
“Think Local Social” Value Strategy

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Contents

1. Introduction	3
2. Statutory Basis – Procurement Act 2023	3
3. Statutory Basis – Local Spend.....	3
4. Statutory Basis - Social Value.....	4
5. The Council’s Approach - Why Should We Think Local?.....	4
6. The Council’s Approach Spend with SMEs drives local growth	5
7. What will West Berkshire Council Do?	5
8. Why is Social Value important?	6
9. What will West Berkshire Council Do?.....	6
Appendix A Summary of threshold amounts from 1 January 2026	7
Appendix B Definition Of Local Area From Statutory Guidance.....	8
Appendix C Procurement Process.....	9

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1. Introduction

1.1 West Berkshire Council is committed to using its procurement spend beyond the direct delivery of services to benefit the local community. It can do this in two ways:

- Spending with local companies especially Small & Medium Size Enterprises (SM's) and Voluntary Community & Social Enterprises (VCSEs) and creating a multiplier effect on the local economy.
- Establishing Social Value obligations on organisation that are awarded contracts by the Council to generate wider public benefits

2. Statutory Basis – Procurement Act 2023

2.1 Public sector procurement is regulated by the Procurement Act 2023 (PA23). There are some exemptions, for example certain health and care contracts which fall under The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR) or requirements that are so innovative there is currently no market to provide them.

2.2 When carrying out a procurement, contracting authorities such as West Berkshire Council must have regard to the following objectives set out in the Act

- delivering value for money
- maximising public benefit
- sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions
- acting, and being seen to act, with integrity; and
- removing or reducing the barriers faced by SMEs

2.3 This strategy forms an important part in meeting these objectives, in particular around public benefit and removing and reducing the barriers faced by SMEs.

3. Statutory Basis – Local Spend

3.1 The ability of councils to use local spend as a tool for the benefit of the local community has been significantly restricted by legislation in particular Section 17 of the Local Government Act 1988 (LGA1988), however this has now been amended to remove many of the obstacles and the conflict that has been created with PA23 which unlike the wider public sector prevents local government from using all aspects of the Act.

3.2 West Berkshire Council can now restrict contracts that are below threshold (see **Appendix A**) to within local authority boundaries or a defined local area if collaborating with neighbouring authorities (see **Appendix B**). The Council must still be able demonstrate value for money and that it has not restricted competition in a way as to give a supplier an undue advantage i.e. restricting so there is only one supplier and awarding the contract by direct award.

4. Statutory Basis - Social Value

- 4.1 The Public Services (Social Value) Act 2012 (SV Act) requires public bodies to consider social value for above threshold services contracts. This requires all public sector organisations and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area.
- 4.2 The National Procurement Policy Statement (NPPS) set out the Government's strategic priorities for public procurement in support of the Government's missions. The NPPS focuses on mission-led procurement to unlock the full potential of public procurement to deliver value for money, economic growth and social value.
- 4.3 The NPPS provides a useful definition of Social Value:- "Providing social value through procurement is the additional social, economic or environmental benefit that can be derived from the way a supplier works with its staff, suppliers, community or the environment when delivering a contract"
- 4.4 The NPPS is supported by Procurement Policy Note 02 (PPN02) that mandates a minimum of 10% Social Value for in scope (central government) organisations. The Council is not an in-scope authority for the purpose of PPN02 but can still use it as guidance.
- 4.5 In carrying out a procurement covered by PA23, the Council must have regard to the importance of delivering value for money. Achieving value for money is always the overarching priority in public procurement. This must include consideration of outcomes and quality to avoid waste from low value, poor quality bids. This means optimising the use of public funds by balancing effectiveness, efficiency and economy over the life-cycle of a product, service or works to achieve the intended outcomes of the procurement. This includes wider socio-economic and environmental benefits and impacts.

