

ANNEX 2 DETI GRANT –

LIKELY REQUIREMENTS IN RESPECT OF SOCIAL CLAUSES

- 1.1. The following information in respect of “social clauses” related to the planned grant support for the gas network extension proposals is for the guidance of interested developers/ licensees, with actual requirements to be detailed in the Department’s “Letter of Offer” in relation to the grant.

Equality

- 1.2. To promote equality in the workplace, there are likely to be grant related requirements in relation to the application of fair employment, equality of treatment, and anti discrimination legislation, and that for employment practices and in the delivery of the proposed works and services, there will be due regard to promote equality of treatment and opportunity.

Sustainability

- 1.3. Where “social clauses” are specified in respect of the proposed grant, provision of a “Sustainability Project Report” will be required by the developer/ licensee. This will be a monthly report on progress towards meeting any of the Construction Industry Forum for Northern Ireland (CIFNI) requirements included within the Department’s “Letter of Offer” in respect of the grant.
- 1.4. The licensee may be required to report on environmental management systems and management of site waste. In respect of recycling and re-use of construction materials, requirements may include that at least 10% of the total value of materials used in the specified proportion of the construction project derives from recycled and re-used content in the products and materials selected. It will also be expected that, as far as possible within the nature of the works to be provided, that the developer /licensee promotes the use of sustainable materials.
- 1.5. The licensee is also likely to be expected to promote the reduction of energy, water consumption and carbon emissions within project design requirements, and the use of sustainable construction products, including sustainable timber.

Health and Safety

- 1.6. The “Letter of Offer” in respect of the grant will also be contingent upon the licensee/ developer promoting best practice in respect of health and safety.

Social

- 1.7. A key aspect of “social clauses” will be in relation to employment opportunities for the long term unemployed, the employment of apprentices, and student placements. Social clauses relating to employment are based on project labour value rather than total project value, and will apply to the government grant funding for the overall gas extension project. Requirements will be specified in the Department’s “Letter of Offer”, however a summary of possible requirements are as follows:

Unemployed

- 1.8. To encourage the economically inactive back into the workplace, there may be requirements that the contractor directly, or through the supply chain, ensures that for each £250k of contract labour, 13 weeks of work experience or employment opportunities for the unemployed, through a Department of Employment and Learning

(DEL) approved scheme or equivalent, is provided. The DEL approved schemes are the Youth Employment Scheme (YES) and the Steps to Work (StW) scheme, which also incorporates the Graduate Acceleration Programme (GAP)

Apprentices

- 1.9. To encourage training and skills development, requirements could include that 5% of the contractor's workforce and the workforce of its 1st tier subcontractors (those with 20 or more employees) will be employed on formally recognised paid apprenticeships.

Students

- 1.10. In relation to student placements, for individuals engaged in further and/or higher education and where there is a course completion requirement for relevant work experience, the requirement would normally be for one 40 week student placement for contract labour value of between £2m to £5m and two placements for contract labour value greater than £5m.

Training

- 1.11. The requirement is normally for 8 person weeks of work experience or employment opportunities provided per £500k of contract labour value. This would apply to trainees and the unemployed who are provided through the DEL training for Success (TfS) scheme or equivalent.

Professional Services

- 1.12. In relation to social clauses for professional services, work placements on a DEL approved scheme and its supply chain are likely to consist of 2 weeks work placement per £60k fee value, and there will be a cap on the total number of work placements.

Table 1 – Definition of micro, small and medium sized enterprises' and CAP to be applied to Social Clauses

Company category	Employees	Turnover	or	Balance sheet total	DEL Approved Scheme CAP (weeks)	Student placement CAP (No off x Weeks)
Medium-sized	< 250	≤ €50 m (€42.92m)		≤ €43 m (€36.91m)	104	4 x 40
Small	< 50	≤ €10 m (€8.6M)		≤ €10 m (€8.6M)	52	2 x 40
Micro	< 10	≤ €2 m (€1.72m)		≤ €2 m (€1.72m)	26	1 x 40

- 1.13. Student placements, for example for individuals attending relevant courses at the two local universities and six colleges of higher education and where there are course requirements for a period of industrial experience, will be in accordance with Table 2 below:

Table 2 –Student Placements

Fee Value	Placement weeks
Between £250k and £1M	1 x 40 or equivalent
Between £1M - £2M	2 x 40 or equivalent
Between £2M - £5M	3 x 40 or equivalent
Over £5M	4 x 40 or equivalent

1.14. Further information on

government procurement requirements and social clauses can be obtained from the Department of Finance and Personnel – Central Procurement Directorate web-site at www.dfpni.gov.uk/procurement-2/cpd.htm