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Implementing Social Return principles

Municipal authorities and other clients in the Groningen labour market apply the building block methodology with regard to Social Return.

In the context of the Dutch labour market, applying Social Return (SR) principles means creating more employment for people with poor job prospects, which can be done, for example, by offering jobs, apprenticeships and internships. This concerns long-term employment/placement of jobseekers, preferably from the client's own municipality or region.

The building block methodology is a calculation methodology used in Social Return accountability, which focuses on 'value of the effort expended'. So rather than 'expenditure on wages or benefits', for example, the value measured concerns the job market prospects of the target group and the relative effort an employer must make to help people in that target group find paid work.

The contractor is responsible for implementing Social Return principles and **preferably** does this by offering jobseekers a job. 'Social procurement' and/or collaborating with social enterprises are also deemed to be acceptable means of implementing the principles. If this is not possible, an additional social contribution can be made in another way through specifically targeted SR activities. Such activities must be related to the assignment and must increase opportunities on the job market. The contractor must complete the Social Return obligation within the term of the contracted work and in accordance with the Conditions of fulfilling the Social Return obligation. In addition, fulfilling the Social Return obligation may not result in the loss of regular jobs at the contractor's company.

Table: Building blocks

Target groups	Social Return expressed in euros ¹	Period/ specification
Under Dutch Participation Act	€40,000	2 years
Under 'Jobs Agreement' scheme	€50,000	Always ²
Receiving unemployment (WW) benefit	€20,000	2 years
Receiving 'WIA/WAO' disability benefit	€40,000	Always
'MBO BBL' student	€25,000	Training period ³
'MBO BOL' student	€15,000	Training period ⁴
From subcontracted sheltered employment facility/social enterprise	Actual labour costs incurred for employee	Invoice value of employing employee. When engaging a sheltered employment worker, the job agreement for the target
Person not entitled to receive benefits	€10,000	2 years
Premium		
Young people up to 27 years old (excluding	€10,000	One-time premium
Jobseekers aged 50 and up	€10,000	One-time premium
People with a language barrier ⁵	€10,000	One-time premium ⁶
Permanent contract of employment during	€10,000	One-time premium ⁷

1. The value of the target group and premium block is based on a full-time annual contract (i.e. 36 hours) and is calculated proportionally to the amount of time spent on the contracted work. The value of the target group comprises the supervision costs, replacement costs, labour costs, simple apprenticeship training and the employer's social security contributions.
2. The 'Jobs Agreement' target group counts continuously, provided it is registered in the national Job Agreement Target Group Register. The Jobs Agreement (Banenafpraak) is an agreement between the Dutch government and employers aimed at providing additional jobs for people with disabilities.
3. A 'BBL' student (i.e. a student following a practical skills course of study/training for a trade) counts as an SR candidate for the duration of the apprenticeship within the project duration.
4. A 'BOL' student (i.e. a student who is occasionally placed as a trainee/apprentice at an accredited work placement company) counts as an SR candidate for the duration of the work placement.
5. A person with a language barrier is someone who does not function well in the workplace due to communication problems arising from them not being proficient in the company language(s) or having a language-related disability.
6. May be entered once per employee with a language barrier as **cost justification** for the SR obligation after an employment contract of 6 months.
7. May be entered once per employee as **cost justification** if the employee comes fully off benefits before the end of the project period.

In some situations it is not possible to fulfil the Social Return obligation using ‘building blocks’, in which case, in consultation with and after approval of the client, specifically targeted SR activities can be implemented as an alternative using the options card. Here, too, the activity must be related to the awarded contract.

Options card: specifically targeted SR activities

	Activity	Value	Period/Specifications
1	Local social activities (<i>e.g. a guest lecture, participation in neighbourhood activity or in local/regional activity</i>)	€100 per hour ¹	Maximum 10 hours per activity. Including preparation.
2	Work experience placement	€50 per hour for supervision costs ² (max. 10 hours per week)	Trial placement with continued payment of benefits for a maximum of 3 months.
3	Financing/co-financing of project/rehabilitation project (<i>in collaboration with educational institution, for example</i>)	Amount to be determined per project ¹	Contribution to be determined in consultation with client (wage value determination may apply to this option)
4	Internship, university/university of applied science	€50 per hour for supervision costs ² (max. 5 hours per week for the period of the internship)	Internship/graduate internship for university/university of applied science student concerning the awarded work.
5	Exceptional responsibility	Amount to be determined ¹	Social Return to be tailored to the awarded contract in consultation with the account manager or Social Return advisor from the Social Return coordination centre

