



London Procurement
Partnership

NHS-London approach to Social Value

Michelle McCann, Nov 2022



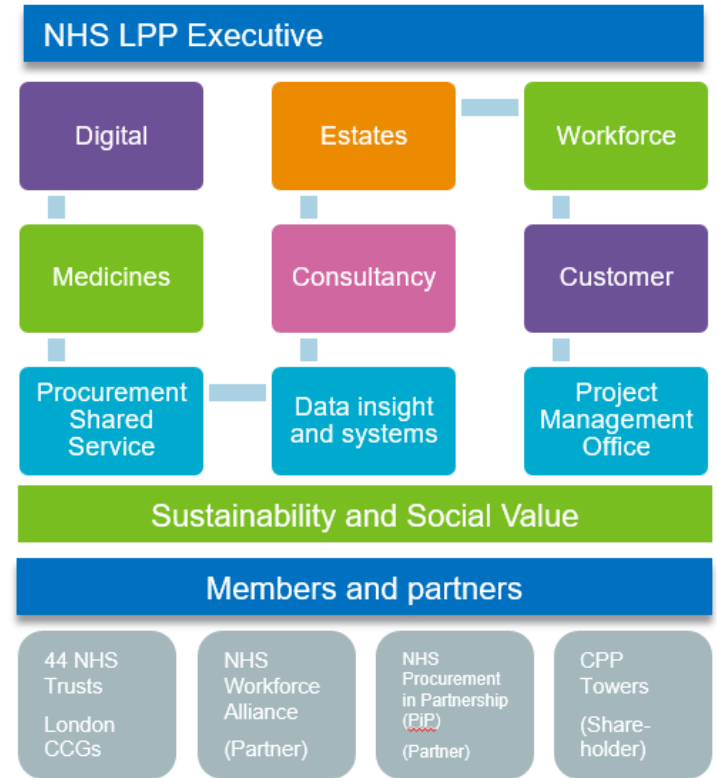
Who are NHS LPP?

NHS London Procurement Partnership is a not-for-profit membership organisation owned by the 44 trusts and CCGs in London.

We are uniquely positioned at the centre of our membership to connect and facilitate collaboration across London. Understanding and representing the optimum needs of our members, we apply our expertise and experience to challenge boundaries to deliver better value and care for our members and patients.

Our tactical approach

- Operate a “do it once for London” ethos
- Aggregate pan-London opportunities to maximise value
- Build services underpinned by our members’ needs
- Lead on sustainability and social value for our members



What is Social Value in this context?

“Social Value is about securing maximum impact against local priorities from all public procurement.”

The NHS in London will maximise social value by strengthening communities through collaborative working across the public, private and community and voluntary sectors to create the biggest impacts.



Public Sector Social Value Policy

PPN 06/20 states:

“The public sector must maximise social value effectively and comprehensively through its procurement. Applying social value requirements in procurement can have a significantly positive impact by broadening the benefits that are delivered.”

“Social value should be explicitly evaluated in all central government procurement, where the requirements are related and proportionate to the subject-matter of the contract, rather than just ‘considered’ as currently required under the Public Services (Social Value) Act 2012.”

The NHS adopted this PPN from 1 April 2022 introducing a mandatory requirement to include a minimum weighting of 10% for Social Value criteria in tenders where appropriate to do so.

Procurement Policy Note – Taking Account of Social Value in the Award of Central Government Contracts

Action Note PPN 06/20

September 2020

Issue

1. This Procurement Policy Note (PPN) launches a new model to deliver social value through government's commercial activities. Central government organisations should use this model to take account of the additional social benefits that can be achieved in the delivery of its contracts, using policy outcomes aligned with this Government's priorities.

Action

2. Social value should be explicitly evaluated in all central government procurement, where the requirements are related and proportionate to the subject-matter of the contract, rather than just ‘considered’ as currently required under the Public Services (Social Value) Act 2012. Unnecessary burdens should not be placed on commercial teams or suppliers.

