GIRI
Get It Right Initiative

PROCUREMENT ACT 2023: DRIVING BEST PRACTICE, DELIVERING BETTER OUTCOMES

Developed for The Get It Right Initiative by Fleur Summers, Natasha O'Connor and Chris Robinson of Mace Consult

SOCIAL VALUE: FROM TENDER PROMISE TO LASTING LEGACY

Introduction – a changing conversation

Social Value has been part of public sector procurement for more than a decade, but the conversation is evolving.

Contracting authorities are looking beyond cost and technical capability and asking a broader question: **what will this investment create for communities, local economies and future generations?**

The Procurement Act 2023 has helped reinforce that shift. The move from the Most Economically Advantageous Tender (MEAT) to the Most Advantageous Tender (MAT) has created greater space for contracting authorities to consider wider social, economic and environmental outcomes, provided those criteria are relevant and proportionate to the contract.

In this article, Fleur, Natasha and Chris of Mace Consult, in collaboration with the Get It Right Initiative (GIRI), explore what this means for construction procurement, what is changing through the Social Value Model, what we are seeing in the market, and how contractors can turn tender commitments into measurable delivery.

GIRI will explore the topic in a webinar in early 2027. Feedback on the themes raised in this article will help shape that conversation and ensure it focuses on the issues that matter to clients, contractors and the wider construction supply chain.

"SOCIAL VALUE IS NO LONGER JUST A TENDER RESPONSE. THE REAL TEST IS WHETHER THE COMMITMENT PROPOSED WITHIN THAT RESPONSE CONTINUES BEYOND CONTRACT AWARD AND INTO DELIVERY."

This article provides a timely reminder: **Social Value is no longer just a tender response.** The real test is whether the commitment proposed within that response continues beyond contract award and into delivery.

What is Social Value?

The Public Services (Social Value) Act 2012 brought social value firmly into the public procurement conversation, encouraging public bodies to consider how procurement could secure wider economic, social and environmental benefits.

Since then, approaches have developed significantly. Different contracting authorities have adopted different models and evaluation methods, but the underlying principle has remained consistent: public procurement can and should deliver benefits beyond the immediate scope of the contract, after-all that is where the concept of 'added value' derived from.

For construction, that opportunity is especially tangible. Projects can support local employment, apprenticeships, skills development, community engagement, supply chain opportunities and environmental outcomes. The key is to make those benefits relevant to the project rather than simply adding generic commitments to a bid – which in many ways was the go-to approach before the introduction of the Procurement Act 2023.

What changed with the Procurement Act?

The Act came into force on 24 February 2025 and changed the language of award from MEAT to MAT. That change matters. It reinforces that public contracts do not have to be awarded based on lowest price or cost and enables a broader assessment of value through the award criteria and methodology.

"GOOD SOCIAL VALUE THEREFORE STARTS WITH A CLEAR LINK BETWEEN THE OUTCOME BEING SOUGHT, THE PROJECT BEING DELIVERED AND THE COMMUNITIES AFFECTED BY IT."

For Social Value, this creates an important opportunity, but it does not mean "anything goes". Wider factors still need to relate to the subject matter of the contract and be proportionate to the procurement.

Good Social Value therefore starts with a clear link between the outcome being sought, the project being delivered and the communities affected by it.

The Social Value Model – a sharper focus

Following implementation of the Act, Procurement Policy Notes (PPN) continued to develop the Government's approach to social value. PPN 002 updated the Social Value Model and retained a minimum 10% Social Value weighting for in-scope central government organisations, with supplier commitments expected to flow through into the contract.

The next step came with PPN 026, published in August 2026 (and the published Guidance referring to the Social Value Model – released 28th October 2026). The new Social Value Model focuses on two outcomes: **Good Jobs** and **Skills**. For in-scope procurements commenced under the Procurement Act with a total value of £1 million or more, the model is due to apply from 1 January 2027.

These outcomes are described as:

- **Good Jobs:** creating or retaining high-quality employment, fair working conditions, fair pay and opportunities for people to enter, remain in and progress through work.

- **Skills:** addressing skills shortages through training, retraining, progression and development of the future talent pipeline, particularly for people facing barriers to employment.

For 'in scope' procurements the weighting also increases with contract value: a minimum 10% for contracts valued at £1 million and above but below £5 million, and a minimum 20% for contracts valued at £5 million and above.

The message for contractors is simple: understand the outcome, make the commitment credible, and be ready to evidence delivery.

What are we seeing in the market?

Since the introduction of the Act, Social Value has become increasingly visible in procurement notices and evaluation models. Examples identified through Find a Tender show weightings of 10% and 20% being applied across construction-related procurements, although approaches continue to vary between contracting authorities.

That makes the tender notice an increasingly useful early indicator. Contractors should look closely at how price, quality and Social Value are weighted, and use preliminary market engagement to understand what matters most to the contracting authority before the tender lands.

Environmental sustainability and net zero remain relevant within wider Social Value strategies, although the revised PPN 026 model itself is specifically focused on Good Jobs and Skills.

"THE MESSAGE FOR CONTRACTORS IS SIMPLE: UNDERSTAND THE OUTCOME, MAKE THE COMMITMENT CREDIBLE, AND BE READY TO EVIDENCE DELIVERY."

Best practice – making Social Value deliverable

If Social Value is to create genuine benefit, the thinking cannot start and finish with the bid team. The commitments made during procurement need to be capable of being owned, measured and delivered through the contract.

