



Statutory Guidance: Setting and Meeting Socially Responsible Procurement Objectives



Introduction

1. Section 24 of the [Social Partnership and Public Procurement \(Wales\) Act 2023](#) (the Act) describes the socially responsible procurement duty. It states that a Contracting Authority must seek to improve the economic, social, environmental and cultural well-being of its area by carrying out public procurement in a socially responsible way. A Contracting Authority must do this by taking action aimed at achievement of the well-being goals.
2. The Act requires Contracting Authorities to set and publish Socially Responsible Procurement Objectives (SRP Objectives) designed to maximise achievement of the well-being goals and outline the steps that must be taken.

Developing SRP Objectives

3. Contracting Authorities must set and publish “socially responsible procurement objectives” (Section 24(3)). Each contracting authority should design its SRP objectives to “maximise its contribution to achieving the well-being goals”.
4. Public bodies that are listed in section 6(1) of the Well-being of Future Generations (Wales) Act 2015 (WFGA) are also required to publish “well-being objectives” (section 3(2)(a) of the WFGA) with the same aim. However, the well-being objectives and SRP objectives are not the same; well-being objectives will relate to the strategic decisions, objectives, functions and services of the organisation as a whole, whereas SRP objectives are about maximising a contribution to the well-being goals through procurement activity.
5. For those public bodies listed in the WFGA, it is likely that there will be some alignment between the well-being objectives and SRP objectives, and that both sets will be related to the strategic priorities of the contracting authority. It is possible that one objective will serve both purposes.
6. Not all Contracting Authorities listed in Schedule 1 of the SPPP Act are also subject to the WFGA and thus required to publish well-being objectives, but they are likely to have published organisational priorities and plans. Some organisations will be engaged in collaborative structures such as public service boards or collaborative procurement arrangements. Practically, those tasked with developing SRP objectives will need to take account of all relevant published objectives.
7. Before drafting SRP objectives, contracting authorities should review existing plans and evidence, including (but not limited to):



- The organisation's well-being objectives, linked to all seven well-being goals
- The organisation's strategic plan
- Any relevant Public Service Board's Local Well-Being Assessment and Local Well-being Plan
- Plans and objectives of any relevant collaborative procurement organisation
- Any relevant recommendations from Audit Wales
- The Welsh Government's Well-being of Wales report, the National Indicators, National Milestones for Wales and Future Trends report
- Sector specific reports for contracting authorities in specific sectors. For example, in health and social care organisations population needs assessments may be useful.

SRP Objectives and collaborative procurement

8. Each contracting authority must set and publish its own SRP objectives, and it will be required to report annually on how it has taken all reasonable steps to meet them whenever it has awarded any prescribed contracts during the financial year.
9. This means that those organisations that carry out collaborative procurement, including establishing frameworks for other contracting authorities to use, will need to ensure that these contracts and frameworks meet the needs of their customers in other organisations by meeting the objectives of those organisations.
10. Before deciding to call off a framework, dynamic market or use a collaborative contract, all contracting authorities will need to ensure that they are able to meet their objectives through their use of the framework, dynamic market or collaborative contract, and should record how the use of that arrangement contributes to, or aligns with, their own SRP objectives

Drafting SRP Objectives, and Consulting

11. The Act does not stipulate how SRP objectives are set. However, they must be set to maximise a contribution to all seven well-being goals, applying the sustainable development principle (five ways of working). None of the well-being goals should be absent from the list of objectives.