3. In scope organisations must:

- Familiarise themselves with the social value model at Annex A, including the menu of priority policy themes and outcomes that can be applied in new procurements.
- Ensure all those involved in commercial activity in the organisation complete the e-learning on social value which can be accessed via the [Government Commercial College](#).

4. Further detailed guidance on applying the model will be published on GOV.UK. Procurements related to construction, capital investment and infrastructure projects above £10m should use the priority themes and outcomes in applying the Balanced Scorecard for Growth (PPN 06/15) and the guidance on this will be updated.

Dissemination and Scope

5. This Procurement Policy Note (PPN) applies to procurements covered by the Public Contracts Regulations 2015, and applies to all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies. Together these are referred to in this PPN as ‘In-Scope Organisations’. Please circulate this PPN within your organisation, drawing it to the attention of those with a commercial and procurement role.

Timing

6. This PPN is effective from the date of publication. The social value model should be applied to all new procurements from 1 January 2021.

Background

7. Whilst the overarching objective for the Government's commercial activities will remain achieving the best commercial outcome, it is right that the Government applies its

PPN06/20 Social Value Model

Overview

- Five Themes, eight Policy Outcomes, 24 Model Award Criteria and further detailed sub-criteria
- Aligned with the UN Sustainable Development Goals
- Regional hierarchy for some measures
- Procuring bodies can select (by Theme and MAC) as appropriate for the service being procured

Theme	Policy Outcome
COVID-19 recovery	Help local communities to manage and recover from the impact of COVID-19
Tackling economic inequality	Create new businesses, new jobs and new skills
	Increase supply chain resilience and capacity
Fighting climate change	Effective stewardship of the environment
Equal opportunity	Reduce the disability employment gap
	Tackle workforce inequality
Wellbeing	Improve health and wellbeing
	Improve community integration

NHS Supplementary Social Value guidance

The NHS is an anchor institution. Its assets and resources can be used to maximise social, economic, and environmental benefits, improve health outcomes and tackle health inequalities.

Adopting central government’s Social Value Model complements strategic initiatives and policy within the NHS, including the 2019 NHS Long Term Plan, and our commitments within the 2020 *Delivering a ‘Net Zero’ National Health Service* report. Its adoption will be supported by a new Sustainable Supplier Assessment available in 2022, and a suite of supplier expectations and requirements from 2023 to 2030, ensuring that all suppliers meet or exceed the NHS commitment to be net zero by 2045.

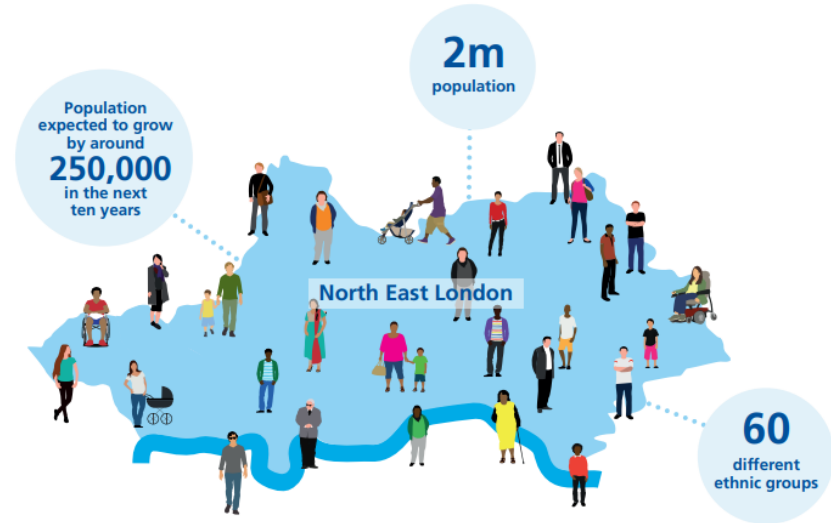
Theme	NHS priority areas
Fighting climate change (must be included in all procurement)	• Reduce emissions
	• Reduce air pollution
	• Promote circular economy principles
	• Reduce consumption and waste
Wellbeing	• Support physical and mental health
Equal opportunity	• Support a diverse workforce
	• Equity by design
	• Eliminate modern slavery
Tackling economic inequality	• Employment as an economic and health intervention
	• Living wages
COVID-19 recovery	• Support individuals affected by COVID-19

