

**Betterforus**

Putting people at the  
heart of procurement

## Public Procurement: Growing British industry, Jobs and Skills

**BetterforUs Consultation Response supported  
by the Structural Inequalities Alliance and  
Equality Trust**

September 2025

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## Summary

This document has been produced by BetterforUs, a national campaign run by Aspire Community Works, a Real Living Wage community business with seventeen years' experience of delivering public contracts in London and the South East. It is submitted jointly with the Structural Inequalities Alliance and the Equality Trust which are supporters of our broader campaign.

Our campaign is rooted in lived experience of procurement - both where it has created good jobs, skills and community wealth, and where it has reinforced inequality through low pay, insecure work and exclusion of smaller providers. For us, the test is always whether procurement reduces or reinforces socio-economic inequality and whether it creates positive or negative public value.

We warmly support the Government's overall direction of travel and agree with the proposals set out in the consultation. In particular, we believe that the introduction of greater flexibility within the system is a bold and decisive step that should be taken. The proposals provide a strong foundation for continued reform.

Where we have concerns, these are not with the Government's intent, but with the risk that an over-cautious approach to implementation will fall short of the Government's own ambition to use procurement as a lever to create good jobs, strengthen communities and build a fairer economy. It is vitally important that Government should lead unapologetically and decisively, showing communities that public money can and will be used to change everyday lives for the better.

We warmly support the Government's proposals to introduce greater flexibility for people-focused services. These services depend on trust, continuity and community connection, which open competition does not always deliver. Flexibility gives authorities the ability to commission in ways that reflect local priorities and shape markets around quality, inclusion and long-term public value.

We believe this approach should not be confined to a narrow set of people-focused services but extended to a far wider group of what we term Public Value Services. These include health and social care, housing and homelessness support, employment and welfare services, education and training, and ancillary services such as grounds maintenance or cleaning when delivered under supported employment models. In such areas, quality, continuity, integration and inequality reduction are decisive factors in outcomes, and open competition can undermine rather than strengthen them.

Our proposals show how this could be strengthened through a Public Value Provider Selection Regime. Such a regime would allow authorities, after applying a Public Interest Test, to opt out of competition where it does not serve the interests of service users or communities. This would open the way to mixed provision — in-house delivery, trusted public providers, social enterprises, co-operatives, community groups and responsible private providers — with contracts structured to reflect the reality of local needs. This would enable procurement to play its full role in reducing inequality, tackling discrimination and supporting community wealth.

We also strongly welcome the introduction of statutory Public Interest Test. Applied before procurement; it would help ensure that decisions are aligned with wider public objectives and not just lowest cost. We suggest that the test could be applied more widely, including to contracts over £1m and to the broader category of Public Value Services. This would give authorities a practical framework to choose between in-house delivery, trusted providers, and locally rooted SMEs or VCSEs or a mixture of both.

Whilst we welcome the proposed introduction of targets for spend with SMEs and VCSEs, to ensure these measures reduce inequality rather than entrench it, spend targets should be linked to Real Living Wage standards and good work conditions. Counting spend alone risks rewarding poor-paying employers and leaving disadvantaged workers locked in low pay. Procurement can and should set a baseline: every public contract should guarantee Real Living Wage and decent conditions on a default basis. This would help prevent a race to the bottom, support those SMEs and VCSEs who already uphold high standards, strengthen local economies and act to support the Public Sector Equality Duty and the forthcoming Socio-Economic Duty that the Government is committed to introduce.

We support proposals to introduce a minimum weighting for jobs and skills in award criteria, as well as KPIs and standardised metrics to improve accountability. But here too, safeguards are needed. Weightings must go hand in hand with contract conditions requiring Real Living Wage and good work principles. Standard metrics must recognise the intrinsic organisational value of social enterprises — reinvestment of surpluses, democratic governance, stable employment and community accountability — if they are to reward the providers who deliver the deepest impact in reducing inequality.

In summary, we agree with all of the proposals set out by Government in this consultation and welcome the direction they set. But ambition matters. If procurement is to meet its full potential as a lever for change, Government should be bolder — embedding Real Living Wage and good work as conditions of contract, extending flexibility through a Public Interest Provider Selection Regime, and ensuring that intrinsic organisational value is properly recognised.

Procurement reform is a test of leadership. Handled with courage, it can lift people out of poverty, tackle discrimination within the labour market, reduce inequality and rebuild trust in public institutions. If approached too cautiously, it will miss the opportunity to demonstrate that public money can and should be used to transform lives.

