

To:

- The Rt Hon Louise Haigh MP First Secretary of State, Chancellor of the Duchy of Lancaster, and Minister for the Cabinet Office
- Mark Ferguson MP, Parliamentary Secretary for the Cabinet Office

Dear Ms. Haigh and Mr. Ferguson,

Social Enterprise UK would like to congratulate you both on your new roles and it was a pleasure to meet you at the Labour Party Conference last week.

Whilst we welcome the focus on social value in the first few months of a new Labour government, I'm writing to relay concerns about [changes to central government procurement](#) announced on 5th August 2026. Social Enterprise UK surveyed members and other stakeholders following this announcement, and this letter represents their views.

In 2012, Social Enterprise UK was instrumental in helping pass the Public Services (Social Value) Act, which requires public bodies to consider how procured services might improve the economic, social and environmental well-being of the areas they operate in. Social enterprises are constituted to create social or environmental value, so are useful partners to government in creating the Prime Minister's vision of 'good growth in every postcode'.

The creation of jobs and skills is an important part of social value (and indeed, is the purpose of many social enterprises), but such a narrow definition is misaligned with the original aims of the act and risks failing to reward the full spectrum of contribution organisations make. Supporting vulnerable or underserved communities, local reinvestment, embedding sustainability into service delivery, and driving innovation in public services are just some of the equally valuable forms of social value vital to raising living standards.

Whilst the doubling of social value weighting for contracts of £5m or more is welcome, few social enterprises bid for contracts of this size, with 9% of survey respondents bidding for tenders of this value. Social enterprises are often subcontracted by larger organisations previously rewarded for having resilient supply chains that included VCSEs (award criteria 3a of [Public Procurement Note 002](#)). We hope the government can commit to keeping this guidance for commissioners and introducing supply chain transparency for visibility around social value creating organisations.

Social Enterprise UK
13-15 Dock Street,
London,
E1 8JN



Trying to level the playing field for social enterprises bidding for contracts of £1m or less by reducing 'red tape and burdensome requirements' displays good intentions but may have the unfortunate effect of disadvantaging them. The removal of social value weighting for contracts of this value raises the prospect of a corporate company with a large bid team outscoring a social enterprise focused on job creation for those with disadvantages. Reserving contracts at this level for VCSEs and SMEs is one solution.

Lastly, KPI setting and annual reporting around social value is very welcome. To avoid companies marking their own homework, survey respondents told us they would like to see independent verification of those reports.

Attached with this letter is a policy note with suggestions for strengthening the social value reforms announced in PPN026. The government has said the door remains open for further evidence ahead of the autumn guidance.

Social Enterprise UK would welcome the opportunity to discuss this evidence directly with officials, and can provide the full survey dataset, further respondent examples, or introductions to specific organisations willing to speak to their experience.

Your sincerely,

Peter Holbrook CBE
CEO, Social Enterprise UK

On behalf of:

A Mind Apart
ACEVO
Acumen Community Buildings
Adrian Ashton
Autism & ADHD
Bikeworks CIC
BizEd Projects CIC
Boards of Kettering CIC
Brightwayz
ChangeKitchen CIC
Community Enterprise
Cyd Innovation
Damali Beautiful Vision CIC
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Hey Girls CIC

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Hope 4 The Community CIC
If Everyone Cares CIC
Iridescent Ideas CIC
Justicia
Make an Impact CIC
Mantleco Ltd
Mastercall Healthcare
MMH Men's Mental Health CIC
North Northants Social Enterprise Network CIC
Nutriri
Oakleaf Community Projects CIC
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Positive life workshops CIC
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SEYH (Serving Yorkshire and Humber Social Enterprise)
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