London as a place

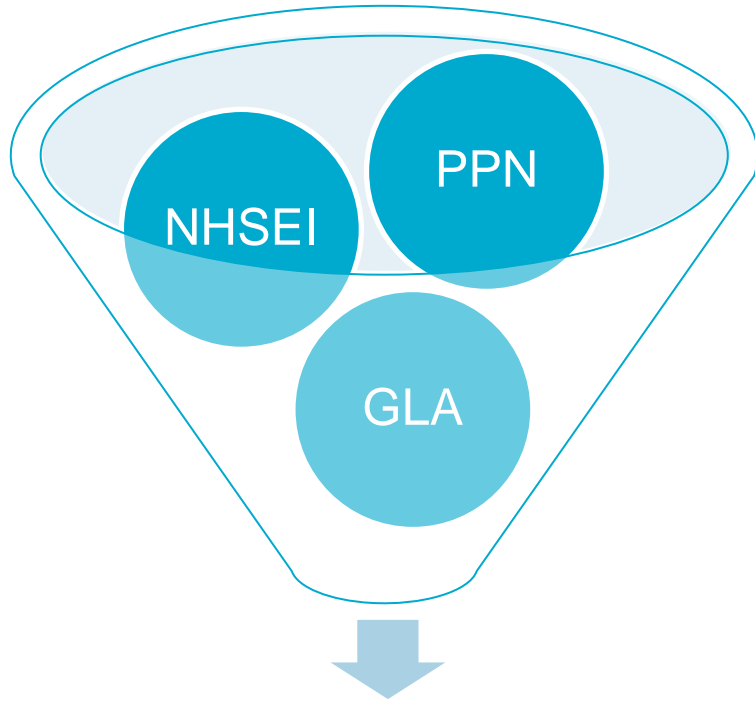


Pan-London Social Value priorities – Spotlight on NEL

- This ICS covers seven boroughs and the city of London
- It is a diverse and exciting community
- There are high levels of deprivation with 5/8 boroughs in the bottom 20% of the Index of Multiple Deprivation measure.
- 1/7 people in Newham exposed to dangerous levels of Nitrogen Dioxide
- Social Value Priorities include:
 - Social Inclusion
 - Mental Health
 - Improve employment opportunities
 - Support local businesses
 - Community collaboration
 - Reduce air pollution
 - Reduction in crime



