

## **SOCIAL VALUE STRATEGY**

Report of the Managing Director

### **1. SUMMARY**

- 1.1 The Social Value Strategy was last updated in November 2014 by Derby Homes Board.
- 1.2 On 26 July 2018 the Board received a report which sought approval to introduce a consistent process of considering social value within the procurement of goods and services.
- 1.3 This report informs the Operational Board of the decision taken by the Board in July 2018 and seeks the approval of the Operational Board on the updated strategy and proposed future approvals and evaluation process for social value work and projects.

### **2. RECOMMENDATIONS**

- 2.1 To note the Board decision to introduce a consistent approach to social value within our procurement processes.
- 2.2 To approve a new process of approvals whereby bids against the Social Value budget will be considered by the Operational Board. Bids below £5K will be delegated to the Chair of the Operational Board and Managing Director/Finance Director of Derby Homes and subsequently reported to the Operational Board for information.
- 2.3 To receive regular updates on the outcomes achieved through social value investments, this to be in the form of feedback and real-time views. To provide six monthly updates to the Board on bids approved and spend against the budget.

### **3. REASON(S) FOR RECOMMENDATION**

- 3.1 To ensure that the maximum social value is achieved from our investments within our communities and that this is managed through an efficient process.

### **4. MATTERS FOR CONSIDERATION**

- 4.1 The Public Services (Social Value) Act 2012 places a requirement on all public bodies to consider social value as part of the procurements they undertake. Where possible public bodies should include a requirement for the successful Service Provider to deliver an element of social value as part of the procured requirement. Derby Homes currently has a sporadic approach to social value within its procurements.

- 4.2 At present Authorised Employees consider and implement social value benefits randomly on the procurements undertaken by Derby Homes.

On 26 July 2018 Derby Homes Board approved a new strategic approach which will introduce greater consistency in the process.

Authorised Employees will now be required to adopt a standard approach for all eligible procurements carried out by the organisation. It is recommended that a requirement for the successful Service Provider to deliver a social value element to a proposed requirement of 1.0% of the contract expenditure.

- 4.3 This new approach will be much easier for Officers to operate and we will be able to much better ensure that we have a consistent approach which can maximise the financial capability to support social value projects.
- 4.4 Looking at the last financial year a 1% figure on works contracts would have raised approximately £150K for social value projects, additional amounts would be raised through qualifying service contracts. The figure will increase/decrease depending on the type and value of contracts which are re-procured.
- 4.5 It is not proposed to use complex monitoring processes to calculate the monetary value of social value investments but rather to use feedback and real-time views from our communities that benefit. Officers believe this is better value for money and will allow us to maximise our input rather than engaging with consultants/costly models to evaluate financial worth.
- 4.6 The Board is keen for the Operational Board to consider bids against the Social Value Budget in a similar way to how estate/environmental works are considered. It is recommended that the Chair of the Operational Board will provide information on bids approved to the main Board through the standard agenda item on feedback from boards/committees.

## IMPLICATIONS

### 5. COUNCIL IMPLICATIONS

- 5.1 Social Value initiatives will link with the Council's corporate priorities. Derby Homes already works closely with the Neighbourhood Management Teams on projects which enhance the lives of residents within our communities.

### 6. LEGAL & CONFIDENTIALITY IMPLICATIONS

- 6.1 These changes ensure compliance with the ***Public Services (Social Value) Act 2012***. There are no confidentiality implications from introducing this change.

### 7. RISK IMPLICATIONS

- 7.1 There is a small risk that costs could increase as a result of the introduction of these changes but by ensuring the social value element of the procurement, in accordance with Derby Homes' Strategic approach, is put to competition it will ensure that value for money is maintained throughout the term of the agreement.

## **8 EQUALITIES IMPACT ASSESSMENT**

- 8.1
- Does this report affect the delivery of a service Yes / ~~No~~
  - Has an Equality Impact Assessment been completed ~~Yes / No (please attach as appendix)~~
  - If no Equality Impact Assessment has been completed please provide a summary of the equalities implications. There are no foreseeable equalities implications associated with the introduction of this change.

## **9. FINANCE IMPLICATIONS**

- 9.1 If a social value element is included as a requirement under the terms of the procurement then this would be included as part of the competition and evaluated in accordance with the procurement evaluation plan. This will ensure the social value element of the procurement does not detract from the value for money requirement of the procurement.

There are no business plan implications associated with this proposal.

## **10. CONSULTATION IMPLICATIONS**

- 10.1 Consideration will be given to the consultation requirements on individual bids which come forward.

## **11. ENVIRONMENTAL IMPLICATIONS**

- 11.1 Many social value initiatives have direct and indirect benefits for our environment. Derby Homes supports the Council's Environmental Policies.

## **12. POLICY REVIEW**

- 12.1 This policy will be reviewed every three years, or sooner if subject to legislative change.

The areas listed below have no implications directly arising from this report:

Health & Safety  
Personnel

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: None