
Social Value: What's Changed & What It Means



Building for a Sustainable World

Our purpose To sustainably deliver infrastructure which is vital to the UK



- Three Strategic Pillars – People, Places, Planet
- Three overarching objectives
- Seven topics
- Social Value cuts across all three pillars
- How: key enablers that run through all the topics and measures
- With: linked to other key topics with the business

Social Impact vs Social Value



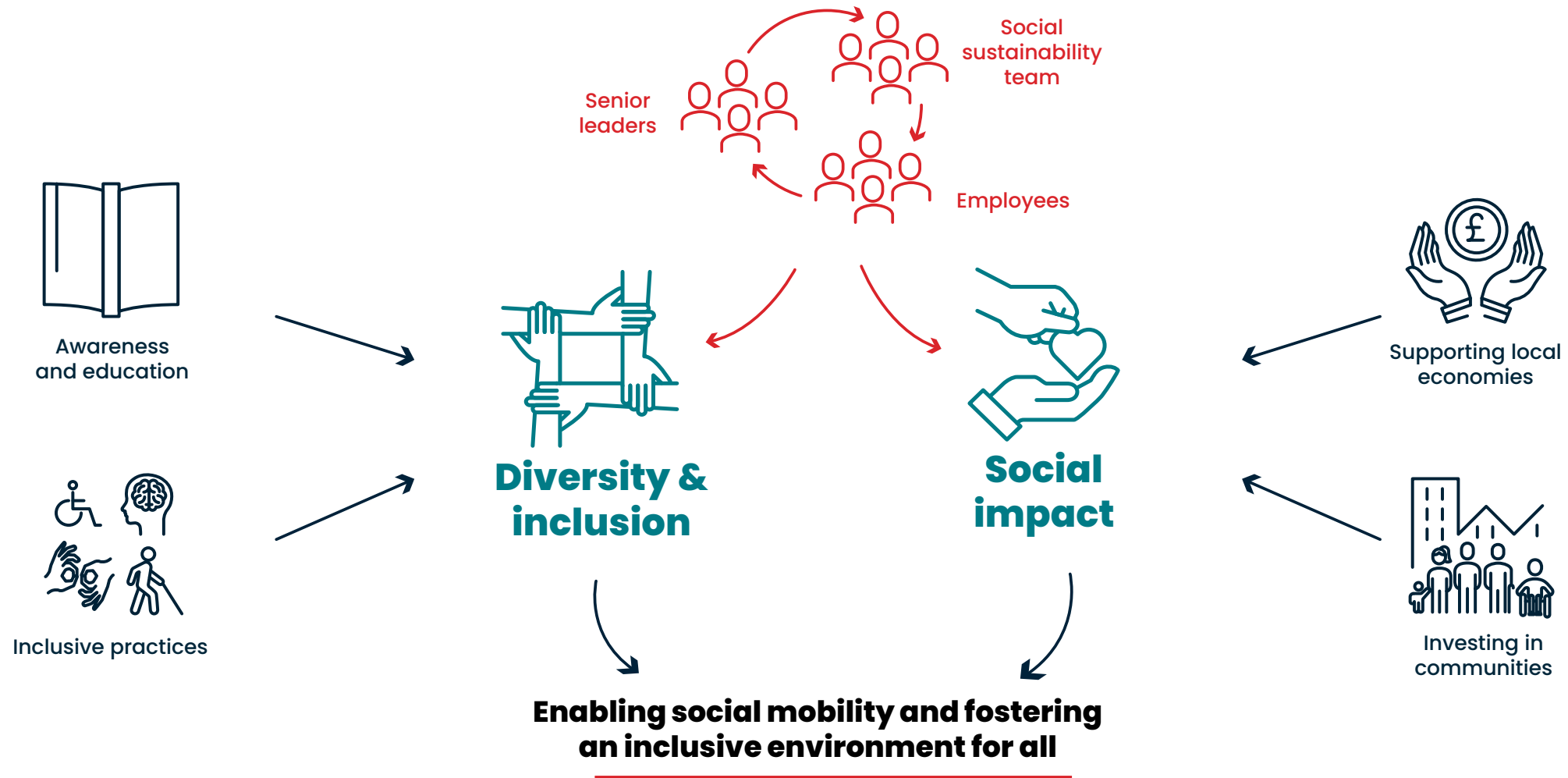
Social impact is the long-term effect on people and local communities that happens because of actions or activities. We will make a positive social impact by providing support that addresses needs in local communities. We show how the community has benefited through measuring the social value created because of those actions



