



Statutory Guidance: Annual Socially Responsible Procurement Reports



Introduction

1. Section 39 of the [Social Partnership and Public Procurement \(Wales\) Act 2023](#) (the SPPP Act) describes the duty for certain contracting authorities to prepare and publish an annual report on its public procurement.

Who should publish an annual socially responsible procurement report?

2. If a contracting authority has awarded any prescribed contracts in a financial year, they are required to publish an annual report (Section 39(1)).
3. Section 42 requires Welsh Ministers to publish an annual report on public procurement in Wales that year. It must include information about annual reports published under section 39 and the results of any procurement investigations under section 41. This can only be done once all contracting authorities have published their own reports.

Where to publish

4. Annual reports should be published on the contracting authority's website.
5. A link to the annual report should be emailed to commercialpolicy@gov.wales

Timing of publication

6. The Act requires the annual report to be published as soon as practicable after the end of the financial year that it covers. Contracting authorities will be encouraged and supported to publish reports, ideally, within six months of the end of the financial year. For most organisations this means before the end of September. This will allow Welsh Ministers to prepare and publish the summary report within the same financial year.

The content of annual reports.

7. The Act describes three sections in the Annual Report,
 - i. a summary of the public procurement exercises carried out during the year (section 39(2)(a) to (c)) and the extent to which the authority took all reasonable steps to achieve its published objectives and when applicable how further steps could reasonably be taken;
 - ii. a summary of the public procurement that it expects to carry out in the following two financial years (39(2)(d)); and
 - iii. information, described in regulations (sections 39(2)(e) and (f) and 39(3)), that Welsh Ministers require to assess the extent to which contracting authorities



are achieving the well-being goals through meeting their objectives, and how their procurement, generally, is contributing to the achievement of the well-being goals.

8. Although the Act does not define the format that the annual report should take, contracting authorities should consider making these three sections clear and distinguishable in the structure.
9. The purpose of these reports is primarily to aid transparency so that all stakeholders, from citizens to funding bodies, can assess how successfully the authority's socially responsible procurement objectives contribute to the achievement of well-being goals.
10. It is also an opportunity for each contracting authority to bring its procurement activity to life, include case studies that illustrate its achievements and share good practice. Although it will require the reporting of metrics and data, stories and examples are often inspiring, both for those drafting and those reading the reports. Including pictures and quotations from people involved is encouraged.
11. There is no reason for the annual report to be limited to the requirements in section 39 of the Act. Contracting authorities can include other information that will be of interest to its stakeholders.
12. A suggested structure for the content is as follows:

Part 1. Meeting socially responsible procurement objectives

13. Details of the following is likely to be needed for context:
 - Contextual information about the organisation, and its procurement and contract management over the year.
 - Details of any revisions to socially responsible procurement objectives made during the year.
 - A summary of total procurement spend in the annual year covered, how this separates into categories etc.
 - Any particularly large, complex or important contracts awarded during the year.
 - Summary (including number) of procurements that resulted in prescribed contracts, or that were intended to lead to the award of a prescribed contract, including:



- Major construction contracts
- Outsourcing services contracts
- Other prescribed contracts as set out in regulations (NB a call-off from a framework/dynamic mark is classified as a contract – see below).
- Details of any notifications sent to Welsh Ministers about non-inclusion of the social public works or workforce clauses.

14. Since major construction and outsourcing services procurements are the subject of a significant section of the Act, contracting authorities should include in their reports details of all ongoing work to ensure that the social public works and workforce clauses are continuing to operate in relevant contracts and supply chains. This may require reporting on contracts awarded in previous financial years. Any relevant performance data should be included. Please see the Works and Workforce Clauses and Notifications guidance for examples.

15. For a large contracting authority that may have awarded many prescribed contracts during the year it may be more practical to structure this section around the objectives and describe how these have been met in the procurement exercises carried out. All relevant prescribed contracts will need to be referred to.

16. It may also be necessary to include details of prescribed contracts awarded in previous years that are still in place in order to report on the achievement of objectives.

17. Depending on the types of objectives set it may be preferable to include the information above in narrative form rather than in a table, with each objective forming a subheading within this section.

18. Depending on the nature of the objectives, outcomes could be presented as tables of data, graphs, narratives and/or case studies.

19. Contracting authorities are encouraged to:

- bring this section of the report to life by including examples, case studies and focusing on outcomes achieved.
- See this section as an opportunity for self-assessment, noting any reasons why steps might not have been taken to meet objectives, or outcomes not achieved, along with potential opportunities for improvement.

Collaborative procurement and frameworks

20. Call-off contracts from a framework or dynamic market can also be a “prescribed contract” if they match the definition provided for in the SPPPA and Regulations. Although the framework or dynamic market itself may have been put in place by



another organisation based within or outside of Wales, all customers of those frameworks that are listed in Schedule 1 of the SPPP Act will need to include details of these call-off contracts in their annual report and explain how they have taken steps to achieve their objectives.

21. For this reason, it is important for contracting authorities to ensure that any framework or dynamic market they choose to use aligns with the objectives that they have published. Any gaps between what a contracting authority's objectives and the features and terms of conditions of the framework will need to be explained in the Annual Report.

Part 2. Summary of the procurement expected over the next two financial years.

22. This section meets the requirements in Section 39(2)(d) of the SPPP Act.

23. It must include a list of procurement exercises that are expected to take place within the following 2 years. This information should be presented as the best available at the time of writing. It should include as much information as possible, including, where possible:

- details of the requirement
- likely timescale for when the procurement is to take place
- the expected contract value and duration

24. The Act does not stipulate that this information is to be restricted to prescribed contracts. The intention of including this information is to provide potential bidders with advance notice of forthcoming contracts, and so information about forthcoming lower value contracts will also be of interest, especially to smaller businesses and social enterprises.

25. The contracting authority might consider including this information on its website, in a form that can be regularly updated. In which case this section of the Annual Report could include a link to this information, and a snapshot of it, at the time of publication.

Part 3. The contribution of the authority's procurement to achieving well-being goals.

26. This section meets the requirements in Section 39(3)(b) of the SPPP Act.



27. It includes the information, required by regulations, to demonstrate how the authority's procurement, generally, is contributing to achieving the well-being goals.
28. The information presented here relates to the extent to which the contracting authority's suppliers are themselves contributing to the well-being goals.
29. Data will cover all "reportable" contracts awarded during the year, as section 39(2)(b) is not restricted to prescribed contracts.
30. Contracting authorities could include other metrics, information and case studies to supplement information required in regulations.

Welsh Ministers' summary annual report in procurement (section 42)

31. Once all contracting authorities have published their annual reports, Welsh Ministers are required to prepare and publish a report on public procurement in Wales that year, and the results of any procurement investigations carried out under section 41.
32. The procurement subgroup of the Social Partnership Council may review contracting authorities' annual reports and provide advice to Ministers on the development of the report on public procurement in Wales.
33. This report must be published as soon as reasonably practicable after the end of the financial year and must be laid before the Senedd.