

WHAT IS SOCIAL VALUE?

In the context of this project social value is the added benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes.

This Easy Read Guide has been developed for Procurement officers, teams or agencies - to help you understand your role in producing social value.

WHERE DOES SOCIAL VALUE FIT IN WITH MY ROLE IN THE PROCUREMENT PROCESS?

- For social value to be realised by the public health sector, it is vital to encourage providers to deliver social value from within their core service offerings.

Examples of this include:

In a retendering of a furniture contract for supported accommodation, social value is provided by the supplier setting up a base in a deprived community and employing staff and volunteers from that community in response to a requirement to target long term unemployed and young people.

Purchasing supplies from a local supplier, using local labour and materials, stimulates the local economy and keeps money circulating within the local economy - there are ways of achieving this that are not discriminatory under EU law.

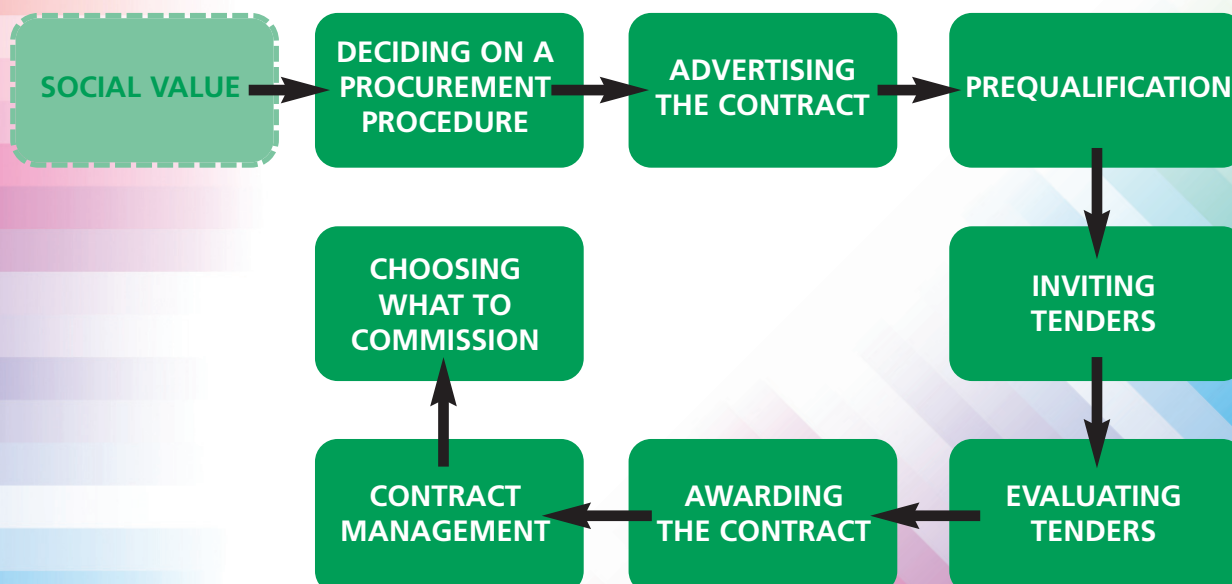
BUT WHY IS THIS IMPORTANT FOR PROCUREMENT?

- It is vital that the procurement process acknowledges and rewards this contribution – from the wider benefit to society and from the economic gains to be achieved through delivering and capturing social value.
- In addition, it will allow you as Procurers to evidence that you are delivering the best possible value for money and return on investment

WHAT IS BEING DONE ACROSS THE HEALTH SECTOR TO REALISE SOCIAL VALUE?

- Social value is an emerging concept; and as such, must be promoted across the public sector by commissioners, procurement teams and providers from the NHS, Local Authority, the private and third sectors .
- In your capacity as Procurers, it will be vital to factor social value into any outsourced requirement. This will involve close communication links with commissioners and with providers – to build links, knowledge and understanding of social value.

WHERE DOES SOCIAL VALUE SIT WITHIN THE PROCUREMENT CYCLE?