## Introduction

BetterforUs is a national campaign run by Aspire Community Works, a Real Living Wage community business with seventeen years' experience in delivering public contracts in London and the South East. We employ and train people who are often locked out of the labour market and are disadvantaged by it for a number of reasons - not least institutional discrimination and socio-economic disadvantage.

The Procurement Act 2023 and the publication of the new National Procurement Policy Statement opens up the opportunity for change for the better. Words now need to be translated into meaningful action. This should involve all those who participate or have an interest in the procurement process to work to improve it to increase public value.

We have produced this document as part of our response to the Government's latest proposals for change *'Public Procurement: Growing British industry, jobs and skills - consultation on further reforms to public procurement'*, published in June 2025 which requires organisations to submit answers through an online portal with limited word count. We wish to use the Government's consultation to encourage wider debate and conversation on procurement, poverty and inequality. Our submission is supported by the Structural Inequalities Alliance and the Equality Trust and is submitted jointly on their behalf.

This document and our submitted answers are built on lived experience of public procurement. We know how powerful it can be when designed for public good - creating good jobs, skills and community wealth — and how structurally damaging it can be when it drives down wages, cuts corners and entrenches disadvantage. For us, the test is always whether procurement reduces or reinforces socio-economic inequality, challenges discrimination and whether it creates positive or negative public value.

Our starting point is that procurement should create public value: decent work, inclusion, sustainability and community wealth. Decisions about contracts must be judged not just on lowest cost but on their wider impact on people and places. Public money should be spent to lift people out of poverty and reduce inequality in ways that provide opportunities for those furthest from the labour market, helping to strengthen trust in public institutions and government and bringing people and government closer together.

Public procurement, worth £341 billion annually, is one of the most powerful levers government and public institutions at all levels – from central governments to parish councils, from education to the health services - have to reduce socio-economic inequality. Together we need to seize this opportunity so that every contract is used to deliver public value and bring communities together rather than isolated, fragmented and drawn apart.

## **The Government's consultation**

The UK Government is consulting on further reforms to the Procurement Act 2023 and the new National Procurement Policy Statement (NPPS), with the aim of ensuring public procurement strengthens British industry, creates good jobs, supports SMEs and social enterprises, and boosts national resilience.

The Government believes that public procurement is a powerful lever for national renewal. It wants people around the UK to feel this government spend through investment in their skills and opportunities to access high quality jobs close to home. It aims to provide public procurement that: “will truly be in the service of the people creating amongst other things a prosperous and fair future for all.” We fully support such objectives.

The consultation seeks to build upon recent procurement reforms by proposing changes in five key area which include:

### **Supporting SMEs and Social Enterprises (VCSEs)**

- requiring large contracting authorities with over £100m spend annually to set 3-year SME/VCSE spend targets and report annually
- clarifying in primary legislation when services for vulnerable citizens may be awarded without competition
- requiring exclusion of suppliers from large contracts of over £5m if they fail to provide prompt payment standards.

### **Prompt Payment**

- excluding suppliers from contracts of over £5m if they do not pay invoices within an average of 60 days

### **People-Focused Services**

- greater flexibility to award contracts for care and other people-focused services without competition where user needs require

### **Supporting National Capability**

- contracting authorities must conduct a “public interest test” before outsourcing major contracts of over £5 million to consider insourcing as an option

## Good Jobs, skills and social value

- require at least one award criterion on jobs/skills/social value (10% minimum weighting)
- require at least one KPI on jobs/skills/social value, with progress reported in performance notices
- introduce standardised social value metrics
- allow flexibility to define where social value is delivered (local authority area, place of contract delivery, or supplier base)

### Q1a: Mandating targets for SME and VCSE spend

*To what extent do you agree or disagree that mandating large contracting authorities with spend over £100m p.a. to set 3-year targets for their procurement spend with SMEs and VCSEs and publish annual progress against these targets, would help increase spend with SMEs and VCSEs?*

BetterforUs supports the proposal to require contracting authorities with annual procurement spend over £100 million to set three-year targets for spend with SMEs and VCSEs, publishing annual progress. This measure is essential if procurement is to be rebalanced in favour of smaller and mission-led suppliers, rather than consolidating power among the largest firms.

