

**SOCIAL VALUE POLICY**  
**(COR/024/V1.0)**

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<b>Review Date:</b>	After 12 months and thence every 3 years
<b>For action by:</b>	All CCG staff and representatives
<b>Policy Statement:</b>	This policy outlines the approach that the CCG will take in relation to the procurement for healthcare and non-healthcare related expenditure and its obligation to consider social value.
<b>Responsibility for dissemination to new staff:</b>	The Business Development function of the CCG will disseminate this policy in the first instance and then be published on the CCG's website at: <a href="http://www.northhampshireccg.com/info.aspx?p=5">http://www.northhampshireccg.com/info.aspx?p=5</a>
<b>Training implications:</b>	The policy will be an important reference document for induction and on-going training within the CCG.
<b>Further details and additional copies available from:</b>	All CCG policies ratified by the Governing Body will be published at: <a href="http://www.northhampshireccg.com/info.aspx?p=5">http://www.northhampshireccg.com/info.aspx?p=5</a>
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## **1. Policy statement**

The North Hampshire Clinical Commissioning Group, (CCG), is required to be compliant with the requirements of The Public Services (Social Value) Act 2012. This policy will be used to support the CCG in how they can derive social value from procurement activity. The act can be found at:

<http://www.legislation.gov.uk/ukpga/2012/3/enacted>

## **2. Introduction**

This policy outlines the approach that the CCG will take in relation to the procurement for healthcare and non-healthcare related expenditure and its obligation to consider social value.

The Act requires public bodies to have regard to economic, social and environmental wellbeing in connection with public services contracts. It applies to all public services contracts and framework agreements as defined by the Public Contracts Regulations (2006) whose value exceeds the OJEU services threshold whether healthcare services or others.

## **3. Aims and objectives**

- 3.1 Ensure, where possible, that procurement is undertaken in a sustainable way, minimising the impact on the local economy and the environment.
- 3.2 Define social value and how it needs to be considered and to embed social value through procurement processes and commissioning intentions.

## **4. Scope of the policy**

- 4.1 This Policy must be followed by all the CCG employees and staff on temporary or honorary contracts, representatives acting on behalf of the CCG including staff from member practices, and any external organisations acting on behalf of the CCG including other CCGs and Commissioning Support Units (CSUs).
- 4.2 The policy sets out the approach to consider the social impact of the commissioning of services by public bodies.

## **5. Responsibilities and accountability**

- 5.1 Procurement Support to the CCG is provided by South of England Procurement Services (SoEPS). SoEPS provides procurement services via a Service Level Agreement (SLA), which establishes procurement roles and responsibilities between the CCG as Client and SoEPS. The CCG have systems in place to assure itself that SoEPS business processes are robust and enable the CCG in meeting their duties in relation to procurement.

5.2 The CCG will remain directly responsible for:

- Defining the CCG as commissioner needs and their procurement strategy;
- Analysing social and environmental impact on their procurement decisions;
- Signing off specifications, evaluation criteria and cost models considering how the economic, social and environmental well-being of the relevant area will be improved.

5.3 When authorising and approving clinical procurement decisions the CCG will comply with its Scheme of Reservation and Delegation as set out in its Constitution and its code of financial procedures.

## 6. Legislation requirements

The Act places a duty on commissioners, local authorities, the NHS and other public bodies to consider how they might improve the economic, social and environmental wellbeing, the "social value", of an area when they commission and procure public services.

The Act states that the authority must consider:

- “a) How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- b) How, in conducting the process of procurement, it might act with a view to securing that improvement.”

Social value considerations must be relevant to what is being procured and needs to be proportionate in all circumstances to the object of the contract. If a genuine urgent need to arrange the procurement makes it impractical to comply with the requirements of the Act, the Act may be disregarded. However, it should be noted that a lack of planning or undue delay is not a sufficient reason to disregard those requirements.

