



SOLACE Briefing on Public Services (Social Value) Bill

The Public Services (Social Value) Bill is a Private Members Bill, introduced in 2010 by Chris White MP. The Bill, originally introduced as the Public Services (Social Enterprise and Social Value) Bill, reaches its Report stage in the Commons on 25th November 2011. To date the Bill has received broad cross party support on its passage through Parliament and could receive Royal Assent as early as May 2012.

The key element of the Bill as it currently stands will be to require wider economic, social and environmental well-being to be taken into account in the commissioning process. While the legislation seeks to only make this small technical change, it is felt that it would bring about significant benefits to the quality of contracting.

The Bill does not seek to impose a 'top down' definition of social value and it is thought that the Bill gives commissioners the opportunity to be innovative at the pre-procurement stage and work with social enterprises to define social value in a way that is proportionate and appropriate in each individual case. For example, the Bill does not specify a method by which well-being should be taken into account presumable enabling local authorities to do this in a way which best suits local circumstances.

During the second reading in the Commons the Government introduced a number of amendments that limited the scope of the Bill. It was argued that that the purpose of these were to focus the legislation on where it will make most impact. The main effects included:

- limiting the scope of the Bill to public services, removing contracts for goods and work;
- limiting the scope of the Bill to the pre-procurement stage of the commissioning process;
- requiring consideration of how the procurement process itself may be improved, as well as the economic, environmental and social well-being of the service procured;
- that authorities in Wales that exercise devolved or partially devolved functions are excluded from the Bill.

The original Bill also included a requirement on the Secretary of State to publish a national social enterprise strategy to encourage engagement in social enterprise. It also amended the Local Government Act 2000 to require local authorities to include promoting engagement with social enterprises within their sustainable community strategies. Government amendments have removed these from the proposals.

The general thrust of the Bill appears to currently sit well with the principles that SOLACE support. The amendments seem to ensure that a localist approach is now being taken with the removal of the requirement for both national and local strategies. In addition, the SOLACE Summit communiqué called for new ways of procurement to be pursued to both help simulated local economic growth, and to build stronger, more effective partnerships. This Bill appears to enable local government to work with other organisations to develop such flexible approaches to the long-term benefit of local communities.

SOLACE will continue to maintain a watching brief as the Bill continues, press for positive amendments where appropriate and report significant developments as they occur.

Graeme McDonald
Director of Policy and Performance
SOLACE

7th November 2011