1. To be entered under ‘cost justification’ after approval by the client

2. To be entered under ‘candidate justification’ after approval by the client

3. Conditions of fulfilling Social Return obligation

1. Accountability

1. The contractor must use the contractually determined performance obligation for the purpose of delivering Social Return.
2. The contractor is responsible for implementing Social Return principles and the associated use of Social Return target groups or specifically targeted activities.
3. The contractor will provide the client with proof of performance of the agreed Social Return obligation.
4. The client may request that the contractor allow them to see the employment, apprenticeship or internship agreement that includes information about the duration of the employment/placement and the number of hours to be worked.
5. Fulfilling the Social Return obligation may not result in the loss of regular jobs at the contractor's company.

2. Fulfilling the Social Return obligation

General

1. The Social Return obligation (i.e. the specific Social Return activity, etc.) must be fulfilled within the term and in the context of the awarded contract.
2. When submitting the tender, the contractor has preferably already drawn up a Social Return action plan. If Social Return is used as an award criterion, the contractor is required to do so.
3. Once the contract has been awarded, the contractor will discuss the Social Return action plan with the client.

Target groups

4. The Social Return target group includes the following:
 - persons within the scope of the Unemployment Insurance Agency UWV's target group register;
 - persons receiving 'WIA' or 'WAO' disability benefit;
 - persons receiving support based on a care needs assessment under the Work and Social Assistance Act ('WSW');
 - persons receiving unemployment ('WW') benefits who have been unemployed and looking for a job for more than 3 months;
 - persons without a work disability who receive a benefit under the Participation Act/persons not entitled to receive benefit who fall under the Participation Act and who have been unemployed for more than 3 months;
 - persons doing an internship/work placement as part of a course of study;
 - persons working in a sheltered employment facility.

Provisions regarding Social Return value

5. The building blocks are aimed at the 'value of the effort expended', which is determined based on the job market prospects of the target group in combination with the relative effort an employer must make to help people in that target group find paid work.
6. The unemployed/jobseeker counts as a Social Return candidate for a maximum of 24 months from the date of first placement on a contract with a Social Return obligation. After 24 months, a candidate is assumed to have gained sufficient experience, skills and knowledge to be considered for a regular job.
7. Persons in the 'Jobs Agreement' target group count continuously, provided they are registered in the national Job Agreement Target Group Register (*Doelgroepregister*).

8. Young people (aged 18 to 27) can always be included in the context of Social Return, provided they are registered as unemployed and job seeking.
9. A new employee may not have worked for the contractor or subcontractor in the 3 months prior to the contract award date and must be engaged doing the work specified in the contract granted during the contract period.
10. An employee from the Social Return target group who is already employed by the contractor or subcontractor prior to the contract award date may be included as a Social Return employee from the award date up to a maximum of 24 months from the start of the employment contract. The 24-month limit does not apply, however, to those employees from the target groups who may always be included.
11. For a student following a 'BBL' or 'BOL' course of study/training, the maximum period that applies is the same as the duration of the course of study/training, up to a maximum of the contract period of this tender or, where applicable, consecutive contract periods.
12. Costs incurred for the engagement of an employment intermediary (aside from a *Werkgeversservicepunt* employer service point) must be borne by the contractor and may not be included in the context of the Social Return obligation.
13. Premium blocks can increase the value of a building block. These can be used once per candidate and are calculated proportionately to the work the candidate carries out under the contract.

Reporting

14. The contractor will provide the client with proof of performance of the agreed Social Return obligation.
15. If the contractor works with subcontractors, the contractor still remains liable for ensuring the Social Return obligation is fulfilled.
16. The cost for a candidate and/or sheltered employment facility may not be allocated to multiple projects (no 'double entry').
17. The contractor must report – from the commencement date and at regular times to be determined in advance – on the progress of the fulfilment of the Social Return obligation.
18. The client will monitor the information submitted, paying attention to the fulfilment of the Social Return obligation within the contract period. Efforts not agreed in advance in the context of the Social Return obligation will not be included in the calculation.
19. The contractor will submit the final report to the client within one month from the contract end date.
20. Should the client choose to use a monitoring system, reporting will take place through this monitoring system. The client will inform the contractor how reporting is to be done through this system and the contractor undertakes to use this monitoring system.