To make this a reality, organisations and project teams should:

- Engage early through preliminary market engagement and test what is realistic with supply chain partners, local communities, schools and colleges.
- Make commitments specific and measurable so progress can be tracked and evidenced.
- Align commitments to the project and local need rather than relying on generic pledges.
- Give clear ownership to appropriate Social Value leads and delivery teams.
- Build capability across the supply chain. Subcontractors and SMEs can be a significant part of the Social Value story.
- Measure outcomes, not simply activity. The value is in what was achieved, not just what was offered.
- Agree reporting and evidence requirements early so commitments can be managed through contract KPIs and performance reporting.

Why does Social Value matter in construction?

Construction projects have the potential to create benefits that extend far beyond the physical asset being delivered. Local employment, apprenticeships, skills development, community engagement and supply chain opportunities can all create a legacy that lasts beyond practical completion.

The strongest approach is therefore to treat Social Value as a delivery priority rather than a procurement requirement. When it is designed into the project from the outset, it is more likely to be realistic, measurable and connected to the outcomes that matter to the community.

Three recommendations for contractors

- Make commitments relevant to the project and its local community.
- Involve delivery teams and the supply chain early so commitments are realistic and achievable.
- Agree evidence, ownership and reporting arrangements before contract award so commitments can be tracked throughout the contract lifecycle.

“WHEN SOCIAL VALUE IS DESIGNED INTO THE PROJECT FROM THE OUTSET, IT IS MORE LIKELY TO BE REALISTIC, MEASURABLE AND CONNECTED TO THE OUTCOMES THAT MATTER TO THE COMMUNITY.”

“FOR THE CONSTRUCTION SECTOR, SOCIAL VALUE NEEDS TO MOVE BEYOND A POLISHED TENDER RESPONSE AND BECOME PART OF PROJECT PLANNING, MOBILISATION, CONTRACT MANAGEMENT AND PERFORMANCE REPORTING.”

How can contractors get ready?

Social Value is no longer a “nice to have”. For the construction sector, it needs to move beyond a polished tender response and become part of project planning, mobilisation, contract management and performance reporting.

1. Develop a clear Social Value strategy
Set out the organisation’s priorities and, importantly, the commitments it can genuinely deliver. The strategy should provide a practical platform for bids rather than simply a corporate statement.

2. Build the evidence base
Capture what has been delivered previously and what benefit it created. Employment, apprenticeships, volunteering, SME spending and local supplier engagement can all form part of the evidence, supported by credible case studies.

3. Embed Social Value into delivery
Connect commitments to recruitment, work experience, schools and colleges, supply chain activity and relevant project initiatives so that bidders are not promising something the delivery team cannot support.

4. Develop supply chain capability
Engage subcontractors and SMEs early and make Social Value part of the delivery conversation. Main contractors do not deliver Social Value alone.

5. Use recognised approaches where appropriate
Frameworks such as Themes Outcomes and Measures (TOMs) can support consistent measurement and reporting of outcomes, helping organisations evidence what has actually been delivered.

6. Understand the contracting authority
Use preliminary market engagement, published procurement information, tender notices and Meet the Buyer events to understand the authority’s priorities and shape relevant responses.

How are GIRI and Social Value aligned?

There is a natural connection between GIRI’s focus on eliminating avoidable error and the ambition of Social Value to maximise benefits for society. Both are ultimately concerned with improving outcomes.

GIRI promotes error prevention through collaboration, shared knowledge, skills development and stakeholder engagement. Social Value asks many of the same questions from a broader community perspective: are we building capability, creating opportunities, reducing waste and making the best use of public investment? Projects delivered right first time can create more Social Value through better quality, safer assets, reduced waste, lower carbon emissions, improved productivity and better use of public money.

When both happen, Social Value stops being a section in a tender and becomes part of what successful project delivery looks like.

"GET THE PROCUREMENT RIGHT. GET THE DELIVERY RIGHT. MAKE THE WIDER BENEFIT REAL."

Five areas of alignment

1. Better community outcomes – delivering the intended benefits while avoiding defects, delay and rework that can diminish value.
2. Sustainability and net zero – reducing avoidable rework can help reduce unnecessary waste, material consumption and carbon emissions.
3. Skills and employment – Social Value supports apprenticeships and skills development, while GIRI promotes competence, learning and knowledge sharing across the supply chain.
4. Safety and wellbeing – better design, decision-making and construction quality can support safer delivery and safer outcomes for end users.
5. Better use of public money – preventing avoidable error and delivering wider community benefits both contribute to stronger overall value.

The opportunity ahead

Our view is simple: Social Value is about more than delivering a physical asset. Every project has the potential to create local jobs, develop new skills, support apprenticeships and open opportunities for the communities around it.

For contracting authorities, the challenge is to ask for Social Value that is relevant, proportionate and capable of being managed. For contractors, the challenge is to move beyond the promise and demonstrate that commitments can be delivered and evidenced.

GET INVOLVED

If your organisation would like to participate in a GIRI webinar on social value procurement, please email press@getitright.uk.com.

GIRI research has shown that errors in design and construction contribute to between 10 and 25% of project cost, depending on size and complexity, amounting to roughly £10-25 billion annually in the UK construction sector.

Please follow @GIRI on Linkedin for news of forthcoming events in relation to the Procurement Act 2023. If you have any questions regarding the topics discussed in this article, you can reach out to the authors here:

Chris Robinson
Operations Director - UK & Europe, Mace
Christopher.robinson@macegroup.com
Linkedin

Fleur Summers
Associate Director - Regulated Procurement, Mace
fleur.summers@macegroup.com
Linkedin

Natasha O'Connor
Assistant Procurement Manager, Mace
Natasha.OConnor@macegroup.com
Linkedin

For further information about The Get It Right Initiative (GIRI):

www.getitright.uk.com
admin@getitright.uk.com

GIRI
Get It Right Initiative