

Benchmarking Social Value in public sector procurement

What does good really look like?



Social Value in procurement: A new landscape

Public procurement has always been about more than price. Authorities have long sought to direct spend locally, support employment, and invest in communities through their contracts. But without consistent frameworks for measuring and reporting that impact, the value being generated was difficult to quantify, compare, or build on systematically.

That is changing. A sequence of legislative reforms culminating in the Procurement Act 2023 and Procurement Policy Note 002 have made Social Value a core, accountable part of how public contracts are designed, awarded, and managed:

Under the Procurement Act 2023...

Public benefit is a statutory consideration

Authorities must “have regard to the importance of maximising public benefit” when carrying out procurement activity.

Awards are made to the Most Advantageous Tender (MAT)

This broadens assessment beyond price and quality, allowing Social Value to form part of what constitutes advantage at award stage.

KPIs are mandatory for larger contracts

For most public contracts with an estimated value above £5 million, authorities must set and publish at least three Key Performance Indicators linked to delivery of the contract’s objectives.

The National Procurement Policy Statement (NPPS) takes centre stage

The NPPS places explicit emphasis on locally tailored Social Value, and the Act requires authorities to have regard to its priorities when exercising procurement functions.



Cabinet Office



Every department needs to be pulling this procurement lever to support economic growth and strengthen our economic security... Set ambitious and stretching targets for increasing your procurement spend with SMEs and social enterprises.

The Rt Hon Rachel Reeves and The Rt Hon. Pat McFadden

Want to understand the UK’s Social Value legislation? Explore our guides to:

Procurement Act 2023

PPN 002

Social Value: A procurement lever, and a strategic one

When Social Value is embedded into how public contracts are designed and managed, it doesn't sit alongside an authority's strategic agenda – it helps deliver it.

Councils operate with overlapping sets of priorities: notably, the Government's Five Missions, and their own locally-shaped political and strategic priorities.

Despite this, Social Value is typically siloed within procurement rather than treated as a leadership priority embedded into corporate planning.

Social Value in procurement complements both. The same contract can generate local employment that advances a council's economic growth agenda while also contributing to national outcomes on skills.

This is a key gap, because Social Value has a direct and evidenced contribution to make against all of the strategic priorities most commonly found within authorities' corporate plans:

Council priority	What Social Value delivers
Local economic growth	Local hiring commitments, SME supply chain spend, and apprenticeships generate measurable economic activity within the authority's area at no additional cost to the buyer.
Health & wellbeing	Employment of people furthest from the labour market, community volunteering, and staff wellbeing programmes help address the social determinants of health that clinical services alone cannot reach.
Housing & regeneration	Local supply chain spend, employment of local people, and skills pathways embedded into construction and housing contracts ensure regeneration investment circulates within the communities it is intended to serve.
Climate & net zero	84% of councils have a climate change plan and net zero continues to be a core goal for councils across the UK. Social Value is an opportunity for authorities to hardwire these green ambitions into their operations and ways of working.
Skills & opportunity	Apprenticeships, work placements, and educational institution partnerships, directly advancing opportunity agendas through every major contract.

A record worth running on

In May 2026, thousands of councillors face election across 134 English councils. Social Value gives authorities something genuinely useful in that context: a verifiable, quantified record of community impact generated through their own decisions.

Employment created, apprenticeships started, local businesses contracted, community organisations supported are outcomes that connect strategy to residents' lived experience. Authorities that have invested in measuring and managing Social Value delivery have that record of strategic success. Those that haven't are leaving the evidence on the table.

Benchmarking Social Value delivery

The practical question today for authorities isn't whether to prioritise Social Value, but how to judge delivery.

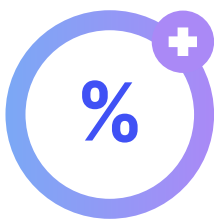
The legislative framework is in place and the market has had years to develop its approach. What's been missing - until now - is a clear, data-grounded picture of what that approach is actually producing.

In this public sector edition of our **State of the Nation** series, we draw on validated performance data to help authorities understand what peers are achieving - and where the gaps are.



This report benchmarks Social Value using validated delivery data measured with the Social Value TOM System™, which expresses Social Value using financialised proxy values based on publicly available data.

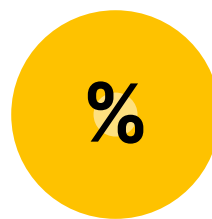
This gives us the **Social Value £**, from which we can derive two core metrics which are used throughout the report:



Delivery rate

What it shows: Social Value delivered (SV£) relative to the contract's monetary value.

