

Social values in procurement: A toolkit

2023



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Foreword

It gives me great pleasure to introduce this toolkit developed in collaboration with East London Foundation Trust and The Health Foundation. This resource shares our journey in revolutionising our procurement so as a statutory body our focus allowed delivery of improved life chances for our residents. Procurement has focussed on delivering value in organisations. This value has been limited to financial benefits and good use of taxpayers resources. As a statutory body our responsibility has to focus on wider determinants of health which have a greater impact on the wellbeing of the population.

This toolkit captures the aspirations of our communities represented by our governors who have often demonstrated leadership in supporting us focus on key areas of housing, employment, relationships, a good start to life whilst also delivering financial value. This toolkit has given us the opportunity to strike the right balance between delivering financial savings and maintain a focus on improving the outcomes for the communities we serve through the strength we deliver collectively with our supply chain. Our suppliers deliver a unique opportunity to ensure sustainable opportunities for employment, renewable energy utilisation and widen the mission statement that the NHS proudly stands for.

Whilst the tool kit represents the strong transactional systems that have been put in place to embed the architecture of Anchor institute within the procurement processes behind this sits a very strong value driven cultural change of hearts and minds.

The leadership across all the staff and teams and the need for us to individually and collectively own the agenda is an extremely strong motivator in delivering the outcomes that the toolkit is designed to deliver. The combination of the cultural change and the operational embedding of the toolkit has been a strong part of the learning throughout this journey. Our staff have been our strongest asset in any delivery and the outcomes presented in this tool kit have been no different. The procurement team, the public health team as well as the wider operational teams have combined forces in the delivery presented here. Of course, this mission is one with new challenges uncovered throughout this journey but also on an ongoing basis. Our purpose of publishing this toolkit will be fulfilled with wider partners adopting this and learning from our journey so that together we stand stronger in improving the health of our populations.

Dr Mohit Venkataram

Executive commercial director

EAST London NHS Foundation Trust



Overview

At East London NHS Foundation Trust (ELFT) we want to ensure all parts of our organisation are working to improve the health of our local population and service users. Every contract we hold with our suppliers can help us achieve this. This document outlines how we can add in social values such as employment opportunities for local people or reducing our environmental impact of our contracts. Adding in social value can improve the health, wealth, and wellbeing of the people we serve.



59.5yrs

is the healthy life expectancy of a man born in Newham



67.9yrs

is the healthy life expectancy of a man born in Central Bedfordshire

East London NHS Foundation Trust cares for a diverse population across City & Hackney, Newham, Tower Hamlets, Luton, and Bedfordshire. Our communities include people who live in some of the most deprived areas in the UK. We provide community health, mental health, and primary care services.

In the UK, some people die much earlier than others and spend more years in ill health. For example, within our ELFT population, a man born in Newham can expect to live 59.5 years in **good health**. If he were born in Central Bedfordshire, this would be 67.9 years¹ – a difference of nearly a decade (**8.4 years**). A woman born in Tower Hamlets can expect to live 57.8 years in **good health**. If she were born in Central Bedfordshire, this would be 66.3 years² (a difference of **8.5 years**). The extra healthy years could be spent with friends and family, these differences do not need to exist.

Improving population health is one of our **four key objectives** for our 2021–2026 strategy. Also, we are working to become the first Marmot NHS Foundation Trust, partnering with the Institute for Health Equity. This involves working to reduce health differences in our population. For a population to be healthy, we need to have the right building blocks of health. These include work, housing, education and skills and communities. We can reduce health inequalities in our population by working to improve these building blocks.

At ELFT we are an '**anchor organisation**' because we stay in our location over time and have influence over our local communities. Working as an anchor organisation means we have a **unique opportunity** to improve the health of our communities through our **procurement**, as an **employer**, through use of our **land and buildings** and by being **environmentally sustainable**. We will ensure that we benefit the local community as much as possible throughout our work as a trust. One way we hope to achieve this is through our procurement process, using social values to ensure wider benefit to the community.

¹ fingertips.phe.org.uk/

² fingertips.phe.org.uk/



1 What do we mean by social values in procurement?

In 2012, the social value act was passed by the UK government which requires public bodies to consider how they can improve economic, social, and environmental wellbeing by choosing who to buy goods and services from. We can use the procurement process to generate benefits for our local communities, such as creating local (within our ELFT population) job opportunities through our contracts and using delivery of services, reducing environmental impacts, or generating apprenticeships. We can think of social value as the value that an organisation can contribute to society beyond delivering a service. The social value portal defines social value as “economy + community + environment”³.