The current system entrenches inequality. Large corporations dominate procurement, while smaller, locally-rooted organisations - many of which employ disadvantaged groups - struggle to gain a foothold. Without intervention, public spending reinforces these divides. Mandated targets can help shift this dynamic, ensuring that a proportion of spend reaches SMEs and VCSEs that may be closer to communities, more inclusive in their employment practices, and better able to deliver public value.

Aspire's own experience illustrates the point. As a Real Living Wage community business, we have often been excluded from contracts aggregated into oversized lots or reserved for national frameworks dominated by larger providers. These barriers deny disadvantaged communities the chance to benefit from jobs and training offered by smaller social enterprises. Targets would help correct this imbalance.

The Government anticipates that authorities will set their own target rather than setting a mandatory target and says that its expectation is that such targets will be stretching. We are concerned that such an approach may not increase spend with SMEs and VCSEs as a matter of course and believe that the government should establish mandatory minimum targets for authorities. This is based on our experience of current legislation in relation to lots.

Under previous legislation (the Public Contracts Regulations 2015) and the current Procurement Act 2023 it is a legal requirement for organisations to consider dividing

contracts into lots and to publish their reasons for not doing so in procurement information. Our experience is that this rarely happens despite the fact that it is a legal requirement. And there is essentially no mechanism for organisations such as ourselves to get this legal requirement enforced.

Safeguards also need to be built into the system if negative public value is to be avoided and inequality increased. We consider that good work and the real living wage should be a condition for public sector contracts, and without such conditions in place, the targets for SMEs and VCSEs could be achieved by opening up markets to poor paying employers with poor conditions undermining the Government's commitment to create good jobs through the procurement process.

It is not enough to count spend alone. We suggest that targets should be linked to public value outcomes, such as payment of the Real Living Wage, provision of secure employment, and training opportunities for disadvantaged groups. Without this, the risk is that spend is spread more widely but continues to entrench low pay and poor conditions or indeed intensifies inequalities if larger companies providing good conditions and real living wages are substituted by low paying employers within the SME and VCSE sector.

### **Q1b: Commentary on effectiveness of targets**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

While we support the proposal, we caution that targets without accountability risk becoming symbolic. Authorities could set unambitious goals, publish perfunctory reports, and declare success without changing practice.

The real danger is that procurement performance is measured in numbers alone, rather than in the quality of outcomes for communities. Aspire has experienced this first-hand. On one public service contract, our staff were TUPE-transferred to another SME. Within months, a former staff member reported irregular pay and insecure conditions and eventually lost the job that he had held for six years. The new provider might have counted as SME/VCSE spend on paper, but in practice the contract entrenched inequality by worsening pay and working conditions.

To prevent such outcomes, reporting must be backed by scrutiny and enforcement. Authorities should explain failures to meet targets and set out corrective action. Reports must be accessible to citizens and workforce representatives, enabling democratic accountability. In short, mandated targets can help reduce inequality only if they are treated as a serious accountability mechanism, not as a compliance exercise.



## **Q2a: Extending Section 70 transparency requirements**

*To what extent do you agree or disagree that extending the requirements of section 70 of the Act to publish information on (i) all payments made under public contracts and (ii) payments under notifiable below-threshold contracts, would help increase spend with SMEs and VCSEs?*

BetterforUs supports the proposal to extend Section 70 of the Procurement Act so that all payments made under public contracts, including below-threshold contracts, are published. Transparency is a prerequisite for accountability and for tackling entrenched inequalities in who benefits from public money. We agree that this is likely to lead to increased spend with VCSEs and SMEs,

Transparency also provides SMEs and VCSEs with vital market intelligence. By publishing payment data, contracting authorities can help smaller organisations identify opportunities, understand who the main suppliers are, and assess where subcontracting might be possible.

## **Q2b: Commentary on effectiveness of transparency extension**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

Much of the procurement activity most relevant to SMEs and VCSEs takes place below threshold. These contracts are often the entry point for disadvantaged groups into supply chains. Yet at present they are invisible in national data. The provisions could be made more effective by ensuring that data around SMES, VCSEs and supported employment providers are categorised separately.

## **Q3a: Excluding poor payers from major contracts**

*To what extent do you agree or disagree that requiring contracting authorities to exclude suppliers from bidding on major contracts (+£5m per annum) if they cannot demonstrate prompt payment of invoices to their supply chains (within an average of 60 days) would help improve late payment by suppliers to the public sector?*

BetterforUs supports the proposal to exclude suppliers from bidding on contracts over £5 million if they cannot demonstrate prompt payment of invoices to their supply chains. We agree that this will help to tackle the problem of late payment.

