

Summary of HQN Training Event on 27.11.12

Public Service (Social Value) Act 2012

The Public Service (Social Value) Act 2012 comes into effect in January 2013.

The Act is designed to enable public authorities to give consideration to social and environmental benefits when tendering and evaluating tenders for services.

There is no legal compulsion to incorporate these factors into the tendering process, merely to give consideration to doing so.

The lack of compulsion in the Act was deliberate. The idea is that the Act will encourage a change in approach to tendering that involves more collaborative working between departments and agencies to tendering.

There is an acknowledgement that the benefits to be achieved rests on the familiar idea of facilitating a 'change of culture' and encouraging us all to come out of our silos. There was no coverage in the event of how to both achieve that change in culture and to extract us from our silos.

The Act is restricted to 'services' not tenders for 'works or goods'. However, the presentations and examples given by speakers, included repairs and maintenance work to council properties. When asked for clarification, Chris White MP, who sponsored the Private Members Bill that led to the Act, confirmed that works like repairs should be covered by the Act.

The intention of the Act is not to encourage increased spending, rather to encourage 'more intelligent spending' by taking into account the added value of social or environmental benefits in a tenderer's bid.

This matches up with the Treasury's 2012 introduction of the concept of 'total economic value' and the Treasury Green Book Annex 2 (valuing non-market goods).

Example: A contract that includes an obligation on the supplier to employ unemployed people in the locality during the life of the contract.

The social value would be the,

- reduced costs of benefits
- possible improvements in the health and wellbeing of the individuals employed and
- increased money coming into the local economy through the increased spending power of those individuals.

Attached with this summary is the full delegate pack which includes the presentations from,

Matthew Jackson.
Centre for Local Economic Strategies (CLES)

This covers a model (Local Multiplier Model) that CLES offer for measuring the social value in terms of its financial benefits to the wider local economy.

This centres on how money is retained and re-cycled within the local economy but, to my mind, does not account for the fact that the money generated is finite and that if the tendering process is geared towards retaining that money in the local economy, areas outside of the locality will experience a corresponding reduction in money flowing into their economies.

Trafford Housing Trust

This covers a scheme that was set up before the Act came into force but was presented as an example of what the Act is trying to achieve

The example involved a discrete business unit within the Trust employing prolific offenders living in the Trafford area and providing a voids clearance and cleaning service for the Trust (Cleanstart).

The scope of the service has now been extended to provide a full removals service for tenants of the Trust and others.

The service operates on a commercial basis and involved co-operation between the Trust, Prison Service and Probation Service to find and recruit the staff, provide ongoing support during their period of employment and to find them further employment with existing contractors of the Trust.

The Trust claim significant 'social value' in the form of things like benefits savings and a drop in crime, in addition to a lower cost, good quality voids service for the Trust itself.

Anthony Collins Solicitors

This covers the wider legal framework, including EU Directives, and suggestions about what we should consider doing next in response to the Act. This is summarised as,

- Update existing procurement policies
- Develop new social value policies if appropriate
- Look at upcoming service procurement exercises and how best to apply the Act to them.