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Transforming UK Public Procurement in the Post-Brexit era:

Part 1 – Lessons for the Procurement Act 2023 from implementation of the Social Value Act 2012

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Transforming UK Public Procurement in the Post-Brexit Era: Part 2 – Lessons for the Procurement Act 2023 from Implementation of the Social Value Act 2012

Executive Summary

In the first part of this Research Brief we outlined and discussed the three key policy priorities under the Procurement Act 2023. Public authorities and procurement practitioners are expected to: stimulate growth and strengthening of supply chains through an increased use of innovation, working with SMEs and social enterprises; create social as well as economic value through public procurement activity; and improve procurement practices and capabilities.

In Part 2 we examine what lessons for policy delivery can be learned from public authorities' implementation of another piece of procurement-related legislation, the Social Value Act 2012. We focus particularly on lessons for implementing social value procurement going forward and strengthening procurement practices and capabilities for the future.

Our research identifies five main lessons:

1. Public authorities need to appoint 'champions' to act on the policy priorities arising from the Procurement Act and the NPPS
2. The 'champions' need to develop political skills to persuade and educate internal stakeholders and maintain the support of senior officials and relevant politicians;
3. The 'champions' need to develop an infrastructure of policies, toolkits and training so that procurement managers and internal stakeholders have the resources and skills to engage meaningfully with the policy priorities;
4. Some public authorities will become leaders in aspects of the new procurement regime and they need to share their best practice, while other authorities need to be receptive to opportunities to learn;
5. Smaller public authorities must be proactive in seeking to collaborate with one another, sharing best practice and resources and working together on selected projects.

Taken together, these lessons highlight that capability building in the public sector and in supplier organisations is central to delivering the Procurement Act 2023 and ensuring public procurement fulfils its wider economic and social missions.

Introduction

In the first part of this Research Brief, '*Policy Priorities under the Procurement Act 2023*', we established that creating social value is one of the UK government's key policy priorities for the post-Brexit era of public procurement. We also established that this is not a new priority, with a focus on social value dating back to the Public Services (Social Value) Act 2012.

Part 2 of the Research Brief draws on recent research by Lonsdale and le Mesurier (2024), which examined how the Social Value Act has been implemented over the past decade. We assess what the lessons are for implementing social value going forward and for improving public procurement practices and capabilities more generally. The research reports findings from six preliminary 'scoping' interviews in the period May-September 2019 and 31 further interviews undertaken between September 2021 and May 2023.

We conclude by emphasising the need for public authorities to appoint champions to support vital **capability development** in the public sector and in supplier organisations to deliver the Procurement Act and ensure public procurement fulfils its wider economic and social missions.

The policy environment

Overall, Lonsdale and le Mesurier (2024) find that the impact of the Social Value Act 2012 has been relatively limited in terms of the amount of social value created, mirroring the experience with social value procurement elsewhere in the world (Loosemore et al, 2023; Troje and Anderson, 2021). This is perhaps due in part to the Act being the result of a Private Members' Bill rather than UK government policy, which meant that initially there was limited interest on the part of the government.

By 2020, the UK government was somewhat more engaged with the idea of social value within procurement, and the limited impact of the Act was acknowledged and addressed by the issuing of PPN 06/20. Significantly, public authority practitioners reported in the Lonsdale and le Mesurier research that PPN 06/20 did indeed accelerate social value creation, both by strengthening the obligation on public authorities to include social value within their tendering exercises and by providing a social value 'themes' framework to guide public authorities in their actions.

Unsurprisingly perhaps, this shows that a supportive policy environment matters for the implementation of social value procurement, and this support has been reconfirmed in the Procurement Act and the NPPS. However, beyond this, implementation of the Social Value Act also provides evidence on how public authorities might develop the procurement practices and capabilities necessary to successfully create social value.

Practice and capability development

Lonsdale and le Mesurier (2024) show that there are certain public authorities in England that are leaders in the social value field, with the rest of the public sector needing to learn the lessons of their practice and capability development. Thirteen such leading authorities participated in the research. The reports of their experiences, plus triangulating interview data from public sector suppliers, social value consultants, specialist lawyers and charities, created a picture of how social value procurement practices and capabilities can be developed, thus permitting progress to be made in implementing the intent of the social value legislation.

A summary of the key factors driving development of these practices and capabilities within the leading public authorities can be seen in Figure 1 and are expanded upon below.

A key finding of the research was the central importance of **social value 'champions' for public authority** practice and capability development. Such a role is sometimes referred to as a 'change agent'. In most of the (leading) public authorities within the research, this was a single individual, who could be in a dedicated role or have social value responsibilities as part of a wider role.

