe that social clauses are the key to enabling social enterprises to win contracts with the public sector.
- Procurers only recognise them if it suits them to do so. The response is not consistent.
- We have dipped our toe in the water but we have a lot to learn. It is hard to assess the benefits that the companies say they deliver - to know if they are efficient or effective; and we find it hard to crack the construction industry.

## What do you consider are the three most significant benefits of Social Clauses?

- Ability to mainstream in all contracts.

- Raises the game on 'ordinary' social justice issues.
- Improves the baseline performance of all industry.
- ❖ *Allows public sector to use their budgets to both directly buy services and achieve social benefits such as the provision of training places.*
- ❖ *Breaks down one of the barriers to social enterprises winning contracts if they don't have to compete on cost alone.*
- ❖ *If there is also a service design process, as in the Public Social Partnership model, there will be an opportunity for service users to influence the development of services. This process is also likely to result in more cost effective, efficient services.*
- More effective use of public monies.
- Better services for individuals.
- More appropriate services for individuals.
- ❖ *Contributing to the development of social enterprises and social firms.*
- ❖ *Using our significant purchasing power-'for good.'*
- ❖ *The benefits to the participants in the social firm.*

**What do you consider are the three most significant problems with Social Clauses?**

- Lack of guidance and models of good practice leading to fear amongst service commissioners.
- The social benefit has to be given a significant weighting (e.g. 30%) within the tender to have any impact.
- Likely to have little impact unless social enterprises get support (to).
- ❖ *Procurers, mainly local authorities and PCTs do not recognise the benefits.*
- ❖ *They do not think strategically and across departments therefore the benefits of social clauses cannot be identified easily.*
- ❖ *They are seen as subsidies and not investments.*
- Our main 'purchase' is construction/ repairs. This has proved hard to achieve meaningful additionality. Making sure that we are fair to all competitors. Worry that the burden of too many community benefits will result in competitors just walking away from the job. Worry about encouraging a social firm to grow as a result of our contract - and then them losing the contract in future years.
- ❖ *Easily circumvented- see experience of 'environmental policies' in env purchasing.*
- ❖ *Costs of monitoring out of proportion to size of contracts.*
- ❖ *Useless if not accompanied by better selection of suppliers and better design of projects.*

**What do you consider are the three main barriers to the use of Social Clauses?**

Barrier	No of responses
Difficulty in formulating as core contractual requirement	0
Difficulty in measurement at tender evaluation stage	0
Difficulty in measurement of contract delivery	2

Additional complexity and cost to procurers	3
Additional complexity and cost to potential suppliers of tendering	0
Additional complexity and cost of contract delivery	2
Lack of legal assurance	2
Lack of policy in agencies' procurement strategies	1
Need for parallel activity by purchasing agency to allow contract delivery	0
Outcomes delivered do not contribute to procuring agencies' core targets	2
<b>'Other'</b>	
It is very hard to overcome established practices. As an RSL we are trying to write a manual on this subject for other RSLs with [L]-SFS. It is a long fuse we are lighting to get the result of growing the SF sector	1

### What three things do you consider would increase the use of Social Clauses most?

<b>Would increase use</b>	<b>No of responses</b>
Further Government guidance	3
Guidance from national improvement agencies	0
Assessment as part of procuring agencies' accountability and/or regulatory mechanisms	1
Peer support amongst procuring agencies	2
Peer support amongst supplying agencies	0
Web based resources	0
Raising awareness of the opportunities and benefits	0
Issues included in professional development programmes	1
Policy development support	0
Case Studies	1
<b>'Other'</b>	
The existence of more social firms!!	1
Better project design Better selection of suppliers on a wider set of criteria Better supply chain management	1

### Who would you go to for support in work such as this?

- Audit Commission
- Regional government office
- Scottish Executive- procurement section
- Social Firms Scotland
- Forth Sector
- No one?

### What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base?

- The basic business idea has to be sound- and the use of SCs will only be one factor in this.
- It can identify best value and those who have the most appropriate service to offer.
- It gives social enterprises a better chance of winning contracts and gives the private sector motivation to increase social benefits.

**Are there specific outcomes that Social Clauses are particularly well placed to deliver?**

- social inclusion; access to services; better quality services and more of them; more efficient statutory agencies developing
- Provision of training placements and tangible environmental impacts.
- Yes! Services to the mentally ill targeted recruitment and training

**In what policy contexts could Social Clauses have the most/least impact?**

- Most - helping social enterprises win contracts - increasing the provision of training placements at a local level.
- High turnover purchase of simple products.

**What are the necessary conditions for the successful use of Social Clauses?**

- Clarity within the public sector about what they want to achieve. Sharing of good practice between public sector bodies. The public sector being given a clear indication from government that they should be using social clauses. Support to suppliers to build capacity and deliver social benefits. Guidance on monitoring social benefits. For example, in Italy social clauses usually relate to the employment of disadvantaged people and this group is legally defined.
- Clear policy guidelines, formal requirements. measurement tools to ensure implementation and outcomes. Rewards for compliance.
- Willingness to drive this new/sometimes difficult change in practice through in a purchasing organisation. The hope that SFs can 'step up to the game' and deliver in a competitive situation.
- Better project/supply design. Better supply chain management.

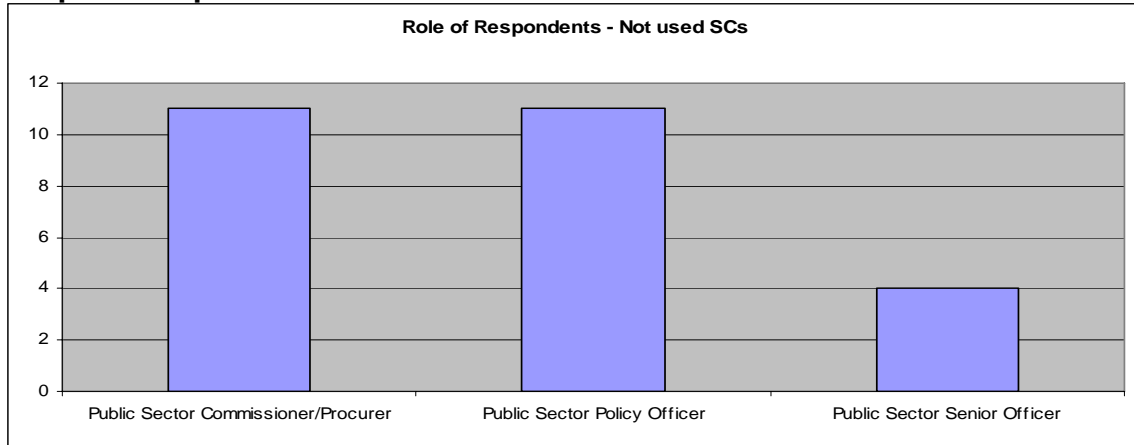
**Is there anything else about social clauses that you have not had an opportunity to record above?**

- They probably work best within the context of a public social partnership. At present, social enterprises are probably best placed to achieve social benefits but they won't win the contract unless they get the chance to build capacity and pilot the services.

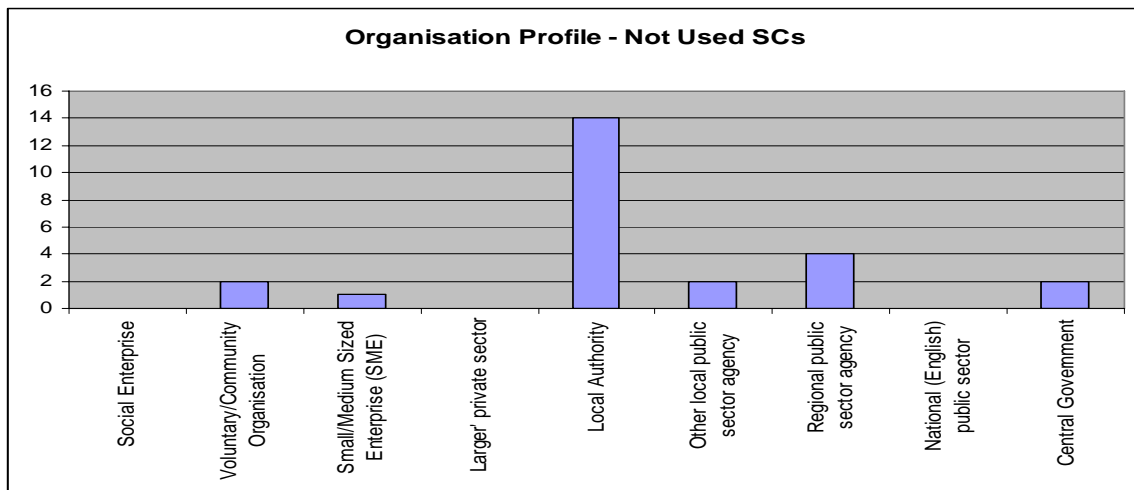
# Survey participants without experience of Social Clauses