12. The Act does not specify how many SRP objectives are required. Depending on the size of the Contracting Authority, perhaps between 7 and 10 would be appropriate. Similarly, the [statutory guidance for public bodies](#) discharging the well-being duty sets out that the WFGA provides flexibility to public bodies when setting well-being objectives to do so in a way that suits their role and functions.
13. SRP objectives can relate to any or all parts of the procurement cycle, since Socially Responsible Procurement applies to the process from designing the process to managing the contract (Section 23).
14. Since SRP objectives are focused on maximising a contribution to achieving well-being goals it may be helpful to structure them to correspond with the well-being goals. This would also help to ensure that all the well-being goals are considered and addressed. If this proves difficult, an indication of which goals are addressed by each objective will be needed. An example of this approach can be found in the well-being statements of public bodies discharging the well-being duty under the WFGA.
15. Objectives generally outline medium-term changes, perhaps focussed around a three-to-ten-year period, that a contracting authority can make to contribute towards one or more wellbeing goals.
16. SRP objectives should be drafted to include “change language”, i.e. using words such as “increase”, “strengthen”, “reduce” as appropriate, and will need to be specific and measurable so that “taking all reasonable steps to meet objectives” (see below) is a meaningful process.
17. SRP objectives should clearly include a change and a method and reference the well-being goals they aim to reach as outcomes. This will help contracting authorities measure, and report on, their own progress towards all well-being goals.
18. The Future Generations Commissioner’s Office published guidance about setting good well-being objectives in 2020¹, with ten steps to follow. These steps may also be useful for contracting authorities developing their SRP objectives. They include bringing people together, being bold, and using language that is easy to understand.
19. Although this Act does not require contracting authorities to consult as they prepare their SRP objectives, it is good practice to consult with those who will be involved in achieving the objectives and those most affected by the outcomes.

¹ [Chap 4 Setting WB Objectives \(futuregenerations.wales\)](#)



20. Although there is no requirement to engage in social partnership when setting SRP objectives, those contracting authorities listed in section 6(1) of the WFGA are also required to comply with Part 2 of this Act. This requires them to engage with recognised trade unions during the development and the reviewing of their well-being objectives, and it may be helpful to adopt a similar approach when developing SRP objectives.

21. “The following examples are illustrative only. Contracting authorities should adapt their own objectives to reflect their scale, sector and local context”

Three examples of SRP Objectives:

Objective 1: To increase the contract opportunities available to local suppliers, providing more local jobs and improving the local economy for a prosperous Wales, a Wales with more cohesive communities, and a diverse local workforce for a more equal Wales.

Objective 2: To strengthen contract expenditure analysis through the supply chain, in order to calculate and reduce our carbon footprint, in Wales and in the global supply chain, using resources efficiently and proportionately for a prosperous Wales, reducing pollution and restoring biodiversity for a resilient and globally responsible Wales

Objective 3: To ensure, as far as possible through supply chain risk assessments, that procurement decisions do not have a negative impact on the human rights of people within and outside of Wales, to support a more equal Wales and a globally responsible Wales.

These examples including wording that meets the following criteria:

Change Language:

- Increase, Strengthen, Ensure

Method:

- more contract opportunities available for local suppliers through procurement.
- contract expenditure analysis through the supply chain.
- risk assessments of supply chains.

Purpose:

- to build the local economy through local contracts and jobs.
- to calculate and reduce our global carbon footprint.
- to identify and manage risks of human rights abuses in Wales and elsewhere.

Goals alignment



- Providing more local jobs for a prosperous Wales, a local economy for cohesive communities, and a diverse local workforce for a more equal Wales.
- Using resources efficiently and proportionately for a prosperous Wales, reducing pollution and restoring biodiversity for a resilient Wales and reporting on our scope 3 emissions for globally responsible Wales.
- Reducing risks of labour exploitation for a more equal and globally responsible Wales.

Publishing Objectives

22. The SRP objectives should be published on the contracting authority's website in a way that makes them easy to find via the website's search engine and an internet browser. They could be included alongside the organisational well-being objectives where these are required, and/or on the contracting authority's procurement web pages. Those public bodies subject to the well-being duty are encouraged to publish objectives as part of their planning arrangements, so the well-being statements and objectives are often to be found within corporate plans.
23. The Act does not include a timeframe for publishing SRP objectives. However, they will need to be published as soon as possible after the Act comes into force because the primary focus of a Contracting Authority's report is the extent to which its objectives have been met (Section 39(2)). Ideally SRP objectives should be published within six months.
24. It may be helpful to publish SRP objectives alongside an organisation's procurement strategy, However, in some cases this might be difficult because the Act makes provision for strategies to be joint documents, whereas SRP objectives must be published by each contracting authority.
25. The purpose of publishing SRP objectives is:
- for transparency;
 - to enable an assessment of whether all reasonable steps have been taken to achieve them, for all prescribed contracts;
 - to aid the integration of SRP objectives;
 - to aid cooperation with other contracting authorities where objectives may align;
 - to aid reporting to the sub-committee of the Social Partnership Council; and
 - to aid Welsh Ministers in deciding whether to carry out an investigation.