Late payment is one of the most damaging barriers for SMEs and VCSEs, deepening socio-economic inequality by transferring risk from large corporations to smaller suppliers and their employees. Research shows that late payment costs SMEs billions each year and causes thousands of business closures. When smaller organisations close, communities can lose trusted providers and disadvantaged workers lose secure jobs. Late payment therefore entrenches inequality, making it harder for inclusive organisations to survive.

### **Q3b: Commentary on effectiveness of prompt payment proposal**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

While we support the intent, the current proposal has risks relating to its effectiveness. We are concerned that the average of 60 days given to suppliers is too lenient, particularly as the Procurement Act 2023 implies 30-day payment terms into public authority contracts. While we appreciate that the 60 days applies to all contracts irrespective of whether they are public or private contracts, we consider that the Act should, at the very least, align with the average 45 days which currently applies to central government contracts. This would help to support small businesses and VCSEs who currently face cashflow difficulties that act as barriers to implementing Real Living Wage and Good Work conditions which should be made a condition for all public contracts.

### **Q4a: Flexibility for people-focused services**

*To what extent do you agree or disagree that there should be flexibility for contracts for people focused services to be awarded without competition?*

BetterforUs fully supports greater flexibility in the commissioning of people-focused services. These services rely on trust, continuity, and relationships rather than commoditised transactions.

We consider that an amendment to the Procurement Act enabling authorities to opt into a new Public Value Provider Selection Regime (similar but not identical to that in the NHS) would be an appropriate model.

### **Q4b: Commentary on flexibility proposal**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

Allowing public authorities greater flexibility to remove competition from the process would enable them to develop market shaping policies aligned to the National Procurement Policy Statement but relevant to local places and their communities and help to improve quality of service.

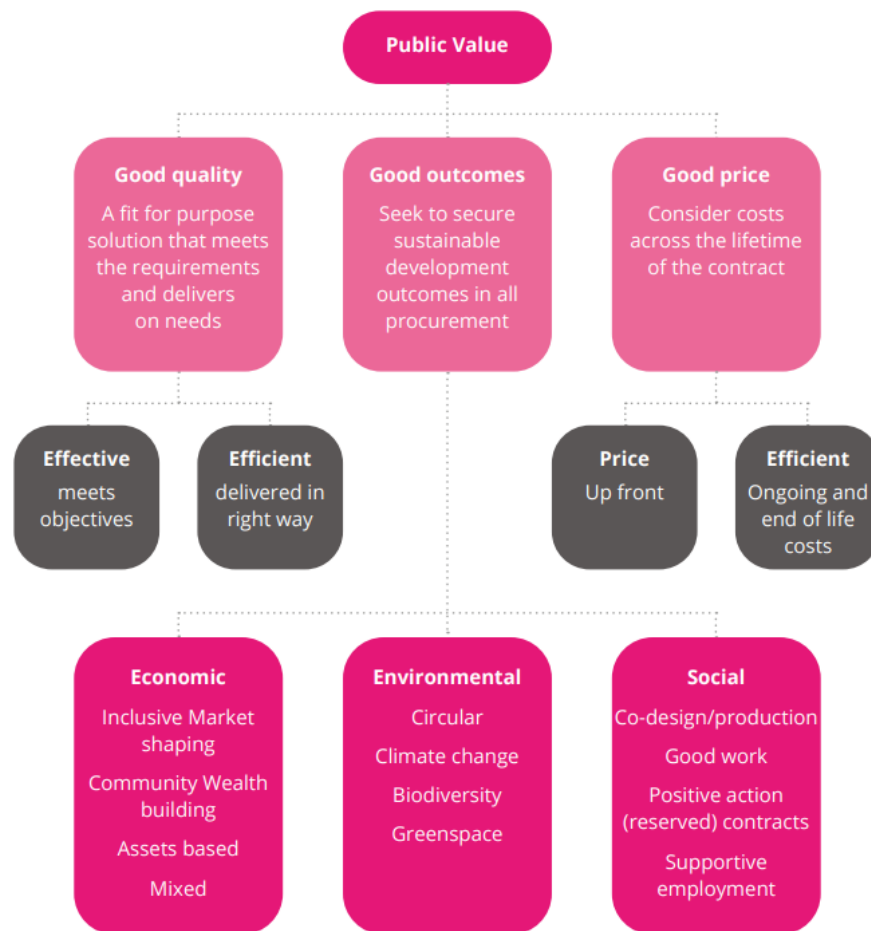
## Q5: Other services warranting flexibility

