

## **PUBLIC SERVICES (SOCIAL VALUE) ACT 2012**

**Submitted by:** Partnerships Officer (Community Development)/Business Improvement Manager

**Portfolio:** Finance & Budget Management

**Ward(s) affected:** All

### **Purpose of the Report**

The purpose of this report is to outline the Public Services (Social Value) Act 2012, and what Newcastle-under-Lyme Borough Council needs to do in order to comply with the legalisation.

### **Recommendation**

**That Cabinet approve the steps set out in the Action Plan (Appendix B).**

### **Reasons**

The Public Services (Social Value) Act 2012 (also known as the Social Value Act) sets out additional requirements for public authorities. Newcastle-under-Lyme Borough Council needs to consider the implications of the legislation, and respond accordingly.

#### **1. Background**

1.1 The Public Services (Social Value) Act 2012 was initiated as a Private Member's Bill by Chris White MP, with broad cross party support. It became law on 8 March 2012, and applies with effect from 31 January 2013. The Act complements existing UK & EU procurement legislation.

#### **2. Requirements**

2.1 The Public Services (Social Value) Act requires public authorities to have regard to economic, social and environmental well-being in connection with public service contracts, and for connected purposes.

2.2 This requires the authority to 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, and,
- (c) Whether to undertake any consultation regarding a) and b) above, but with an exemption for urgent procurements, and in a way that does not overrule procurement legislation.
- (d) That any actions thereof are relevant, and proportionate, to the proposed procurement.

2.3 The Act builds on, amongst others:

- The Compact (the Council is a signatory to the Staffordshire Compact).
- Best Value Statutory Guidance, 2012.
- Equalities legislation.
- Third Sector Commissioning.

2.4 The Act is also very relevant to the Social Enterprise work being carried out by Newcastle Partnership.

### 3. **What does the Council need to do?**

3.1 The Council is required from 31 January 2013 to consider how what is procured may improve the social, economic and environmental wellbeing of the Borough, how the Council might secure any such improvement and to consider the need to consult. The Act only applies to service contracts which must be advertised through the European Journal but the principles could be of wider application. Appendix A is an advice note from the Department of Communities and Local Government. Your officers have produced a draft Action Plan for your approval at Appendix B.

### 4. **Why Should the Council Take Action?**

4.1 Putting the Action Plan into practice has the potential to be positive for the Council's reputation.

4.2 Potentially a tool to improve local services, have a positive impact on the local economy and environment and to support corporate objectives.

4.3 The concept of Social Value links in with the ethos of a Co-Operative Council.

### 5. **Proposal.**

5.1 That the steps set out in the Action Plan be approved.

### 6. **Reasons for Solution**

6.1 To ensure that Newcastle-under-Lyme Borough Council complies with the Public Services (Social Value) Act 2012

### 7. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

7.1 The recommendations support the Council's corporate priorities.

### 8. **Legal and Statutory Implications**

8.1 Compliance with the Public Services (Social Value) Act is mandatory. The Action Plan has been drawn up in order for the Council to comply with the legislation and its requirements.

### 9. **Equality Impact Assessment**

9.1 Unless otherwise stated below this proposed decision is not considered to have any adverse implications to and is considered to comply with the Council's equal opportunities/diversity policies.

10. **Financial and Resource Implications**

10.1 The implementation of the actions linked to the recommendations will be financed using existing budgets.

11. **Major Risks**

11.1 Consequences could be significant if the Action Plan is not implemented entailing possible sanctions and/or financial implications for the authority

11.2 If the Council fails to comply with legalisation it also risks reputational damage.

11.3 A risk assessment has been undertaken and is attached.

12. **Key Decision Information**

12.1 This report is classed as a key decision

13. **Earlier Cabinet/Committee Resolutions**

There were no earlier Cabinet or Committee resolutions linked to this report.