26. To summarise, contracting authorities should therefore:

- publish their SRP objectives, along with a statement about how they maximise a contribution to one or more of the wellbeing goals, online in a publicly available part of their website, either as a standalone document or incorporated into another document such as a procurement strategy;
- include their SRP objectives in their [annual social responsibility reports](#).

Taking all Reasonable Steps

27. For all prescribed contracts as defined in regulations (described above) a Contracting Authority must take all reasonable steps to meet its SRP objectives

28. The Act does not require that the “reasonable steps” themselves need to be published alongside SRP objectives. Unlike SRP Objectives, which need to be fixed, published and reviewed periodically, the steps should not be thought of as fixed, but can be amended to suit a particular procurement.

29. However, section 38 of the Act requires contracting authorities to publish a *procurement strategy*, and this must include “how the authority intends to take all reasonable steps to meet its SRP objectives when it carries out public procurement in relation to any prescribed contract.” (Section 38(2)(b)). A separate section of guidance covers the publishing of [procurement strategies](#). Whilst SRP objectives must be set by each separate contracting authority, a procurement strategy can be published jointly by a group of organisations.

30. In addition, section 39(2)(a),(b) and (c) of the Act requires it to publish, in its *annual report*, a summary of all its procurement that led, or were intended to lead, to the award of a prescribed contract. It must include a review of the extent to which all reasonable steps were taken to meet the SRP objectives, and what more could have been done. A separate section of this guidance covers the publication of [annual reports](#).

31. Also, should a procurement investigation (section 41) take place, the Contracting Authority may be asked to explain the steps it had taken, and the steps it could have taken to meet its objectives.

32. Therefore, for each prescribed contract a Contracting Authority will need to consider and document the steps required to meet objectives. It will also need to consider how it will track the achievement of its objectives through, for example, documenting and sharing Key Performance Indicators or collecting other metrics.



It will be important to share this information with contract managers and with contracted suppliers.

33. Taken together, this means that each contracting authority, or group of authorities, will need to include in its procurement strategy the general steps that it will take to achieve the contracting authority's (or authorities') SRP objectives. These steps may be described in higher-level terms than those included in an annual report in relation to a contracting authority's specific procurement or procurements.
34. Since many contracting authorities carry out procurement across a wide range of market sectors including, for example, construction, social care, IT and consultancy, the steps that they might take to meet their SRP objectives may differ significantly in these different sectors or from contract to contract within a sector.
35. So, for example, if an SRP objective has been set to maximise procurement spend that remains in the local area, the steps that might be taken to achieve this would be different in a construction context compared with a social care setting.
36. So, in a procurement strategy, the "details of reasonable steps" to achieve more procurement spend remaining locally might include local advertisement of all contracts above a threshold or working with contractors to advertise sub-contracts. In a specific contract it might be about considering how the requirement might be separated into lots or holding events to attract local bidders, for example with the help of Business Wales.
37. It is important that this process is proportionate to the value, risks and complexity of each prescribed contract, which means that a small number of focussed steps would be better than larger numbers to track for each procurement.
38. Given that some details of "reasonable steps" are needed for both procurement Strategies and Annual Reports, contracting authorities should give careful thought to the types of steps that might be taken to achieve SRP Objectives. Authorities should maintain clear records of how "reasonable steps" were identified and applied, to evidence compliance.

Reviewing and Amending SRP Objectives

39. Schedule 2 gives further details about SRP objectives, requiring a contracting authority to review them if the well-being goals are changed, or if it determines that one of them is no longer appropriate. It can also review its SRP objectives at



any time. Any changes should be published promptly and with a clear explanation of the reason for those changes.

40. Although the Act does not specify any process for regular review of SRP objectives, organisations should decide at what frequency they should be reviewed. Appropriate timescales will differ between organisations and this might depend, for example, on how they are affected by political or funding cycles. Public bodies listed under s6(1) of the WFGA are required to review their well-being objectives annually as part of the process for reporting on them. Since well-being objectives and SRP objectives are linked, a contracting authority is advised to review its SRP objectives at the same time.