## *Purchaser*

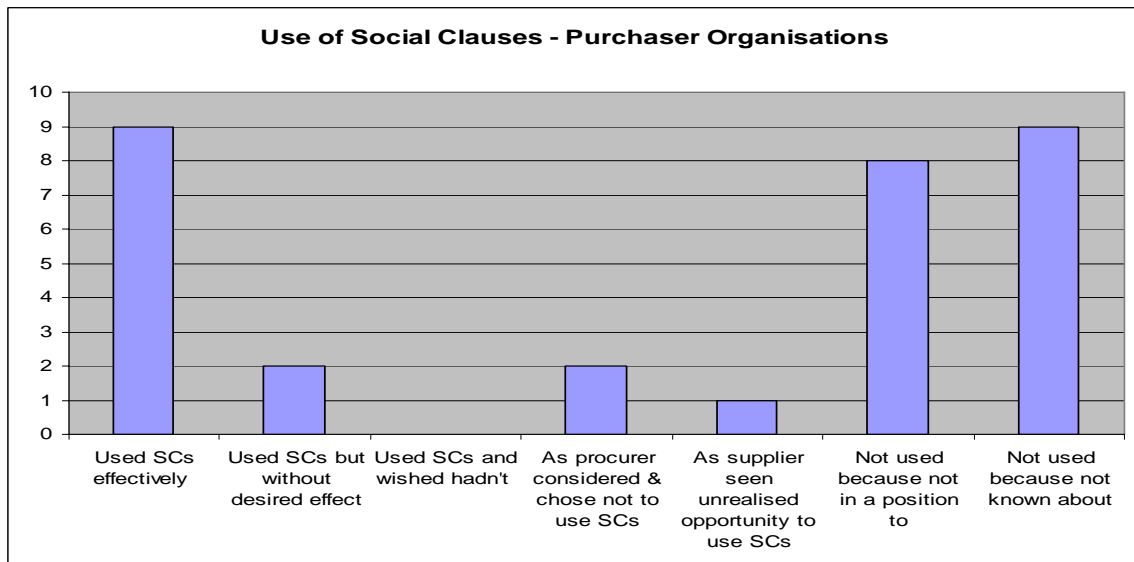
### Respondent profile



### Respondent organisation profile



### Use of Social Clauses



## How would you summarise your experience of Social Clauses?

- Have not used social clauses in any individual contract or service level agreement. Spirit of social clauses has been included in the context setting when determining which services to commission from which VCS provider.
- Aware of them - worked previously in Haringey where they were piloted as part of trade local/buying better London. The financial implications of these clauses often leads to their exclusion.
- None at moment, but have secured County Council Cabinet approval for the development of a set of common social clauses linked to the high level outcomes in Worcestershire's LAA which can be used for every contract or grant agreement. Just about to develop this concept further within the Council. Have been examining with VCS colleagues the issue of social accounting linked to standard framework for assessing social impact.
- Limited on a personal level; am now working on the implementation of the GLA Group Sustainable Procurement Policy which has social themes as well as environmental and economic.
- Would like to see them used more widely - think there needs to be better more detailed guidance on when and how to use them.
- They have not formed a great part of the procurement process in my experience.
- I have no experience of SC but believe that should be as important as environmental, sustainability clauses.
- Not enough experience, working/proven examples to justify use – yet.
- Limited/Nil/Limited/relatively unaware/No experience/Negligible/None (7 participants)

## What do you consider are the three most significant benefits of Social Clauses?

- Clear link between procurement and the council's community strategy.
- Partnership style working with supplier once they fully understand our priorities and how they support us in delivery.
- Leverage of community values into all procurement.
- ❖ *To recognise the true cost benefit of delivering a social agenda, but within an efficient well balanced evaluation process.*
- ❖ *Levels the playing field for competition.*
- ❖ *Properly phrased they address the EU procurement minefield.*
- Additional benefits to the community.
- Assisting local SME & social enterprises.
- Reaching corporate targets.
- ❖ *Involvement of local people.*
- ❖ *Ownership of projects by local people.*
- ❖ *Tailoring project to needs of local people.*
- Focus on quality not lowest cost.

- Offer opportunity to have neutral position for workforce ie stronger employment protections.
- Opportunity to discharge equality duties.
- ❖ *They could impact on local employment.*
- ❖ *They could assist the Voluntary Sector to grow.*
- ❖ *They can keep finance in a region.*
- Identification of added value of investment of public funds for local community.
- Identification of value of VCS/Third sector as service providers.
- Identification of role VCS can play in delivering outcomes of LAA.
- ❖ *Benefits to local communities in real terms of more resources and support.*
- ❖ *Demonstrating value for money and social investment from public sector.*
- ❖ *Encouraging providers to have concern for their social impact.*
- They enable procurement projects to ensure supplier are aware of legislative requirements like the DDA and what this means in practical terms.
- They enable participation by minority groups.
- They educate the market leading to better chances of eventually getting the right sort of services without constantly having to specify SCs.
- ❖ *Flexible.*
- ❖ *Appropriate.*
- ❖ *Local.*
- Social change.
- Local target.
- Improve service
- ❖ *To enable LAs to support VCS orgs locally.*
- ❖ *To ensure equity in terms of justification of local contracts etc.*
- Increase in working practices of those directly employed.
- Community benefits of employing locally.
- ❖ *Values social impact that an organisation brings.*
- ❖ *Values smaller organisations with local knowledge over bigger ones.*
- Ensure equality duties are transferred to provider as services are contracted out.
- ❖ *Sustainability of organisation*
- As I don't know what a social clause is I am making an assumption that such a clause will enable softer factors based on values, ethos and equality, social exclusion to be built into service design to make it easier for third sectors to tender to deliver services particularly to the most socially excluded communities for whom statutory services are not effective.

**What do you consider are the three most significant problems with Social Clauses?**

- Legal constraints.
- Understanding relevancy to contract.

- Evaluating & costing.
- ❖ *Evaluating benefit.*
- ❖ *Ensuring legality.*
- ❖ *Pertinence.*
- The added costs of delivery.
- Compete with other service/contract objectives and may lose out.
- Not given sufficient weight - paper not reality as not monitored.
- ❖ *The possibility that they generate a premium cost which adds to the core cost of a service.*
- ❖ *That they cut across procurement regulation (EU particularly), if not appropriately phrased.*
- ❖ *They may be seen as non-competitive.*
- High cost.
- Time problems.
- Monitoring and understanding.
- ❖ *Procurement teams don't regard them as equally important compared with other business requirements.*
- ❖ *Suppliers include them in their bids (if asked to) but don't deliver them in practice.*
- ❖ *Difficulty in evaluating evidence of compliance with SCs.*
- Hard to define.
- Open to legal challenge.
- Open to misapplication
- ❖ *Commissioners have no idea how to do this.*
- ❖ *Procurement teams don't understand this and wouldn't know how to measure delivery of the clauses; involvement of third sector to write effective clauses and relationships between statutory and third sector is not developed enough to enable that to happen easily.*
- ❖ *Local authority need additional resources to develop processes and capacity build commissioners and relevant officers to work in this new way.*
- Translating to all directorates and getting sign up.
- Will they change via policy change?
- Difficult to measure.
- ❖ *Lack of understanding.*
- ❖ *Lack of proven examples.*
- ❖ *Lack of experience of use.*
- Lack of government support.
- Confusion over legality.
- Lack of information on how they can be used.
- ❖ *They could contradict EU legislation.*
- ❖ *They could put off good suppliers.*
- ❖ *They could drive up costs.*
- Lack of consistency in LA systems and processes.

- Lack of consistency in VCS measuring social impact/benefit.
- Lack of funding to train VCS/public sector in social benefit/impact and how to measure it.
- ❖ *Keeping things local and supporting small providers to compete.*
- ❖ *Measurement and monitoring of effectiveness and compliance.*
- ❖ *Setting acceptable and agreed targets.*
- Difficult to gauge what equality duties are relevant and appropriate when contracting out.
- Additional burden for those wishing to tender, especially SMEs.
- ❖ *Awareness of implementation.*

### What do you consider are the three main barriers to the use of Social Clauses?

Barrier	No of responses
Difficulty in formulating as core contractual requirement	11
Difficulty in measurement at tender evaluation stage	8
Difficulty in measurement of contract delivery	5
Additional complexity and cost to procurers	4
Additional complexity and cost to potential suppliers of tendering	3
Additional complexity and cost of contract delivery	1
Lack of legal assurance	11
Lack of policy in agencies' procurement strategies	4
Need for parallel activity by purchasing agency to allow contract delivery	1
Outcomes delivered do not contribute to procuring agencies' core targets	2

### What three things do you consider would increase the use of Social Clauses most?

Would increase use	No of responses
Further Government guidance	12
Guidance from national improvement agencies	4
Assessment as part of procuring agencies' accountability and/or regulatory mechanisms	8
Peer support amongst procuring agencies	5
Peer support amongst supplying agencies	2
Web based resources	1
Raising awareness of the opportunities and benefits	6
Issues included in professional development programmes	1
Policy development support	4
Case Studies	4
<b>'Other'</b>	
Legal clarity	1
financial resources	1

### Who would you go to for support in work such as this?

- OGC (2)
- DRC
- IDeA (2)
- Development agencies such as CSIP
- Skills councils

- RCOEs
- NECE (2)
- London Centre of Procurement Excellence; 'Buying a Better London'
- Other local authorities / LCE
- Head of efficiency
- Legal services
- Probably orgs like NCVO
- social enterprise support organisations
- NESEP
- Legal firms
- External legal team
- web based tools
- A team of colleagues from the County Council and local VCS have approached Government Office West Midlands for initial support and 'brokerage' around other partners with a proposal.
- I have no idea. I didn't know there was any support for local authorities. Difficulty it is spread across many areas - procurement, IDeA, NCVO, department of third sector - information too bitty and not co-ordinated. Difficult to get a clear picture and identify where resources and support is available for local authorities.

**What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base?**

- Not been tested so purely speculative. However, would expect it to increase range, stability and improved opportunities for SMEs and Social Enterprises and improve local market place. Some regeneration and eventually shift to more social conscious businesses throughout.
- Maximise opportunities available through commissioning for local area agreements provide opportunities for growth of local organisations provide a clear focus for capacity building the third sector in Lewisham, made up of small organisations, who currently are unable to engage in any of this process.
- Increase knowledge of market in all its forms.
- Can have a positive impact if used in correct way but an equalities impact assessment would be needed in each instance they are used.
- Helps sets standards and encourage diversity.
- It encourages it.
- It provides confidence for locally driven orgs.
- Should increase or at least maintain it.
- Potential increase in cost of supply.
- Will reduce economies of scale and therefore potentially increase costs.

