

Social Value Policy

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SOCIAL VALUE POLICY

Issue log

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1. Policy statement

- 1.1 Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (herein referred to as 'the CCG') shall be compliant with the requirements of The Public Services (Social Value) Act 2012 (herein referred to as 'the Act') and this policy will be used to support Commissioners in how they can derive social value from procurement activity.
- 1.2 The Act can be found at:

<http://www.legislation.gov.uk/ukpga/2012/3/enacted>
- 1.3 The Act places a requirement on Commissioners to consider the economic, environmental and social benefits of their approaches to procurement, before the formal process starts i.e. pre-procurement (see paragraph 7), where social value can be considered to greatest effect for the Contracting Authority's relevant geographic area. There is also a requirement to consider whether there is a need to consult on these issues e.g. Patient and Public consultation (see paragraph 5).

2. Introduction

- 2.1 This policy outlines the approach that the CCG takes in relation to the procurement of services and the obligations to consider social value.
- 2.2 The Act requires public authorities to consider economic, social and environmental benefits in connection with public services contracts above a whole life costs threshold of £615,278 (excluding VAT and as specified in 2014/24/EC Directives, it is not required on contracts for services below this threshold or for goods). This should be undertaken before the procurement process commences. The Act does not mandate how social value should be considered; the Commissioner should contemplate social value on a case per case basis in relation to the scope of the requirement.
- 2.3 Examples of how Social Value can be considered:

2.3.1 Community Diabetes Services

A CCG recognised that a review of how Diabetes services are delivered to patients was required including whether National Standards were being met. Services were due to be re-tendered, therefore during the pre-procurement phase the CCG undertook a patient and public consultation process to ensure the specification reflected the needs of the service users (whilst it is recognised that the CCG should engage and involve the public and service users in accordance with Section 242 of the NHS Act 2006, it also meets consultation requirements specified in the Social Value Act). This included issuing surveys to patients and carers, holding network events, attending diabetes patient groups and consultation with

Diabetes charitable organisations. A market engagement exercise was also undertaken which asked targeted questions of potential service providers on key attributes of service provision. The information that was obtained was then incorporated into the service specification where appropriate.

A case study can be found at Appendix B.

2.3.2 Patient Transport Services

A Patient Transport Service may contain requirements to reduce CO² emissions and to ensure that vehicle components can be recycled. This would be considered as part of specification development in the pre-procurement phase and would be added value to the environment hence social value is embedded within the procurement strategy.

2.3.3 Mental Health Services

A mental health service can be delivered by an organisation that actively employs people with a history of mental health problems to help deliver the service. The social value of commissioning these services comes through the person with mental health problems having a job where they may otherwise have been unemployed, therefore they are becoming more socially included and having a say in how mental health services are run (example from Social Enterprise UK).

2.3.4 See Appendix A for other generic examples of supporting Social Value.

3. Aims and objectives of this policy

- 3.1 To ensure, where possible and appropriate, that procurement is undertaken in a sustainable way, by considering:
 - 3.1.1 how the service may improve social, environmental and economic wellbeing of the CCG's population:
 - 3.1.2 how can improvements be secured through the procurement process; and
 - 3.1.3 how consultation requirements are complied with.
- 3.2 To ensure that Commissioners understand what social value is and how it needs to be considered in the pre-procurement phase of commissioning in order to comply with the Act.

4. Scope

- 4.1 This Policy must be followed by all CCG employees, consultants or third parties involved in the strategic planning, commissioning and procurement of services.
- 4.2 The Policy sets out the approach to consider social impact of the commissioning of services by public authorities for contracts above £615,278 whole life costs (excluding VAT).
- 4.3 Social value is to be considered only if it is relevant to the service to be procured and needs to be proportional to the object of the contract. However, if there is an urgent need which makes it impractical to consider social value (e.g. circumstances beyond the CCG's control), the consideration may be disregarded (it should be noted that a lack of planning or undue delay is not a sufficient reason to disregard these requirements). The CCG must consider if it is proportionate to take such matters into account in the procurement process.