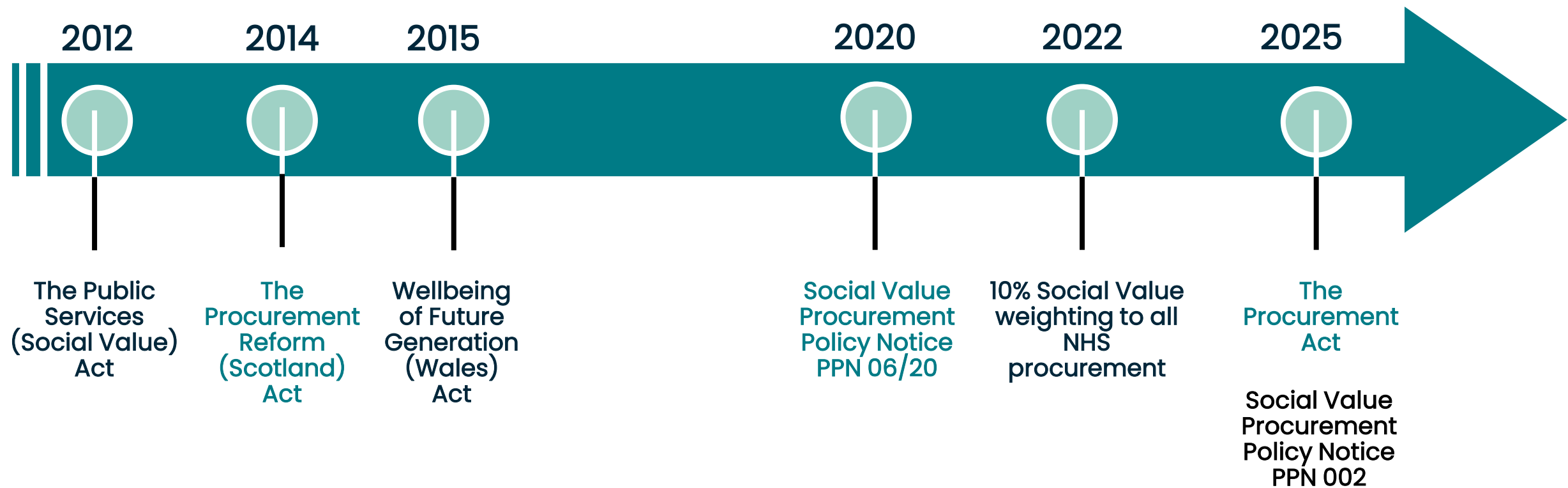
Social value is a way to quantify the impact on both individuals and communities. It's often shown as a monetary value, and different activities have a different amount attributed to them. This follows an independent framework of calculations

Social sustainability

Embedded throughout the business



Social value timeline



Why This Matters



Contractual, Not Optional

Contractual Social Value

Social value is now a mandatory contractual obligation closely monitored and audited for compliance.

Impact on Bid Scoring

Ability to demonstrate real social impact directly influences bid scoring and contract awards.

Opportunity for Suppliers

Suppliers can differentiate themselves and win more work by excelling in social value delivery.

Accountability and Transparency

There is increased accountability and transparency throughout the social value delivery process.