**Are there specific outcomes that Social Clauses are particularly well placed to deliver?**

- Sustainability; disability equality; accessibility of IT products and services; access to services by diverse groups; opportunity for participation by diverse groups.
- Those linked to LAAs.
- Delivering services for young people, the elderly, the unemployed, engaging the community in local decision making.
- There may be in relation to those elements which incorporate say community involvement, but such clauses properly composed should recognise the need for true competition, and hence enable all to deliver.
- Sustainability and local involvement.
- Regeneration related outcomes.
- Regeneration of areas hardest to reach by government and assistance of disaffected members of population.
- Improving local job opportunities.
- Equality duties; fair employment.
- Very local delivery; One-offs eg a particular consultation.
- We are particularly looking into a 'living wage' outcome.

**In what policy contexts could Social Clauses have the most/least impact?**

- Seem relevant to all policy areas
- Localism is an area best served by this approach.
- Health, social care, environmental, third sector, commissioning, joint strategic needs analysis
- Probably local employment to support economic development objectives, but also in the range of sustainable development. Least impact not proffered.
- Most – LAAs.
- Least – Tendering.
- Most - social policy/employment/regen/crime reduction.
- Least - health/finance.
- Most - local job opportunities.
- Least - use of materials essential for project success.
- Most - bespoke services.
- Least - bulk goods.

**What are the necessary conditions for the successful use of Social Clauses?**

- Joint cross sector working in service design to incorporate SCs that focus on the right thing and are deliverable. Legal reassurance and national guidance for local authorities. Funding to capacity build commissioners and to develop appropriate processes.

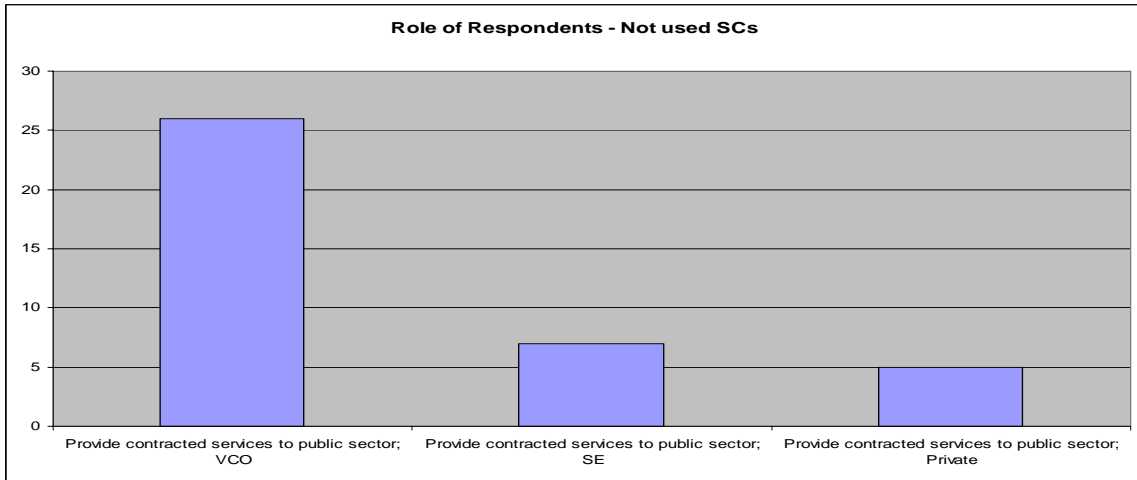
- Buy in from public sector and VCS partners and appropriate training in place, good examples, clear guidance, national targets and measurements. Required in assessments and inspections. Agreed terminology.
- Political ownership and backing. Whole life costing - total cost of ownership - financial evaluation models that cannot account for the impact of using these clauses.
- Commitment to improving the social issues behind them. Willingness to include SCs in the overall assessment of VFM.
- Develop equitability and ensure competitive process.
- Procurement officers that understand their value. Examples of public bodies using SCs.
- Clear well laid out guidelines for use, evaluation and monitoring.
- Well trained and directed tenderers.
- Information and agreement by all partners.
- Well planned projects with fully integrated outcomes of SC's.
- Clarity.
- Full government support.

**Is there anything else about social clauses that you have not had an opportunity to record above?**

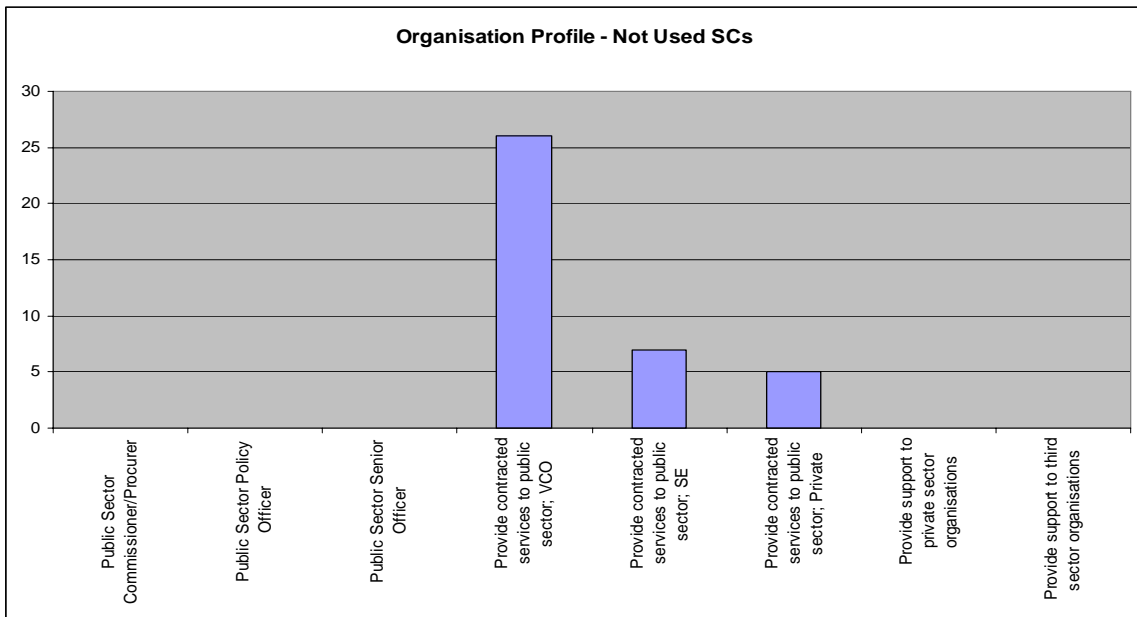
- I believe that there is a place for these but the policy needs to be developed objectively, and not inadvertently favour any organisation as a result of a perceived aspiration.
- In its recent reply to the ILO on why it has not ratified Convention 94 - Labour clauses (Public Contracts). The government said: "The inclusion of labour clauses can add cost and bureaucracy to contracts, without any clear indication of benefits, and the contracting authority runs the risk of contravening EU rules. With this in mind the UK government has no intention to ratify ILO Convention 94 at this present time". How does this fit with your approach to social clauses?
- Don't fully understand them.
- I would like to know what they are.

# Provider

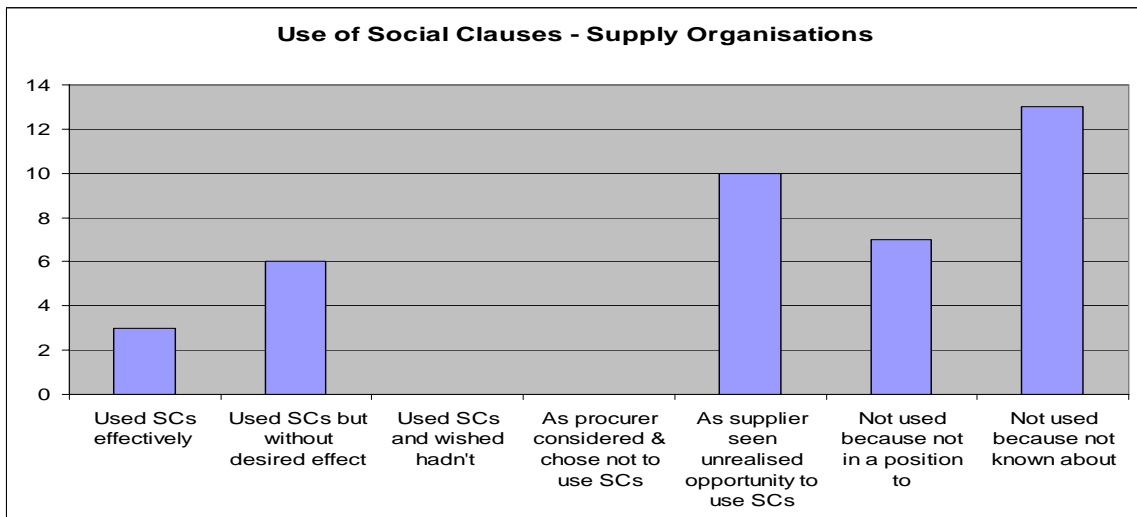
## Respondent profile



## Respondent organisation profile



## Use of Social Clauses



### **How would you summarise your experience of Social Clauses?**

- Have created informal and 'unstated' (to commissioners) opportunities for clients to undertake work projects for the organisation, thus increasing their stake in the service. With little prompting can think of numerous ways in which this could be expanded given the will.
- An essential but missing component in many public service contracts. Local authorities use commercial financial factors and are increasingly looking to businesses to cover risk. Meanwhile social clauses are ignored thus allowing businesses to take over services. This is short term thinking - as the local authority will then have to bring in the 3rd sector organisation or pay inflated additional fees for the business to extend its activities.
- There is a need to acknowledge the use of public money for the good of the whole when deciding the spend of the specific. Procurement play at social clauses.
- Have not seen any tender opportunities that include such a clause in the IT services we provide. Also, not many social enterprises are big enough to take on a tender by themselves. Rather a social clause that encouraged a provider to include a social enterprise as a partner would be a good thing.
- Buy one get one free! I wish procurers could see the wider picture and look beyond their departmental boundaries and allow us to deliver outputs for other departments and demonstrate our added value. We used 'selling added value' to show other outputs we could deliver but because the outputs spanned different departments of the procuring organisation, they weren't taken into account.
- Limited, but increasingly emphasising the social benefit from our services in terms of added value to the contract. Some procurers are more receptive to this approach than others!
- Very limited; they are yet to really enter the mainstream vocabulary of those public agencies for whom we would see ourselves as a supplier of services.
- Have no experience as they don't exist yet in our area. Am producing a set of social accounts for our organisation to demonstrate the social, environmental and economic impact of our work. not sure what the benefits of this will be as yet.
- Interested as a concept and would like to see social clauses introduced into contracts to support the development of community benefits derived from public spend.
- Prefer to do work which doesn't include them because of potential complications.
- I don't know what they are or how to use them.
- Limited/Confused/Poor/Non-existent! (4 participants).