Pan-London NHS SV Framework



NHS London TOMs

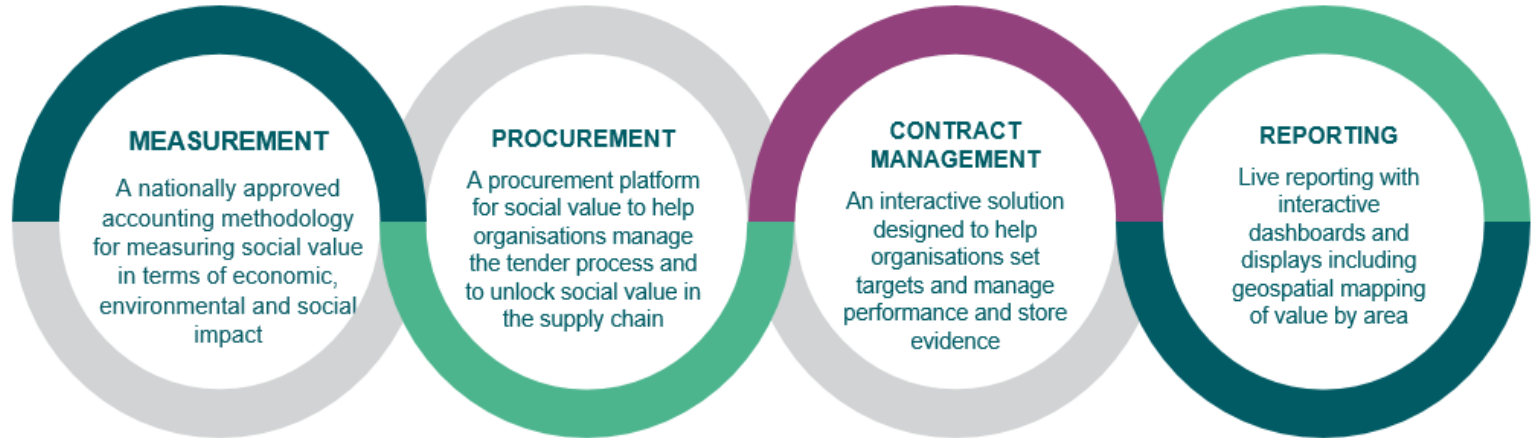
Theme	Outcome	Ref	Measure	Proxy Value	Unit of
Tackling economic inequality	Create new businesses, new jobs and new skills	NT1	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter	localized per project	no. people FTE
		NT1c	No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements	localized per project	no. people FTE
		NT2	Percentage of local employees (FTE) on contract	€0.00	%
		NT11a	No. of hours of support into work provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance for people	€105.50	no. hrs (total session duration) * no. attendees
		NT12a	No. of weeks spent on meaningful work placements or pre-employment courses: 1-6 weeks: student placements (unpaid) for students from targeted areas	€168.72	no. weeks
		NT13b	No. of weeks spent on meaningful work placements that pay Minimum or National Living wage according to eligibility for 6 weeks or more (internships) for people from targeted areas	€332.50	no. weeks
	Increase supply chain resilience and capacity	NT14	Total amount (£) spent with VCSEs within your supply chain	€0.12	€
		NT15a	Provision of expert business advice to help VCSEs and MSMEs achieve net zero	€101.86	No. staff expert hours
		NT18	Total amount (£) spent in LOCAL supply chain through the contract	localized per project	€
		RES7	Percentage of women (FTE) hired on the contract	€0.00	%
Equal Opportunity	Tackle workforce inequality	RES8	Percentage of employees (FTE) BAME hired on the contract	€0.00	%
		NT21	Equality, diversity and inclusion training provided both for staff and supply chain staff	€101.86	no. hrs (total session duration) * no. attendees
		NT22	Percentage of your procurement contracts that include commitments to ethical employment practices in the local and global supply chain, including verification that there is zero tolerance of modern slavery, child labour and other relevant requirements such as elimination of false self-employment, unfair zero hours contracts and blacklists	€0.00	%
		NT43	Initiatives taken throughout the local and global supply chain to strengthen the identification, monitoring and reduction of risks of modern slavery and unethical work practices occurring in relation to the contract (i.e. supply chain mapping, staff training, contract management)	€1.00	€ invested including staff time
Wellbeing	Improve community integration	NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children	€1.00	€ invested including staff time
		NT52	Innovative measures to enable healthier, safer and more resilient communities to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimizing carbon footprint from initiatives, etc.	€1.00	€ invested inc. time, materials, equipment etc
	Improve health and wellbeing	NT39	Mental Health campaigns for staff on the contract to create community of acceptance, remove stigma around mental health	€1.00	€ invested including staff time
Covid-19 Recovery	Help local communities to manage and recover from the impact of COVID-19	NT28	Donations or in-kind contributions to local community projects (£ & materials)	€1.00	€1.00
		NT29	No. of hours volunteering time provided to support local community projects	No. staff volunteering hours	€16.09
		C19-16	Direct support from your organization to local authorities or VCSEs in the local area for the contract to deliver the services to support people in most vulnerable groups (at risk categories), people self-isolating and local essential work force - (food delivery, mental health support, etc.)	€ invested - including staff time (volunteering valued at €16.09 per hour, expert time valued at €101.86 per hour)	€1.00
		C19-17	Funding for campaigns targeted towards staff and the general public to increase the understanding, recognition and appreciation of the social value provided by essential services (NHS, food retail, transportation, etc.) and the importance of following behavioural norms, as specified by the government and public health institutions	€1.00	€ invested including staff time
		C19-19	No. people hired who had previously lost their job or had been unable to find work due to Covid-19	€0.00	No. people
Fighting Climate Change	Effective stewardship of the environment	NT31	Savings in CO2 emissions on contract achieved through de-carbonisation (i.e. a reduction of the carbon intensity of processes and operations, specify how these are)	€70.43 (Record Only for Procurement)	tCO2e
		NT32	Car miles saved on the project as a result of a green transport programme or equivalent (e.g. cycle to work programmes, public transport or car pooling)	€0.02	Miles saved
		NT33	Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme	€0.01	Miles driven
		NT44	Do you have a policy and programme to achieve net zero carbon, including monitoring plan with specific milestones?	€0.00	Y/N
		NT65	Percentage of fleet or construction vehicles on the contract that is at least Euro 6 or equivalent	€0.00	%
		NT66	Fleet emissions monitoring programme on the contract, including data collection (miles, type of vehicle, engine type, emission standard)	€0.00	Y/N
		NT73	Percentage of contracts with the supply chain requiring contractors to operate low or zero emission vehicles	€0.00	% of contracts
NT53	Innovative measures to safeguard the environment and respond to the climate emergency to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimizing carbon footprint from initiatives, etc.	€1.00	€ invested inc. time, materials, equipment etc		