As specified in the Procurement Policy Note from 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>:

*“The Act applies to the pre - procurement stage of contracts for services because that is where social value can be considered to greatest effect. Commissioners should consider social value before the procurement starts because that can inform the whole shape of the procurement approach and the design of the services required. Commissioners can use the Act to re-think outcomes and the types of services to commission before starting the procurement process”.*

## **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 through direct purchasing of 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.

The definition of “social value” is not contained within legislation leaving it open to interpretation as to what kind of additional social or environmental value would best serve the needs of the local community and which strategy gives providers the opportunity to innovate.

The Sustainable Procurement Task Force widely used in England, Wales and Scotland define social value as, *‘a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment’.*

Social benefits shall derive from the consideration of social value such as employment opportunities for the long-term unemployed, sub-contracting opportunities for small businesses, engagement with communities or groups of individuals.

### **7.2 Small and Medium Enterprises (SME’s)**

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.

### **7.3 Voluntary and Community Sector Organisations (VCSO or VCO)**

A formal or informal organisation run by a management body made up of volunteers who are engaged in that activity for environmental, economic or social good constituted as an autonomous, democratic organisation independent of national and/or local government.

### **7.4 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.

## **8. North Hampshire Clinical Commissioning Group approach**

The opportunities to secure improvements to social, environmental or economic well-being will vary from service to service. Consideration of social value is built into the initial stages of

the commissioning cycle e.g. when reviewing service provision, conducting a needs analysis, consulting stakeholders and/or the marketplace, and specifying the services to be procured.

Due to the wide range of services provided by the CCG there can be no 'one size fits all' model. It is therefore proposed that the CCG, with the support of the procurement team, consider on a service by service basis the potential social value that could be delivered as part of and in conjunction with, the service and the most appropriate procurement strategy to achieve these benefits.

Before initiating the procurement process and in order to define the requirements, the CCG will undertake an impact assessment of their commissioning decision and will consider if Public and Patient Involvement or other type of consultation is required. The specification/requirements will contain social value considerations where relevant to the service to be commissioned.

In conducting the procurement process to deliver improvements for the population it serves, the CCG must consider matters which are relevant and proportionate to the subject-matter of the contract. Commissioners shall take into account the cost, deliverability and nature of the contract when considering how it could facilitate through procurement the delivery of any of the CCG's social value priorities.

## **9. Social Value Implementation and Consultation Requirement**

### **9.1 Public and Patient Involvement or other pre-tender considerations**

[NHS England](#) has set an objective for all CCGs and themselves that *'everyone with a long-term condition, including people with mental health problems, will be offered a personalised care plan that reflects their preferences and agreed decisions'*.

As per the Health and Social Care Act 2012 the CCG will, when required make arrangements to secure patient and public involvement in the planning, development and consideration of proposals for changes and decisions affecting the operation of commissioning arrangements through consultations to be published on their websites or through other methods as specified on the CCG's Constitution.

See Appendix A "SoEPS Decision Making Matrix" where it specifies the need to assess if patient and public involvement is necessary.

### **9.2 The CCG and their procurement partner reflect the requirements of the acts throughout the procurement process by:**

#### **9.2.1 Market engagement**

Open invitation pre-tender to stakeholder engagement events to stimulate the market and, where appropriate, promote provider input and review of draft service specifications, usually via market engagement questionnaires. This enables the market to gain an early understanding of the requirement and encourages them to

be part of the process and put forward proposals that ensure economical, social and environmental proposals.

### **9.2.2 Facilitating sub-contract opportunities**

Where prime vendor/single provider models are strategically advantageous to the CCG SOEPS will facilitate discussions between small and large organisations in order for them to explore potential joint working/sub-contracting arrangements, through provider workshops and presentation events. Several of SOEPS procurements have advertised and facilitated this mechanism whereby organisations that are unable fulfil the entire advertised requirement (this could be SME's, VCO's,) or other specialist organisations) have been allowed to register their interest as potential sub-contractors this has enabled SOEPS to put them in touch with larger organisations who have registered as potential prime contractors.