### **What do you consider are the three most significant benefits of Social Clauses?**

- A positive impact on the wider community.
- It is easier to include factors that are difficult to incorporate in financial costings or other quantitative models.
- It focuses the minds of suppliers and procurers on impact rather than on pre-determined outputs.
- ❖ *Allows important social objectives to be realised or contributed to as part of service procurement reducing the need for a separate initiative.*

- ❖ *Enables procurement team to identify suppliers who are best suited to delivering a service that satisfies specific service needs + added value via realisation of other "best partner" strategic objectives.*
- ❖ *Aids cost efficiency by achieving several objectives via one contract i.e. integrated approach to policy implementation.*
- Competitive edge against other organisations.
- Allows judgement about quality to be made on other things other than just price.
- The funding stays within the local economy & profit isn't distributed to shareholders.
- ❖ *SCs allow local authorities to achieve some of the objectives that were important when services were supported through grant in aid arrangements e.g. target client groups.*
- ❖ *SCs can be used to ensure local communities are actively engaged / consulted.*
- ❖ *SCs can be used to ensure sustainability and environmental goals are achieved.*
- Stimulate innovation and creativity in suppliers through finding new ways to deliver services while including the SC.
- Build social outcomes into the fabric of procurement.
- Raise awareness within procurement personnel of the benefits of inclusion of SCs, and stimulate wider debate and usage of such clauses.
- ❖ *Potential support for organisations with a clear social purpose.*
- ❖ *Utilise public service spending to add value to the communities in which those services/products are delivered/used.*
- ❖ *Better promotes the concept of added value, particularly with regard to the provision of public services by community based social enterprises.*
- It ensures spirit of contract as well as specification.
- It helps eliminate short term profiteers.
- It gives Procurers licence to look more at Best Value not bottom Line.
- ❖ *Helps social enterprise grow.*
- ❖ *Helps those disadvantaged in the labour market to find work.*
- ❖ *Should reflect well on those offering the tender out.*
- Create public benefit.
- Holistic approach to contract.
- New relationship between ourselves and Ministry.
- ❖ *Inclusion.*
- ❖ *Esteem building.*
- ❖ *Experience.*
- Better use of public money to achieve the widest possible range and volume and targets - more bangs for your buck - it is more efficient, responsible and appropriate use of public money. But it does need a bit more joined up thinking, and this is where it usually falls down at a contract level.
- ❖ *To prevent profit making firms taking on government contracts and just providing the bare minimum service.*
- I don't know - this is a new concept for me.

## What do you consider are the three most significant problems with Social Clauses?

- Short term contracts - not long enough to count the social benefits as a result of a contract.
- Short sighted procurement - not looking at what other outputs (mostly in other departments) could be delivered for free as a result of any contract.
- A lack of defined indicators amongst buyers and commissioners - we need to know what additional outputs they would like us to deliver and how they are going to measure them.
- ❖ *It may be difficult to demonstrate value for money.*
- ❖ *How will these be measured?*
- ❖ *Some procurers are not open to the concept!*
- Being able to assess the "value" of the Social Clause as this could be very subjective or purely qualitative.
- Run the risk of detracting from the prime requirements of the contract/tender if too involved/complex.
- ❖ *Health & safety.*
- ❖ *Insurance.*
- ❖ *Bureaucracy generally.*
- The barriers that currently exist to their adoption - in terms of concern in procurers over the legitimacy of such clauses.
- Developing capacity in the supply chain to be able to address SCs
- Enforcing SCs in cases where a supplier is defaulting on the social outcomes.
- ❖ *Lack of use.*
- ❖ *Problems with language, fear (perceived or not) of procurerees falling foul of legislation and open to claims against them.*
- ❖ *Lack of understanding of public service organisations strategic objectives and how social clauses could possibly support them.*
- How do you judge such a subjective thing, no standardised models of social accounting, hard for smaller groups to compete because of lack of capacity, resources etc.
- ❖ *They are viewed as a charitable bequest by the procurer. When really it makes sense to fully utilise spend. The procurer is required to think further that completing the task. Voluntary and Community organisations have to be professional and compete for tenders in a business like way and need to be treated by procurers as individual suppliers; some good some bad.*
- Social enterprises not big enough to cope with opportunity.
- Money is always a driving factor and social enterprises may be more expensive to reflect the people they work with.
- Not understood by those offering out tenders or those who are tendering.
- ❖ *Procurement officers like standardised measures and external validations e.g. Equifax and Experian credit checks (which systematically exclude 3rd sector organisations!!!!). Businesses will claim that this is unfair competition - giving 3rd sector organisations the competitive advantage. Unless this is mandatory, it will*

*take years to change the behaviour of Local Government commissioning and procurement offers.*

- For profits, or large charities that operate like for profits could claim to do the work of local, experienced organisations.
- ❖ *An opportunity for clients to exploit the potential of non-profit making organisations.*

**What do you consider are the three main barriers to the use of Social Clauses?**

<b>Barrier</b>	<b>No of responses</b>
Difficulty in formulating as core contractual requirement	10
Difficulty in measurement at tender evaluation stage	9
Difficulty in measurement of contract delivery	6
Additional complexity and cost to procurers	3
Additional complexity and cost to potential suppliers of tendering	1
Additional complexity and cost of contract delivery	2
Lack of legal assurance	4
Lack of policy in agencies' procurement strategies	8
Need for parallel activity by purchasing agency to allow contract delivery	2
Outcomes delivered do not contribute to procuring agencies' core targets	3
<b>'Other'</b>	
lack of understanding about what they are	1
Not knowing about them	1
Nearly all of these are real barriers	1

**What three things do you consider would increase the use of Social Clauses most?**

<b>Would increase use</b>	<b>No of responses</b>
Further Government guidance	7
Guidance from national improvement agencies	4
Assessment as part of procuring agencies' accountability and/or regulatory mechanisms	9
Peer support amongst procuring agencies	3
Peer support amongst supplying agencies	1
Web based resources	3
Raising awareness of the opportunities and benefits	13
Issues included in professional development programmes	1
Policy development support	5
Case Studies	3
<b>'Other'</b>	
This is a long road - need to establish something that is mandatory - along the lines of what has been achieved to ensure that employers do not discriminate against people with disabilities etc.	1
1. selling added value - we went on the course in Leeds 2. defined indicators that public organisations would like us to deliver for them, if we could, as a result of other contracts	1

**Who would you go to for support in work such as this?**

- Audit Commission.
- Regional centres of excellence (2)
- LGA / IDeA.

- IDeA.
- Perhaps local authority?
- Key champions in procuring agency.
- NCVO (2)
- NCVO and other VCS infrastructure organisations.
- LVSTC or NCVO or other second tier organisation such as South London Learning Consortium.
- Body such as Social Firms UK.
- Local forum for voluntary organisations ;north yorkshire forum for voluntary organisations.
- Cheshire & Warrington Social Enterprise Partnership.
- Social enterprise partners e.g. NESEP.
- Commercial partner.

**What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base?**

- It broadens the number and type of entities that are able to bid for contracts.
- Should increase the diversity but may put some people off.
- Very little, contracts would find their own suppliers willing and able to tender. Social Contracts would assist selection of suppliers with good social aims and may restrict suppliers who have adverse practices.
- a) Will allow procurers to either eliminate suppliers who are not able to offer appropriate strategic (broad) solutions or educate them to review their approach.  
b) Will increase supplier workload/cost.
- Will level the playing field which over the last few years has favoured businesses over 3rd sector organisations. And large national 3rd sector organisations over small local 3rd sector organisations. Will force businesses to think about the potential to make a positive impact on local communities and the environment.
- Potential to expand supplier base to include greater number of social and community enterprise and hybrid CVS organisations. Motivation for third sector organisations to develop their capacity, skills, understanding and knowledge to enable them to compete.
- The more SCs that can be applied to contracts, the more sustainable a diverse supplier base becomes. Without them, smaller volcomm and SE suppliers are getting another nail in the coffin.
- None.

**Are there specific outcomes that Social Clauses are particularly well placed to deliver?**

- No, but what they can do is to widen the objectives of contracts to focus on impact rather than on a narrow pre-defined output or outcome.