2 What are the benefits?

Including social values in our procurement process has widespread benefits for our suppliers, the staff they employ and our communities. For example, providing employment opportunities and good quality work improves health throughout the life course. These health improvements affect the employed person, their families, and the community they live in. On the other hand, not having a job or being in insecure or stressful work can be very worrying and stressful. Over time this can lead to high blood pressure and a weakened immune system leading to health impacts. There are also wider benefits to the environment and community through working more environmentally sustainably or reducing the amount of pollution and waste we produce.

3 Why have we developed this toolkit?

We obtained funding from the Health Foundation to **evaluate** how we are using social values in our procurement process at ELFT. One of the key findings from this evaluation was the risk that only larger suppliers might have the resources to engage with the social values process and to provide our requirements. To help to support small and medium sized businesses, we have developed this toolkit (one of the key recommendations from the evaluation). We hope this toolkit is helpful for you!

³ socialvalueportal.com/



Social Values



ELFT social value priorities

Our ELFT social value priorities were developed in partnership with service users and ELFT staff. They represent the work that we would like to prioritise as a trust.

ELFT has a mandatory social value measure in all contracts that staff must be paid at least the real living wage. The real living wage is an independent annual calculated wage based on the cost of living, in 2023, this is £10.90 an hour across the UK and £11.95 an hour in London. The campaign for organisations to pay a real living wage has been ongoing since 2001 and there are now over 8,000 accredited living wage employers in the UK. By ensuring that our providers pay the real living wage we can improve the health of our communities and stop people from living shorter lives in less good health.



- ✓ Ensuring suppliers pay the real living wage.



- ✓ Investment to grow and retention of spend in local economies.



- ✓ Equal employment and training opportunities for local people, people with protected characteristics, service users, and groups hardest hit by the COVID 19 pandemic.



- ✓ A commitment to sustainability.



- ✓ Support for young workers, school leavers and apprenticeship schemes.



By ensuring that our providers pay the real living wage we can improve the health of our communities and stop people from living shorter lives in less good health.



For ELFT, 'local' is defined as being within the following ELFT's catchment areas: City & Hackney, Newham, Tower Hamlets, Bedfordshire, and Luton.

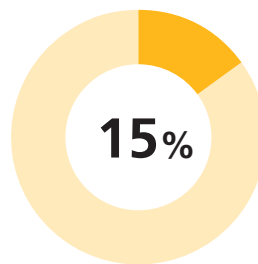


Social values in procurement

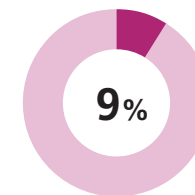
As an NHS Trust, we need to buy services and goods to allow us to provide healthcare for our communities. To do this, we undertake procurement. We have started to adopt a social value approach to procurement at East London NHS Foundation Trust. At ELFT, we have a **minimum 15%** weighting for social values in our tender evaluation scoring (6% of this is a quantitative commitment and 9% is qualitative) which is above the 10% required for the NHS. We have allocated higher weightings for social values within the TOMs matrix that fit our social value priorities as a trust.

Your social value commitments will need to be measurable. If a social value activity is job-related, always account for the correct number of full-time employees affected. Any proposed social value initiatives should be accompanied by rationale and evidence of how they will be delivered. The initiatives should also cover the full length of the contract, plus any extensions.

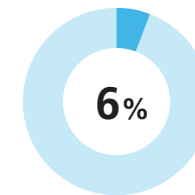
We now have a mandatory requirement in all our contracts from now on to report on the percentage of staff on contracts that are paid at least the real living wage. At ELFT we are working towards becoming real living wage accredited and will require all new suppliers to pay the real living wage.



At ELFT, we have a **minimum 15%** weighting for social values in our tender evaluation scoring.



qualitative commitment
(of the 15% for social value)



quantitative commitment
(of the 15% for social value)

Case study

OCS soft facilities tender

Our successes using social value in procurement

We have had key successes using social values in our procurement process. Two examples of these are our contracts with OCS, a soft facilities provider, and with Big Blue Door, who provide IT services.

OCS provide sustainable facilities management services to East London NHS Foundation Trust, including security, cleaning, catering, and mechanical and electrical services.