### **9.2.3 Value for Money**

SOEPS 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. Then CCG is then able to transparently select the most economically advantageous tender including benefits to the health economy and the population it serves in accordance with applicable procurement legislation.

### **9.2.4 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 CCG 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. The CCG 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 the CCG will not do this to disaggregate payment in order to avoid procurement rules.

### **9.2.6 Specification requirements**

Where the scope of the procurement allows it the CCG can specify social value requirements as part of their specification.

The CCG will shall 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 SME's and VCSO's which could be automatically excluded by restrictive specifications.

### 9.3 Key Considerations

There are however, some key steps which the CCG will seek to address in order for social value to be fully integrated into the commissioning procurement process:

- Monitoring and measuring the impact of the service in relation to social value
- Ensuring the Market has the capacity of meeting Social Value requirements
- Effective communication to ensure wider understanding of the CCG's approach to Social Value.

### 10. Grants for VCSO and SME's

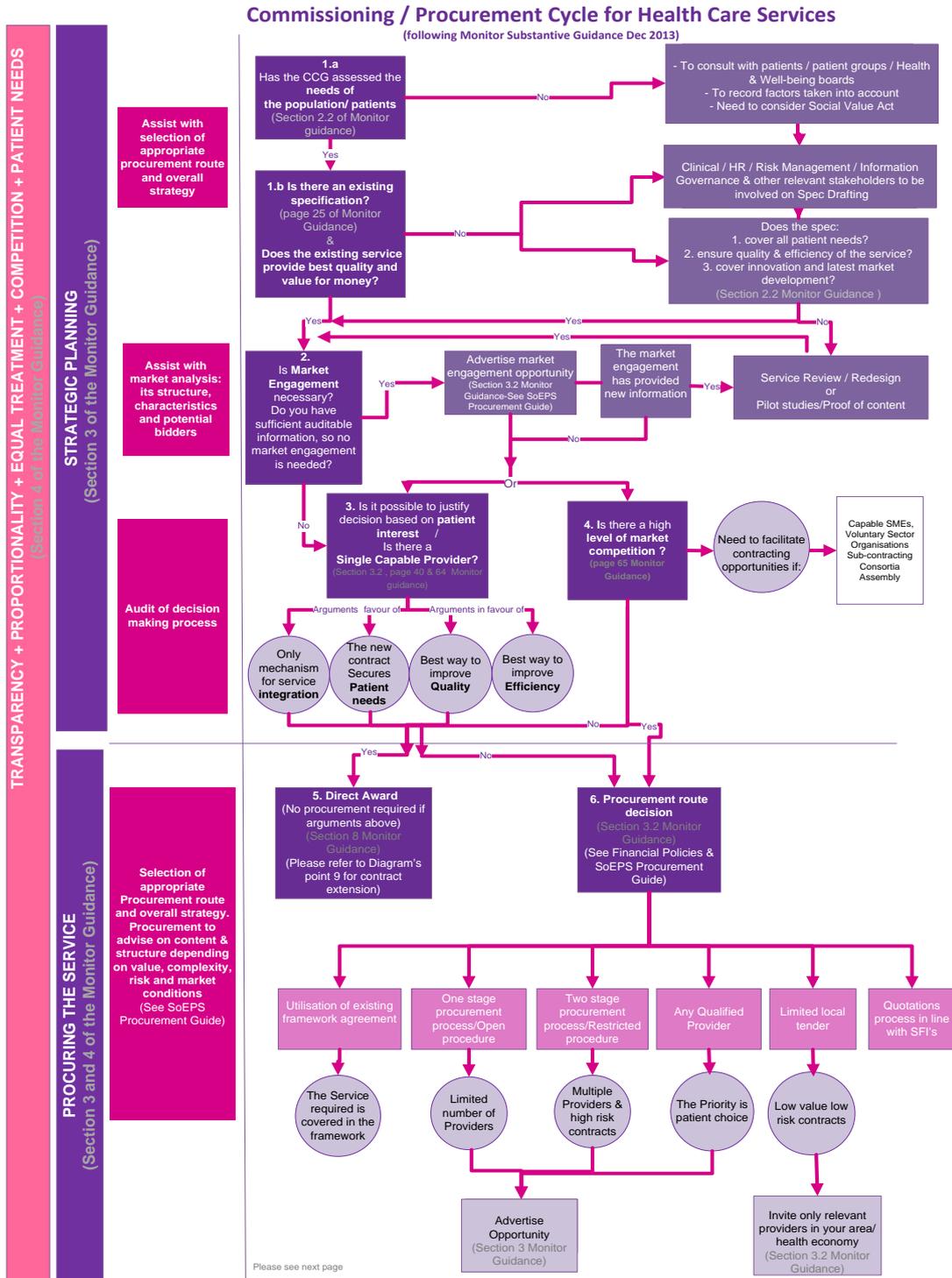
The CCG recognises the value of offering support to voluntary and community organisations which will help them to develop and enable them to deliver services for the benefit of service users and the local health economy. However, this must be done in a transparent way that ensures equal treatment of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