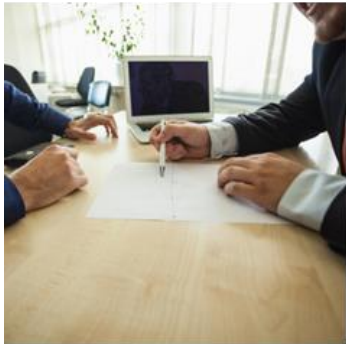


Key Changes Under the Procurement Act



Shift from MEAT to MAT

The Act shifts focus from Most Economically Advantageous Tender to Most Advantageous Tender emphasizing overall value beyond cost.



Flexible Procurement Routes

Procurement routes become more flexible, encouraging negotiation and adaptability in tender processes to suit diverse needs.



Enhanced Performance Transparency

The Act requires suppliers to maintain clear accountability and transparency regarding performance commitments.

From Promises to Delivery

Shift to Measurable Outcomes

Focus has moved from vague promises to delivering concrete, measurable results that demonstrate success.

Credible and Specific Commitments

Suppliers must make specific, credible commitments that can be tracked and evidenced clearly.

Quality and Impact Focus

Emphasis is placed on the quality and impact of deliveries rather than quantity or intent alone.

Realistic Plans and Monitoring

Deliveries must be backed by clear, realistic plans with ongoing monitoring and reporting mechanisms.



PPN06/20 vs PPN002

Simplified Structure

PPN002 reduces complexity by requiring only one priority outcome per tender instead of multiple outcomes.

Shift in Scoring Approach

Scoring methods have changed from volume-based to quality-focused evaluations enhancing outcome effectiveness.

Role-Based Metrics

Metrics are now aligned with specific roles instead of full-time equivalents improving relevance and precision.

Contractual Delivery and Accountability

Delivery commitments are now contractual, requiring evidence and accountability for fulfilled outcomes.



Model Question

PPN 06/20 (Old)

Using a maximum of [insert number] characters to describe the commitment your organisation will make to ensure that opportunities under the contract deliver the Policy

Outcome and Award Criteria. Please include:

- your 'Method Statement', stating how you will achieve this and how your commitment meets the Award Criteria, and
- a timed project plan and process, including how you will implement your commitment and by when. Also, how you will monitor, measure and report on your commitments/the impact of your proposals. You should include but not be limited to:
 - timed action plan
 - use of metrics
 - tools/processes used to gather data

- reporting
- feedback and improvement
- transparency
- how you will influence staff, suppliers, customers and communities through the delivery of the contract to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering.

Model Question

PPN 002 (New)

In no more than [enter number of] words please set out, in a method statement and project plan, the specific, measurable and time bound commitment(s) your organisation will make to deliver the [insert policy outcome] and the following Award Criteria below. Outcomes 1, 6 and 7 only: to provide a baseline for reporting, please also state the total number of people who will work on the contract (measured in roles, not Full Time Equivalents).

Social value model award criteria and sub-criteria

- [insert the social value model award criteria and sub-criteria for the outcome you have selected]

Additional award Criteria

Your response will be evaluated using the above Social Value Model Award Criteria and the following additional award criteria:

- The response includes a specific, measurable and time-bound commitment (minimum requirement to score points)
- The response includes a description of how the commitment meets the award criteria
- (If not already identified by the in-scope organisation) the response includes a specific, nominated cohort, or details of how you will identify and define a target cohort (illustrative example: care leavers or the prison leavers).

- The response includes a description of how you will identify and reach the target cohort, how you will design/refine and tailor the offer to the cohort
- The response includes a description of how you will influence staff, suppliers, customers and communities (as appropriate) through the delivery of the contract to deliver the Social Value Outcome, for example: engagement, co-design/creation, training and education, partnering/collaborating, volunteering.
- Transparency - any plans for publishing your commitments and performance
- The response includes a timed project plan setting out how you will implement your commitment and by when, including:
 - Timed action plan
 - Proposed metrics you will use to monitor the contract (if your offer relates to a metric listed in the Social Value Model, you should use the appropriate Standard Reporting Metric).
 - Tools/processes used to gather and monitor performance
 - Governance, including nominated escalation points
 - Feedback and improvement procedures in place

What's New in PPN002

Alignment to Government Missions

PPN002 aligns with five government missions and defines eight outcomes to guide procurement focus.