- Realisation of background/core policies that cut across an entire region/district by including in all tenders thus enabling realisation as a bi-product of specific service provision.
- Soft outcomes that the centre find hard to measure. increased confidence, self esteem, development of routine, team inclusion, accumulation of positive experiences after years of antisocial activity.
- All public service delivery where an element of public trust is required and where standard commercial contracts are insufficient. Where client groups have complex and multiple problems - which cannot be standardised into a contract. Where the local authority wants to invest locally and ensure that communities themselves have the capacity to deliver solutions for their own problems.
- Community involvement. The practice of cost cutting to the detriment of the community but not to the detriment of the contract could be addressed.
- Supporting investment in disadvantaged communities, training/learning and employment for disadvantaged people, use of environmental friendly(ier) products, use of fair traded products.
- Social benefit, local jobs, retaining money in the local economy.
- Social cohesion, environmental benefit.
- Help disadvantaged groups into employment.

### **In what policy contexts could Social Clauses have the most/least impact?**

- The most impact would be for organisations to encompass their aims and objectives within the framework of SC procurement clauses. Organisations should be bench-marked on how they ensure their aims and objectives are conveyed to their suppliers.
- Community Cohesion, worklessness and employability e.g. Housing/support-positive impact, encouraging organisations to take a holistic approach to working with the people they house. Environmental e.g. construction -use of renewables and recyclables, use of local materials.
- Criminal justice, alcohol & drug, could benefit much from this.
- Social services, community transport and health outcomes seem to be easier to fit SCs to than some other areas.
- Food supply.
- Most - In broader policy areas, e.g. the rehabilitation of a client group (such as ex-offenders)
- Least - In narrow policy areas, e.g. increasing the number of ex-offenders who have basic numeracy skills. However, in this case I would argue that the policy needs to be widened to incorporate a sense of purpose/impact!
- Most impact will be seen on more broadly evident needs that are much more spread/common throughout Community Groups.
- Least impact is likely to be on very narrow "areas" where policy is restricted to minority groups.
- All public service delivery in the fields of: social welfare, health, sport and leisure, environmental, education, housing etc. i.e. nearly all local authority services!! Least

impact where it is possible to formulate standard commercial contracts (e.g. unit costing) and where there is an efficient market place e.g. waste disposal.

### **What are the necessary conditions for the successful use of Social Clauses?**

- Flexibility. Willingness. Moderate risk taking.
- Clear definition of purpose. Commitment on both sides.
- A willingness on the part of procurers to take risks and work with a wider remit. An increase in the skills of the VCS in relation to writing contracts and demonstrating good value
- Marrying up of the Social Need with the correct Procurement/Tender eg one that can deliver a meaningful contribution. Well defined Social Clauses to ensure that required delivery is easy to see and measure.
- Clear information. Support for third sector organisations to participate in tendering process. Clear contracts/tenders.
- Shared knowledge and information across commissioning, procurement and suppliers. Where procurement officers and suppliers are confident in the measures that are being used to assess SCs.
- Understanding of the life cycle impacts of the service/contract being procured. Understanding of social issues and mitigating factors. Will to experiment.
- Understanding, confidence, knowledge of how the use of SC's can support the achievement of strategic objectives. Supply side-Social enterprises/VCS orgs need to up the game in terms of delivery, tendering and being business like.
- Procurers need to find suppliers at reasonable cost. Suppliers need to encompass that public work needs to be carried out for the good and benefit of the public and as such they are required to fulfil Social Clauses to ensure this quality. Simple really!
- Enforcement; not wasting time by ensuring that tender is a real opportunity and that social clause isn't just a paper exercise to tick some box.

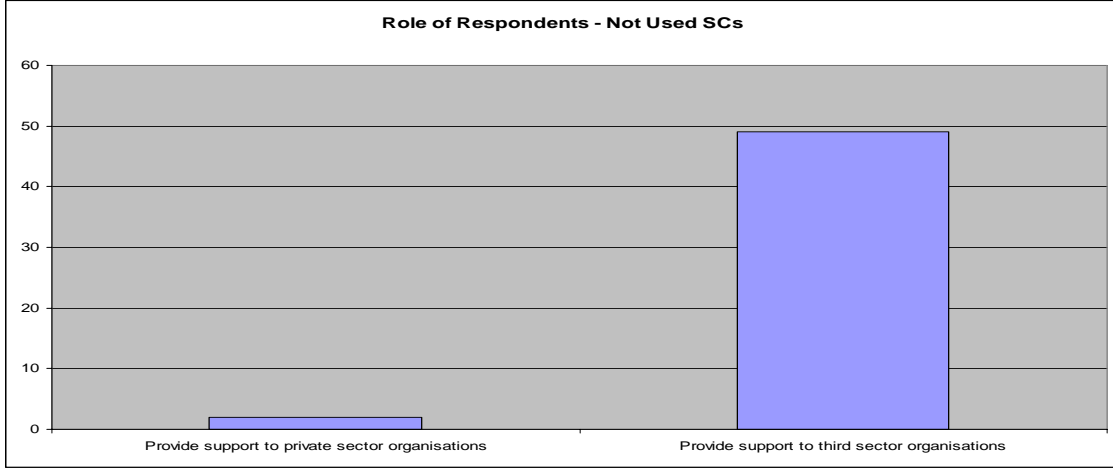
### **Is there anything else about social clauses that you have not had an opportunity to record above?**

- The government is sending out mixed messages to the Voluntary and Community sector. They have informed us of the need to compete for contracts as a means to fund the social aims but little is being done to balance this means of sustainability to social profit.
- Whilst this is of considerable importance and has the potential to be the catalyst for medium to long term improvements in public service delivery - in the short term 3rd sector organisations are being excluded from public procurement processes by the crude use of commercial measurement metrics. Procurement officers need to have tools that work for both business and 3rd sectors i.e. not rely solely on equifax and experian credit checks - they need a 3rd sector equivalent.
- I really have not been aware of these. We have just secured our first SLA with local authority and have three very small contracts with Jobcentre Plus so will need time to appreciate the value or otherwise of social clauses.
- We hear a lot about them but don't see many opportunities to tender using them.

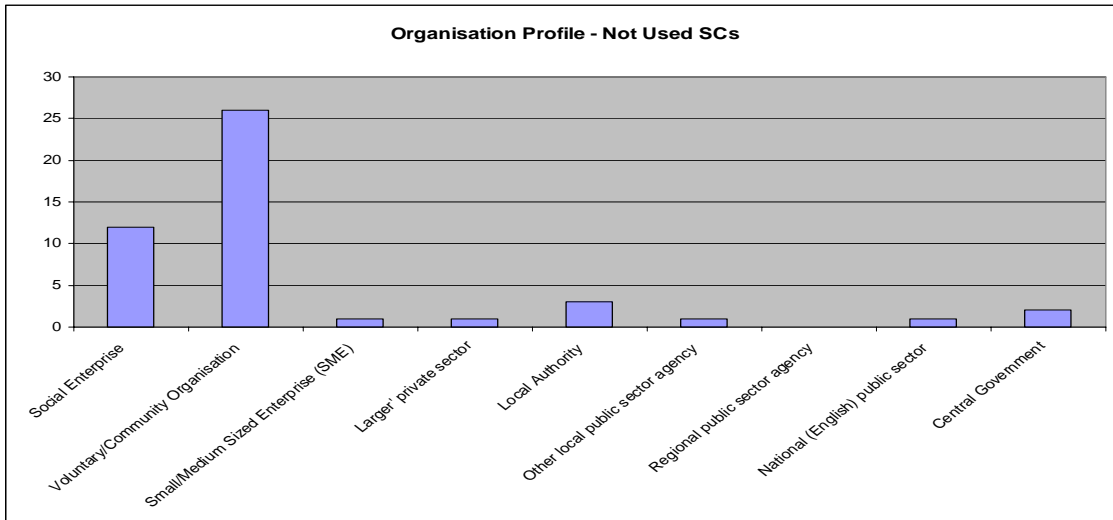
- More information needed - plain English with examples, please!

