



## CABINET

18 September, 2019

**Subject Heading:**

Social Value Strategy

**Cabinet Member:**

Councillor Damian White, Leader of the Council

**SLT Lead:**

Neil Stubbings, Director of Regeneration

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**Policy context:**

The Public Services (Social Value) Act 2012

**Financial summary:**

There are no financial implications associated with approving the Strategy and Charter. However, their delivery and monitoring may have financial implications for the Council and its partners. It is envisaged that these financial implications will be contained within existing budgets of the relevant services but where opportunities arise to attract additional sources of funding (e.g. grants), these will be pursued through the relevant channels

**Is this a Key Decision?**

Yes - Significant effect on two or more Wards

**When should this matter be reviewed?**

September 2023

**Reviewing OSC:**

Overview and Scrutiny Board

### The subject matter of this report deals with the following Council Objectives

Communities making Havering  
Places making Havering  
Opportunities making Havering  
Connections making Havering

[x]  
[x]  
[x]  
[x]

## SUMMARY

This report seeks Cabinet approval of the Council's Social Value Strategy.

Social value relates to the additional societal benefits that can be achieved beyond the direct scope of a project or contract. The London Borough of Havering is subject to the Public Services (Social Value) Act 2012 which requires public entities, at the pre-procurement stage, to consider how a procured good or service could improve the social, economic and environmental well-being of the relevant area.

This strategy sets out the Council's commitment to social value and the added societal benefits that can be gained from public procurement, specifically for the social, economic and environmental benefit of local people living in the local area.

Through this Strategy we will ensure that:

- During any tender process, to give consideration to social value and assess against a criteria where appropriate
- Social Value priorities are encouraged in partnerships with contractors, local operators and investors
- Residents are supported to be active in their community and have the opportunity for upward social mobility through education, employment and business enterprise
- Residents are socially and digitally included
- We create cleaner and environmentally improved places where our communities can live and thrive
- Local small and medium sized businesses have access to supply chain opportunities and are supported by creating up-trading and business growth opportunities.

## RECOMMENDATIONS

That the Cabinet:

1. **Approves** the Havering Council Social Value Strategy, attached at Appendix A

<b>REPORT DETAIL</b>
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## **1.0 Background**

- 1.1 The Public Services (Social Value) Act 2012 places a duty on public bodies to consider social value ahead of procurement. The Act applies to the provision of services, purchase or hire of goods and the carrying out of works.
- 1.2 The Act states that all public bodies should consider; how added economic, social and environmental well-being can be gained from what is proposed to be procured; and how, in conducting the process of procurement, it might act with a view to securing that improvement. Implementing and embedding social value at a local level involves making procurement decisions in a new way that ensures wider benefits are considered throughout the commissioning cycle. For instance, this could include requiring contractors to pay a living wage, employing target groups such as young unemployed people, minimising negative impacts on the environment
- 1.3 This Strategy sets out the Council's enhanced offer to our residents that goes beyond our housing management, education, and care and support functions. It is recognition that we, together with our partners, operators and investors, need to invest in supporting our residents in order to build successful, balanced and vibrant communities that address social and economic exclusion, reduce inequalities in health and wellbeing, and to build on economic growth.

## **2.0 Havering Council Social Value Strategy**

- 2.1 Against the backdrop of Government funding changes and increased demand, the London Borough of Havering is moving forward with a redesign of business and service delivery via its transformation programme. The redesign will enable the London Borough of Havering to better respond to resident needs and improve the efficiency of the organisation.
- 2.2 The internal and external changes affecting the way the Council works provides excellent opportunities for delivering the Council's vision for Social Value. They also provide a platform for redesigning Social Value delivery, which will place the Council in a strong position for partnership working.
- 2.3 It is imperative that Social Value is delivered to meet demonstrable needs and aspirations for the benefit of the Borough. The Council will ensure that outcomes for residents and Business are at the heart of each activity.