5. The Council's Approach - Why Should We Think Local?

- 5.1 Buying goods and services, is a vital element of the UK economy. Most economic activity occurs between businesses, and with the public sector. Public sector procurement accounting for nearly £400 billion of spend each year. West Berkshire on its own spends over £200m per year.
- 5.2 It gives government (including local government) the opportunity to support and maintain economic activity and if used strategically, can strengthen domestic supply chains and foster innovation across industries. Procurement that is open to the widest possible range of businesses encourages innovation, higher quality and value for money.
- 5.3 For many businesses, a public sector contract provides the critical opportunity they need to invest, expand their operations, and thrive. Such expenditure is not just an operational cost for Government, but a direct injection of capital and confidence into the business community. Ensuring this opportunity is accessible to businesses of all sizes is therefore a key challenge for economic policy.

6. The Council's Approach Spend with SMEs drives local growth

- 6.1 Beyond the direct benefits to individual firms, directing public spending towards small businesses delivers significant wider economic advantages for local communities. Research has demonstrated a powerful local multiplier effect: for every £1 spent with SMEs by public bodies, an additional 63p is generated for the local economy, compared to just 40p for every £1 spent with a larger UK business, and minimal benefit for overseas spend. Public sector work acts as a “growth accelerator”, enabling businesses to invest, develop new products, and create more jobs within their local community.
- 6.2 SMEs bring operational advantages rooted in their local presence. They often possess a deep understanding of the local culture and the specific needs of their operating areas, allowing them to deliver more bespoke and specialised services. Their smaller structure also makes them inherently more agile, allowing for greater flexibility in their response to changing requirements.
- 6.3 This agility is often paired with deep expertise. Many SMEs are highly specialised, concentrating their resources and knowledge on a single product, service, or niche. This focus can result in greater efficiencies and a higher level of quality than might be found in a larger, more diversified supplier, providing the public sector with access to new innovations, and best-in-class solutions.
- 6.4 Engaging local SMEs can also make a direct contribution to the public sector's net zero goals. Sourcing goods and services from nearby businesses reduces transportation costs and significantly cuts the carbon footprint associated with long-distance freight. This alignment with strategic national goals is another key dimension of the value SMEs provide.
- 6.5 Taken together, these factors demonstrate that procuring from small businesses is not just about supporting enterprise but about making a strategic investment in stronger communities. The benefits range from measurable economic returns and job creation to enhanced social value, greater responsiveness, and improved environmental outcomes, representing a more effective and holistic use of public funds.

7. What will West Berkshire Council Do?

- We will set ambitious annual targets for spending with local SMEs and VCSEs
- We will run regular meet the buyer events either online or in person to provide information on the Council's procurement pipeline and any other opportunities.
- We will use pre market engagement to ensure that SMEs and VSCEs understand our requirements and can feedback on the specification and process
- We will look to keep the procurement process as simple as possible depending on the market and our requirements
- As part of the business case for any below threshold procurements the Council will consider ringfencing the procurement process to local suppliers in line with the PA23 and LGA1988.

- Where possible we will use outcomes-based specifications that will allow SMEs and VCSEs to bring innovative solutions to the table rather than traditional input-based specification that may limit the marketplace.
- We will support local SMEs and VCSEs registering on the Council's E Procurement Portal and on the government's Central Digital Platform.
- We will establish a list of approved local suppliers

8. Why is Social Value important?

- 8.1 Social value is a key method of maximising public benefits and will form an important part of all procurement activities in West Berkshire and we will expect all suppliers and providers we work with to make social value commitments. The Council will aim to keep things simple to encourage local SMEs and VCSEs to want to work with us.
- 8.2 We expect any Social Value to be created locally. Most SMEs contribute to social value in their default operations, for example by employing those furthest from the labour force or contributing to local community initiatives. Their commitment to the communities in which they live and work makes them natural partners in improving local economic and social well-being.

