Draft Regulations laid before Senedd Cymru under section 44(2) of the Social Partnership and Public Procurement (Wales) Act 2023, for approval by resolution of Senedd Cymru.

# DRAFT WELSH STATUTORY INSTRUMENTS

2026 No. (W.)

### PUBLIC PROCUREMENT, WALES

### SOCIAL PARTNERSHIP, WALES

The Social Partnership and Public Procurement (Wales) Regulations 2026

#### **EXPLANATORY NOTE**

(This note is not part of the Regulations)

These Regulations supplement the Social Partnership and Public Procurement (Wales) Act 2023 ("SPPPA 2023").

SPPPA 2023 provides for a framework to promote the well-being of the people of Wales by enhancing sustainable development (including by improving public services) through social partnership working, promoting fair work and socially responsible procurement.

Regulation 3 describes the contracts the Welsh Ministers also consider to be "prescribed contracts" under section 24(8) of SPPPA 2023. This relates to the socially responsible procurement duty and annual socially responsible procurement reports.

Regulation 4 describes the contracts the Welsh Ministers consider to be "registrable contracts" under section 40(2) of SPPPA 2023. This relates to a register of contracts published by the contracting authorities.

Regulation 5 sets out the information required by the Welsh Ministers to assess the extent to which a contracting authority, meeting its socially responsible procurement objectives, contributes to the achievement

of the well-being goals and the extent to which that authority's public procurement, generally, contributes to the achievement of those goals. The "well-being goals" are listed in section 4 of the Well-being of Future Generations (Wales) Act 2015, as amended by section 20 of SPPPA 2023.

Regulation 6 amends section 27(2) of SPPPA 2023 to replace "people with disabilities" with "disabled people" to ensure the improvements designed to be brought about by the social public works clauses align with the social model of disability.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment as to the likely costs and benefits of complying with these Regulations has been prepared and a copy can be obtained from the Commercial and Procurement Directorate, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

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### PUBLIC PROCUREMENT, WALES

# SOCIAL PARTNERSHIP, WALES

The Social Partnership and Public Procurement (Wales) Regulations 2026

Made \*\*\*

Coming into force \*\*\*

The Welsh Ministers make the following Regulations, in exercise of the powers conferred on them by sections 24(8)(c), 27(4)(c), 39(2)(e), 39(2)(f), 39(3), 40(2) and 44 of the Social Partnership and Public Procurement (Wales) Act 2023(1).

In accordance with section 44(2) of that Act, a draft of these Regulations has been laid before, and approved by a resolution of, the Senedd(2).

#### Title and coming into force

1.—(1) The title of these Regulations is the Social Partnership and Public Procurement (Wales) Regulations 2026.

<sup>(1) 2023</sup> asc 1.

See also section 40 of the Legislation (Wales) Act 2019 (anaw 4) for provision about the procedure that applies when an instrument combines subordinate legislation subject to different Senedd procedures, which applies to this instrument.

(2) These Regulations come into force on XXX 2026.

#### Interpretation

**2.**—(1) In these Regulations—

"PA 2023" ("DC 2023") means the Procurement Act 2023(1);

"SPPPA 2023" ("DPGChC 2023") means the Social Partnership and Public Procurement (Wales) Act 2023(2);

"concession contract" ("contract consesiwn") has the meaning given by section 8 of PA 2023;

"contracting authority" ("awdurdod contractio") has the meaning given by section 22 of SPPPA 2023:

"contractor" ("contractwr") means any person who offers the execution of works, the supply of products or the provision of services on the market who has been awarded a registrable contract;

"financial year" ("blwyddyn ariannol") has the meaning given by section 46 of SPPPA 2023, except in regulation 5(2)(e)(ii);

"framework agreement" ("cytundeb fframwaith") has the meaning given by section 45 of SPPPA 2023;

"notifiable below-threshold contract" ("contract hysbysadwy sydd o dan y trothwy") has the meaning given by section 87(4) of PA 2023(3);

"registrable contract" ("contract cofrestradwy") has the meaning given by regulation 4;

"small and medium-sized enterprise" ("menter fach a chanolig ei maint") has the meaning given by section 123 of PA 2023;

"trade union" ("undeb llafur") has the meaning given by section 1 of the Trade Union and Labour Relations (Consolidation) Act 1992(4) (and "recognised" ("cydnabyddedig") in relation to a trade union has the meaning given by section 178(3) of that Act);

"utilities contract" ("contract cyfleustodau") has the meaning given by section 6 of PA 2023;

"zero hours contract" ("contract dim oriau") has the meaning given by section 27A(1) of the Employment Rights Act 1996(5).

<sup>(1) 2023</sup> c.54.

<sup>(2) 2023</sup> asc 1.

c.54. "egulated below-threshold contract" is defined in section 84 of the Procurement Act 2023 and "below-threshold contract" is defined in section 5(5) of the Procurement Act 2023.

<sup>(4) 1992</sup> c.52.

