



Rt Hon. Louise Haigh MP
First Secretary of State and Chancellor of the Duchy of Lancaster
Cabinet Office 70 Whitehall London
SW1A 2AS

Simon Hoare MP
Chair, Public Administration and Constitutional Affairs Committee

Sir Geoffery Clifton-Brown MP
Chair, Public Accounts Committee

6 August 2026

Dear Simon and Sir Geoffrey,

On 21 July, the Prime Minister said:

"We will take power out of here and carry it into every postcode in the land so that they can do more. And in doing more, build a new economy where we put life's essentials back under stronger public control to make them affordable to you again. Re-industrialising Britain, using public procurement to back British industry."

Central government spends on average £90 billion a year on public procurement, money that can help secure benefits for the British economy and British industry, apprenticeships and local jobs with every pound spent.

The previous administration took steps recently with HM Treasury writing to all Accounting Officers and new guidance from the Cabinet Office on the appropriate use of the national security exemption in the Procurement Act 2023 in the shipbuilding, steel, energy infrastructure and AI sectors. Alongside the Defence Investment Plan and existing use of this exemption in the defence sector, these were important changes.

We must, however, go further and faster to maximise the use of public procurement as a strategic lever to deliver growth in every postcode and create British jobs and skills in our local communities.

The Government yesterday published a new social value model - to come into effect from 1 January 2027 - for central government procurement that focuses on delivering these outcomes for young people not in employment, education, or training (NEETs); 45 days of work experience is exactly the kind of social value the Prime Minister is seeking to see delivered through this policy.

In future a 20% weighting on social value criteria will be applied to procurements over a threshold of £5 million, and a 10% weighting to procurements between £1 million and £5 million, by central government departments and their arm's length bodies. To ensure these proposals translate into local outcomes, the new model will be supported by a list of national and place-based community programmes that suppliers can support within their bids. For major programmes and contracts in priority industrial strategy sectors, departments will need to establish delivery targets on jobs and skills and publish key performance indicators to demonstrate progress.

To reinforce this approach across the wider public sector, I will also be developing a revised National Procurement Policy Statement.

Together these reforms will ensure that public procurement prioritises good jobs and skills in our local communities.

I will deposit a copy of this letter in the Library of each House.

Yours sincerely,

A handwritten signature in black ink, reading "Louise Haigh". The signature is fluid and cursive, with the first name "Louise" and the surname "Haigh" clearly distinguishable.

Rt Hon. Louise Haigh MP
First Secretary of State and Chancellor of the Duchy of Lancaster