PPN 026: what the new Social Value Model means for the bus industry

Cabinet Office published PPN 026 — the new Social Value Model — on 5 August, while half the sector was on a beach. It's the second overhaul of the model in eighteen months, and the bigger of the two.

Two changes matter. First, the weighting goes up. From 1 January 2027, in-scope central government contracts between £1 million and £5 million must weight social value at a minimum of 10%. At £5 million and above, that doubles to 20%. Second, the model gets narrower. The five themes and eight outcomes of PPN 002 have been cut to just two — good jobs and skills — delivered through six award criteria.

For bus operators, this plays to a strength. Bus is a labour-intensive industry: driver recruitment, engineering apprenticeships and workforce development are things operators already do at scale, and a jobs-and-skills model rewards exactly that. The supply chain has a harder hand. Vehicle manufacturers, ticketing and technology providers built their social value case on decarbonisation and innovation — and a jobs-only lens undervalues what they actually contribute.

One caveat worth being clear on: PPN 026 binds central government, not local transport authorities or franchising authorities. But Greater Manchester has shown where the direction of travel points, and others will follow.

The guidance doesn't arrive until autumn 2026, so there's a window. My advice: don't wait for it. Build your social value strategy now — evidence, partnerships, workforce commitments — so it's ready when tenders land, rather than assembled in a panic per bid. More information on how to do this is here: https://surbonconsulting.com/articles/social-value-strategy-for-public-transport/

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