Monitoring and Reporting Tool

The Social Value Portal provide an online solution for social value measurement and reporting

Our management tool helps organisations calculate their social value in terms of environmental, social and economic contributions.

We want to help you to measure, manage and maximise your broader contribution to society.



Pan-London Social Value Statement

In order to maximise the social value impact for London we will ensure that:

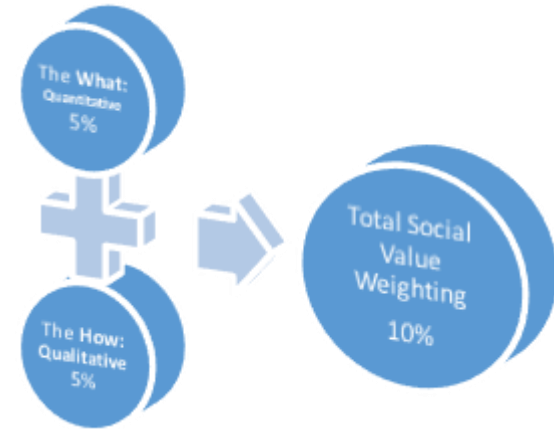
1. The approach to Social Value is suitable for a wide range of capabilities;
2. At the start of the process of considering a procurement, buyers will take into account social value and include discussions with providers, service users and stakeholders to assess the related and most effective approach to embedding social value into the procurement process.
3. Every tender should include at least one Social Value outcome (environment) as part of the award evaluation criteria, with a minimum 10% weighting;
4. Social Value priorities will be relevant and proportionate for each situation, with appropriate and proportionate measures set out as part of the specification;
5. Tenders should contextualise the outcomes we are trying to achieve and note how social value will be monitored as part of performance monitoring;
6. Support for suppliers including SME, VCSE and Diverse suppliers will be provided via regular drop in sessions, and project specific training where relevant.