5. Responsibilities and Accountability

- 5.1 Procurement Support is provided by NHS South of England Procurement Services (SoEPS). SoEPS can provide support to the CCG on when and how to consider social value in support of procurement objectives.
- 5.2 The Act does not set out who should be consulted in the pre-procurement stage of contracting for services, however, the CCG must have due regard for the need to conduct patient and public consultation exercises as defined in the NHS Act 2006, as well as the need to consult with health professionals e.g. General Practitioners (GP's).
- 5.3 Whilst it is recognised that the CCG and providers of NHS services have a statutory duty to engage and involve the public and service users in accordance with Section 242 of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), it also meets consultation requirements specified in the Social Value Act. Consultation should take place for;
 - 5.3.1 the planning and provision of services;
 - 5.3.2 the development and consideration of proposals to change the provision of those services; and
 - 5.3.3 decisions affecting the operation of services.
- 5.4 When authorising and approving clinical procurement decisions the CCG will comply with its Scheme of Reservation and Delegation as set out in its Financial Policies and Constitution.

6. Legislative requirements

- 6.1 The Act states that the authority must consider:

6.1.1 “How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and

6.1.2 How, in conducting the process of procurement, it might act with a view to securing that improvement.”

6.2 The legislation and its requirements have been explained by the Procurement Policy Note from the Cabinet Office 10/12 dated 20 December 2012 which can be found at:

<https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

Recent information and resources can be found at:

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

7. Definitions

7.1 Social Value

Social Value is a term used to describe the wider, social, economic and environmental benefits that can be secured by Commissioners when procuring services. Such benefits can be achieved through the commissioning cycle by designing and specifying services early in the process and in a different way, through focusing on a wider range of outcomes.

7.2 Pre-procurement

The phase before the procurement process starts. It is prior to advertising the contract opportunity (e.g. in the Official Journal of the EU or Contracts Finder, seeking expressions of interest) where patient and public involvement and market engagement takes place in order to assist with the development of robust and intelligent specifications and commissioning and procurement strategies. Social value may be considered during this phase.

8. Actions

8.1 The opportunities to secure improvements to social, environmental or economic well-being will vary from service to service, therefore social value needs to be considered on a case by case basis.

8.2 There is no ‘one size fits all’ model when considering the Act in relation to services provision. See Appendix A for examples of where Social Value can be considered in order to comply with the Act.

8.2 Main actions are:

- 8.2.1 Commissioners, with the support of the procurement team, must consider on a case by case basis the potential social value that could be delivered, where relevant and proportionate to the subject matter of the contract;
- 8.2.2 Before initiating the procurement process and in order to define the requirements, the Commissioners may undertake an impact assessment of their commissioning decision;
- 8.2.3 Take into account the cost, deliverability and nature of the contract when considering how it could facilitate the delivery of any of the CCG's social value priorities.

9. Conclusions

- 9.1 The Act does not impose on commissioners how social value needs to be obtained; it only requires contracting authorities to consider it before they go to procurement.
- 9.2 There is no one size fits all approach to considering the Act and there is no prescribed method on how consultation should take place, therefore Commissioners should consider the implications of the Act on a case by case basis.
- 9.3 In order to show that commissioners have been compliant with the Act, the CCG should document how benefits to the community have been considered in the relevant area or the reasons why social value is not applicable.

10. Equality Impact Assessment

- 10.1 The CCG is committed to equality, diversity and inclusion for all, as well as to meeting the Public Sector Equality Duty (Equality Act 2010).
- 10.2 This policy has been assessed as having a low impact on people with characteristics protected by the Equality Act. As such a full equality impact assessment is not required.

