

Social Value Policy update

November 2025

This document describes the status of Birmingham City Council's Social Value and related policies. It recommends immediate changes required.

The Social Value and related policies were last reviewed in March 2023. Since then, the Procurement Act and subsequent National Procurement Policy Statement (NPPS) have been published which need to be considered.

There is a comprehensive external review of social value strategy, policies and procedures being carried out currently which is scheduled to conclude in October 2025. The Social Value policy and related policies will be modified to reflect the recommendations of that review, the results of subsequent consultation and to reflect the new corporate plan priorities.

It is therefore suggested that any immediate changes resulting from the Procurement Act and NPPS are reflected. And a comprehensive review is carried out pending the outcome of the review and subsequent consultation.

Procurement Act '23 (PA23):

Although PA23, applicable from February 2025, changed the selection criteria from MEAT (Most Economically Advantageous Tender) to MAT (Most Advantageous Tender) and included 'Public Benefit', it did not include Social Value specifically. The thresholds in PA23 have changed and need to be reflected in the current policies as a priority.

By contrast, the NPPS is focused on how social value is to be utilised to achieve the government's 5 missions. The Council's current policy does, by and large, cover the NPPS requirements. The NPPS can be more closely considered and incorporated once the outcome of the review is known in a major review of the policy and practice.

The NPPS priorities:

1. *Maximise procurement spend with small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs).* This is covered by the Buy Local Theme and measures within the current policy.
2. *Ensure their suppliers are committed to providing high quality jobs, safe and healthy working conditions, fair pay, opportunity and progression for workers.* This is covered by the Good Employer theme
3. *Work collaboratively across policy, delivery and commercial functions to develop a 'pro-innovation mindset', defining challenges to solve rather than solutions to buy, and engaging early with the market to consider innovative products and services.* This is covered not in social value but to the approach towards commercialism and commissioning being developed in CPS at large.
4. *Secure social and economic value which supports delivery of the national missions taking into account priorities in local and regional economic growth plans (where available) and working in partnership with other contracting authorities, the private sector and civil society in the exercise of their procurement functions. This includes the mission aims and outcomes outlined at the beginning of the Statement.* This is covered

by the Council's approach to social value in general and Local Employment and Buy Local in particular. Partnership working is achieved through the Birmingham Anchor Institutions Network as well as the West Midlands Heads of Procurement forum.

5. *Ensure their suppliers are actively working to: tackle bribery, corruption, fraud, modern slavery and human rights violations, environmental impact (including reducing greenhouse gas emissions and minimising waste in their operations); comply with their tax, employment law and other legal obligations, and stamp out late payment of invoices in their supply chains.* This is achieved through the Ethical Procurement Theme of the Council's social value policy.

Priorities 6,7 and 8 in the NPPS do not refer to social value and instead refer to Procurement best practice and capability to secure value for money.

Procurement Policy Notes (PPN) 1 and 2 issued by the government are compulsory for central government departments and only **advisory** for other contracting authorities. PPN1 is focused on maximising spend with SMEs and VCSEs. This is mostly covered by the Council's Buy Local theme and measures. PPN2 prescribes a social value methodology called "The Model". It is similar to the Council's methodology, although it uses different terminology, Outcome instead of Theme, Criteria instead of Outcome and Metrics instead of Measures. The Council will closely consider the central governments Model when carrying out a comprehensive review of the policies later this year, pending the external review.

Recommendation:

It is recommended that as an immediate action, the table below is inserted in the Social Value Policy and the BBC4SR document to replace the current table. Since these changes are minor and necessary to refer to the current legislation, no cabinet approval process is required.

	Tier 1	Tier 2
Contract Value	< Procurement Act 23 Threshold	>= Procurement Act 23 Threshold
Grants	<£200,000	>= £200,000

Procurement Act 23 thresholds are published by the government, are subject to revisions over time and can be accessed via [Guidance: Thresholds \(HTML\) - GOV.UK](#)