Financial instruments for candidates

21. Support in the recruitment, selection and training of people who fall within the scope of the Social Return programme of the Werk in Zicht collaborative partnership of municipalities is available free of charge and can be arranged through the Social Return advisor at the Social Return Coordination Point via socialreturn@werkinzicht.nl.

3. Penalty clause

1. If the contractor sees that it will be unable to achieve its Social Return obligation within the term of the contract or unable to achieve this in full, the contractor will report this to the client at the earliest possible moment.

The client and contractor can then search for a solution together, selecting one of the options from the specifically targeted SR activities options card.

2. If the percentage of the contract price that the contractor must apply to fulfil the Social Return obligation is not used/not used in full for this purpose, a penalty will be imposed equal to the unfulfilled part of the Social Return obligation.
3. The client will not impose/collect a penalty for non-attributable non-fulfilment or incomplete fulfilment of the Social Return obligation where the contractor can demonstrate that such was beyond its control.

Definitions

1. Unemployed jobseeker: a person who has been looking for work for at least 3 months and who is registered at a *Werkplein* employment centre. The unemployed jobseeker receives benefit under the Dutch Participation Act ('PW'), the Unemployment Act ('WW') or the General Surviving Dependents Act ('Anw') or is not receiving any benefit. An exception to the minimum period of unemployment is a jobseeker who comes under the Job Agreement target group and has an earning capacity of 50 to 80% of the statutory minimum wage, and persons without a 'starter qualification' (upper secondary school diploma). The 3-month minimum does not apply in these cases.
2. Young person: a person aged 18 to 27.
3. Sheltered employment candidate: a person receiving support based on a care needs assessment under the Work and Social Assistance Act ('WSW').
4. 'WIA' candidate: a person with a work disability who, under the Work and Income (Capacity for Work) Act, has been assessed as being able to perform a certain level of work.
5. Job Agreement candidate: a person receiving support based on a care needs assessment under the Work and Social Assistance Act, a person with a 'Wiw' or 'ID' job (for benefit recipients with poor job prospects), present/former students from secondary or special education (*voortgezet en speciaal onderwijs*, 'VSO') or practical education (*praktijkonderwijs*, 'Pro'), or a person from the Participation Act target group who is unable to earn the statutory minimum wage and is registered in the national Target Group Register (*Doelgroepregister*).
6. NUG: Person not entitled to receive benefits.
7. 'BBL' candidate: an unemployed young jobseeker (aged 18 to 27) being trained as a skilled employee under the *Beroepsbegeleidende leerweg/leerwerkbaan* ('BBL') programme.
8. 'BOL' candidate: a student gaining practical experience through a learning/internship programme (*Beroeps opleidende leerweg*, 'BOL'), which involves more in-class education than practical experience. The internship is for a maximum period, as stated in the Profession Training Agreement (*Beroepspraktijkvormingsovereenkomst*, 'BPV').
9. Person with a language barrier: a person who does not function well in the workplace due to communication problems arising from them not being proficient in the company language(s) or having a language-related disability.
10. Sheltered employment facility: a government-supported facility under the Work and Social Assistance Act ('WSW'). Also called a 'sheltered workshop', such a facility offers people with a work disability a suitable job in a working environment that is as regular as possible and adapted to the work disability. The 'sheltered job' can be offered either in a sheltered employment facility or at a regular institution or company.
11. Sheltered employment facility and social enterprise in the context of clause 2.82 of the Dutch Public Procurement Act: jobs or programmes that offer work on an ongoing basis to larger groups of people with poor job prospects. At least 30% of the employees in such a programme or such jobs have poor prospects on the regular job market.
12. Social impact: making a positive difference in society (creating 'social value').
13. Regular job: work performed for an employer – other than a job in an occupational rehabilitation programme – for pay (i.e. salary).
14. Internship: a job, as part of a course of study, aimed at the student gaining practical experience, acquiring certain skills under supervision, carrying out an assignment and/or conducting research into a specific subject.
15. Work experience placement: a job aimed at the student gaining work experience and skills in a specific field/area with the aim of later finding a job on the labour market.
16. Contract price: the monetary amount for which a tender has been submitted and awarded.
17. Social Return percentage: the part of the contract price that the contractor must use to implement Social Return principles (as an integral part of the total contract price).