## Intermediary

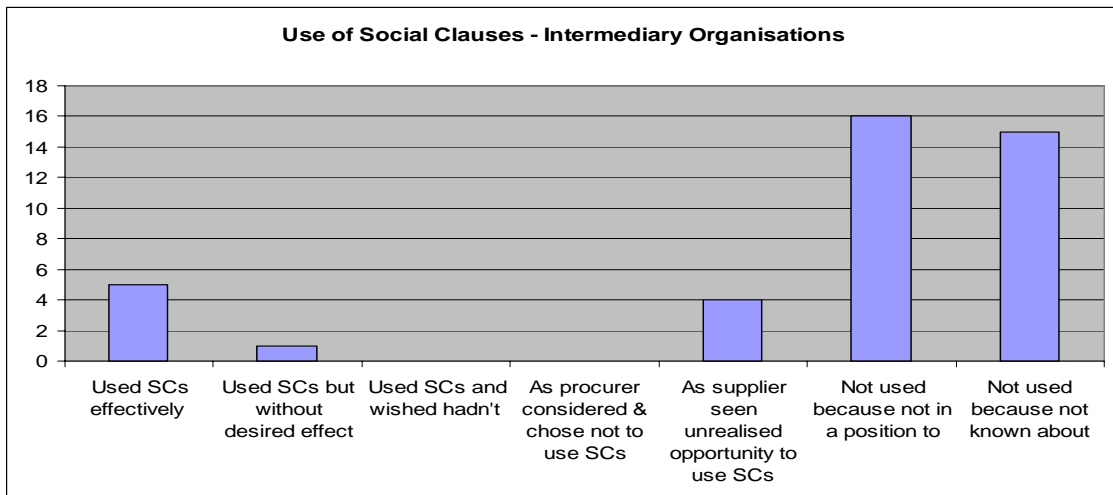
### Respondent profile



### Respondent organisation profile



### Use of Social Clauses



### **How would you summarise your experience of Social Clauses?**

- Social clauses are a tool for adding value to Community and SE bids for Public and Private sector contracts. As such I am in the position of encouraging and supporting organisations to maximise this tool.
- When used with intention (not just paying lip service) then they can work very well. I still find use of them is very limited and down to individual's desire rather any joined up public procurement strategy.
- They have huge potential to be a force for good.
- It is based around research on social clauses and how they can be incorporated into tenders in order to enrich contracts, ensure better services for communities and level the playing field for suppliers, be they private or not-for-profit.
- Have been trying to get the LA and others to use them.
- Local authorities perceive it as a huge risk to use SBCs and that they are not really necessary. Social enterprises think they need them to level the contracting playing field but don't write good responses to them yet.
- Have seen first hand the impact on enabling severely disadvantaged people move into employment on a grand scale in Turin through the Municipality's use of social clauses in their public tenders. It creates a level playing field for Social Firms to compete with all other businesses.
- None. Except we wish to say that where large businesses are obtaining these contracts, the contracts should state that local contractors/firms/ labour should be used to a (say) certain percentage. This means that wealth from the contract will filter into the local economy (and it should be policed). This is why: statistics from the research by New Economics Foundation 2005 – £1 local authority spends with local businesses generates £1.76 worth of economic benefit. £1 spent on outside contractors generates 36p worth of benefit to the local economy. 11,000 households refurbished in Hull & E Yorks, averaging £20k each to put right = £220m (£387.2m worth of economic benefit to the local economy) conservative estimate!
- My experience of Social Clauses is limited to reading about them recently. I have no experience of their application as yet.
- Keen interest in the idea, discussion with local authority officers about their desirability, but no experience of them being included in contracts.
- Seems like a good idea, but no direct experience of them in practice.
- I have seen many arguing for their use - but never seen them used in practice.
- Little information getting through .....patchy at best.
- Confused.
- Nil but very interested in principle.

### **What do you consider are the three most significant benefits of Social Clauses?**

- To widen the competitive process from a mainly financial basis.
- To encourage joined up cross departmental thinking in public bodies.
- To start to deliver social justice in the UK.

- ❖ *They may recognise the social needs as expressed in community plans and so go further than value for money based on costs alone.*
- ❖ *They may seek to address secondary benefits from contracts as well as primary benefits, thus having a greater impact.*
- To prioritise more holistic, locally relevant suppliers of public services.
- To support local groups to deliver services themselves and thereby empower them (greater democracy).
- To increase wealth in deprived areas.
- ❖ *They ensure particular local social issues can be addressed through the procurement process.*
- ❖ *They ensure that suppliers that bring a social benefit are considered on a more even playing field.*
- ❖ *They ensure that suppliers who previously had simply provided the cheapest service, have to consider quality and social issues.*
- Gives an additional soft-outcome focus within a contract.
- Creates wider scope for positive action in the field of social inclusion, diversity and equity.
- ❖ *They highlight added benefits over competition.*
- ❖ *Allow a SE to evaluate and advertise their triple bottom line.*
- ❖ *I guess they provide another way to evaluate worth, other than financial.*
- Favours VCS organisations. Particularly local ones.
- You get added value from the contract.
- ❖ *Help third sector compete on perceived value if they can offer added value through SBCs.*
- ❖ *Identify to public sector that they are getting more for their money.*
- ❖ *Enable outcome based procurement - if only procurers would do more of it.*
- Creating a level playing field for Social Firms to access contracts.
- Depending on social clause can create jobs for people furthest from the labour market.
- Brings added value to the procurer of services/goods and wider SROI benefits.
- ❖ *Help to support the local economy through both local employment and monies retained within the locality.*
- ❖ *Enables smaller organisations- most especially the VCS to play a part in the delivery of services and as such ensures a more level playing field for the VCS*
- ❖ *Local services may be retained who have local knowledge and who therefore can get to grips with delivery much quicker than a new organisation who will need to spend time on understanding their environment and how best to work within it.*
- They deliver social benefits, aiding the local community and providing an opportunity for social enterprises and the third sector to access local authority contracts.

**What do you consider are the three most significant problems with Social Clauses?**

- Tender writers don't understand them.
- Tender scorers don't know how to score them.
- VCS organisations don't know how to sell themselves to make the most of them.
- ❖ *The intention to use them effectively is not consistent among officers (some social clauses are included but not followed through or scored).*
- ❖ *The lack of knowledge of procurement officers of other ways of procuring ie commissioning and partnership working, which are part of this process.*
- ❖ *That they also need a scoring or weighting system to enable them to mean something in the end decision.*
- Procurement officers do not have much experience of their use. There needs to be thought as to how social clauses and best value can both be considered in the procurement process - is one more important than the other for particular services? or should they always be appropriately balanced? It is sometimes difficult to monitor social benefits, particularly if these are long-term projects that will not have a measurable impact for many years.
- ❖ *Establishing the true value of what goes into them.*
- ❖ *Relying too much on them rather than a "robust business case".*
- ❖ *Most Public sector organisations still only give small value to them.*
- They may detract from the core service being tendered.
- Weighing the benefits against cost benefits.
- More expensive.
- ❖ *Too woolly, added value only exists if buyers actually value it. Third sector needs to refine its sales pitch to clearly quantify what is social benefit and what is actually part of its contractual obligation. Neither party really understands the difference.*
- Measurement
- ❖ *It may be more difficult to monitor benefits or impact*
- Getting people to use them! Debunking the myth that they are somehow illegal.
- Ensuring (in the case of job creation for severely disadvantaged people) that there is a good network of support services to enable people to take up the jobs on offer and enable the Social Firm to deliver on the contract.
- ❖ *They are not used enough, they are not used enough and they are not used nearly often enough!*

**What do you consider are the three main barriers to the use of Social Clauses?**

Barrier	No of responses
Difficulty in formulating as core contractual requirement	6
Difficulty in measurement at tender evaluation stage	8
Difficulty in measurement of contract delivery	6
Additional complexity and cost to procurers	5
Additional complexity and cost to potential suppliers of tendering	3
Additional complexity and cost of contract delivery	2
Lack of legal assurance	7
Lack of policy in agencies' procurement strategies	9
Need for parallel activity by purchasing agency to allow contract delivery	0

Outcomes delivered do not contribute to procuring agencies' core targets	5
<b>'Other'</b>	
Requires a strategic approach to purchasing that is beyond most officers. Impossible to value the social benefit and it is not a cashable benefit as such anyway	1

### What three things do you consider would increase the use of Social Clauses most?

Would increase use	No of responses
Further Government guidance	7
Guidance from national improvement agencies	4
Assessment as part of procuring agencies' accountability and/or regulatory mechanisms	8
Peer support amongst procuring agencies	7
Peer support amongst supplying agencies	2
Web based resources	1
Raising awareness of the opportunities and benefits	13
Issues included in professional development programmes	1
Policy development support	3
Case Studies	6
<b>'Other'</b>	
Willingness to engage with the issue by both sides	1
EU legislation for SBCs just as for environmental clauses came in Jan 06	1
In the case of job creation for severely disadvantaged need coordination between employment services to ensure that additional support needs are not being paid through the contract.	1
Being made mandatory by the government. The guidance is already there and carries no weight.	1
specific briefing notes/guidance/training seminars for procurement and specific departments on how to include them in their procurement processes	1

### Who would you go to for support in work such as this?

- Office of the Third Sector?
- WRAP ROTATE and DEFRA for the public sector waste industry. Although in reality many come to us (the FRN).
- IDeA (2)
- NECE
- local authorities
- 3rd sector umbrella organisations
- NAVCA
- Organisations should be signposted to us at The Social Enterprise Support Centre as we have developed a programme to train procurers and third sector using good and bad examples of SBCs and SROI
- Our procurement team
- New Economics Foundation,
- [MT] from [MA] is someone who I have had make presentations at various conferences and partnership seminars
- Legal contacts

- Contacts in Turin!
- Don't know as we would be the ones competing for the contracts, not making them.

**What, if any, impact do you consider the use of Social Clauses has on the diverse supplier base?**

- It increases the list of suppliers who could consider going for a contract.
- I think it helps to keep a varied market place as they can support smaller suppliers to continue to exist. This protects customer choice.
- Makes a strongly performing organisation look stronger and a weak one continues to struggle as identifying your added value / social benefit is at the heart of good governance - why are we doing this etc.
- It can allow smaller suppliers to be included in tender processes (although these small suppliers do not always have the capacity to complete a tender process).
- It should increase the diversity of suppliers, by opening more contracting opportunities to businesses and organisations with a social purpose.
- It opens up more opportunity for social enterprises generally but in an equal way, i.e. if a private company can meet the social clauses then why not, still achieving the social added value.
- Much more likely to attract third sector organisations into tendering as they are used to offering the social benefits that may be defined within social clause contracts.
- Not aware of any to date.

**Are there specific outcomes that Social Clauses are particularly well placed to deliver?**

- If the procurer is buying on outcomes then the route to the outcome doesn't matter and provides more opportunity for social benefit. If the purchase is very process driven it is very difficult to add value and therefore social benefit.
- Impact on local economy (employment , GDP). Better engage the most hard to reach clients. Closer working relationship between commissioner and provider.
- Long-term improvements in the social structure or capital of an area.
- Combating social exclusion locally Alleviating poverty locally By providing: - training placements for people to get back to work - gainful work-based employment for socially excluded people eg through mental health teams - volunteering opportunities - work placements for probation, job centre plus etc - low cost items to people in need.
- Example 1. volunteering leading to better paid employment prospects after e.g. mental health illness. 2. Building stronger communities as contracts may specify local delivery in neighbourhoods which leads to more 'neighbourliness' 3. Contracts specifying a % of work with 'hard to reach' groups based on local identification of needs
- Local employment, increased opportunities for business starts in deprived neighbourhoods, better outcomes for users of services.