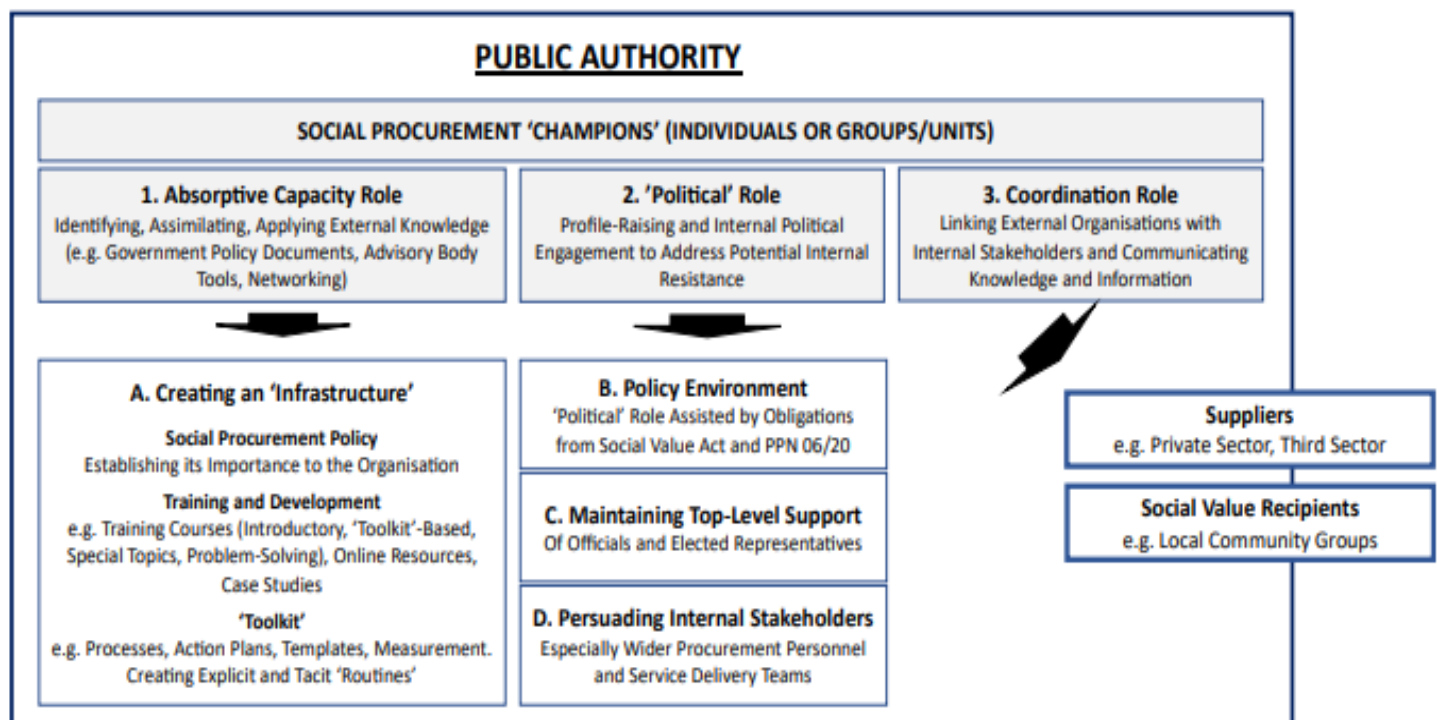
Some authorities went further than having just a single individual. In one of the central government departments studied, there was a small group of managers who were championing the social value cause throughout the ministry. A consortium of local authorities that had come together to promote social value also had a group of multiple ‘champions’, one from each authority.

Either way, the research found three complementary roles played by social value ‘champions’ within the participating authorities: **Absorptive Capacity Role**, **Political Role** and **Coordination Role**.

Absorptive Capacity Role (Box 1 in Figure 1) – This involved the ‘champions’ identifying external knowledge (for example government policy documents and advisory body ‘toolkits’) and assimilating and applying that knowledge (for example by creating policies and bespoke ‘toolkits’ for their authority).

- This assimilation of external knowledge by the ‘champions’ allowed these leading public authorities to possess what the research called a ‘social value infrastructure’ (Box A Creating an Infrastructure), which supported the development of social value procurement practices and capabilities within these organisations. There were three main parts to this infrastructure: a social value policy, highlighting to internal stakeholders (for example managers in the service departments of local authorities) the importance to the organisation of creating social value through procurement; a formal education programme involving webinars, online learning materials and case studies; and ‘toolkits’, for example process maps and templates with guidance to help internal stakeholders to participate in the creation of social value. The research identified externally obtained ‘off-the-shelf’ toolkits and bespoke toolkits, with both providing value.