Focused Outcome Selection

Typically, one outcome is selected per tender to allow deeper focus and more meaningful delivery.

Quality Over Volume

Methodology and delivery quality are prioritised over volume, with commitments set as contractual KPIs.

Embedding Social Value

Social value is embedded in procurement, ensuring suppliers meet higher standards of evidence and impact.

Overview of the Eight Outcomes



Comprehensive Outcome Areas

The eight outcomes address key areas including jobs, skills, resilience, social impact, environment, innovation, inclusion, and wellbeing.



Driving Meaningful Change

These outcomes aim to create real benefits for communities, the environment, and the economy through focused procurement practices.



Focus on Depth and Quality

Suppliers are encouraged to prioritize depth and quality within selected outcomes instead of superficial coverage of all areas.

Challenges for Suppliers

Data Collection Challenges

- Suppliers face increasing difficulty in accurately collecting and reporting necessary data for accountability.

Evidence of Delivery

- Providing proof of delivery requires robust documentation and verification systems from suppliers.

Meeting Policy Expectations

- Suppliers must adapt to rising policy demands by formalising commitments and increasing transparency.

Investing in Systems

- To meet these challenges, suppliers invest in advanced systems to track commitments and demonstrate impact.



Rising Bar for Social Issues

Modern Slavery Awareness

Increasing policy focus demands suppliers actively combat modern slavery within their operations and supply chains.

Diversity and Inclusion Reporting

Organizations must embed transparent diversity and inclusion reporting to meet rising social responsibility standards.

Ethical Supply Chain Management

Ethical supply chains are essential for compliance and competitiveness, requiring clear evidence of responsible practices.



Immediate Actions for Suppliers

Align to Chosen Outcome

Suppliers must align their activities with the selected outcomes to meet contractual objectives effectively.

Enhance Data Tracking

Improving data tracking and reporting supports transparency and compliance with new standards.

Engage SMEs and VCSEs

Engaging small and voluntary sector enterprises strengthens supply chains and broadens impact.

Prepare for Reporting Requirements

Suppliers need to get ready for upcoming reporting demands to ensure compliance and success.



Simple Steps for Success

Use Real Examples

Incorporating real examples in responses helps suppliers illustrate tangible outcomes and build credibility.