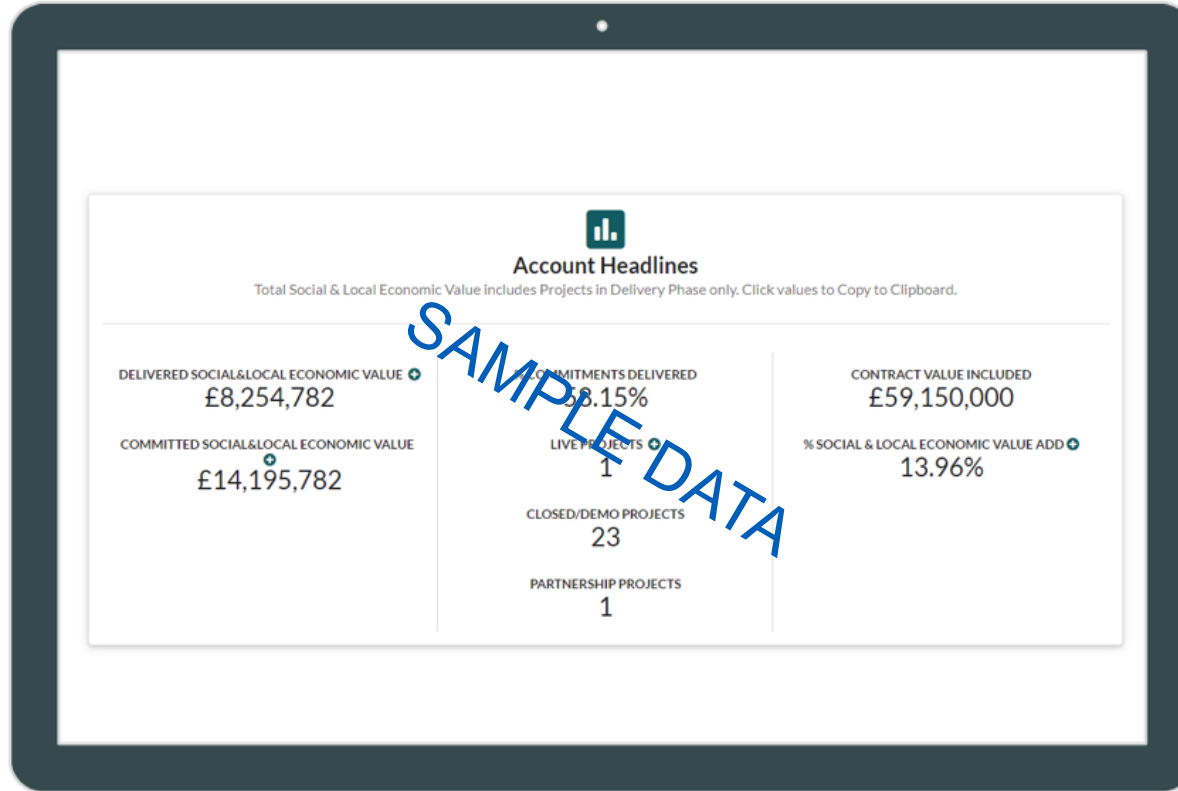
Social Value – how to respond

Social Value will usually be split into quantitative and qualitative responses which can be weighted

- Bidders will use the Social Value Tool to input targets against relevant and proportionate measures they can deliver as **additionality on the contract** that are within the NHS Pan-London Social Value list of measures. This will form “the what” and the proposal with the highest proxy value will score 100% of the marks on offer.
- An accompanying delivery plan “the how” will include detailed descriptions to provide the rationale and evidence demonstrating the suppliers capability to deliver the social values proposed. This qualitative element will be scored using a traditional scoring matrix.
- Indicative question(s) may also be selected from a back of standard questions as part of the social value qualitative weighting where appropriate.



Social Value Reporting



Role of NHS LPP

- Administer the Social Value monitoring tool
- Facilitate the review of the NHS London Social Value measures to align with SV priorities in London
- Provide training for procurement professionals and suppliers
- Share best practice and Social Value insights
- Support members who are starting the journey
- Track and monitor Social Value realisation
- Report and promote the total Social Return on investment



Social Value tool insights

Tool stats:

- No of active user licences – **37**
- No of projects (live) – **25**
- No of projects (closed) – **17**
- No of projects awarded – **3**

Categories of contracts:

- Construction – **3**
- Facilities Management – **21**
- IT Hardware / Software – **3**
- Transport Services – **5**
- Commissioned Services – **9**





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Get in touch

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