9. What will West Berkshire Council Do?

- The Council will incorporate a minimum of 10% social value in the Price/Quality assessment for all contracts above the relevant procurement threshold when assessing tenders; however, the actual percentage will be market dependent. **Appendix C** outlines the tender process.
- For below threshold contracts and one-off purchases, the Council will seek proportionate contractual commitment where it is appropriate or relevant to the goods and services being purchased.
- The Council will provide training to local SMEs and VCSEs on social value to allow them to maximise their offer
- The Council will establish local Themes, Outcomes, and Measures (TOM's) to ensure that Social Value can be assessed in line with its Corporate Strategy
- The Council will identify projects where suppliers can make social value commitments
- The Council will relaunch its Social Value Grants Fund linked to a new internet based Social Value platform – The platform is yet to be confirmed.

Appendix A Summary of threshold amounts from 1 January 2026

Contract for the supply of goods, services or works to a sub-central government authority	£207,720
Works contract	£5,193,000
Light touch contract	£663,540
Concession contract	£5,193,000
Light touch contract that is a concession contract	£5,372,609

Note there are no threshold under the Provider Selection Regime – Social Value will be considered in line with statutory guidance [NHS England » The Provider Selection Regime: statutory guidance](#)

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Appendix B Definition of Local Area from Statutory Guidance

- where there is one relevant authority which intends to enter into a relevant contract:
 - i. the area of that authority, or
 - ii. the area of that authority and any of the areas of the counties or London boroughs that border that area
- where there are two or more relevant authorities intending to enter into a relevant contract:
 - i. the areas of those authorities, or
 - ii. the areas of those authorities, and any of the areas of the counties or London boroughs that border those areas

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Appendix C Procurement Process

1. Commissioning / procurement need identified

The Council identifies a service, works or goods requirement and considers how spend can deliver wider community benefits alongside core delivery.

(TOMs: Policy & Strategy alignment) – Social value priorities set in line with local strategy and NPPS.

2. Social value outcomes defined

Desired outcomes are agreed at the outset (for example):

- Local employment and skills
- Environmental sustainability
- Inclusive growth / SME engagement
- Community wellbeing

This ensures social value is **purpose-led**, not generic.

(TOMs: Themes & Outcomes) – Selection of relevant TOM themes (e.g. Jobs, Environment, Equality).

3. Social value built into the contract

The outcomes are embedded into:

- Service specification
- Award criteria and scoring
- Contract conditions

This makes social value **contractual**, not voluntary.

(TOMs: How the contract will deliver) – Outcomes and measures embedded in specification and award criteria.

4. Supplier bids with social value commitments

Bidders respond with:

- Method statements
- Commitments and activities
- Measurable targets

Suppliers explain *how* they will deliver social value through the contract.

(TOMs: Method & Targets) – Bidders propose credible, measurable TOMs responses.



5. Contract awarded

Social value commitments are evaluated and weighted as part of the overall scoring, influencing award decisions.

(TOMs: Evaluation & Weighting)– Social value TOMs scored and influence the award decision.



6. Contract delivery

Suppliers deliver both:

- Core service outcomes
- Social value activities (e.g. apprenticeships, carbon reduction initiatives)

(TOMs: Delivery of commitments) – Suppliers deliver activities linked to TOMs commitments.

7. Monitoring and reporting

During delivery:

- KPIs and measures are tracked
- Evidence is collected
- Performance is reviewed through contract management

This step is critical to avoid “paper promises”.

(TOMs: Measures & reporting) – Contract management uses TOMs metrics and evidence.



8. Social value outcomes achieved

Tangible impacts are realised, such as:

- Jobs created
- Skills developed
- Emission reductions
- Community benefits delivered

(TOMs: Outcomes & Impact) – Tangible social, environmental and economic benefits realised.



9. Learning and improvement

Lessons learned inform:

- Future commissioning strategies
- Improved specifications
- More targeted social value outcomes

This feeds back into Step 2, creating **continuous improvement**.

(TOMs: Continuous improvement) – Lessons learned feed back into outcome selection and TOMs use.