Focus on Impact

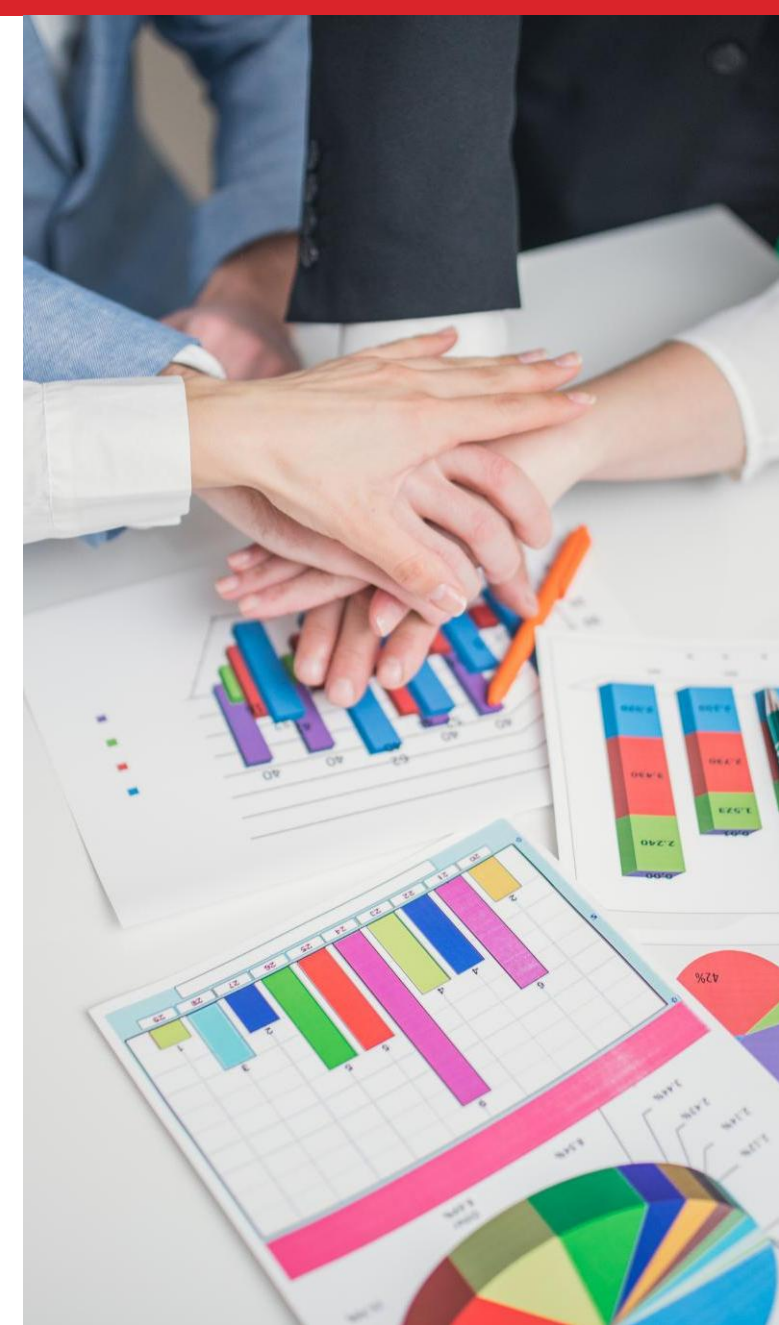
Emphasizing impact over numerical data highlights meaningful outcomes and social value.

Track Roles Not FTEs

Tracking roles instead of full-time equivalents allows clearer understanding of workforce contribution.

Build Partnerships Early

Establishing partnerships early fosters cooperation and strengthens bid and contract delivery.



Best Practice Example

Define Target Group

Identify and specify the target group clearly, such as care leavers, to focus the delivery effectively.

Clear Delivery Plan

Provide a well-structured delivery plan outlining steps and timelines for implementation success.

Measurable Outcomes

Set measurable outcomes to evaluate progress and demonstrate impact clearly and objectively.

Involve Partners

Name and engage partners involved in delivery to show collaboration and resource sharing.



The Impact

- 715+ Students introduced to Highways
- Teacher CPD
- Female professionals delivering sessions led to powerful discussions around confidence, career identity and challenging stereotypes within the sector
- Female students considered a career in Highways
↑ from 3% to 27%



National Careers Week
7,547 followers

1w ...

Wow, what an incredible number of students to have registered!

It's inspiring to see not only how motivated the students are but also the dedication of companies to ensure the next generation is supported in their career dreams and goals!

...more



It was exciting, messy, hands-on learning at its absolute best.
Jenna Allen Head of Engineering Curriculum Newcastle College