- Local economic and environmental regeneration and the provision of support to those in need.
- Job creation for severely disadvantaged people. Environmental aims.
- Diversity, social inclusion, community cohesion.

### **In what policy contexts could Social Clauses have the most/least impact?**

- Its cross cutting so all departments should be pushing it.
- Local procurement or specialist national procurement would have the most impact as specific social needs can be addressed through the procurement process.
- Where impact measurement is in terms of outputs
- If there are strategic objectives behind the procurement the targets can be used as indicators to map against in service delivery for example: we have a local social enterprise milkman who provides milk to schools. The milk cartons are printed with educational texts, they are recyclable, he uses energy efficient vehicles and minimises food miles, and there is a positive action policy for employs [ee/ers?] with disability. These cross departmental themes currently are lost when just one department does the purchasing in this case it is the Education dept wanting a milk delivery service.
- Regeneration; Community Development; Waste and resources; Health; Adult and family services.
- Most; environmental - local supply chains; considerate/ethical contractors; worklessness - local people for local jobs.
- Most - Employment for those furthest from the labour market, e.g. mental health, young people
- Least - can't think of any!
- Most - the health & well being agenda. Safer and stronger communities agenda. Older peoples agenda and childrens trusts, Rural isolation and access to services issues, use of redundant buildings/transfer of assets to community use.
- Least - Road building, environmental sustainability, waste management.

### **What are the necessary conditions for the successful use of Social Clauses?**

- 1 A robust idea of WHY they are being used and HOW to use them through to the end. 2. Incentive and joined up working (including joint procuring processes) inside public bodies - eg if used in waste contracts the social benefits will be felt by social departments but it can be a disincentive to the waste department to use them if they feel they are paying for results in another department, with no input from them. 3. solid practical advice on sample clauses and their impacts by sub-policy area, eg in waste, there is a specific bulky waste contract which can include specific clauses (I have written a briefing document on this but more could be done)
- An enlightened local authority officer.
- Partner agreement across an area so it all fits together. Understanding by all of what SC's are.

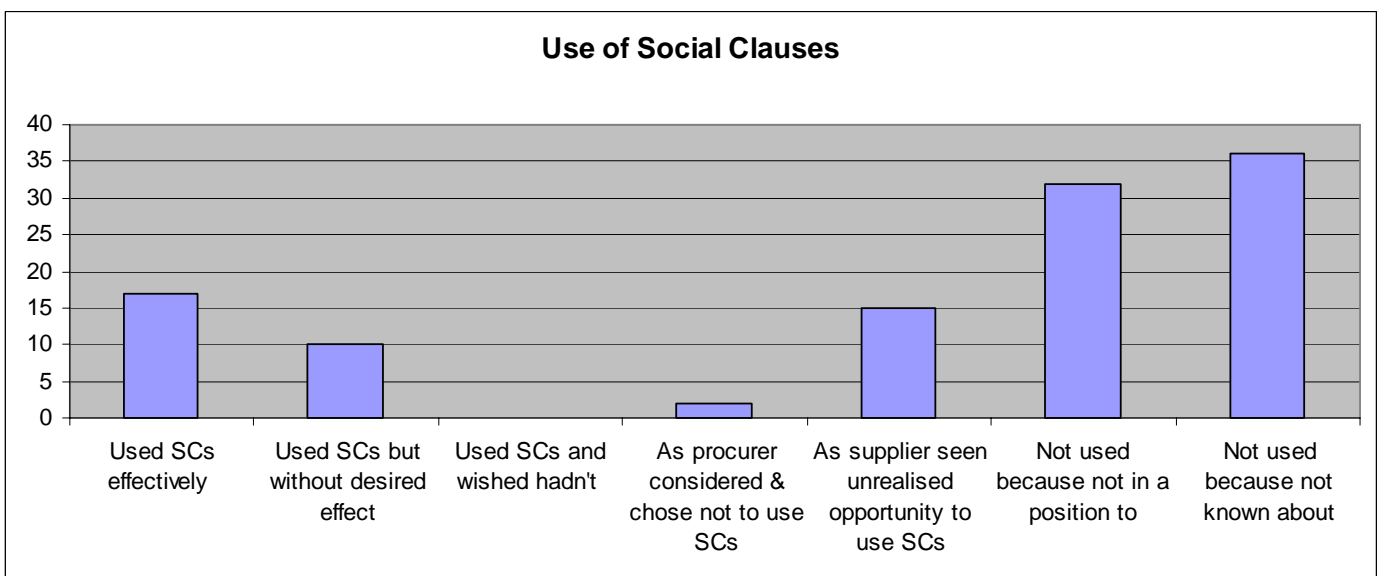
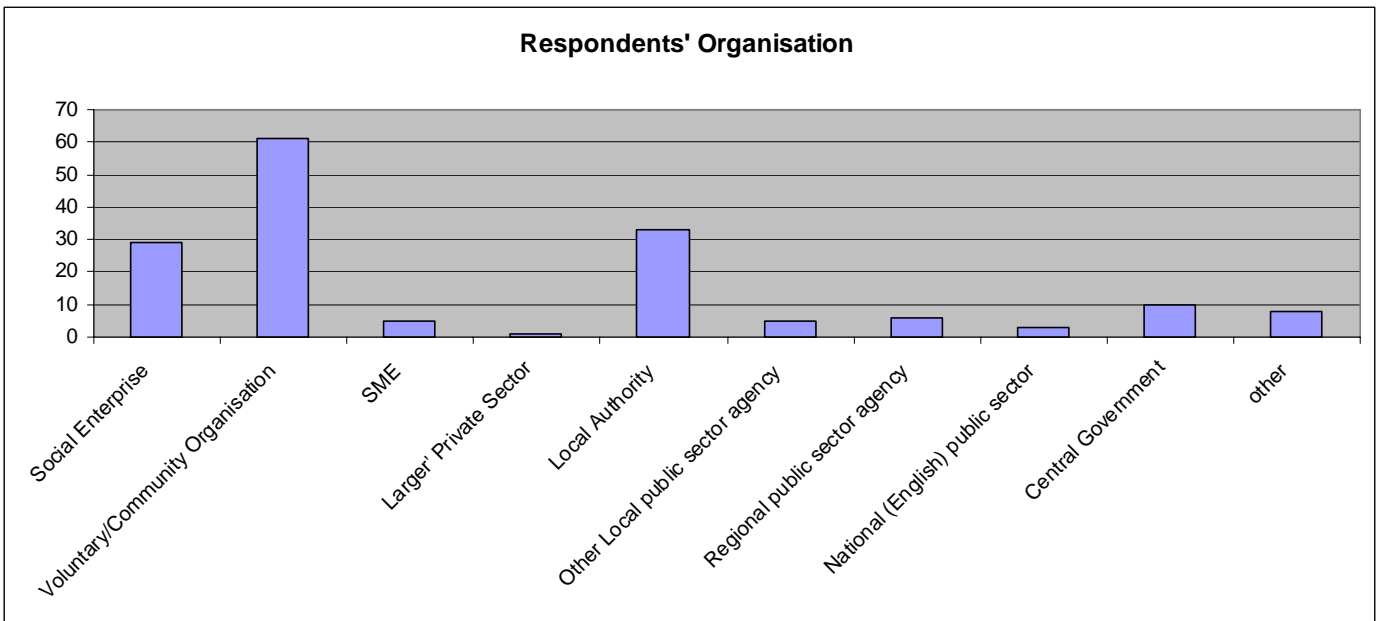
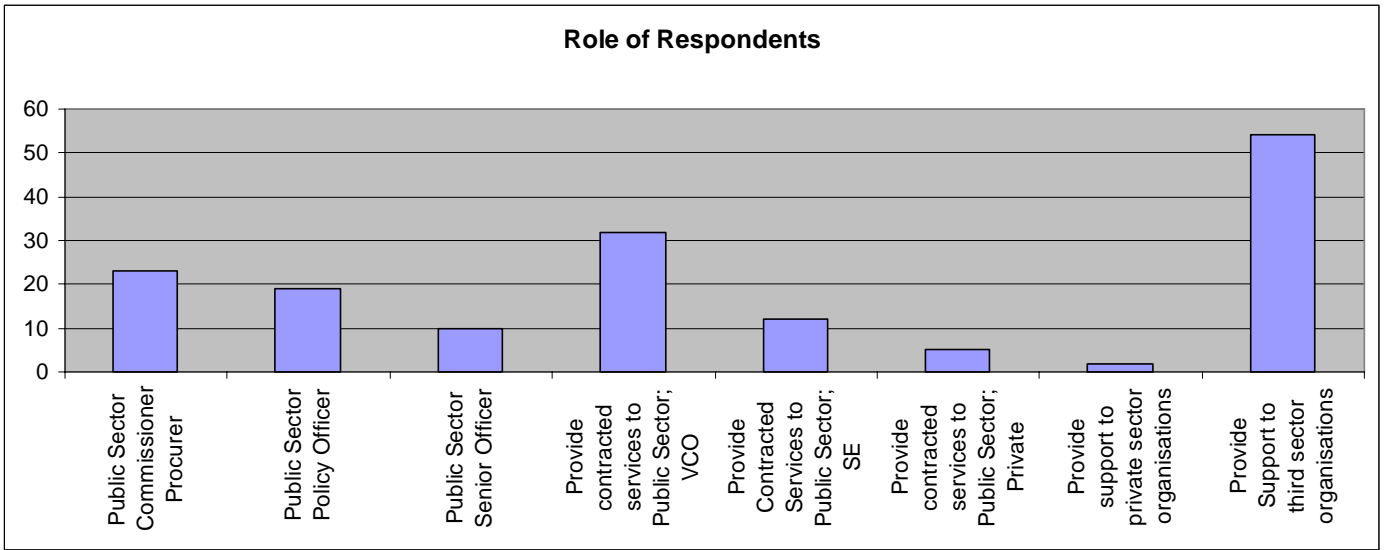
- A coordinated approach is desperately required to fully realise the strategic potential of spending money way more effectively. It is not just about the cost but also the additional economic and social values that can be gained by the inclusion of social clauses. Employment services need to speak with regeneration who need to speak with procurers.
- An understanding of local needs, discussion with all agencies that work in a given field of work, cross directorate discussion within commissioning and procurement.
- That their value is properly recognised and not just considered an add-on.
- Monitoring and assessment of their use by public procurers by the Audit Commission. Greater awareness of where they have been used and the positive impact.
- Well it is no good putting things into the contract that you want putting in place, without checking up with the winning company that it has been done during the life of the contract.
- Depends how you measure success? On the surface to successfully use a clause, score it in the tender and get a good response to the tender advert would be one measure of success. However, if you look at the strategic need for the service - and some services that third sector provide are incredibly complex - it is more important to capture all the social benefit and map it appropriately against the public sector strategy whether it's a community cohesion strategy, or a health white paper, or Police safety strategy etc.
- A financial policy where the same services are expected to be delivered for ever less sums of money is not conducive to the use of SCs

