



# The state of social value in public sector spending

## Shaping the future of local authority procurement

Summary of latest research findings (March 2024)

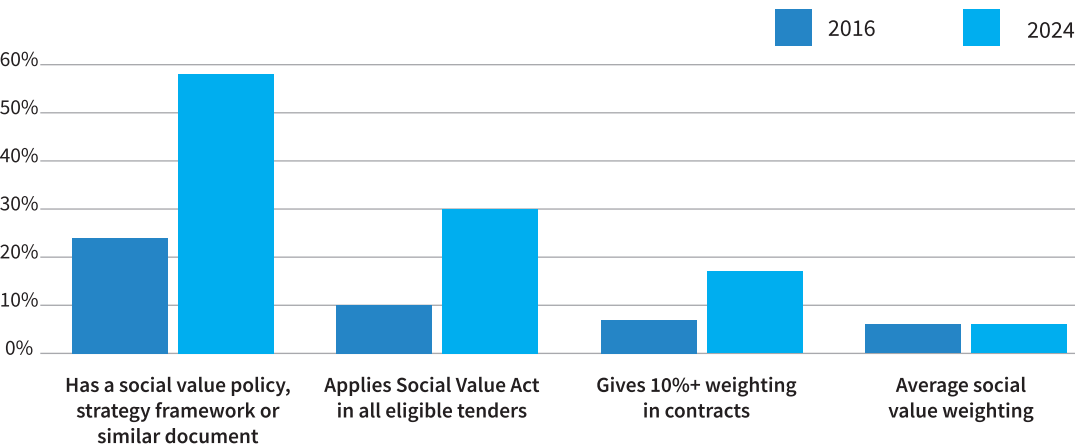
Social Enterprise UK was instrumental in helping to pass the Public Services (Social Value) Act 2012 – obliging public bodies to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of the areas they operate in. While the Act has transformative potential, our 2016 [Procuring for Good](#) report found very mixed implementation across local authorities, with some early adopters really driving forward what was possible while many still sought to understand what it meant for them.

In 2022, we launched the Social Value 2032 programme to expand the Act’s impact and influence. Last year, we published a [Roadmap](#) detailing how social value can expand to cover all public sector procurement and influence spending in the UK’s largest companies over the coming decade. The Roadmap outlines recommendations around key areas inhibiting social value adoption:

- **Policy** - Creating a consistent legal and regulatory framework
- **Leadership, Purpose and Culture** - Building a social value system with consistent understanding of purpose, use of language and strong leadership
- **Measurement** - Developing common standards and principles to measuring social value
- **Implementation** - Strengthening supply chains to deliver social value

The latest phase of the [Social Value 2032](#) work looks at how we take implementation of these recommendations forward through cross-sector collaboration and engagement. To inform this, we carried out the same exercise as in 2016: sending Freedom of Information requests to 396 local authorities across England and Wales, with a 71% response rate. Combining this research evidence represents the most comprehensive UK database on social value implementation today.

As one would hope ten years after the legislation went live, the level of engagement has increased:



However, there also remain some key areas of challenge:

- Half failed to provide information on if or how they apply the Social Value Act
- Almost a third have no social value policy
- The proportion of authorities who stated that they are applying the concept of social value beyond revised best value guidance has decreased since 2016

### Our journey on the Social Value Roadmap to 2032

Our latest research highlighted key areas of challenge for the implementation of the Roadmap. The below represents an initial snapshot of these findings, with further insights to follow.

	The picture in 2024	The impact for 2032
Policy	Almost a third of councils still don't have a policy for social value, and a further 13% are still developing one	Without a clearly articulated policy, and consistency in terminology, measurement and implementation is impossible
Leadership, Purpose and Culture	Nearly half of all authorities have never provided staff training on the Act, while two thirds have no toolkits or resources to support how it is applied, and just 12% have a nominated Cabinet Member responsible for social value	Social value requires a change to the way councils procure – which in turn requires strong leadership, to provide the cover for this change and a real understanding of how to make it happen
Measurement	Half of respondents either did not answer this question or do not use a calculation tool – and of those that do, as many as 31 different approaches are being used, with no consistent methodology or quality control	Without effective measurement, based on policy, social value cannot be implemented – and with so many different tools in use, there is a considerable burden on suppliers and inconsistencies of approach
Implementation	Most (55%) either never apply social value or gave no information on its application - an increase since 2016 - and only seven authorities provided data on which suppliers are VCSEs or SMEs	Social value may start at commissioning but it doesn't end there; to maximise potential, we must look at how we're reporting on contract outcomes and keep suppliers to task on implementation

We believe that these four key areas need to be addressed for the potential of the Social Value Act to be more fully realised. We’ve already [missed out on £56 billion](#) since the Act became live – and with public expenditure likely to continue to be squeezed, regardless of who wins the next election, it is vital that the Act is used by all commissioners to maximise value wherever possible.

Social Value 2032 is a cross-sector collaboration to address the above challenges through research, roundtables and engagement at all levels of government and the private sector. Find out more at [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk). To get involved in the next phase of this work, please contact the Social Enterprise UK team on [info@socialenterprise.org.uk](mailto:info@socialenterprise.org.uk) or 020 3589 4950.