11. Success Criteria / Monitoring the Effectiveness of the Policy

- 11.1 In order to ensure that due regard is given to Social Value in procurement, the CCG Business Case and Prioritisation Framework template includes a narrative section for procurements over £615,278 whole life costs (excluding VAT) to explain how social value will be factored in to the pre-procurement phase to embed social value in the design of the service from the outset.
- 11.2 In addition the ratification report completed for each tender has a prompt to specify what social value considerations were taken.

ANNEX A: Examples of areas to consider in order to comply with the Social Value Act

1. Patient and Public Involvement or other pre-tender considerations

Whilst it is recognised that the CCG and providers of NHS services have a statutory duty to engage and involve the public and service users in accordance with Section 242 of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), it also meets consultation requirements specified in the Social Value Act. The CCG should consult on the planning, development and consideration of proposals for changes and decisions affecting the operation of commissioning arrangements. Consultation exercises should be published on their websites or through other methods as specified in the CCG's Constitution.

2. Market engagement

Open invitation to engagement events to stimulate the market and, where appropriate, promote provider/stakeholder input and review of draft service specifications, usually via market engagement questionnaires/requests for information. This enables the market to gain an early understanding of the requirement and encourages them to be part of the process whilst assisting the Commissioner in developing robust and intelligent specifications. This activity can also lead to increased competition.

3. Facilitating sub-contract opportunities

Where prime vendor/single provider models are strategically advantageous to Commissioners, discussions between small and large organisations can be facilitated in order for them to explore potential joint working/sub-contracting arrangements, through provider workshops and presentation events. Several procurements have advertised and facilitated this mechanism whereby we allow organisations that are unable to fulfil the entire advertised requirement (this could be Small and Medium enterprises (SME), Voluntary and Community Sector Organisations (VCSO), or other specialist organisations) to register their interest as potential sub-contractors so they can put them in touch with larger organisations who have registered as potential prime contractors.

The NHS contract defines SME's as a provider whose aggregate annual income for the relevant Contract Year in respect of services provided to any NHS commissioners under any contract based on the NHS Standard Contract is not expected to exceed £200,000.

4. Consider Value for Money

Ensure a value for money approach when procuring for services in line with the requirements of the Act, i.e. not just the lowest cost. Evaluation models are developed that enable a detailed analysis of quality and the ability to deliver against the specification, as well as price/whole life costs. Commissioners are then able to transparently select the most economically advantageous tender (MEAT) including benefits to the health economy and the population it serves in accordance with

applicable procurement legislation. However Commissioners will need to balance social value and the cost that may be associated with it.

5. Dividing contracts into lots

Where appropriate, contracting opportunities are made accessible to smaller providers via tenders being advertised and awarded in 'lots' and also allow bids for multiple lots. Evaluation models facilitate this in an open, fair and transparent manner ensuring that small and large organisations bid on a level playing field.

The Public Contracts Regulation 2015 requires contracting authorities to justify why tenders have not been divided into lots.

Commissioners will assess the need to unify contracts taking into consideration the capacity of the market to deliver the contract and the potential exclusion of smaller companies due to financial capacity. Commissioners shall consider the possibility to divide the tender into lots, allow sub-contracting and Consortia arrangements or reduce the qualifications for inclusion in the tendering process; however, Commissioners shall not do this to disaggregate finance/costs in order to avoid procurement rules.

6. Specification requirements

Where the scope of the procurement allows it Commissioners can specify social value requirements as part of their specification. Commissioners may also take into consideration if an outcome based specification is more adequate to satisfy the needs of service users, ensure best value for money and allow participation of Small and Medium sized Enterprises (SME's) and Voluntary and Community Sector Organisations (VCSO's), which could be automatically excluded by restrictive specifications.

7. Grants for VCSO's (Voluntary and Community Sector Organisations)

The CCG recognises the value of offering support to voluntary and community organisations which helps them to develop and enable them to deliver services for the benefit of service users and the local health economy. However, this must be done in a transparent way that ensures equal treatment of all providers in the market.

