

# Social value, procurement, and tackling SDOH for CYP at ICS level

**Health Equity Collaborative Framework and background information**

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## Background – social value and procurement

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- Social value is defined as the wider social, economic and environmental benefits that can be achieved through procurement.
- The [2013 social value act](#) required public sector commissioners to consider social value. [PPN 06/20](#) required central government contracts to weight social value in their contracts, and in 2022 NHSE [extended the reach of PPN 06/20](#) to the commissioning and purchase of goods and services by NHS organisations.
- NHS organisations therefore have a responsibility to consider, and to weight social value in their contracts (minimum 10%). [NHSE guidance](#) covers the social value process as follows:
  - **Selecting social value themes** - NHSE require consideration of ‘fighting climate change’ within social value, and contracting organisations can select from the other main themes of wellbeing, equal opportunity, tackling economic inequality, and COVID-19 recovery.
  - **Weighting** - adding a minimum 10% net zero and social value weighting to procurement evaluation criteria.
  - **Tendering and contract management** – adding social value and net zero questions to the tender, evaluating the response, and effectively managing the contract through use of KPIs.
- There are other actions within procurement that can tackle the SDOH, specifically:
  - working with local and target organisations to increase their access to NHS and partner spend

# Social value and procurement in the HEC framework

## Intersectionality

System definitions of social value to reflect people and communities who are excluded, vulnerable, or at greater risk of poor health – particularly CYP within these communities.

### Socioeconomic Political Systems

National / local governance

**Example areas for action:**

Increasing minimum social value weighting and sectors engaged at a national level

Joint procurement

Political and economic structures

**Example areas for action:**

Focus on equity

Focus on community wealth building / local economic development

Cultural and societal norms and values

**Example areas for action:**

Focus on equity

Advocacy for local and targeted spend

### Social position

Ensuring procurement contributes to social value and SDOH aims can help to build local community wealth and increase incomes, which in turn can improve health and health equity

**Example areas for action:**

Support local and small, VGSE, diverse or other 'target' suppliers to access NHS procurement

Require suppliers to pay a living wage to their employees

Include youth education, training and employment as a social value priority for suppliers

### Living conditions

Social value actions committed to by suppliers and partners can be focussed on environmental and neighbourhood improvements, which in turn can improve health and health equity.

**Example areas for action:**

Include clean air and other environmental actions as social value priorities for suppliers

Include neighbourhood improvements e.g. to safety or accessibility of green space as social value priorities for suppliers

Working with developers, housing associations and other housing partners to ensure social value is considered in housing provision, regeneration projects and supply chains

### Health and wellbeing

Social value actions committed to by suppliers can be focussed on improving health and wellbeing, or on those already experiencing poor health

**Example areas for action:**

Include support for staff health and wellbeing as a social value priority for suppliers

Focus training and employment opportunities on those with a disability, long term condition, or mental health condition

### Interaction with system and services

**Example areas for action:**

Agree shared system social value priorities focussed on SDOH for CYP

Increase minimum social value weighting across sectors and partners (>10%)

Explore joint procurement activities e.g. support to suppliers

Support services to embed social value and procurement activity

## Potential intervention 1: increase SV weighting

ICSs and their partners could **set a system intention / regulation that all partners weight social value at above the minimum 10%**. This has been done at an institutional level elsewhere.

While unlikely to ensure impact on SDOH for CYP alone, this could ensure greater impact of potential intervention 2.

## Potential intervention 2: Select system social value priorities that are based on SDOH for CYP

ICSs and their partners could **select social value themes that are particularly relevant or important to tackling SDOH for CYP**.

The NHSE list of themes and example opportunity areas that could be selected from and/or supplemented at a system level are shown in the table here ->

Sets of measures that could be selected from also include the [social value portal's TOMs](#) and [HACT's social value bank](#).

HEC ICSs could develop locally relevant opportunity areas that are likely to impact on SDOH for CYP, and provide these to suppliers bidding for contracts.

