

By email to: Domestic-policy-queries@cabinetoffice.gov.uk

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Dear Sir or Madam,

Social Value in Government Procurement

1. Introduction

NuLeAF (the Nuclear Legacy Advisory Forum) is the Local Government Association (LGA) representative body on legacy nuclear wastes and decommissioning. NuLeAF is directly supported by over 100 local authorities and national park authorities across England and Wales and speaks for the wider local government community. We have a remit encompassing all aspects of the management of the UK's nuclear waste legacy. Our primary objectives are:

- to provide a mechanism to identify, where possible, a common, local government viewpoint on nuclear legacy management issues;
- to represent that viewpoint, or the range of views of its member authorities, in discussion with national bodies, including Government, the NDA and the regulators;
- to seek to influence policy and strategy for nuclear legacy management in the interests of affected communities; and
- to develop the capacity of its member authorities to engage with nuclear legacy management at a local level.

We are funded by non-departmental public bodies (the Nuclear Decommissioning Authority (NDA) and Radioactive Waste Management Ltd (RWM)) and by our member local authorities.

The NDA spends around £3.3 billion of public money per annum, with the entire cost of cleaning up the UK's nuclear legacy estimated at £120 billion at current prices. This very significant expenditure has great potential to deliver wider economic, social and environmental benefits if properly directed.

The **Social Value in Government Procurement** consultation is therefore of great interest to our members. It offers the potential to further embed social and environmental objectives in procurement by NDA and other public bodies and thus to deliver 'added value' in their approach.

2. General Comments and response to consultation questions

We welcome these proposals, building as they do on the requirements in the **Public Services (Social Value) Act 2012** that all contracting authorities should consider how procurement of services contributes to the economic, social and environmental well-being of areas. The consultation also notes the **Public Contract Regulations 2015** which enable contracting authorities to reserve participation in procurement for certain service contracts to public service mutuals and social enterprises.

Local government has significant expertise in promoting socially and environmentally sustainable procurement. It is encouraging that the Crown Representatives for Voluntary, Community and Social Enterprises (VCSEs) have designed *a 'social delivery model for central government buyers drawing on examples of best practice in local government.'* We would suggest that dialogue is maintained with the Local Government Association (LGA) to enable further learning from experiences in local authorities and to encourage the extension of the objectives of this legislation beyond the central government estate.

In terms of the specific consultation questions we offer the following comments:

Question 1: Do you agree with the proposed policy metrics in the model in the attached annex? Do you have examples of such metrics being successfully used in public procurement?

In general, we support the proposed policy metrics but would offer the following comments:

- We welcome the proposed metrics for the Diverse Supply Chain theme. One issue that our members have raised is that, while SMEs and VSCs can often be included in consortia that are part of successful framework agreements or overarching tenders, this does not always translate into them being awarded tangible work of value. The policy metrics that are suggested should help address this issue.
- We feel the metrics suggested under the Environmental Sustainability Theme are too general and some more specific targets are required to ensure consistency with the specific metrics suggested for other Themes. In particular, there should be a clear target for the reduction of greenhouse gas emissions, given the UK Parliament has recently declared a 'Climate Emergency' and that the UK has a target to reduce carbon emissions by 80% by 2050. The UK Committee on Climate Change has recently proposed that a 'net zero' carbon target is set for 2050.
- We are surprised that no target is included on transport impacts.

Question2: Do you agree that the proposed minimum 10% weighting for evaluating social value in the bid is appropriate?

We agree with the minimum 10% weighting but note that under the proposal departments are not required to select any specific policy outcomes that would help inform the evaluation of social value. While some degree of flexibility is needed, the general 10% minimum target does need to be underpinned by a broad range of social and environmental policy outcomes. Any supporting guidance should make that clear.

Question 3: Does the proposed approach risk creating any barriers to particular sizes or types of bidders, including SMEs or VCSEs? How might these risks be mitigated?

Requirements on bidders to provide detailed information on their workforce or social and environmental performance can prove burdensome on smaller businesses and community organisations.

There is therefore a risk that such an approach will have the unintended consequence of deterring smaller organisations from bidding. Many such bodies do not record in detail their environmental performance or the diversity of their workforce. Many also lack a dedicated human resources team and thus the ability to offer the training opportunities or internships that these proposals are designed to encourage. Finally, small enterprises often lack formal management systems, for example environmental monitoring systems, that could help improve their environmental performance.

Great care is therefore needed in how such requirements are implemented. Government should issue guidance to help design procurement processes in ways which mitigate such barriers. Signposts to useful guidance and support should also be provided.

Question 4: How can we ensure government's existing procurement policy mandates (for example levelling the playing field for SMEs) take precedence in designing the procurement?

We do not have any comments on this beyond what we have offered above.

I hope these comments are helpful.

Yours faithfully,



Philip Matthews
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