

# Social Value Act comes into force: what impact will it have on public sector procurement?

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**\*\*MEDIA ALERT\*\***

Ian Taylor, Director of NEPO and public sector procurement consortium, Pro5 Group, responds to the Social Value Act coming into force on 31 January 2013

"The Public Services (Social Value) Act 2012, which comes into effect today, encourages consideration of the social, economic and environmental impact of purchasing decisions by public sector bodies.

"It has long been known that local spending has a massive multiplier effect on local economies and that local authority supply chains bring with them a large carbon footprint. The Act is in effect a licence to make sure that these factors are important in purchasing decisions at the same time as the relentless pressure to make savings across the public sector.

"It is a concern that the need for substantial savings in public sector costs could inhibit the use of purchasing spend to help local economies, employment and energy efficiency"

"Local authorities and the wider public sector can respond in a number of ways. Social Value principles should influence the design of procurements to make them more accessible to smaller and third sector suppliers. They can work with potential suppliers to help them work their way through the procurement regulations to win contracts as well as reducing some of the hurdles that sometimes make life difficult for competitive smaller organisations. With live contracts in place, customers can work collaboratively with suppliers to reduce environmental impact and increase opportunities for local job creation and training.

"As a national procurement consortium, Pro5's role is to help make savings by encouraging authorities to buy collectively. However, these savings need to be sustainable and we will be using the Social Value Act as an aide to balancing our priorities. Even large scale contracts can be designed to support local supply chains as well as deliver savings.

The procurement landscape in the public sector is an increasingly fragmented landscape (free schools, hospital trusts, the Clinical Commissioning Groups), Pro5 is setting out to champion collaboration between local authorities and others to deliver social value for our citizens and customers.

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Notes to editors:

The Pro5 Group is a partnership of the largest public sector buying organisations in the UK (CBC, ESPO, NEPO and YPO), committed to delivering national procurement solutions that achieve best value and cost savings for the public sector. [www.pro5.org](http://www.pro5.org)

The North East Procurement Organisation (NEPO) is the lead organisation for this tender, acting on behalf of Pro5 and working with other national and regional groups including the Local Government Collaborative Commissioning Group (LGCCG), the National Advisory Group (NAG) and the Local Government Association (LGA). Find out more about NEPO at [www.nepoportal.org](http://www.nepoportal.org)

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