



Our Ref: PEER626290

The Rt Hon. the Lord Young of Graffham CH DL
House of Lords
London
SW1A 0PW

12 February 2015

Dear Lord Young,

I would like to thank you for your work in reviewing the Social Value (Public Services) Act 2012. This review has been a valuable exercise in understanding how the Act has fared in its first two years and what more we can now do to support this important piece of legislation.

I was pleased to see that the review found the Act having such a positive effect where it is being taken up. The range of stakeholders who see exciting potential in the Act and the sheer breadth of innovation that is starting to be uncovered, helps us to place the Act in a clearer light, to fully understand its potential and think about how we can now support this.

Preventing the Act's thresholds from increasing to 750,000 euros for many services when the new Public Contracts Regulations 2015 come into force is an important first step in doing this.

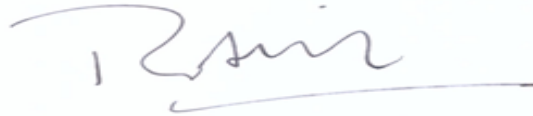
The review has also helped us to place the Act in context. Public services are changing and commissioners are facing some very real cost pressures. What is clear is that the Act has real potential to thrive in this environment, being used as a tool for the kind of smarter procurement that is becoming increasingly necessary for commissioners to navigate the challenges they are facing.

I understand that, if we want the Act to take this form, we need to support people to use it as such. The review makes a number of important recommendations about how we can do this: increasing awareness and take-up, improving people's understanding of how to practically apply it and developing the field of social value measurement. I have read these recommendations carefully and am keen to investigate them further.

The Act has made a good start and this review has been an important milestone to move it into its next phase of implementation and I am grateful to you for having conducted it with such careful attention.

I would also like to thank the review group who made a huge contribution to this work: Hazel Blears MP, Chris White MP, Michael O'Toole (chief executive of Mentor UK and former Crown Representative for the voluntary sector) and Ted Salmon (north east regional chairman of the Federation of Small Businesses).

Finally, I would like to thank all the stakeholders who gave their time to this review, who have made a valuable contribution in helping the review to really get to grips with the key issue surrounding the Act's implementation. We hope we can continue working with these same stakeholders as we now move into the next phase of this implementation.

A handwritten signature in blue ink, appearing to read 'Rob Wilson', with a horizontal line underneath.

ROB WILSON