## Potential intervention 3: work with local suppliers

ICSs and their partners could set up a specific **programme of work to engage with local suppliers that are known to have a positive impact on SDOH for CYP locally**, in order to support them. This could also include work with existing suppliers to help them understand their potential social value impact on SDOH for CYP.

**Table 1: Incorporating Social Value Model themes into procurement**

Social Value Model theme	NHS priority areas	Example opportunity areas
<b>Fighting climate change (must be included in all procurement)</b>	<ul style="list-style-type: none"> <li>Reduce emissions</li> <li>Reduce air pollution</li> <li>Promote circular economy principles</li> <li>Reduce consumption and waste</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate reduced greenhouse gas emissions</li> <li>Initiatives to reduce environmental impact with the redesign of the product or service</li> <li>Source materials from and manufacture products within the UK (or relevant region) to reduce carbon emissions and improve supply chain transparency</li> <li>Delivery optimisation and use of low/zero carbon vehicles</li> <li>Reduce single use plastics, packaging and increase recyclability of products</li> <li>Support environmental protection and improvement through the delivery of the contract</li> <li>Biodiversity initiatives developed or supported in the local area</li> </ul>
<b>Wellbeing</b>	<ul style="list-style-type: none"> <li>Support physical and mental health</li> </ul>	<ul style="list-style-type: none"> <li>Programmes to support physical and/or mental wellbeing for staff</li> <li>Volunteer hours protected for staff in hospitals, mental health or other health and care charities</li> <li>Enhancement of the quality of the built environment for community benefits, such as access to greenspace for staff and the community</li> </ul>
<b>Equal opportunity</b>	<ul style="list-style-type: none"> <li>Support a diverse workforce</li> <li>Equity by design</li> <li>Eliminate modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>Pre-employment programmes, apprenticeships or training opportunities targeting local communities experiencing inequality</li> <li>Opportunities for training and skills development</li> <li>Ethnic minority representation within contract provision</li> <li>Commit to equality, diversity and inclusion activities to increase representation for marginalised groups</li> <li>Demonstrate a commitment to equity in pay levels among different staff demographic groups doing equivalent roles</li> <li>Compliance with the Modern Slavery Act 2015, with suppliers signing a supplier code of conduct and those with an annual turnover of £36m to publish an annual statement setting out steps being taken to prevent modern slavery in their business and supply chain</li> <li>Further initiatives to eradicate modern slavery including on-site modern slavery audits and factory checks, Modern Slavery Assessment Tool (MSAT) usage, and provision of victim support</li> </ul>
<b>Tackling economic inequality</b>	<ul style="list-style-type: none"> <li>Employment as an economic and health intervention</li> <li>Living wages</li> </ul>	<ul style="list-style-type: none"> <li>Work opportunities for those with a disability or long-term health conditions</li> <li>Pay workers a living wage, offer living hours and support a commitment to ensure no workers experience in-work poverty</li> <li>Improving the living conditions of staff and providing access to quality housing</li> <li>Support for career progression and social mobility</li> <li>Support for working policies above statutory requirements, such as flexible working for those looking after dependents or with caring responsibilities</li> </ul>
<b>COVID-19 recovery</b>	<ul style="list-style-type: none"> <li>Support individuals affected by COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Work opportunities for those disproportionately impacted by COVID-19, including 16–24-year-olds, over 50s, and people from ethnic minorities</li> <li>Volunteer hours protected for staff that support people affected by COVID-19</li> </ul>

