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The Rt Hon. the Baroness Armstrong  
of Hill Top  
House of Lords  
London  
SW1A 0PW

Our reference: MC2021/15560  
Your reference:

29 July 2021

Dear Hilary,

I am writing following the House of Lords' debate on the Report from the Public Services Committee *A critical juncture for public services: lessons from COVID-19* on 22 July 2022 when I did not have time to address your concerns about the proposals set out in the Green Paper: *Transforming Public Procurement* published on 15 December 2020 and how they relate to social care.

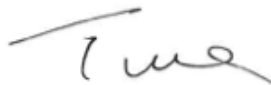
The overarching objective for all of the Government's commercial activities is achieving the best commercial outcome and the best value for UK citizens. Social value helps us to ensure that we take into consideration not only what we are buying, but the way we are buying it; the wider impacts of our decisions. The Public Services (Social Value) Act 2012 is the underpinning legislation relating to social value through procurement. In 2020, 'PPN 06/20' launched implementing the ministerial commitment made in June 2018 to extend use of the Social Value Act. The benefits that many SMEs, VCSE and responsible businesses bring to their communities will be taken into consideration when procurement decisions are made for in scope contracts. This is even more important as we recover from the impacts of the COVID19 emergency.

Leaving the EU provides the UK with the opportunity to overhaul the public procurement regulations that govern how contracting authorities spend some £290bn of taxpayer's money. Contracting authorities will still need to deliver value for money, which includes considering all the economic, social, and environmental impacts of our decisions. They will be able to award contracts using criteria to determine the "most advantageous tender" under the new legislation. This change of language from "most economic advantageous tender" is to send a clear signal that wider socio-economic criteria can be included as part of evaluation of tenders. We want to encourage contracting authorities to use public resources in a way that creates and maximises social value.

The consultation to the Green Paper has now concluded. We received a number of detailed and thought provoking responses on the commissioning of services for people. This included many responses from the voluntary sector and other organisations that highlighted how the current public procurement rules hinder delivery of these services to local communities. We are engaging with experts in central and local government about how we can improve the rules and in due course, the Government will set out its response. I can assure you that we are listening very carefully to the feedback from the voluntary sector received before finalising the policy.

The new procurement legislation will regulate the actions of contracting authorities when they go to market. This is necessary to ensure fair competition, deliver value for money, maximise the benefits to the public, and avoid corruption. We want to create procurement legislation that delivers the best commercial outcomes with the least burden for all types of contracts and all types of suppliers and service providers. We recognise the value the voluntary sector can bring and are committed to ensure they more easily bid for opportunities to support local communities through simplifying the rules.

I hope the above information is helpful.

A handwritten signature in black ink, appearing to read 'True', with a horizontal line above it.

**Lord True CBE**