Data about OCS

42.47%

of employees identify their ethnicity as black, black British, Caribbean, or African (includes other black background).

28.77%

of employees identify their ethnicity as Asian or Asian British (includes Indian, Pakistani, and Bangladeshi, Chinese, or other Asian background).

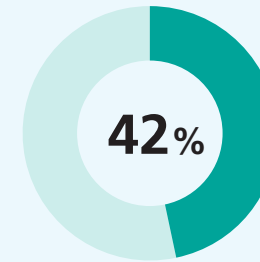
19.18%

of employees identify their ethnicity as white (includes British, Northern Irish, Irish, Roma or any other white background).

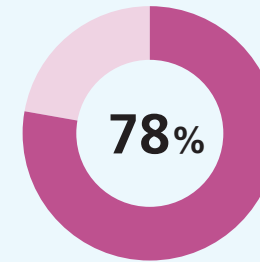
69%

of employees identify as female and 26% as male.

Note: The above Data is sourced from: Quick statistics Survey 989338 'ELFT OCS Employee Survey (Courtesy of OCS), July 2022



of employees said that their health improved since you started this job. 40% responded that it had not.



of employees agreed that they felt better about life since starting their job.



They have been a key partner in developing our approach to embedding social values into our procurement process at ELFT. We worked in partnership with OCS to develop social value metrics and embed them into our contract with them.



National social value measurement (TOMs) framework

What is the national social value measurement framework?

The national social value portal was developed in 2017 by the National Social Value Task Force and sponsored by the Local Government Association (LGA). The portal provides an overview of social value measures that can be selected by the bidder and are used by ELFT to evaluate bids and monitor contracts. The social value activities proposed by the bidder should go beyond a business-as-usual scenario. Requirements which are embedded in contract requirements cannot be added as social value.

What are TOMs?

TOMs stand for themes, outcomes, and measures. The social value measurement framework has 5 themes, 20 core outcomes and 48 core measures. TOMs are used throughout many organisations and so they can help to standardize the embedding of social values within the procurement process.

The national TOMs framework can be used to help with:



Measurement and valuation of social value



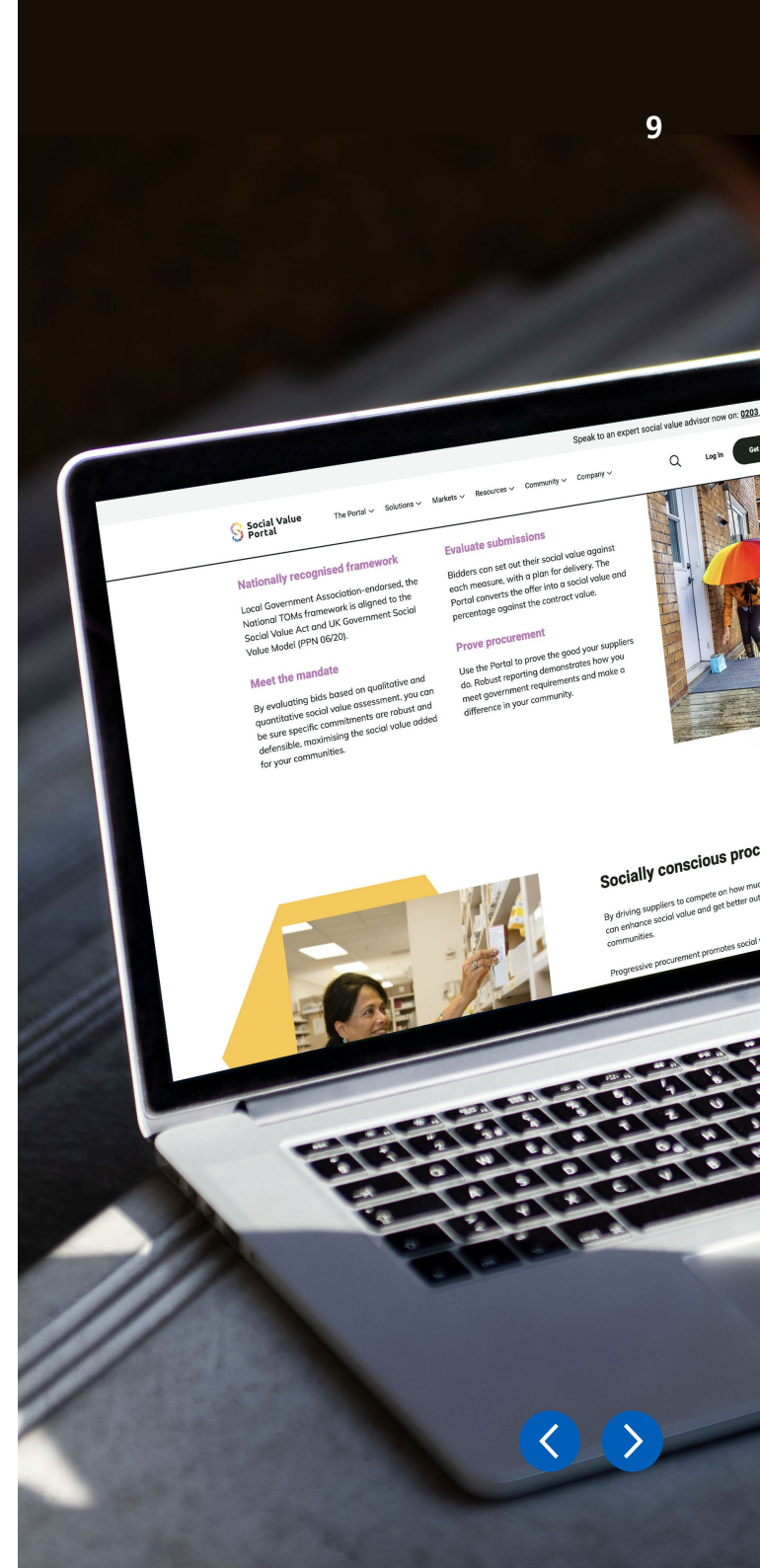
Procurement and bid evaluation



Bid submissions



Contract management



Using the social value portal

The online social value portal can help you as a supplier to identify how to build a competitive bid including social values. The TOMs framework can be used to identify and create your individual social value offer.

The social value portal will calculate a value against your social value offer and allow you to see which social value metrics are a priority for ELFT. For example, we have prioritised measures such as “specific initiatives or recruitment programmes for members for an ethnic minority group run for the contract” or “car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme”. This can all be done online. The portal also provides Social Value Advisors who can help you with developing the social value bid and provide support during the process.