Figure 1. Development of Social Value Procurement Practices and Capabilities within English Public Authorities (Source: Lonsdale and le Mesurier, 2024)



- Where necessary, the 'champions' also complemented the infrastructure with what might be referred to as the 'handholding' of internal stakeholders, for example by helping them to fill out templates. The research showed that most of the 'champions' hoped the need for such 'handholding' would reduce over time.
- The 'toolkits' also often contained a measurement tool. However, a danger was reported in the research of such tools being too reductionist. Quite often, measurement tools had a very numeric focus, for example recording the number of disadvantaged people employed by the supplier under a public contract. This sounds like what a measurement tool should do, but many expert practitioners and thought leaders participating in the research said that the real prize in social value procurement is to get suppliers to make less tangible, but arguably more lasting cultural and organisational change, where social value becomes embedded within the supplier and its values.

Political Role (Box 2 in Figure 1) –

A second role played by the 'champions' within the leading public authorities concerned internal politics. The 'champions' that participated in the research understood that the social value infrastructure they had created would be of limited value if key internal stakeholders were not using it, and that ensuring they used it required internal political skills. Part of this was about profile raising, an 'internal PR campaign' to ensure the social value agenda was heard above all the organisational 'noise'. The 'champions' recognised that internal stakeholders have many things to think about apart from social value. Part of this was also about challenging internal stakeholder resistance. The policy environment gave the 'champions' some support here (**Box B Policy Environment**), but they were also proactive in both persuasion and education. They sought to obtain/maintain the top-level support of both senior officials and politicians, for example councillors in local government (**Box C Maintaining Top-Level Support**), and they utilised 'social capital' (**Box D Persuading Internal Stakeholders**).

Coordination Role (Box 3 in Figure 1) –

The ‘champions’ were also playing a coordination role at the centre of a network that consisted of internal stakeholders, suppliers and social value recipients, for example local community or advocacy groups. In essence, the ‘champions’ were acting as ‘boundary-spanners’, both bringing together these key players and transmitting knowledge and information between them. Examples of this were the ‘champions’ informing procurement colleagues and wider internal stakeholders about the expressed social value needs of social value recipients; engaging and communicating with suppliers; and linking suppliers with their procurement colleagues and wider stakeholders. Where suppliers were new to social value procurement, the ‘champions’ engagement with them was largely one way. However, where suppliers were more advanced, for example those founded on social value principles, the knowledge and information flow was two-way, with mutual learning on ‘best practice’.

What the research observed, therefore, were three complementary roles played by social value ‘champions’. External knowledge was utilised to develop a social value ‘infrastructure’, which was then deployed with both internal (the sometimes-reluctant procurement colleagues and service delivery teams) and external stakeholders (social value recipients and suppliers).

While none of the leading public authorities that participated in the research had got to where they wanted to be with social value procurement, they were making good progress, and their experiences and actions provide a model that those public authorities still struggling to create social value could learn from.

Conclusion

In the first part of this Research Brief, we outlined the recent reforms to the UK public procurement regime introduced by the Procurement Act 2023, which came into effect in February 2025. We also identified three key priorities of the UK government as it embarks on this new era. One of these key priorities was to improve the procurement practices and capabilities of public authorities. While certain aspects of the EU procurement regulations were not helpful, much of the cause of the modest public procurement outcomes achieved in the UK in recent decades has been the lacklustre practices and capabilities of public authorities, so this priority is not a surprise.

In the second part, we have discussed how procurement practices and capabilities might be improved in the context of one of the continuing priorities for UK public procurement – social value. Drawing on a study by Lonsdale and le Mesurier (2024), **examining social value practice and capability development within English public authorities**, we argued that to realise social value through public procurement, ‘champions’ need to play three complementary roles: **Absorptive Capacity Role, Political Role, and Coordination Role**. External knowledge is utilised by such ‘champions’ to develop a social value ‘infrastructure’, which is then deployed with both internal and external stakeholders.

While much of the discussion was specific to social value, there were also broader lessons for UK public authorities as they seek to improve innovation within the new public procurement regime. First, to realise practice and capability development, we argue that public authorities need to appoint ‘champions’ to push forward innovation on the policy priorities arising from the Procurement Act and the NPPS. There needs to be focus and momentum if these priorities are not to get lost in both day-to-day firefighting and long-established organisational and individual habits. The ‘champions’ would be responsible for providing such focus and momentum. Second, change is not always popular. As such, the ‘champions’ need to develop ‘political’ skills to move

forward on the policy priorities, persuading and educating internal stakeholders and maintaining the support of senior officials and relevant politicians.

Further lessons include the following:

- ‘Champions’ need to develop an ‘infrastructure’ of policies, training and ‘toolkits’, so that procurement managers and internal stakeholders have the resources and skills to engage meaningfully with the policy priorities of the new procurement regime.
- Certain public authorities will become leaders in aspects of the new procurement regime. For example, how to take advantage of the ‘competitive flexible procedure’ to develop new procurement processes. Those leading public authorities need to spread their best practice across the UK, and other authorities need to be receptive to opportunities to learn.
- Smaller public authorities must be proactive in seeking to collaborate with one another. A consortium of local authorities that featured in the Lonsdale and le Mesurier research benefited greatly from sharing best practice and resources and working together on selected projects.

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