70

Metric update

Metric	Detail	Frequency
1. Full-Time Equivalent Employment – New and Retained	The total number of Full-Time Equivalent (FTE) employees engaged on the contract during the reporting period, including both newly created roles and retained roles that are sustained as a result of the contract. FTE should be calculated based on a standard 37.5-hour working week (or supplier standard full-time hours where different).	Quarterly
2. Number of apprenticeship opportunities (Level 2, 3, and 4+) created or retained under the contract.	The total number of individuals employed as apprentices on recognised apprenticeship programmes and working on delivery of the scheme/contract during the reporting period.	Quarterly
3. Apprenticeship Duration (Weeks).	The total number of apprenticeship weeks delivered during the reporting period. This should be calculated as the number of apprentices multiplied by the number of weeks each apprentice spent on the apprenticeship while working on the contract.	Quarterly
4. Educational Career Engagement Hours.	The total number of staff hours spent delivering educational career engagement activities related to the contract, excluding work placements. This includes school visits, careers talks, mentoring sessions, mock interviews, curriculum support, and careers events.	Quarterly
5. Work Placements (Weeks).	The total number of weeks of structured work placements provided under the contract. This includes work experience, internships, T-Level industry placements, and other structured pre-employment placements. One week is defined as a minimum of 30 placement hours.	Quarterly
6. In-Work Progression Training Hours	The total number of person-hours of training delivered to employees working on the contract that supports in-work progression, upskilling, or professional development. This includes formal training courses, accredited training, and structured development programmes.	Quarterly
7. Contract Spend with Micro, Small and Medium Enterprises (SMEs)	The total monetary value (£) of contract expenditure awarded to Micro, Small, and Medium Enterprises in the supply chain during the reporting period.	Annual
8. Contract Spend with VCSE Organisations	The total monetary value (£) of contract expenditure awarded to Voluntary, Community and Social Enterprises (VCSEs). VCSEs include public service mutuals, cooperatives, registered charities, and social enterprises that operate with a social purpose	Quarterly
9. Local Employment (FTE)	The number of Full-Time Equivalent (FTE) employees working on the contract within region (due to there potentially not being a site location).	Quarterly
10. Individuals Previously Long-Term Unemployed and NEET	The number of individuals engaged on the contract who, prior to employment, were either: - Long-term unemployed (unemployed for more than 12 months) - Not in Employment, Education or Training (NEET).	Quarterly
11. Pre-Employability Training Hours Delivered to Micro/SME/VCSE Organisations	1) The total number of hours of structured pre-employability or business support training delivered to Micro businesses, Small and Medium Enterprises, and VCSE organisations as part of the contract.	Quarterly



What is the SEDPS?



Free Online Procurement Platform



Suppliers:

- Social Enterprises including VCSEs and SMEs
- Organisations prepared to invest 51%+ of profit into social mission



Buyers:

- National Highways
- National Highways Supply Chain
- Arms-Length Bodies
- UK Government Departments
- Devolved Government (Cardiff, Holyrood & Stormont)
- Local Government (Unitary, County, District)



SUPPLIER DEVELOPMENT SYSTEM - SDS

REFRESHED SYSTEM - [ACCESS HERE](#)

National Highways updated Supplier Development System will prepare our supply chain for the third Road Investment Strategy (RIS3). Our revised capability assessment allows any company to benchmark and improve organisational competence. This system is now open for all suppliers to use & complete.



Improving
safety for
all



Providing
fast and
reliable
journeys



A well-
maintained
& resilient
network



Achieving
efficient
delivery



Meeting the
needs of all
users



Delivering
a better
environment

Independent Assurance – Social Value Quality Mark (SVQM)

- Kier is a Social Value Quality Mark **Platinum Award holder**
- The SVQM is the UK's leading independent social value accreditation
- Provides independent verification of social value delivery and impact
- Assesses how organisations create, measure and embed social value
- Why it matters:
- Ensures transparency and credible reporting
- Builds **trust** with clients, procurement teams and communities
Demonstrates **compliance** and accountability in delivery
- Provides **confidence** that commitments will be delivered



<https://socialvaluequalitymark.com>

Summary and Closing

Simplified Model with Accountability

PPN002 introduces a simpler procurement model requiring stronger accountability for suppliers.

Focus on Measurable Impact

Emphasis is placed on delivering real, measurable outcomes in procurement activities.

Supplier Adaptation and Success

Suppliers investing in evidence and aligning with new outcomes will succeed in evolving procurement.

Utilise resources available