The CCG will decide when to use grants or procurement with assistance from their procurement partners when required.

Other techniques to promote participation of VCSO's in the market and for the CCG to respond to the needs of the population it serves, include "social prescribing" (it is a means of enabling primary care services to refer patients with social, emotional or practical needs to a range of local, non-clinical services, often provided by the voluntary and community sector) when patients do not require clinical treatment. This provides an opportunity to respond effectively, and at an early stage, to reduce the need for clinical intervention.

*Please refer to SoEPS Paper on Grants for more information.

The Government has stated that it would like to see a much greater role for social enterprises and voluntary organisations in delivering public services, because it believes organisations rooted in the communities they are working with and for, are often best placed to understand local needs, deliver personalised services and reach those most in need of support.

8. Other generic examples of supporting Social Value

It should be noted that the following are included for reference/education only and may not be applicable when procuring Healthcare Services:

- Promoting training and employment opportunities, often for under represented groups, for example for youth employment, the long-term unemployed and people with physical or learning disabilities;
- Promoting compliance with social and labour law, including related national and international policy commitments/agendas;
- Stimulating demand for environmentally-friendly goods;
- Contributing to climate change mitigation targets and to energy efficiency.

ANNEX B: Case Study

Procurement for Community Diabetes Services

This is a summary of the activity that was completed by a CCG prior to commencement of a formal procurement process for the provision of Community Diabetes Services in order to observe the impact of the service on social values in the community.

Patient, Carer and Focus Group Engagement

Prior to undertaking a procurement process, the Clinical Commissioning Group engaged with more than 150 patients and carers on the overall commissioning strategy for Diabetes patients. A Focus Group for Type 1 Diabetes was held, which four patients attended and two further people provided feedback by email, visits were made to two local diabetes patient groups with 8 and 20 patients respectively and 125 patients responded to a quality standards questionnaire.

This activity took place between May 2013 and December 2013 at which point the commissioning strategy was presented to the CCG clinical cabinet prior to initiating the procurement of the community service in 2014.

With joint collaborative working of all stakeholders on the findings and recommendations it was agreed that significant progress could be made in the future Diabetes services provision.

Recommendations related to community provision and primary care practice were incorporated into the service specification in order to commission an improved Diabetes service. Further engagement on foot care was carried out as a result of this and the service specification was adjusted accordingly. Further engagement on foot care was carried out with patients. As a result of this a new pathway was developed.

Prior Information Notice and Market Engagement Questionnaire

A Prior Information Notice was published in April 2014 advertising that the CCG wished to engage with suppliers in order to inform their specification and subsequent strategic procurement approach for the Community Diabetes Service, prior to commencing a formal procurement process.

A brief outline of the CCG's Diabetes strategy was published and interested parties were asked to complete a market engagement questionnaire/request for information. In summary, the questionnaire covered the following areas:

- Key attributes – what are considered the key attributes of a community diabetes service appropriate for the delivery of the CCGs diabetes service;
- Infrastructure - what would be required to fulfil contractual arrangements to deliver access to diagnostics and diagnostic reporting to clinicians;

- Education - what arrangements for Education Provision are considered an asset to delivery and access into the community based diabetes service for both patients and clinicians;
- Risk Management – what are potential risks for providers and mitigating actions that Commissioners could take;
- Social Value Act 2012 - how could the service be delivered differently to maximize the social value from the contract;
- Mobilisation – key risks, timescales, and support required from Commissioners;
- Interested parties were also invited to provide additional feedback.

4 responses were received.

The information obtained was incorporated in the specification and overall strategy where appropriate.

How the Act was met:

The views of service users, their carers and other stakeholders e.g. GP's, were obtained and taken into account when designing the new service specification.

The views of potential suppliers were obtained and taken into account when designing the new service specification.

SME's and VSCO's were encouraged to register their interest in the procurement as potential sub-contractors and foster relationships with larger organisations in order to deliver the required services.