

**TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEE:  
21 JULY 2015 – THE PUBLIC SERVICES (SOCIAL VALUE) ACT 2012 -  
IMPLEMENTATION**

*The following is an extract from the Draft Minutes of the Overview and Scrutiny Committee meeting held on 21 July 2015.*

**35. THE PUBLIC SERVICES (SOCIAL VALUE) ACT 2012 - IMPLEMENTATION**

The Policy Officer presented the report of the Head of Policy and Community Services entitled The Public Services (Social Value) Act 2012 – Implementation.

He advised Members that the Act encouraged authorities to look at wider issues and consider not just monetary value, but also social value.

The Act imposed an active duty on relevant contracting authorities to consider economic, environmental and social benefits that can be achieved through commissioning including those listed in Paragraph 7.6 of the report.

Although it was not mandatory, it was proposed that NHDC also implement a “Go Local” policy on all procurements in order to promote local businesses and entrepreneurship. This would necessitate any Officer to first attempt to locate goods and services from a supplier within North Hertfordshire, although not at a much greater cost than otherwise would be achieved.

Members were supportive of both the Social Value and Go Local initiative, but queried whether an acceptable percentage figure above lowest price should be included. They were concerned that Officer time would be increased as a result of this policy and that local businesses may incur additional costs when tendering, due to the additional information required.

The Policy Officer advised that it was not appropriate to include a percentage figure in the documents as the benefits for each contract locally could differ and it would be expected that local businesses compete for the business. He also advised that it was expected that procuring officers would challenge, from a business and cost perspective, any immediately obvious increase in costs. He did not expect there to be an additional burden on Officer time as this will form part of the normal processes.

**RECOMMENDED TO CABINET:**

- (1) That Cabinet approve the Public Services (Social Value) Act 2012 Policy for application to all relevant procurement and contract management;
- (2) That the Policy apply to all procurement contracts above the EU threshold (of £172,514), including capital works and goods supply;
- (3) That Cabinet approve a “Go Local Policy for all applicable procurement below a £50,000 threshold;
- (4) That Cabinet consider including the following Paragraph within the “Go Local” Policy:

“The Council would expect competitive pricing, but will take into account demonstrable benefit to the Community of North Hertfordshire”;

- (5) That Cabinet recommend that the Contract Procurement Rules be updated (to the extent required) to reflect the updated Policy under existing delegated powers of the monitoring officer as detailed in the constitution.

***REASON FOR DECISION:*** To comment of the report entitled The Public Services (Social Value) Act 2012 – Implementation prior to consideration by Cabinet.

**[NOTE: The report to which this referral relates is Item 13 on this agenda.]**