PPN 026 & Social Value: An Update

November 2026

What’s changed?

From 1 January 2027, PPN 026 replaces PPN 002 as the Social Value Model for central government departments, executive agencies and NDPBs; other public bodies may adopt it. Published in August 2026, with guidance issued in October 2026, it narrows social value to ‘good British jobs, skills and opportunities in every postcode’.

1. **A narrower focus.** From eight outcomes to two: Good Jobs and Skills, with six award criteria. Wellbeing, crime reduction, resilient supply chains and sustainable procurement no longer stand alone; some elements carry into the new criteria. Social value must still be additional to the core contract, and scoring stays qualitative.

2. **Higher threshold, higher weighting.** £1m (incl. VAT) replaces c.£140k, so contracts between £140k and £1m lose mandated social value. Minimum weighting is 10% for £1m to £5m, and 20% for £5m+, double the previous 10%.

3. **Named target cohorts.** Eight cohorts, from young people not in education, employment or training to veterans, with health and disability a stronger thread throughout.

4. **Community Programmes.** A new, optional route. Support is confirmed by letter and written into the contract; if the bid also meets all the Implementation Criteria, it earns at least 6 out of 10 under the example scoring method.

5. **Delivery goes public.** Contracts of £5m+ carry at least one social value KPI, published and reported at least every 12 months, and departments report quarterly to Cabinet Office using standard metrics. Persistent poor delivery can lead to exclusion from future bids.

PPN 026: what it means

From January 2027, social value in central government narrows to jobs and skills, with more weight and more scrutiny on bigger contracts

What's changing

- **Who:** central government departments, executive agencies and NDPBs; other public bodies may adopt it
- **When:** procurements commenced (tender notice published) from 1 January 2027; earlier adoption encouraged
- **Threshold:** £1m incl. VAT (from c.£140k) and above the relevant public contract threshold; excludes private utilities, overseas delivery and direct awards
- **Focus:** two outcomes, six award criteria (next slide)
- **Weighting:** minimum 10% for £1m to £5m; 20% for £5m+; buyers can go higher in mature markets
- **Frameworks:** some social value assessment at framework stage, no minimum weighting; full weighting at call-off
- **Accountability:** £5m+ contracts carry at least one published social value KPI, reported at least every 12 months; persistent poor delivery can lead to exclusion
- **Community Programmes:** optional list still to come; support is confirmed by letter and written into the contract

Confirmed in the October guidance

- **Supply chain:** a 1a sub-criterion: more SMEs, scale-ups and VCSEs in the supply chain
- **Modern slavery:** outside the model; buyers can weight it separately under other PPNs
- **Carbon:** outside the model; can be weighted separately, on top of the 10% or 20%
- **Threshold:** £1m confirmed; below £1m the minimum weighting is 0%

What this means for the sector

- Measurement narrows to jobs and skills; environment and wider community impact fall outside the scored model
- Supply chain inclusion should bring more SMEs and VCSEs into scope on larger contracts
- Public reporting raises the bar for credible, auditable data

The Social Value Model at a glance

Two outcomes and six award criteria; buyers choose the fewest that fit each contract

Good Jobs

Fair pay and good conditions; helping people get, keep and progress in work

1a. Create good jobs or apprenticeships

- New local jobs and apprenticeships
- Jobs for target cohorts and high-growth sectors
- More SMEs and VCSEs in supply chains

1b. Fair working conditions

- Leave and flexible working beyond statutory minimums
- Health, wellbeing and workplace adjustments
- Permanent contracts and union access

1c. Fair pay

- Pay above the National Minimum or Living Wage
- Gender, disability and ethnicity pay gap reporting
- Full sick pay from day one

Skills

Tackle skills shortages; open development to people facing barriers to work

2a. Training / retraining

- Training for skills gaps in target cohorts
- Co-design with civil society and universities
- e.g. T-Levels, supported internships

2b. In-work progression

- Upskill staff into higher paid work
- Careers advice and mentoring
- Recognised qualifications

2c. Talent pipeline

- Future workforce from target cohorts and deprived areas
- Essential skills, e.g. GCSE maths and English
- Work experience in high-growth sectors

Target cohorts

Young people (16 to 24) not in education, employment or training | Recent education leavers | People with a long-term health condition or disability | People with SEND or neurodiversity | Care leavers | People on probation, in prison or leaving prison | People who have experienced domestic abuse | Veterans

PPN 026: what we're watching

Open questions as implementation begins

KPIs and measurement

- **Open question:** will the published KPI be programme-level or specific (e.g. jobs created)? The answer could unsettle the impact measurement market
- **Guidance:** each KPI pairs a target with a reported number, using standard metrics where they exist
- **Central data:** departments report quarterly to Cabinet Office on what's applied and delivered
- **Scale:** buyers may score numbers of jobs and apprenticeships on £5m+ contracts, with legal advice

Community Programmes

- **Default risk:** backing a programme and meeting the Implementation Criteria secures at least 6 out of 10, so suppliers may pick one whatever its quality
- **Capacity:** risk of a race to the bottom, or programmes unable to cope with bidder enquiries
- **Confidentiality:** programmes could inadvertently share bidder approaches
- **Fairness:** many government programmes run via large delivery partners, which may squeeze out smaller charities
- **Status:** list not yet published; buyers to agree handling where bids are high

Sector landscape

- **ISV:** new CEO; PPN 026 a moment to consolidate definitions and convene the sector
- **Valuation gap:** little UK support for SROI and outcomes valuation
- **Social Value Commission:** policy recommendations emerging; definitions remain contested, so map frameworks rather than define
- **Local need data:** Local Social Needs Index (free, local authority level, no NHS or ICB fit); Place Insights (paid, time series)

What this means for you

1. **Review your pipeline.** Which central government bids from January 2027 sit above £1m, and which above £5m, where the 20% weighting and published KPIs apply?

2. **Map what you already do** against the six criteria and check it's additional to the core contract rather than existing corporate activity.

3. **Get your data ready.** Each commitment needs a target and a number you can report, ideally using the standard metrics.

4. **Look at Community Programmes** once the list is published, weighing fit and quality, not just the score.

5. **Keep measuring wider impact.** Environment, wellbeing and community outcomes still matter to local government, the NHS and the people you work with.

Get ready to value

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