What it tells authorities: How much additional value is being generated through procurement spend.



Social Value-Add

What it shows: How much of the Social Value committed at contract award has been delivered.

What it tells authorities: Whether commitments are realistic, how effectively delivery is being managed, and where corrective action may be needed.

Social Value performance in procurement: Where does your authority stand?

We analysed a representative sample of validated Social Value delivered through public procurement between 2020 and 2025.

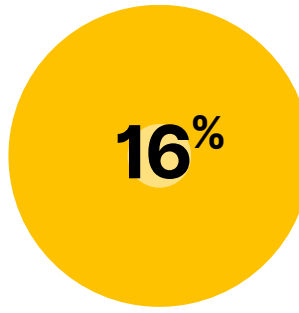
The headline findings set a clear bar for what good delivery actually looks like in practice. And they raise an important question for every authority: are you above or below it?



A 100% delivery rate

Suppliers are broadly honouring their commitments. Under- and over-delivery both occur, but the median outcome is that what is promised gets done.

Where contracts are consistently falling short of this, the problem may well lie in how commitments are set and managed, rather than than in supplier capability.



16p of additional value for every pound spent

For every £1 spent through a public contract, an additional 16p of social, economic, or environmental value is being generated at no extra cost to the buyer.

Put another way: a **£50m** contract performing at the national median is producing **£8m** of community value on top of its core purpose. One that performs below it is leaving a material, quantifiable gap.

The opportunity cost of underperformance

For a local authority or NHS trust managing hundreds of millions in annual contract spend, Social Value over and under performance translates into tens of millions of pounds of realised or unrealised impact each year.

And authorities whose delivery sits below these thresholds are not just underperforming against peers. Under the Procurement Act 2023 and PPN 002, they face growing accountability for demonstrating that public benefit is being maximised.



We should consider not just the price of the goods and services we buy, but the true value that we can bring to local people, businesses and communities.



Councillor Chris Read
Leader of Rotherham Council

The top 10 Social Value Measures in public sector procurement

We analysed the ten most frequently deployed Social Value Measures used by public sector suppliers to deliver Social Value.



- 1 Local people employed or retained
- 2 Spend with local companies in the supply chain
- 3 Support for students at local educational institutions
- 4 Donations and in-kind support to community projects
- 5 Volunteering in support of local communities
- 6 Staff wellbeing programme access
- 7 Employment of new apprentices
- 8 Meaningful unpaid work placements for people Not in Employment Education or Training
- 9 Equality, diversity and inclusion training
- 10 Spend with local Small-Medium Enterprises

What does this tell us?

The most frequently used Measures reflect a procurement landscape increasingly aligned with the Government's economic growth agenda: local employment, supply chain spend, and SME engagement dominate the top ten. With many authorities under pressure to demonstrate local economic impact, this is unsurprising.

But the list also raises two points worth sitting with.

First, environmental and planet-focused Measures are conspicuously absent, suggesting that while net zero and sustainability are priorities for authorities, these commitments are not yet reflected in standard procurement practice at scale, or are not integrated with wider Social Value approaches.

Second, the top ten Measures cluster around a few consistent themes: local economic inclusion, community and education investment, workforce development, and staff wellbeing.

That's a useful reference point, but likely reflects the contract types that dominate public sector spend: construction, facilities management, and professional services, where these measures are a natural fit.

A transport authority, an NHS trust, and a housing association each have access to different levers, and the communities they serve have different needs. Authorities that select Measures based on what their specific contracts can genuinely influence, rather than what is most commonly used, tend to generate more meaningful impact.

How performance varies by region

The national median is useful to stay on track. But the regions spotlighted below show what becomes achievable when Social Value is well planned and embedded at every stage of the procurement cycle, not just at evaluation.

West Midlands

The West Midlands stands out for combining impressive delivery with scale.

A 106% delivery rate alongside a 25% Social Value-Add means suppliers aren't just meeting stretching commitments, but they're exceeding them. That doesn't happen without well considered strategies and effective contract management.



North West

The North West demonstrates that consistent performance at scale is achievable in an area with large, complex supply chains and a mixed supplier base.

An above average 18% Social Value-Add held with a 100% delivery rate is an impressive achievement and a reflection of what consistent, well-managed procurement practice can sustain at scale.