This can be achieved through the provision of grants to VCSO during a short period of time in order to provide capacity building to develop a service or an equity objective that the market is failing to deliver or in order to promote innovation when those organisations that are best placed to deliver public services. The CCG will decide when to use grants or procurement with assistance from their procurement partners when required.

Other techniques to promote participation of VCSOs in the market and for the CCG to respond to the needs of the population it serves, include "social prescribing" when patients don't require clinical treatment. This provides an opportunity to respond effectively, and at an early stage, to reduce the need for clinical intervention.

# ANNEX A: Decision Making Matrix

The decision making matrix used by the CCG reflects steps which will be taken to consider Social values and the need of the population:



## ANNEX B: Equality, Sustainability and Social Values' guidance

### Equality, Sustainability and Social Value consideration during the purchasing process

STRATEGIC PLANNING		Social Value	Sustainability (environment)	Equality
	<b>Financial policies and other related internal guidance</b>	Include references in policies and guidance documents		
	<b>Strategy</b>	To be observed when defining the contracting authority's procurement strategy and shall be considered within Procurement Evaluation Strategy for each project.		
	<b>Assessment of the current service</b>	Consider improvements in economic, social and environmental well-being in the service area.	Establish sustainability issues, opportunities and risks.	Complete impact assessment and highlight equality issues.
	<b>Consultation</b>	Need to consider undertaking consultation with the service users and stakeholders in relation to equality, economic, social and environmental matters which may affect users and Staff.  e.g. consultation with patient groups, health and wellbeing boards when planning, service redesign and service specifications.		

		Social Value	Sustainability (environment)	Equality
	<b>Market Engagement</b>	Engage with providers to establish the scope of these areas and the relevance for the specific procurement. Request potential providers assurances in relation to equality, economic, social and environmental matters and added value provided.		
	<b>Service review and redesign</b>	Refine service specification for economic, social and environmental well-being aspects	Refine impact assessment. Highlight equality issues	
<i>* Record how the project might secure improvements in equality, sustainability, social value</i>				
		Social Value	Sustainability (environment)	Equality
	<b>Specification</b>	Consider the service economic, social and environmental aspects.	What are the sustainability issues or opportunities?	Establish how the service will deal with equality.
		<i>* Adjust service requirements in service specification and how the service or contract structure will support improvement in the aspects you have considered during your strategic planning stage</i>		