*Are there other services delivered to vulnerable citizens (beyond adult and children's social care) that warrant procurement processes not permitted in the Procurement Act 2023?*

*Please include i) the CPV code where possible and description of the services; ii) the nature of the problem faced; iii) the optimal policy solution(s).*

We believe that a much broader category of Public Value Services should be recognised within the Procurement Act 2023. These are services where quality, continuity, integration and inequality reduction are central to outcomes, and where open competition may undermine rather than improve delivery.

### Relevant services (CPV codes) – Public Value services



Examples include :

- Health and social services (85000000 – 85320000): community health, disability support, mental health recovery.
- Education and training services (80000000 – 80400000): schools, adult learning, vocational training.
- Housing and homelessness support (70333000, 85321000).

- Employment and welfare support (75122000, 98000000): supported employment, skills development, welfare-to-work.
- Ancillary services delivered under supported employment models (77314000, 90911200): grounds maintenance, cleaning, facilities support.

### **Nature of the problem**

In many of these areas, particularly in places marked by low pay and poverty, open competition has too often produced poor results. National or larger providers may undercut on cost but deliver low-wage, low-quality services that are difficult to manage. The race to the bottom approach undermines trusted relationships, weakens service quality and perpetuates socio-economic inequality and discrimination within the labour market.

### **Optimal policy solution**

We propose that Government create a statutory category of Public Value Services within the Procurement Act, linked to the Public Interest Test as set out in this June 2025 consultation but applicable to all contracting authorities who choose to apply it.

**Applying the Test before procurement** authorities would first apply the Public Interest Test to determine whether competition is in the public interest, considering factors such as the following|:

- quality and innovation
- continuity of provision
- integration with other services
- in-house capacity
- long-term public value, including fair work and Real Living Wage standards
- contribution to reducing socio-economic inequality

**Opting into a Provider Selection Regime (PSR)** where the Test shows competition is not in the public interest, authorities could opt into a PSR, modelled on that currently existing within the NHS.

**Mixed economy of provision** within the PSR, authorities could structure contracts flexibly - including in-house delivery, trusted public providers, social enterprises, co-operatives, community groups, and responsible private providers. Authorities could divide contracts into lots, enabling (for example) the majority of estate cleaning to be delivered in-house, while awarding local greening to a community group or social enterprise with proven impact.

**Oversight and accountability** decisions would be transparent, published in a Public Interest Notice, and could be made subject to review by an Independent Procurement Panel to ensure proportionality and consistency.

This approach builds directly on the Government's own Public Interest Test proposal, while lawfully using WTO flexibilities to exempt whole categories of Public Value Services

from competition. It would enable contracting authorities to design services around vulnerable citizens and local labour markets, ensuring that quality, continuity and inequality reduction are decisive factors in procurement, not afterthoughts and it would provide authorities with greater control over local services in line with the objectives currently contained within the English Devolution and Community Empowerment Bill 2024-25.

## **Q6: Examples of good practice and process improvements**

*Do you have any examples where people-focused services have been procured well? Do you have any suggestions for changes to the processes available under the Procurement Act or guidance that could improve procurement of these services?*

Our lived experience of the procurement process is that all too often errors are committed by commissioning authorities often through third party advisers who are detached from the end provision of service and these cannot effectively be challenged. Where only large providers can access legal justice, there is an imbalance in the system and

While the Public Procurement Review Service provides a service for complainants and promotes continuous improvement, its procedures for review and/or improvement are not as rigorous as those provided by tribunals or ombudsman services that makes findings of act on submissions, are able to award compensation and suspend contract awards.

The previous government promised to keep the issue of legal redress under review. We consider that there is an overwhelming case for this now to be reviewed by the current government given its commitment to increasing the number of small businesses and VCSE within the procurement process.

BetterforUs supports the introduction of the right of administrative appeal for low value procurements. It believes that consideration should be given to developing an independent Ombudsman system for dealing with low value procurement complaints, that is if a low value tribunal is not considered appropriate or too costly. It is possible that consideration could be given to some form of levy from large suppliers as part of their social value commitments. The benefits of moving to a Provider Selector Regime is that if it mirrored the NHS model there would be an administrative right of review and independent appeal irrespective of contract value. For organisations such as Aspire this would be of utmost benefit.