What steps do I need to take; and what do I need to consider when undertaking a procurement process (taking social value into consideration?)

CHOOSING WHAT TO COMMISSION

- understand the powers available and the ways these can be applied to the widest objectives possible (including working together with other public agencies to achieve even greater benefits);
- adopt policies which enable a wider range of social, economic and environmental benefits to be accepted, promoted and delivered as being of public value;
- use a range of commissioning routes (including procurement) as appropriate to their purpose;
- respond proactively to proposals from social enterprises and other providers for different ways of fulfilling this purpose, where there is a good chance that this might be in the public interest;
- adopt policies which enable the widest possible public value considerations to be incorporated into what is procured; and
- prepare a robust business case prior to any commissioning process.

DECIDING ON THE APPROPRIATE PROCUREMENT PROCEDURE

- Know when it is legitimate to hold direct negotiations with the provider and when to use competition; and
- If using competition, know when it is not necessary to advertise across Europe - this will be true of many health and social services.

ADVERTISING THE CONTRACT

- Publish a flexible Contract Notice alerting the market through parallel domestic publications (where there is competition); and
- Specifically refer to social and environmental requirements in any OJEU notice advertising the contract.

PRE-QUALIFICATION

- Set realistic and sensible thresholds for pre-qualification - don't unwittingly narrow the field of potential bidders by including unnecessary requirements that might stop them from being qualified - eg: a disproportionately high financial turnover eliminating Small Medium Enterprises (SMEs)

INVITING TENDERS

- Prepare a specification which allows for the full scope of what could be delivered by the social enterprise or other provider, with measurable social requirements incorporated into the core of the specification; and
- Be clear about the type and level of data required to measure compliance with the specification, and the delivery of value for money with reference to comprehensive core requirements which embrace a broad well-being agenda.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The social value toolkit, evaluation report, easy read guides and further information can be found at:

http://www.northwest.nhs.uk/whatwedo/socialvalueproject/social_value_project.html

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ACHIEVING 'REAL' SOCIAL VALUE WHICH MEETS NEEDS

Key to achieving 'real' social value, which benefits communities, will be ensuring that providers offer services which meet the actual needs of that community.

Public health organisations should be scoping these requirements from their Local Area Agreement; the national policy agenda; local needs assessments and from public consultation.

It is vital to work in tandem with local service users and communities to establish their real needs.

EVALUATING TENDERS

- Use most economically advantageous award criteria which embrace social and environmental benefits within the core of the commissioner's requirements in a way that fully assess the costs and benefits of the whole life of the contract; and
- Base the decision to award the supplier on reliable and credible data which clearly demonstrates value for money and a commitment to continuous improvement.

CONTRACT MANAGEMENT

- Establish a contract management process which allows partnering and working together on principles of mutual trust;
- Agree a clear and realistic dispute resolution process with early warning systems for when things could go wrong; and
- Check that everybody implements outcomes planned at the outset, with a view to service delivery transformation.

HOW DO I ASSESS WHICH PROVIDERS CAN DELIVER THE BEST AND MOST APPROPRIATE SOCIAL VALUE?

- When procuring services, you will traditionally undertake an assessment process which measures what your different providers are offering and assists you in selecting the provider who meets your requirement.
- At this stage, it is important to also consider what they are offering in terms of Social Value – allowing you to ensure that Social Value is being captured and delivered.
- We have designed a Tool* within the **Social Value Toolkit** which supports you to assess competing tenders and identify which provider offers the best option (regarding Social Value). This is an options appraisal which looks at both:
 - The impact of the Social Value activity
 - The likelihood of it being achieved
- This section of the Toolkit includes criteria against which you can measure 'Social Value' offered by providers, and a step-by-step guide in how to complete the assessment process.

*Please see Step 5 of the Social Value Toolkit – Evaluation Framework for further guidance in this area; and the Tool needed to assess the social value offered by providers.

Contributions to this guide from Mark Cook, (Anthony Collins Solicitors)