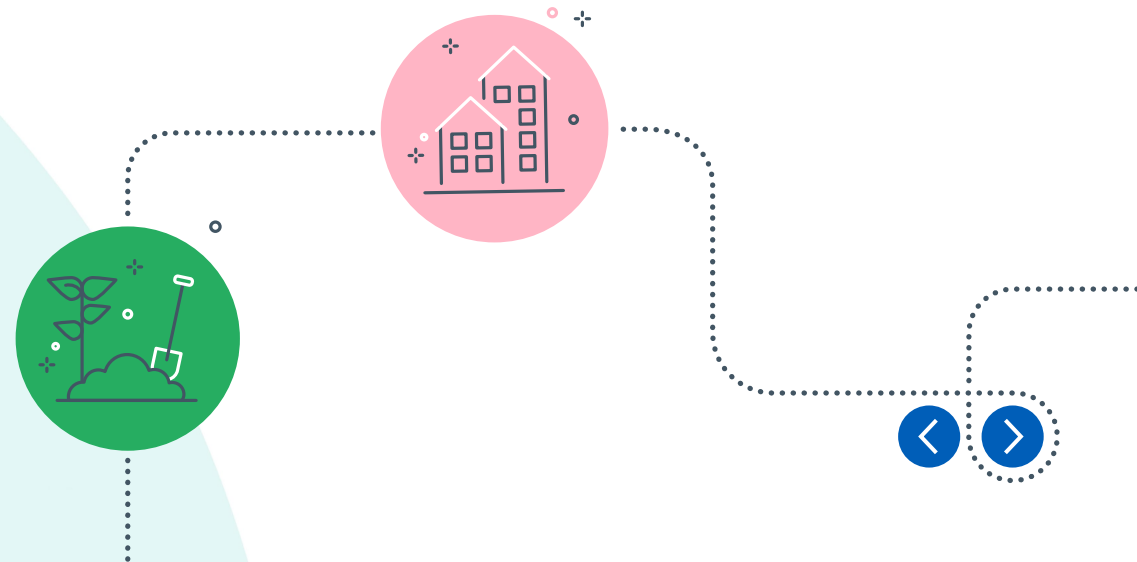
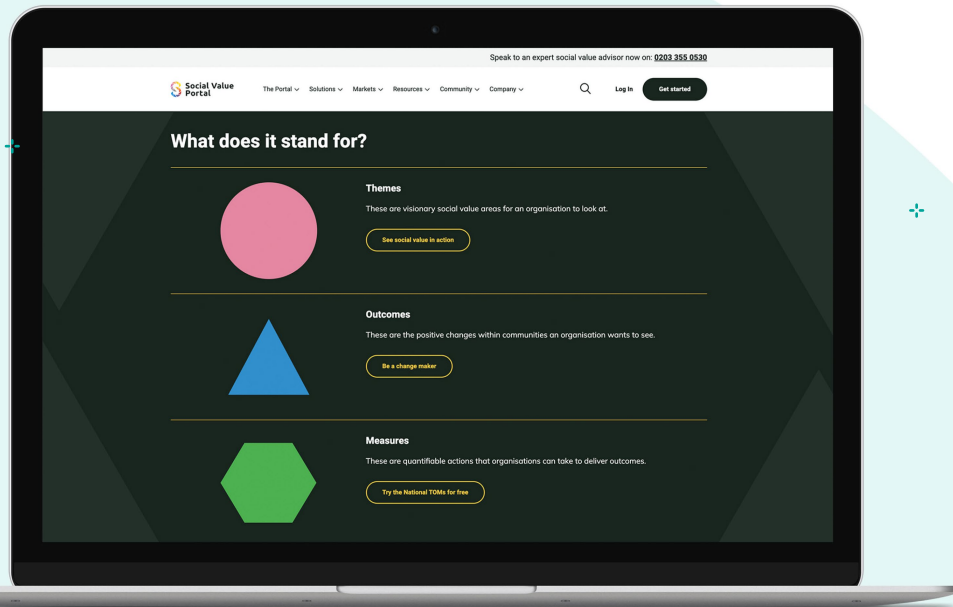
A proxy value is allocated for some of the measures. This represents the monetary benefit for the activity mentioned and does not represent a cost to the bidder. ELFT will use the social values portal to measure and manage awarded contracts.

More information can be found:

➤ socialvalueportal.com/solutions/national-toms/



The social value portal will calculate a value against your social value offer and allow you to see which social value metrics are a priority for ELFT.



FAQs

How will social value contributions be assessed?

Social value commitments will be assessed using the social values portal. The national TOMs framework allows us to prioritise some social value commitments over others, these have been allocated a weighting and so if you pledge to deliver these then you will have a higher score. You must submit evidence outlining how you aim to deliver these commitments and when in the contract it will be delivered. The quantitative score will be evaluated first and then the second qualitative element (outlining how you propose to deliver your social value commitment) will be assessed. If you win the contract, then your activities to meet social values will be measured to ensure that you deliver the commitments you had made.

Are there any social value priorities for ELFT?

As a trust we have five social value priorities, developed by staff and service users:

- Ensuring suppliers pay the real living wage.
- Investment to grow and retention of spend in local economies.
- Equal employment and training opportunities for local people, people with protected characteristics, service users, and groups hardest hit by the COVID 19 pandemic.
- A commitment to sustainability.
- Support for young workers, school leavers and apprenticeship schemes.

We have a particular focus on the first one and are working towards becoming 'Real living wage' accredited as an NHS Foundation Trust.

Where can I access support to embed social values in the bidding process?

Support is available via the social procurement portal. You can also raise questions when engaging in a tender response at ELFT as "Clarification Questions" during the appropriate tender phase. NHS London Procurement Partnership (LPP) also offer a session for prospective bidders which will allow you to run through a demo of the social values portal, so you can understand how to make your social value commitments and how ongoing performance is reported, collated, tracked, and measured.

What if we have an idea on other areas of social value we want to include in our bid?

You can include other areas of social value in your bid. Our priority areas will attract a higher score for social value, but this does not mean that you can only focus on these areas.



Acknowledgements

Thank you to the Health Foundation and NHS England and NHS Improvement for providing Test and Learn grant funding which funded the development of this toolkit.

Thank you to the [Health Foundation](#) report "How to talk about the building blocks of health" report which helped to shape the language used throughout this report.