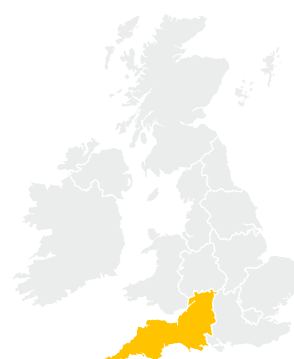
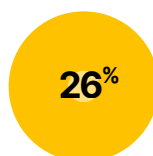


South West

The South West achieves the highest Social Value-Add in our spotlight at 26% - 10 percentage points above the national median.

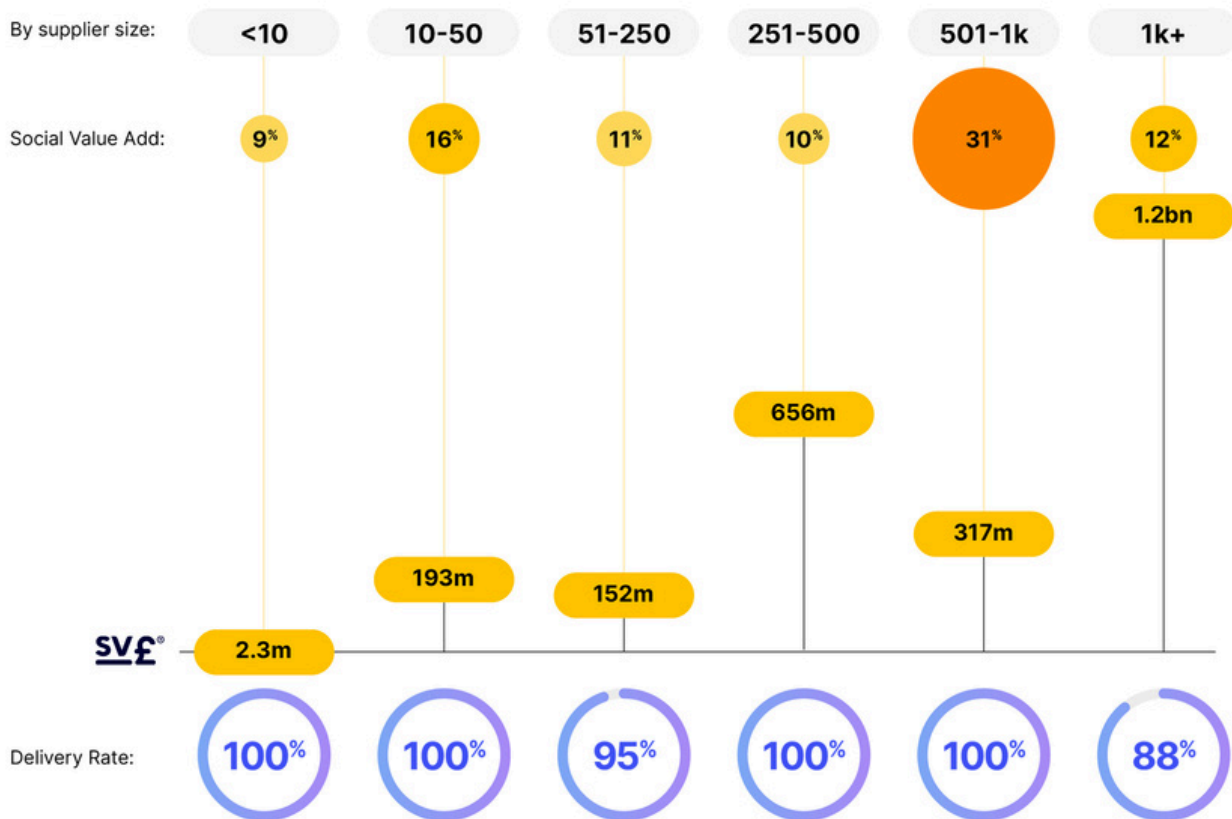
Overall volume of delivery here is lower - making the outsized impact proportionate to contract sizes all the more impressive.

This tells us that when the approach is tailored to specific community needs, the return is significantly higher. And that lesson is applicable anywhere.



How performance varies by supplier size

From a representative sample of £2.5 billion of Social Value delivered in the supply chain we found that SMEs, mid-sized, and large suppliers have different strengths and weaknesses:



SMEs

10-50 people

SMEs consistently hit 100% delivery rates. Their commitments tend to be well-calibrated to their actual capacity: they promise what they can deliver.

Where local economic impact or supply chain diversification are priorities, they're a reliable and often under-engaged route to achieving them.

Mid-sized

501-1000 people

Mid-sized suppliers produce the highest Social Value-Add in the dataset, at over 30%.

Large enough to have dedicated delivery resource, they are typically still agile enough to use it effectively.