**Is there anything else about social clauses that you have not had an opportunity to record above?**

- This is only my opinion as an end-user and a small business who finds it difficult to procure such contract work. For the views of the Federation of small businesses ([...]) - please contact Blackpool and give head office an opportunity for a view on the subject.
- Very interested in work on this. We have an event with the heads of procurement from our 22 local authorities across Yorkshire and the Humber to discuss the use of SBCs. If anyone is interested in joining us please let me know.
- Social enterprises would benefit from looking at developing consortiums to deliver contracts.
- As we are working with our local authority funded by invest to save round 8, on trying to develop more 3rd sector contracts, I would find it extremely useful to receive the results of this survey.
- There needs to be an overarching incentive for public sector social departments to work with all other departments on this - at the moment I do not know what this is or where it could come from - but it always seems everything is based on money so some kind of financial incentive is implied. I can send you a copy of my briefing document if you would like. I would also like to do more work on it - with other stakeholders eg LARAC and WRAP if funding were available.

# Appendix 1

## Participant Profile



## Appendix 2

### *Glossary*

ALMO	Arms Length Management Organisation
BME	Black & Minority Ethnic
CSIP	Care Services Improvement Partnership
CSR	Corporate Social Responsibility
CVS	Council for Voluntary Service
DDA	Disability Discrimination Act
DEFRA	Department for Environment Food & Rural Affairs
DRC	Disability Rights Commission
EMAS	Eco Management and Audit Scheme
EU	European Union
FRN	Furniture Reuse Network
GLA	Greater London Authority
GDP	Gross Domestic Product
IDeA	Improvement and Development Agency
ISO	International Standards Organisation
ILO	International Labour Organisation
JC+	Job Centre Plus
LA	Local Authority
LAA	Local Area Agreement
LARAC	Local Authorities Recycling Advisory Committee
LCE	London Centre of Excellence
LGA	Local Government Association
LM3	Local Multiplier 3
LSC	Learning and Skills Council
LVSTC	London Voluntary Sector Training Consortium
NAVCA	National Association for Voluntary and Community Action
NCVO	National Council of Voluntary Organisations
NECE	North East Centre of Excellence aka NERCE
NESEP	North East Social Enterprise Partnership
NERCE	North East Regional Centre of Excellence aka NECE
OGC	Office of Government Commerce
OJEC	Official Journal of the European Commission aka OJEU
OTS	Office of the Third Sector
PCT	Primary Care Trust
PFI	Public Finance Initiative
PGS	Planning Gain Supplement
RCOE	Regional Centres of Excellence
RSL	Registered Social Landlord
SC	Social Clause
SBC	Social Benefit Clause
SE	Social Enterprise
SFS	Social Firms Scotland
SF	Social Firms
SME	Small and Medium sized Enterprises

SOPO	Society Of Procurement Officers
SROI	Social Return On Investment
VCS	Voluntary and Community Sector
VFM	Value for Money
WRAP	Waste and Resources Action Plan

## **Appendix 3**

***Copy of the web survey***

## 1. Introduction

This survey is part of a project being delivered by the North East Centre of Excellence, funded by the Office of the Third Sector, implementing the Partnership in Public Services and Social Enterprise action plans.

Social clauses are one way in which an organisation's broader social impacts can be factored into funding relationships, in order to encourage the growth of effective services. Across national and local settings, commissioners are best placed to decide how to factor in these broader social effects. The project seeks to consolidate knowledge of existing experience and leading practice as well as understand the barriers to and effective support in promoting their use. In addition to this survey and a focused piece of research, the further use of social clauses will be trialled.

There are a range of definitions of social clauses in use. For this work, the project board has agreed the following definition which recognises that social issues may be expressed as a core requirement in some contracts, while also recognising that there is scope for their inclusion at all stages of the procurement cycle from planning to contract maintenance.

"Social Clauses describe relevant, legitimate and value for money aspects of a procurement lifecycle which fulfil a particular social aim. (This may include social requirements within the technical specification and award criteria of a contract, where they are relevant to the subject of the contract and compliant with public procurement legislation, as well as the UK's value for money policy (or equivalent commitment))"

The Project Board is made up of representatives of Office of the Third Sector, Treasury, Office of Government Commerce, Communities & Local Government, Social Enterprise Coalition, National Council of Voluntary Organisations, Local Government Association and IDEA. Further details of the project can be accessed on the NECE website [www.nece.gov.uk](http://www.nece.gov.uk)

The survey closes on 30 September 2007. A report of submissions will be produced. If you would like to receive a copy please ensure you complete the section asking for your contact details. If you wish your response to be treated in confidence, please check the box. Please note that the content of your response may be reported but the identity of the individual or organisation will not be reported.

If you know someone else who may wish to contribute, please draw this work to their attention.

Thank you for your time and contribution.

CLOSING DATE: 30 SEPTEMBER 2007

## 2. About You

Please tell us about your role and your organisation.

### 1. Are you/Do you:

- Public Sector Commissioner/Procurer
- Public Sector Policy Officer
- Public Sector Senior Officer
- Provide contracted services to public sector; VCO
- Provide contracted services to public sector; SE
- Provide contracted services to public sector; Private
- Provide support to private sector organisations
- Provide support to third sector organisations

Other (please specify)

### 2. Is your organisation a:

- Social Enterprise
- Voluntary/Community Organisation
- Small/Medium Sized Enterprise (SME)
- 'Larger' private sector
- Local Authority
- Other local public sector agency
- Regional public sector agency
- National (English) public sector

€ Central Government

Other (please specify)

### 3. Your Experience of Social Clauses

Please let us know what you know about Social Clauses (SCs)

#### 1. Have you:

- € Used SCs effectively in the past as either a supplier or procurer
- € Used SCs but without desired effect as either a supplier or procurer
- € Used SCs and wished you hadn't as a supplier or procurer
- € As a procurer considered but chose not to use SCs
- € As a supplier seen unrealised opportunity to use SCs
- € Not used because not in a position to
- € Not used because not known about
- € Other (please specify)

#### 2. How would you summarise your experience of Social Clauses?

### 4. The Benefits and Problems of Social Clauses

#### 1. What do you consider are the three most significant benefits of SCs?

#### 2. What do you consider are the three most significant problems with SCs?

## 5. Widening the Use of Social Clauses

1. What do you consider are the three main barriers to the use of SCs? (Please tick three boxes).

- difficulty in formulating as a core contractual requirement
- difficulty in measurement at tender evaluation stage
- difficulty in measurement of contract delivery
- additional complexity and cost to procurers
- additional complexity and cost to potential suppliers of tendering
- additional complexity and cost of contract delivery
- lack of legal assurance in use of social clauses
- lack of policy with agencies' procurement strategies
- the need in some cases for parallel activity by purchasing agency to allow contract delivery
- the outcomes delivered do not contribute to the procuring agencies core targets

Other (please specify)

2. What three things do you consider would increase the use of SCs most? (Please tick three boxes).

- Further government guidance
- Guidance from national improvement agencies
- Assessment as part of procuring agencies' accountability and/or regulatory mechanisms
- Peer support amongst procuring agencies
- Peer support amongst supplying agencies
- Web based resources
- Raising awareness of the opportunities and benefits
- Issues included in professional development programmes
- Policy development support
- Case Studies

Other (please specify)

3. Who would you go to for support in work such as this?

## 6. At a broader level

1. What, if any, impact do you consider the use of SCs has on the diverse supplier base?

2. Are there specific outcomes that SCs are particularly well placed to deliver?

3. In what policy contexts could SCs have the most/least impact?

4. What are the necessary conditions for the successful use of SCs?

## 7. And Finally...

1. Is there anything else about social clauses that you have not had an opportunity to record above? If so, please do so here.

2. If you would like to receive a report on this survey please give the email address to which we should send it below.

3. I wish my survey response to be treated in complete confidence

Yes

No

## 8. Thank You

Thank you for taking the time to complete this survey.

Please note, if you have not supplied an email address we will not be able to send you a copy of the resulting report. Your email address will be stored separately from your answers.

If you wish your response to be treated in confidence, please ensure you have ticked your preference on the previous page.

If you would like to make any comment on this consultation exercise please email <mailto:nece@gateshead.gov.uk>

CLOSING DATE: 30 SEPTEMBER 2007