

Social Value Shropshire Compact Briefing



Shropshire Compact

What is social value?

Social value involves consideration of how resources are allocated and used beyond the price of a contract. Social value involves thinking about how each contract can generate wider benefit to the community. Chris White MP introduced the Public Services (Social Value Act) to parliament. He explains:

“We mean “value” not in its narrow sense but in its true sense - recognising the importance of social, environmental and economic well-being across our communities and in our lives”

The cuts in public sector budgets have drawn attention to the need to ensure each pound spent results in maximum benefit. Spending decisions are now more open to scrutiny; there is more focus on the quality of the commissioning process; and a greater understanding of the need for commissioners, providers and other stakeholders to work together pre-procurement.

What is the Public Services (Social Value) Act?

The Public Services (Social Value) Act 2012 was passed at the end of February 2012 and came into force on 31 January 2013. The Act introduces a statutory requirement for public authorities to have regard to economic, social and environmental well-being in connection with public services contracts within the meaning of the Public Contracts Regulations.

The Public Services (Social Value) Act 2012 applies to:

- Public service contracts (including service contracts with a works or goods element) and frameworks for these contracts.
- The pre-procurement stage of the commissioning process. This relates to the work public services need to carry out to enable them to realise social value prior to commencing a procurement exercise.
- The Act applies to contracts to which the Public Contracts regulations will apply (contracts above the Official Journal of the European Community (OJEC) procurement thresholds). This includes framework agreements above the thresholds.

The Act states:

“The authority must consider —

- (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.”

The Public Services (Social Value) Act 2012 can be found at:

<http://www.legislation.gov.uk/ukpga/2012/3/enacted>

The Cabinet Office has issued a policy statement in support of the Act (Procurement Policy Note 10/12), see:

<https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

Which organisations does the Act Apply to?

The Act applies to local authorities, government departments, NHS Trusts, Clinical Commissioning Groups (CCGs), Fire and Rescue Services, and Housing Associations.

What type of activity generates social value?

Examples of activity that may create social value are:

- Working with local volunteers
- Providing local employment and training opportunities
- Activities and services delivered by local people, for local people
- Promotion of equality and access to facilities and services
- Providing assistance to the most excluded groups individuals
- Designing new services and activities through coproduction and collaboration
- Delivering not for profit business models – long term and multi-social benefit

Where are there examples of good practice?

Good practice examples include:

- Croydon Council's social value toolkit. See: <http://www.croydon.gov.uk/contents/departments/business/pdf/socialvalue.pdf>
- Oldham's Social Value Framework. <http://committees.oldham.gov.uk/documents/s36855/Social%20Value%20Procurement%20Framework.pdf>
- The Birmingham and Solihull Social Economy Consortium: <http://bssec.org.uk/policy-issues/public-services-and-social-value/>
- Inspiring Impact is an international collaborative programme, working with the charity sector to help organisations know what to measure and how to measure. <http://inspiringimpact.org/>

Social Value in Shropshire

To find out more about the approach to Social Value being taken in Shropshire contact Neil Evans, within Shropshire Council's Commissioning Directorate.

Email: neil.evans@shropshire.gov.uk or telephone 01743 255927.

Visit the Shropshire Council website:

<http://www.shropshire.gov.uk/doing-business-with-shropshire-council/social-value/>

How do I find out more?

For more detail on the Public Services (Social Value) Act 2012 visit:

<http://www.legislation.gov.uk/ukpga/2012/3/enacted>

A review of the first year of the Public Services (Social Value) Act:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275719/Public_Services_Social_Value_Act_-_One_Year_On.pdf

Compact Voice's briefing on Social Value:

<http://www.compactvoice.org.uk/resources/briefings-and-responses/social-value>

Visit the Social Value Hub - a national partnership established to promote social value:

<http://socialvaluehub.org.uk/>

The Shropshire Compact

For more information about the Shropshire Compact use the details below:

 **Website:** <http://vcsvoice.org/the-compact/>

 **Email:** VCSAssembly@shropshire.gov.uk  **Telephone:** 01743 252740