<b>PROCURING THE SERVICE</b>	<b>Evaluation criteria</b>	<p>A condition of contract – An absolute requirement in meeting each aspect when it is indispensable to the scope of the contract.</p> <p style="text-align: center;"><u>OR</u></p> <p>Can be met to varying degrees depending on the quality of the bid when it is included as a specific evaluation measure, so that better proposals score greater than those meeting minimum requirements.</p>		
	<p><i>*Adjust evaluation criteria in service specification and how the service or contract structure will support improvement in the aspects you have considered during your strategic planning stage. How will the evaluation criteria support the importance of each aspect?</i></p>			
<b>Evidence</b>	<ul style="list-style-type: none"> <li>○ Social value aspects identified (using consultation/engagement where helpful).</li> <li>○ Contract aspects developed in support e.g.             <ol style="list-style-type: none"> <li>1. Specification</li> <li>2. Size</li> <li>3. Lots</li> <li>4. Contract length</li> </ol> </li> <li>○ Evaluation criteria</li> </ul>	<ul style="list-style-type: none"> <li>○ Sustainability aspects identified at analysis and investigation stage.</li> <li>○ Innovative solutions for sustainability aspects.</li> <li>○ Sustainability included in specifications and evaluation strategy &amp; criteria.</li> <li>○ Additional locally defined clause(s) included in contracts</li> </ul>	<ul style="list-style-type: none"> <li>○ Impact assessment identifying equality needs and /or risks.</li> <li>○ Finding hard to engage populations e.g. because of access or language barriers</li> <li>○ Identifying unmet needs</li> <li>○ Equality included in specifications and evaluation strategy &amp; criteria             <ol style="list-style-type: none"> <li>1. Additional locally defined clause(s) included in contracts</li> </ol> </li> </ul>	

	<b>Contracting</b>	<p>To Include any appropriate clauses relevant to the subject matter in the contract.</p> <p>The contract should require the provider to report information in order to support their fulfilment of the obligations of the contract as per specification and evaluation criteria.</p>
	<b>Monitoring</b>	<p>Information provided to the Commissioner by the Provider and from other sources e.g. patient surveys, help the Commissioner understand the quality and suitability of services provided. The Commissioner is then able to decide appropriate action to take as necessary if thresholds are not met by the provider.</p>
	<b>Evidence</b>	<ul style="list-style-type: none"> <li>○ Specification and contract matters designed to improve aspects of equality, sustainability and social value.</li> <li>○ Additional locally defined clause(s) included in contracts</li> <li>○ Monitoring information supplied by providers for equality and sustainability</li> <li>○ Corrective action taken if low compliance (documentation recording action plans)</li> <li>○ Use of NHS Contract mechanisms to enforce compliance.</li> <li>○ Use of Contract Performance Notices</li> <li>○ Patients or patient groups with unmet needs highlighted to the Commissioner by the Provider.</li> <li>○ Identification of equality, sustainability and social value “Wins”</li> <li>○ Recorded recognition of innovation in equality, sustainability and social value</li> </ul>

## ANNEX C: Social Value Checklist

This annex contains a Checklist that can be followed during the pre-procurement stage to ensure that Social Values have been taken into consideration as required by legislation and best practice.

Has the CCG as contracting authority:

- Identified its policy basis for social value in commissioning and procurement?
- Considered what social and environmental benefits could be achieved in the scope of the procurement?
- Reflected its policies on social value and the outcomes of market consultation in the business case for the procurement?
- Consulted the market place about how the services could be delivered differently to maximise the social value from the contract?
- Worked out verifiable requirements that reflect social value to be included in the specification for the services?
- Included reference to social value being reflected in the procurement in the relevant OJEU Contract Notices and other tender advertisements?
- Asked about track record in delivering the services as described in your Specification or Memorandum of Information in the pre-qualification questionnaire (but not whether the potential bidder has corporate social or environmental responsibility policy)?
- Thought about how to describe and include environmental or social characteristics in the evaluation criteria for the award of the contract?
- Worked out what resources are needed to ensure as best as possible that the maximum social value in the procurement. Who do you collaborate with to make this a success?
- Put in place simple ways of measuring and rewarding performance of the contract's social value requirements?