

# Housing

Ombudsman Service

<b>Policy</b>	<b>Social Value Policy in Procurement</b>
<b>Date approved</b>	<b>May 2021 SLT</b>
<b>Date for next review</b>	<b>3-year Cycle</b>
<b>Owner:</b>	<b>Director of Finance and Corporate Services</b>
<b>Applicable to</b>	<b>All colleagues</b>
<b>Overview</b>	<b>This document sets out HOS's approach to managing social value within strategic supply chains for high worth procurements</b>

## Introduction to Housing Ombudsman’s Social Value Policy

This policy outlines Housing Ombudsman’s (HOS) approach to social value measurement and management in respect of its strategic supply relationships. HOS wishes to work with suppliers who consider social value an important aspect of their business brand. This can include activities performed within the community, working with disadvantaged individuals, minorities, as well as environmental policies that guide how suppliers manage resources.

### Policy brief and purpose

HOS’s social value policy outlines our commitment towards engaging suppliers who share our ethos. We understand that this process is important for two reasons:

- i. To be accountable to our stakeholders and to utilise our subscriptions funds in a manner which is consistent with government social value policy aims.
- ii. To enable best practice as an organisation.

This policy is mandatory for all new third-party supply relationships with our strategic delivery partners where the whole life costs are above the EU threshold values (currently £189k for services) and may also be considered for application in below threshold procurements.

### Legislative Position

The [Public Services \(Social Value\) Act 2012](#) requires public bodies operating solely in England to give due consideration to the inclusion of Social Value when commissioning goods, services, and works to which the Public Contracts Regulations 2015 apply. The Act does not alter the procurement process; however, it ensures that the public sector gives due consideration to the wider impact (social, economic, and environmental) of the requirements to be delivered.

### Procurement Policy Note (PPN)

**PPN/06/20** issued September 2020 applies to procurements covered by the Public Contracts Regulations 2015, ie contracts above the EU threshold and applies to all Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies. The PPN is attached at Annex A. The mandatory policy came into effect 01/01/2021.

### How do we apply this policy to suppliers?

At a high level, the suppliers’ Social Value Offering can broadly be split into 3 areas: Social/Economic/Environment. Each related “theme” aligns to the Government Social Value model as outlined in table 1 below.

Social (Themes 1&5)	Economic (Themes 1, 2, 4)	Environmental (Theme 3)
<b>Includes activities such as:</b>  Volunteering in the community   Hosting community events   Flexible working policies for staff	<b>Includes activities such as:</b>  Hosting work placements / creating apprenticeships / creating jobs/promoting opportunities for disabled people   Employing local people and spending with other local suppliers   Mentoring and providing career advice to young people	<b>Includes activities such as:</b>  Reducing energy / water use and carbon emissions   Supporting improvements to public spaces and parks Using sustainable products and materials

**Table 1 – Government Social Value Model**

Themes	Policy outcomes	
1	COVID-19 recovery	Help local communities to manage and recover from the impact of COVID-19
2	Tackling economic inequality	Create new businesses, new jobs and new skills
		Increase supply chain resilience & capacity
3	Fighting climate change	Effective stewardship of the environment
4	Equal opportunity	Reduce the disability employment gap
		Tackle workforce inequality
5	Wellbeing	Improve health and wellbeing
		Improve community cohesion

**How does HOS ensures suppliers meet the Policy?**

For strategic service procurements above the EU threshold, bidders must be evaluated against at least one of the five themes identified above, which theme(s) is chosen will depend on the type of procurement being considered. In below threshold procurements, bidders maybe similarly evaluated though it should be noted that bidder responses to social value evaluation questions can increase bidder response costs. Therefore, including it in the procurement process should be carefully considered.

For procurement above the threshold and in line with Government guidelines, the overall weighting assigned to “Social Value Criteria question” should be no less than 10% of the quality marks available for the procurement. However, when applied to under threshold procurements the % weighting can be lowered.

When using social value evaluation questions, suppliers should also be advised of the desired policy outcome and be asked to evidence their response. Further details on including social value in procurements can be found here.



Gov guide to using Social Value in procur

Examples of *possible* social value evaluation questions (the appropriateness of using these should be considered in the round)

- “Demonstrate what action the company has taken to increase the representation of disabled people in your workforce” (Theme 1/ 4) or
- “Demonstrate what action the company has taken to support young people into employment” (Theme 2) or
- “Demonstrate what action the company has taken to reduce its carbon footprint and what are your plans/goals for the next 5 years” (Theme 3) or
- “Demonstrate what action the company has taken to support a flexible workforce and what impact has that had on the diversity retention rates within the organisation? Use the last 3 years of benchmarking to support your response” (Theme 4)

- “Please evidence what practices your company employs to ensure your supply chain adheres to tackling workforce inequality including compliance with modern slavery legislation” (Theme 4)

### **Post Contract Management**

In line with good contract management practices and adherence to procurement procedures, regular service meetings should be held with strategic suppliers.

Where this policy is applied to a service, the winning supplier should annually be asked to submit evidence which clearly demonstrates its continued commitment to the social policy outcome chosen as part of contract award.

### **Transparency**

HOS will be clear in its external communications that promotion of social value within its supply base is a key focus area for the organisation.