### **3.0 Outcomes for Havering Residents and Businesses**

- 3.1 Community investment is vital to supporting the LBH vision. We will aim to continue to deliver local initiatives that increase resident satisfaction with the homes and areas they live and work in.
- 3.2 We will focus on reaching marginalised groups to make sure they are socially included and are able to access opportunities that benefit them.
- 3.3 Digital inclusion will be integral to helping people learn and gain employment and connect with familial and social groups.
- 3.4 We will make sure our neighbourhoods and homes are places that customers are proud to live that opportunities are provide for their health and well-being.
- 3.5 Independence for our residents will be achieved by providing support to get them into employment, ensuring they can access services and activities that provide opportunities for developing skills, securing a job, starting their own businesses. We will use our in-house expertise and that of our partners to increase the number of Havering residents entering employment or progressing in their careers.
- 3.6 Supply chain opportunities for small and medium size business will support business growth and development.

### **4.0 Embedding and Monitoring**

- 4.1 Social Value will be embedded as a consideration in the Council's procurement activity where any expression of interest is sought to obtain quotes (invitation to tender. The Procurement team will look to develop a clear thread between the Council's corporate priorities and the delivery of social value. Any changes required to the Contract Procedure Rules will be by way of a report to full Council to consider the constitutional change.
- 4.2 Proposals for Social Value activities will be reported to and agreed at Opportunities Theme Board. They should demonstrate how the activity meets the Council's priorities and delivers its vision for delivering added benefits to the local area.
- 4.3 The Social Value Portal offers a standardised solution that allows organisations to measure and manage the contributions that their organisation and partners make to society. The TOMs (Themes, Outcomes, Measures) framework aligns corporate priorities to a standardised measures which will allows commitments to be monitored through a contract and against other organisations. These commitments will be reported to the Opportunities Theme Board.

## **REASONS AND OPTIONS**

### **5.0 Reasons for the decision:**

- 5.1 As demonstrated above, the local authority has a legal obligation to consider Social Value ahead of a procurement process. Above this, Social Value provides an opportunity for the Council to secure added, societal benefits for local people, businesses and the environment in line with aspirations for improves social and economic wellbeing.

### **Other options considered:**

- 5.2 The Council may chose not to adopt the proposed strategy, however in doing so will lose the opportunity to take a leading role in leading Social Value activities are carried out in the Borough. By establishing its priorities, the Council is able to direct Social Value in a manner that compliments the work that the Council already undertakes, meets the needs of the local community and achieves the aspirational vision that the Council has for the Borough.

## **IMPLICATIONS AND RISKS**

### **6.0 Financial implications and risks:**

- 6.1 There are no financial implications associated with approving the Social Value Strategy, however the monitoring of outcomes may have financial implications for the Council. Appropriate approvals will be sought at the when required.
- 6.2 The Council's Strategic Procurement Unit within the Finance team will develop more detailed guidance notes to help officers embed relevant social value requirements within their procurements.

### **7.0 Legal implications and risks:**

- 7.1 The adoption of a strategy is consistent with the Councils statutory duties under
- a. The Local Government Act 1999 sets out a general Duty of Best Value for Councils to "make arrangements to secure continuous improvement in the way

in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” And

- b. The Public Services (Social Values) Act 2012 (the “Act”) in line with its procurement activities. The Act requires the Council, to consider how we can improve the economic, social and environmental well-being of our area through the procurement processes for goods, services and works contracts subject to Public Contract Regulations 2015. Note the legislation does not apply where the Council is using an existing framework.

7.2 Paragraph 15 of the Councils Contract Procedure Rules deals with impact of Public Services (Social Value) Act 2012. Officers’ note that any revisions which may be sought to the Contract Procedure Rules must be made up to Full Council as it is a change to the Council’s Constitution.

## **8.0 Human Resources implications and risks:**

8.1 There are no direct human resource implications for the Council. The project management and implementation requirements will be met by existing Council resources.

## **9.0 Equalities implications and risks:**

9.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

9.2 Note: ‘Protected characteristics’ are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

9.3 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

9.4 An Equalities and Health Impact Assessment is currently under development, with a view to completion before any final decisions are reached.

**BACKGROUND PAPERS**

None