



## Procurement Policy Note

# Taking account of social value in the award of central government contracts

**Action Note: 002**

**Updated: February 2025**

**Previously issued: September 2020**

### Issue

1. The National Procurement Policy Statement (NPPS) sets the Government's strategic priorities for public procurement in support of the Government's missions. This includes delivering social and economic value that supports the Government's missions.
2. This Procurement Policy Note (PPN) updates the Social Value Model ('the model') for central government and aligns it with the Government's missions. To enable implementation of the NPPS, all central government departments should use this model to take account of the additional social and economic benefits that can be achieved in the delivery of their contracts.

### Dissemination and scope

3. This Procurement Policy Note (PPN) applies to all central government departments (departments), executive agencies and non-departmental public bodies and are referred to as 'in-scope organisations'. Other contracting authorities may wish to apply the approach set out in this PPN. However, for the avoidance of doubt, this PPN does not apply to private utilities contracts or to the Ministry of Defence in relation to defence and security contracts as defined by section 7 of the Procurement Act 2023.
4. Please circulate this PPN within your organisation, particularly to those with a commercial, procurement and/or contract management role. It may also be relevant to those in finance, operational and sustainability roles.
5. This PPN reflects terminology introduced by the Procurement Act 2023 and the Procurement Regulations 2024. The Procurement Act 2023 and the Procurement Regulations 2024 apply to procurements commenced on or after 24 February 2025.

For more detail on the meaning of 'commenced' please refer to the Procurement Act 2023 [Guidance on Transitional and Savings Arrangements](#).

6. The Procurement Act 2023 does not apply to procurements commenced before 24 February 2025 or to contracts awarded prior to this date (including via frameworks, dynamic purchasing systems or qualification systems established under the previous legislation).

## Timing

7. In-scope organisations must apply this PPN to procurements commenced under the Procurement Act 2023 on or after 1 October 2025. For procurements commenced under the Procurement Act 2023 prior to this date, in-scope organisations can choose to apply this PPN or continue to use PPN 06/20 during this transition period.

## Action

8. In scope-organisations must apply this PPN to all in-scope procurements where it is relevant to the subject matter of the contract, proportionate, and complies with section 23 of the Procurement Act. The PPN 002 Social Value Model should be used and applied across all stages of the commercial lifecycle, but particularly at the planning and preparation stages.
9. When taking account of social value benefits, in-scope organisations must ensure that unnecessary burdens are not placed on suppliers, and in particular have regard to any barriers to participation faced by voluntary, community and social enterprises, and small and medium sized enterprises as set out in section 12(4) of the Procurement Act.
10. In-scope organisations must apply a minimum 10% weighting (or an equivalent measurement) of the total score, for social value. Where absolute methodologies are used (for example Price per Quality Point (PQP) or Value for Money index) this will be 10% of the non-price criteria (overall quality score).
11. All social value commitments made by suppliers during the procurement process must be reflected in the contract either as contract terms, key performance indicators, or performance indicators.
12. Where local employment opportunities are being created for the purpose of performing the contract, these must be advertised in local job centres using the government's "Find a Job" website. A standard clause has been added to the model Services and Mid-Tier Contracts templates to this effect. This clause is set out in Annex A for inclusion in cases where the Model Services Contracts are not used.
13. In-scope organisations must familiarise themselves with the model. The Guide to Using the PPN 002 Social Value Model, published on GOV.UK provides further guidance on how to apply the model but in summary:

- a. The model sets out a model question and a menu of social value award criteria and sub-criteria which contribute to the government's missions, that can be included in procurements, and standard metrics to include in contracts.
  - b. From this menu, commercial teams should select a relevant outcome and its corresponding award criteria and sub-criteria, refining them as necessary to ensure that they relate to the subject matter of the contract, are proportionate, and comply with the principles of equal treatment and non-discrimination, before inserting these into their procurements.
  - c. Suppliers respond with their offer, as part of their normal tender response; the social value aspect of the tender is then assessed on a qualitative basis using the award criteria and sub-criteria set out in the model question and the criteria and sub-criteria select from the menu of options in the model.
14. The Cabinet Office has published training products to support the implementation of the model in central government. E-learning and masterclasses are available via the [Government Commercial College](#), and, subject to capacity, seminars and training workshops are available to be booked via [sv@cabinetoffice.gov.uk](mailto:sv@cabinetoffice.gov.uk).

## Background

15. The National Procurement Policy Statement sets out the government's strategic priorities in relation to procurement, focusing on mission-led procurement to meet the full potential of public procurement to deliver value for money, economic growth and social value. Providing social value through procurement is the additional social, economic or environmental benefit that can be derived from the way a supplier works with its staff, suppliers, community or the environment when delivering a contract.
16. The Public Services (Social Value) Act 2012 requires public bodies to consider social value for services contracts - this PPN extends beyond the Social Value Act as outlined under 'Dissemination and scope' above.

## Contact

17. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk (telephone 0345 410 2222, email [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk))

## **Annex A**

Where employment opportunities are being created for the purpose of performing the contract, these must be advertised in local job centres using the Government's "[Find a job](#)" website. The following standard clause has been included in the Model Services and Mid-Tier Standard Contracts templates to this effect:

"Where, during the Contract Period, the Supplier or a Subcontractor need to hire Supplier Staff for a role based in the United Kingdom the role should be published on the Governments' 'Find a Job' website and include the location at which Supplier Staff would be expected to perform the role"