Large

1000+ people

Large suppliers deliver the greatest absolute volume: £1.2bn of the £2.5bn sample.

Their lower 88% delivery rate likely reflects the difficulty of tracking and operationalising commitments across complex, multi-tiered supply chains.

Stronger KPI design and more active contract management will help close that gap.

The practical implication of this data is that authorities must understand the differing capabilities of their suppliers, and tailor their expectations and approach accordingly, for consistent results.

What public sector Social Value leaders do differently

From over a decade working with public sector procurement teams, we've seen five things that consistently distinguish higher-performing organisations.

1 Engage the market before you go to market

The Procurement Act's Pre-Market Engagement requirements create a formal opportunity to do something that the highest-performing authorities have long done informally: understand what Social Value is genuinely deliverable before commitments are set.

Local Needs Analysis - mapping social, economic, and environmental priorities of the relevant communities - sits naturally within this process.

3 Manage what you measure

The Procurement Act's mandatory KPI requirements are an opportunity to make Social Value a live part of contract delivery. Use a consistent framework to set commitments, track delivery in-contract, and compare performance across suppliers and categories of spend.

Learn more about the leading Social Value measurement framework for the public sector:

[Explore the TOM System](#)

4 Centralise your data and reporting

Fragmented reporting across spreadsheets and systems means impact goes unrecognised, unvalidated, and unimproved. The authorities getting the most out of their Social Value data use single system of record to capture commitments, delivery, and reporting across contracts and suppliers.

Social Value Portal exists to provide exactly that infrastructure.

2 Set expectations, not just questions

A clear Social Value policy removes ambiguity for suppliers and creates internal accountability. Without one, Social Value remains dependent on individual procurement officers rather than embedded in how your organisation operates.

A policy formalises your approach, sets consistent expectations across your supply base, and strengthens the link between Government priorities and individual contract outcomes.



The TOM System ensures that everyone is working towards the same goal and can demonstrate progress. With so many pressures facing the NHS, this is crucial in helping us create conditions in the community that will lead to better health outcomes for local people.



Becky Jones,
Social Value & Sustainability
Advisor, NHS Cheshire and
Merseyside

5 Know where you stand

Understanding whether your contracts are above or below the benchmarks in this report is the first step to improving them.

With years of delivery telling us what good looks like, the opportunity is there to treat benchmarking as an ongoing management tool rather than a periodic exercise.



The data shown in this report captures validated Social Value delivery between 2020 and 2025, taken from our State of the Nation 2025 study.

Download the report now for the full data set - and a deep dive into industry specific benchmarks:

State of the Nation

Social Value Portal customers have access to a much wider dataset – with deeper, up-to-date insights across regions, subsectors, supplier types, and more.

**Want to learn what good looks like for your authority?
Connect with our experts.**

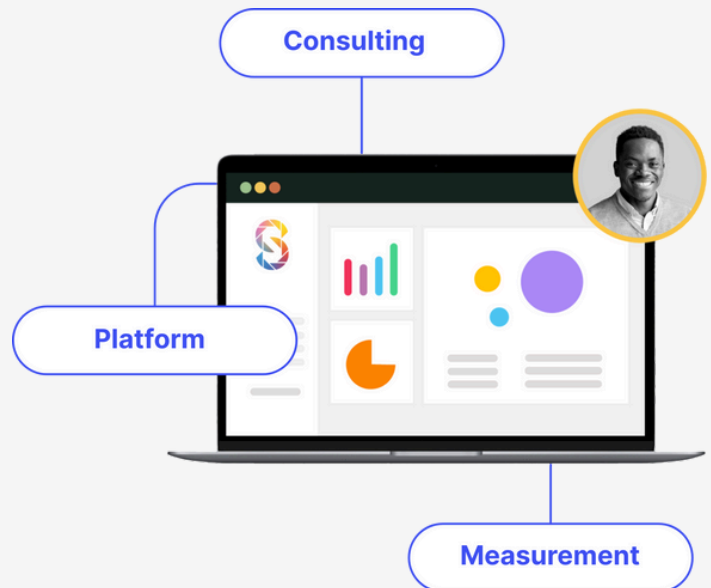


Social Value Portal are experts in what they do – and that can only benefit you as a public sector officer.

They helped us launch the County Durham Pound project. We didn't think we'd get it off the ground – but with the help of Social Value Portal, that dream has now been realised and it's a game changer for us in Durham.



Richard Carroll,
Head of Procurement,
Sales and Business
Services,
Durham County Council



**▶ Get in touch and
book a discovery call today** 