### **Q7a: Public interest test**

*To what extent do you agree or disagree that contracting authorities should be required to undertake a public interest test and publish it when making sourcing decisions?*

BetterforUs strongly agrees that a statutory Public Interest Test is essential to ensure that sourcing decisions are not reduced to lowest cost calculations but are aligned with wider public objectives. Applied before procurement begins, the Test allows contracting authorities to decide transparently whether competition is genuinely in the public interest, or whether outcomes are better secured in-house. Requiring publication of the test is equally important. Transparency will build confidence among citizens, service users and providers that procurement decisions are being taken fairly, proportionately and with accountability.

### **Q7b: Public interest test**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here*

We agree that the proposed measure delivers the right policy intent but believe it should go further in a number of respects. We consider that the test should be mandatory for all authorities with contracts of over £1 million as the test will not be onerous and should form part of the commissioning process.

Further, the Act should clarify that where authorities choose, they may apply a public interest test to contracts below the value of £1million where they consider it appropriate to do so.

Thirdly, as we have outlined above in Question 5 the public interest test could be applied to a wider scope of public value services, irrespective of value.

Fourthly, the test could be linked to an opt-in Provider Selector Regime where competition rules do not apply to public value services and where there are rights to review and independent appeals particularly beneficial to SMEs and VCSEs.

### **Q8a: Jobs, opportunities and skills weighting**

*To what extent do you agree or disagree that requiring authorities to set award criteria which relates to the quality of the supplier's contribution to jobs, opportunities or skills for all public contracts over £5m and with a minimum evaluation weighting of 10%, will help to deliver social value that supports economic growth?*

BetterforUs welcomes the proposal that all public contracts over £5m include an award criterion on jobs, opportunities or skills with a minimum weighting of 10%. This is in line

with the Government's National Procurement Policy Statement that lays particular emphasis on the creation of good jobs and decent wages. We agree that it will go some way to help to deliver social value that supports economic growth.

Employment is one of the most powerful ways procurement can reduce inequality. But jobs created must be good jobs — fairly paid, secure and with progression. Without safeguards, authorities may reward quantity over quality, leading to short-term placements that do little to change life chances. Public authorities should be taking a lead in shaping the market to provide Real Living Wages and Good Jobs in line with the established Public Sector Equality Duty and the forthcoming Socio-Economic Duty that the government is committed to introducing.

### **Q8b: Commentary on Weighting Proposal**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

Requiring contracting authorities to set an award criterion linked to jobs, opportunities, or skills is a step in the right direction, but on its own it will not guarantee meaningful social value or inclusive economic growth.

Firstly, we consider that the £5m threshold is too high. Many contracts below this level represent significant opportunities to shape labour markets, particularly in local services such as cleaning, grounds maintenance, and care which are traditionally low paid jobs performed by local people. Exempting these contracts risks locking large parts of the everyday economy out of reform and perpetuating low pay and insecure work in precisely those sectors where public spending has the most impact on disadvantaged workers.

Secondly, experience across outsourced public services shows that unless Real Living Wage and Good Work standards are set as baseline contract conditions, the public sector inadvertently supports a race to the bottom. Contractors win bids by undercutting wages, undermining both staff wellbeing and local economic resilience, placing pressures particularly on employers within the SME and VCSE sectors that are committed to Real Living Wage and Good Work conditions.

We are concerned that Government is adopting an unduly cautious approach which undermines its own objectives, as set out in the National Procurement Policy Statement, to create good jobs with decent wages. The lower the wages paid on public contracts, the higher the burden on the taxpayer, whether through increased benefit payments, higher demand on the NHS caused by stress and ill health linked to poor pay, or the wider social costs of insecure, low-quality employment on communities.

Weightings at award stage may influence better outcomes in some cases, but they are no substitute for minimum guaranteed standards. The Real Living Wage and Good Work principles are already well-established, measurable, and capable of being written into

specifications. A stronger approach would be to adopt a default presumption: in any industry with reputational evidence of low pay or poor conditions, contracting authorities should begin with the question *“Is there a reason why Real Living Wage and Good Work criteria should not be introduced?”* Such an approach would simplify the procurement process by omitting suppliers who could not meet these standards at a far earlier stage of the procurement. Authorities would not be mandated to follow the default position but would need to publish information on why they were not. Further details of our proposed approach are contained with Public Good Procurement, October 2024 available at <https://betterforus.org.uk/public-good-procurement-guide>

Embedding good work as a non-negotiable baseline and then allowing award criteria to go further on other aspects such as employment support and skills would be a more effective way of ensuring that procurement delivers real social value and supports inclusive economic growth.