## Alignment of social value and procurement activity with key features of a HEC intervention

		Example focus of social value / procurement intervention		
		1. Increase social value weighting	2. Select system social value priorities that are based on SDOH for CYP	3. Work with specific local suppliers to ensure they are positively impacting on SDOH for CYP
Essential features of a HEC intervention	Expected to <b>reduce health and wellbeing inequalities</b> <ul style="list-style-type: none"> <li>○ improve HWB/reduce inequalities in groups or communities who suffer health inequalities - represented in box 5 of the framework</li> </ul>	Could enhance impact of 2 and 3	Yes	Yes
	<b>Designed with children and young people</b>	Could share proposal with CYP	Yes if done with champions	Yes if done with champions
	<b>Targets actions through social determinants of HWB</b> – box 2&3 of framework	Yes if social value is focussed on SDOH	Could do – e.g. if include requirements / focus for suppliers to act on employment, living wage, living conditions etc.	Yes
	<b>Must be feasible</b> – within timescales, budgets and with systems resources or there must be a matching or resources to enable intervention implementation	Minimal budget compared to some interventions.	Minimal budget compared to some interventions.	Requires some additional resource.
	<b>Involves partnership working</b> – either builds on existing partnerships or promotes new ways of working	Delivery would involve partnership	Yes if developed with partners	Yes
Desirable features of a HEC intervention	<b>Environmental sustainability</b> (i.e. should not harm environment, beneficial if also has environmental co-benefit)	Yes as NHSE definition of social value must include net zero component	Yes if included as key area	Yes if included as key area
	<b>Expected systems impact</b> that lasts beyond duration of intervention	Could be continued without additional funding	Could be continued without additional funding	Would depend on additional activity to include new suppliers

## Social value and procurement case studies and examples

### London

*“A regional approach has been used to support and measure procurement across London. The NHS London Procurement Partnership (LPP) have been supporting and tracking social value in NHS procurement to meet the requirements of PPN06/20, and have selected a list of 55 measures from the social value portal TOMS, based on regional evidence of health inequalities and alignment with central government’s social value model. To date, 73 procurement projects have used the LPP social value tool, representing a total contract value of approximately £290m, and 11 projects are now live, totalling £10.8m of proxy social value.*

*NHS London has committed to increase its annual addressable spend with local SME, VCSE and Diverse suppliers to 20%, a target which is being promoted and tracked by LPP. From a baseline position, this increased from 9% in 2021 to 13% in 2022 across London NHS organisations.”*

Source: [‘how strong is your anchor: a measurement toolkit for health anchors’](#)

### Whittington

*“Whittington Health NHS Trust are including a 20% weighting for social value in all new procurement.”*

Source: [‘how strong is your anchor: a measurement toolkit for health anchors’](#)

### ELFT

*“East London NHS Foundation Trust measure a range of procurement metrics as part of their anchor work, including the proportion of their suppliers who pay the real living wage. This has increased from 22% in 2020 to 65% in 2023.”*

Source: [‘how strong is your anchor: a measurement toolkit for health anchors’](#)

*“There is now a 15% weighting for social values in the ELFT procurement process... There has been a £185 average monthly increase in take home pay for a domestic cleaner or porter on a new soft facilities contract.”*

Source: [‘Taking one step further: five equity principles for hospitals to increase their value as anchor institutions’](#)

### NHS GGC

*“NHS Greater Glasgow and Clyde work with local suppliers to increase diversity within their supply chains, focussing on SMEs and businesses owned by their target populations. They measured participation in engagement (87 Scottish SMEs took part in May - Dec 2022), the type of suppliers participating (64% identified as being owned or led by individuals with protected characteristics) and impact on their views about working with the NHS (86% of respondents were more positive following the engagement).”*

Source: [‘how strong is your anchor: a measurement toolkit for health anchors’](#)

## Potential metrics

Indicator	
Average social value weighting across all contracts in the last year, weighted by value of contract	%
Proportion of suppliers that pay the real living wage	%
Have clear and specific organisational guidance in place for suppliers on social value expectations and priorities that relate to SDOH for CYP	Yes/no
Have a process in place for identifying potential new suppliers, particularly local organisations that could impact on SDOH for CYP, and working with them to support them to supply to ICS and partners	Yes/no
Proportion of annual addressable spend that is with local organisations that could impact on SDOH for CYP (as defined locally)	%

Source: adapted from '[how strong is your anchor: a measurement toolkit for health anchors](#)'

## Annexe 1: HEC Framework

