

## Fact Sheet 24 – Public Services (Social Value) Act 2012

**The Public Services (Social Value) Act 2012 aims to make the concept of 'social value' more relevant and important in the delivery of public services.**

The Government has defined social value as “a concept which seeks to maximise the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves”.

### Summary of the Act

The Act was introduced into the House of Commons on 30 June 2010 by Chris White, Conservative MP for Warwick and Leamington, in order to change commissioning structures and to create a level playing field to enable third sector organisations to compete more effectively with private sector organisations when bidding for public sector contracts.

A key part was the requirement for public bodies, such as local authority and National Health Service to give greater consideration to economic, social or environmental wellbeing during the pre-procurement stage when entering into public procurement contracts. This could include a potential service provider offering community benefit by employing ex-offenders to improve their skills and capacity.

### Consideration of Social Value

The Act places a duty on public bodies to consider social value prior to procuring services, goods and works. There has previously been no obligation for public bodies to include social value within contracts.

The Act applies when the public body is entering into a public services contract that is not based on a framework agreement.

When a public body has started the procurement process including sending a notice to the Official Journal of the European Union, published an advertisement, sought an expression of interest or

responded to an unsolicited offer then it must consider the following:

- ‘How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- How, in conducting the process of procurement, it might act with a view to securing that improvement’

There is also a requirement that authorities consider whether to consult on these matters.

When considering the social value the public body must only consider matters that are relevant to what is being procured and what is being proposed.

### Third Sector Opportunities

The Act will come into effect in January 2013 and as many third sector organisations will be able to demonstrate social value in their services this should provide more opportunities for them to bid for and win public sector contracts.

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**For further details about how Pulse Regeneration can help, please contact us.**

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