### **Q9a: Social value KPIs**

*To what extent do you agree or disagree that, where authorities have set social value award criteria relating to jobs or skills, mandating that they also set at least one KPI on social value delivery, and subsequently report performance against a social value KPI (published in the contract performance notice), will support transparency of progress against social value commitments?*

BetterforUs supports mandating that where jobs or skills are used as award criteria, contracting authorities must also set at least one KPI on delivery and publish performance against it. We agree that it will help support transparency of progress against social value.

Too often, social value commitments disappear after contract award. Aspire has seen competitors win bids with bold promises, only to quietly drop them in delivery. Without KPIs, inequality persists because the benefits never reach disadvantaged groups.

### **Q9b: Commentary on KPI proposal**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

Our concern is that the Government is adopting an unnecessarily cautious approach to the mandating of KPIs allowing contracting authorities to opt out so long as they put this in their tender notices. This is on the basis that there may be cases where it is reasonable for them not to set KPIs. Since the government is not proposing a method by which such decisions could be challenged, this could provide a green light for authorities to opt out of such proposals.



### **Q10a: Standard Social Value Metrics**

*To what extent do you agree or disagree that requiring contracting authorities to use standard social value criteria and metrics selected from a streamlined list (to be co-designed with the public sector and suppliers) in their procurement of public contracts will help to deliver social value in a proportionate manner.*

BetterforUs supports the use of standardised social value metrics, provided they are co-designed with SMEs, VCSEs and trade unions. Consistency can reduce bureaucracy and help level the playing field, but only if the metrics genuinely capture public value and the reduction of inequality. We agree that they may help to deliver social value in a proportionate and relevant manner.

Some current metrics fail to recognize intrinsic social value that VCSEs contain, and quantitative measures often favour the larger, commercial organisations than the smaller community provider. Metrics can flatten complex outcomes into crude numbers. For example, a large company offering dozens of minimum-wage placements could outscore a social enterprise offering fewer but better-quality jobs at the Real Living Wage. Such an approach entrenches inequality rather than tackling it.

A set of standard metrics could allow for comparability between suppliers, reduce duplication, and give smaller organisations confidence in what will be measured. This could make bidding less resource-intensive for SMEs and VCSEs, helping to level inequalities in capacity between them and large companies, particularly, if award criteria considered in detail the issue of intrinsic value and its relationship to metrics.

### **Q10b: Commentary on standardisation proposal**

We broadly agree that requiring contracting authorities to use standard social value criteria and metrics can help deliver social value in a more consistent and proportionate manner. A streamlined list co-designed with the public sector and suppliers would support clarity, reduce duplication, and make reporting less burdensome, particularly for SMEs and social enterprises.

However, the measure as proposed risks narrowing social value to a limited set of output-based metrics. This would overlook the intrinsic organisational value that social enterprises bring to delivery: reinvestment of surpluses, democratic governance, Real Living Wage adoption, workforce stability, and community accountability. These features are not incidental; they are structural characteristics that lock in public benefit and resilience, and they underpin the effectiveness of service delivery.

Some metrics should be designed to capture intrinsic value within award criteria. These metrics could be based on:

- surplus reinvestment such as proportion of profits reinvested for public benefit
- workforce quality e.g. Real Living Wage coverage, staff turnover, proportion of disadvantaged staff employed within an organisation
- governance and accountability - presence of community, employee and those with lived experience representation in decision-making
- place-based impact e.g. percentage of spend retained locally, local recruitment

By explicitly incorporating such measures into the standard framework, contracting authorities could assess not only what outcomes are delivered, but also who delivers them and how. Such an approach could help to ensure that intrinsic organisational value is recognised consistently and proportionately, and that procurement genuinely aligns with the public benefit duty under the Procurement Act 2023.

### **Q11a: Defining geography of social value delivery**

*To what extent do you agree or disagree that contracting authorities should be permitted to define the geographical location of where social value will be delivered as described above? Do you have any suggestions for innovative ways of delivering social value including by creating more flexibility in the current requirements in the Act on relevance and proportionality?*

We agree with the proposal to allow contracting authorities to specify the geographical area where social value is delivered. This flexibility is essential if procurement is to achieve deeper and more lasting impact. Place matters, and too often social value has been treated as a generic add-on rather than something that is grounded in the communities where contracts are performed. By allowing authorities to define whether delivery should take place within their area of responsibility, in the locality of the contract, or at the supplier's base, there is scope to strengthen the connection between public spending and local economic and social goals.