<sup>(5) 1996</sup> c.18.

- (2) In these Regulations, the estimated value of a contract is to be determined in accordance with section 4 of PA 2023.
- (3) In these Regulations, references to PA 2023 should be read as applying to contracting authorities within the meaning given in regulation 2.

# Socially responsible procurement duty and prescribed contracts

- **3.**—(1) For the purpose of section 24(8) of SPPPA 2023 (socially responsible procurement duty) a prescribed contract also includes any contract of a kind referred to in paragraph (2) unless paragraph (3) applies.
- (2) The kinds of contract are—
  - (a) a contract between one or more economic operators and one or more contracting authorities; and having as its object the execution of works, the supply of products or the provision of services;
  - (b) a framework agreement.
- (3) Paragraph (2) does not apply if—
  - (a) a contract has an estimated value that is less than the threshold amount set out in the table of paragraph (1) of Schedule 1 to PA 2023 for that type of contract, or
  - (b) a contract is an exempted contract within the meaning of Schedule 2 to PA 2023.

#### Registrable contracts for the purpose of the register

- **4.**—(1) For the purposes of section 40(2) of SPPPA 2023 (contracts register), a registrable contract is any contract of a kind referred to in paragraph (2) unless paragraph (3) applies.
- (2) The kinds of contract are—
  - (a) a contract between one or more economic operators and one or more contracting authorities; and having as its object the execution of works, the supply of products, or the provision of services;
  - (b) a framework agreement.
- (3) Paragraph (2) does not apply if—
  - (a) a contract's estimated value is less than that of a notifiable below-threshold contract, or
  - (b) a contract is an exempted contract within the meaning of Schedule 2 to PA 2023, or
  - (c) a contract is a concession contract or a utilities contract.

# Information required in annual socially responsible procurement reports

- **5.**—(1) The information required by the Welsh Ministers under section 39(2) of SPPPA 2023 is to be calculated as follows.
- Step 1 Add together the estimated value of all reportable contracts (a "reportable contract" has the meaning given by paragraph (3)).
- Step 2 The contracting authority must then determine for each reportable contract whether it is awarded to a contractor meeting any of the conditions in paragraph (2).
- Step 3 For each condition in Step 2 which is met, add together the estimated value of all the reportable contracts awarded to contractors which meet it.
- Step 4 Divide each amount arrived at in Step 3 by the total arrived at in Step 1 and multiply by 100 to produce a percentage for each condition.
- (2) The conditions referred to in paragraph (1), Step 2 are—
  - (a) the contractor provides opportunities for staff to use, learn or improve their Welsh language skills;
  - (b) the contractor—
    - (i) is an individual and their postal address is in Wales, or
    - (ii) is not an individual and their registered or principal office address is in Wales;
  - (c) the contractor is a small and medium-sized enterprise;
  - (d) the contractor is a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives;
  - (e) the contractor has a carbon reduction plan—
    - (i) that confirms the contractor's commitment to achieving net zero greenhouse gas emissions by 2050 in the UK and setting out the environmental measures that the contractor has in place to reduce the environmental impacts and carbon footprint associated with their business operations, and
    - (ii) that is publicly available and has been created or updated within 6 months of the end of the contractor's financial year;
  - (f) the contractor can provide information on the emissions of greenhouse gases generated by the goods, works and services that it provides;

- (g) the contractor has an environmental policy statement which sets out the contractor's aims in managing the environmental impacts and aspects of its operations, and commits to a programme of improvement;
- (h) the contractor is certified by the Living Wage Foundation (a Citizens UK(1) initiative) as an Accredited Living Wage Employer;
- (i) a trade union is recognised by the contractor;
- (j) the contractor sets the terms and conditions of employment for workers by negotiations with a recognised trade union;
- (k) the contractor—
  - (i) has no workers on a zero hours contract,
  - (ii) has workers on a zero hours contract but reviews the appropriateness of these arrangements with those workers or a recognised trade union at least once every three months;
- (1) the contractor—
  - (i) has an equality, diversity and inclusion policy covering its recruitment and employment practices, and
  - (ii) provides all staff with regular training to understand the equality, diversity and inclusion policy and how it affects them;
- (m) the contractor is a signatory to the code of practice on ethical employment in supply chains published by the Welsh Ministers(2).
- (3) In this regulation a "reportable contract" means a registrable contract—
  - (a) that is not a framework agreement, and
  - (b) that is awarded in the financial year to which the annual report relates.

### Amendment of the term "people with disabilities" in SPPPA 2023

**6.** In section 27(2) of SPPPA 2023 (social public works clauses in major construction contracts), in the table entry for "Employment", for "people with disabilities" substitute "disabled people".

Name

Title of Minister, one of the Welsh Ministers Date

<sup>(1)</sup> Registered charity number 1107264.

<sup>(2)</sup> The latest version of the Code is available at https://www.gov.wales/ethical-employment-supply-chains-code-practice-guidance-and-training