From our perspective, the real importance of this proposal lies in its potential to nurture relationships of trust and build mixed supply chains of commercial and social enterprises. Long-term impact is rarely achieved through short-term interventions. When contractors move in and out without building roots, value drains away. If authorities can anchor social value in specific places, linked to local growth strategies or community priorities, the benefits can compound over time. This is especially true in disadvantaged areas where transitory delivery has consistently failed to shift outcomes and short bursts of energy are followed by months of neglect.

What matters most is not drawing tight boundaries but ensuring that the benefits of public contracts are experienced locally, and that suppliers are encouraged to partner with anchor institutions, community groups and smaller organisations in order to make that happen.

The Government is right to note that this flexibility will be particularly valuable for central government departments whose spend is not tied to a single location, but it should also be available more widely.

We also believe there is scope for more innovative ways of delivering social value alongside this flexibility.

One option is the creation of pooled social value funds, where suppliers contribute a portion of their commitments into a common local pot to be invested in grassroots initiatives – in our view this should be to support community enterprise and its development. This model has the advantage of building capacity in small community organisations and ensuring benefits are not lost when individual contracts end.

Another is the use of social value matching services, where authorities broker direct links between suppliers and local needs – whether that is apprenticeships, tackling inequality in access to work, or investing in green community assets.

Both approaches are outlined in our Public Good Procurement Guide and demonstrate how procurement can be a tool for inclusive growth.

### **Q11b: Commentary on geographic proposal**

*If you wish to explain why you do or do not agree that the proposed measure reflects or delivers the policy intent described above, please do so here.*

We agree that the proposal has the potential to deliver on the policy intent of making social value more place-based and relevant. But to succeed, it must go beyond simply giving contracting authorities the discretion to nominate a geography. What matters is ensuring that this discretion is used to anchor procurement in local priorities, reduce transience, and build trust between suppliers, authorities, and communities. Otherwise, there is a risk that geography becomes an administrative label, rather than a lever for change.

To achieve this, contracting authorities should be supported to adopt practical mechanisms that make social value delivery meaningful. Approaches such as social value funds, matching services, community benefit agreements or legacy clauses could help to strengthen accountability.

None of this will be credible without strong monitoring and transparency. Contracting authorities should adopt clear, proportionate reporting framework such as open dashboards showing where and how social value commitments are being delivered. This would provide communities with confidence, allow lessons to be learned, and prevent geographical flexibility from becoming a loophole that weakens delivery. If combined with these measures, the proposal has the potential to reflect and deliver the policy intent by embedding procurement in place and ensuring public money leaves a genuine legacy.

## Conclusion

Public procurement is one of the most powerful levers government has to create good jobs, support inclusive businesses and reduce inequality. Worth £341 billion annually, it can either lift people out of poverty or lock them into low pay and insecurity. The Procurement Act 2023 and the new National Procurement Policy Statement have opened the door to reform. What matters now is whether that door is pushed wide open or quietly left ajar.

For BetterforUs, the test is simple: does procurement reduce or reinforce socio-economic inequality and discrimination? Too often it has done the latter, consolidating contracts in the hands of large providers, driving down wages, and eroding trust in public institutions. But it does not have to be this way. With clear standards, enforceable rules, and mechanisms for accountability, procurement can be a driver of national renewal.

We agree with all of the proposals set out by government in this consultation and welcome the direction they set. However, in some areas we believe the approach is too cautious and risks falling short of the government's own objectives, particularly its ambition to build good jobs and decent wages through procurement.

Stronger commitments on issues such as mandatory targets, prompt payment, the Real Living Wage, and recognition of intrinsic organisational value would help ensure that these reforms deliver their full potential. So too would increasing the flexibilities that authorities have to opt out of competition where the public interest dictates that is the case.

This is not a marginal debate about process. It is a fundamental question of how public money is used. Every contract, large or small, carries consequences for workers, communities and the fabric of public trust. If procurement reform is ambitious, it can help create an economy that is fairer, stronger and more resilient. If it is weak, it will entrench the very divides it seeks to address. There has never been a better time to make procurement work for public good.