

Evaluating and embedding social values in procurement

East London NHS Foundation Trust

14 October 2022

Prepared by:
James Sandy
Senior Consultant (Strategy & Change)
M: 07818 825 979
james.sandy1@nhs.net



Midlands and Lancashire
Commissioning Support Unit

Contents

Executive Summary	1
Context	2
Emerging Findings	6
3.1 General Stakeholder Feedback	6
3.2 Social Value Approach	6
3.3 Operational Considerations	8
3.4 Priorities	9
3.5 Marketplace.....	10
3.6 KPIs and Measurement	11
3.7 Core KPIs from the Social Value Portal (SVP)	13
3.8 Impact.....	14
Next Steps	15
4.1 Summary.....	15
4.2 Potential Enhancements to ELFT’s Social Value Approach.....	15
Appendices	17
5.1 Logic model.....	17
5.2 Formative enquiry questions	17
5.3 ELFT and Supplier Project Group.....	18
5.4 Stakeholder Engagement List.....	19
5.5 Engagement Feedback.....	20
5.6 Service User Survey Results.....	25
5.7 Key messages from focus groups	29
5.9 Acknowledgements	34
5.10 Review Team	34
5.11 Documents & Resources	34

Executive Summary

This report presents emerging findings from the early development stages of a social value approach to procurement by East London NHS Foundation Trust (ELFT). These findings provide insights for other organisations who are beginning to explore how to use procurement to contribute to improving health and reducing health inequalities.

The Trust approached The Strategy Unit to undertake a formative evaluation of how the trust has sought to embed its social value priorities in procurement and contract delivery processes, consider their practical implementation, any barriers that exist for purchaser or suppliers, and more effective ways of measuring social value outcomes.

The evaluation focused on learning around processes- more than on the benefits realised to date and was conducted between June and September 2022.

The project focused on two areas of learning (1) procurement processes and (2) 'In-flight' monitoring and then used this learning to (3) review a core set of key performance indicators (KPIs).

Throughout this evaluation we received overwhelmingly positive responses from staff, service users, suppliers, and stakeholders in support of ELFT's approach to embedding social value principles through its procurement practices. However, our work found that there is a need for greater clarity in how such principles are applied in practice. Going forward, this activity needs to address more actively the circumstances of suppliers who are new to public sector procurement and to those (including in the voluntary sector) who are currently developing new commercial arms to respond to future opportunities.

The evaluation identified a number of potential enhancements, which include:

- a simpler set of social value priority actions
- a consolidation of service user involvement
- a single toolkit for social value procurement
- a social value data sharing and information protocol
- An extension of ELFT's market development activities

Overwhelmingly, our evaluation found that price is no longer the key differentiator within the public sector. There is a need for wider learning within the local supply chain and for the development of a more jointly defined narrative within the local marketplace. Smaller organisations can lack the resources to support or further develop their social value proposition.

The evaluation found support for a greater flexibility with KPIs so they can adapt to specific terms and conditions and to evolving client needs, particularly in terms of capacity.

Context

This report presents emerging findings from what should still be seen as the early stages of the development of a social value approach to procurement by East London NHS Foundation Trust (ELFT). These findings are offered to support further development of ELFT's approach and to provide insights for other organisations who are beginning to explore how to use procurement to contribute to improving health and reducing health inequalities.

The focus of what follows is, therefore, on learning around processes – what has worked well and where processes might be enhanced – more than on the benefits realised to date. Given the nature of the underlying challenge around the wider determinants of health, these benefits will take some time to play through.

Increasingly, public sector procurement is taking a social value focus to ensure that goods and services bought locally create wider benefits for communities, stakeholders, and society as a whole.

The spending power of local authorities and NHS Trusts is sizeable¹ and increasingly integrated. A strengthening of their role as 'anchor' institutions² further enables the leadership and consolidation of health and care services and creates an opportunity to use procurement practices to reduce health inequalities and promote social justice.

ELFT provides community health, mental health, and primary care services across a wide geographical area (Bedfordshire, Luton, Richmond and East London). and serves over 1.8 million people in some of the most deprived communities in England. ELFT spends millions of pounds a year on goods and services and is seeking to embed the four pillars of its anchor programme; embedding social values in procurement, widening access to employment, sustainability and using land & estates to benefit local communities. The Trust approached The Strategy Unit to undertake a formative evaluation of how the trust has sought to embed its social value priorities in procurement and contract delivery processes, consider their practical implementation, any barriers that exist for purchaser or suppliers, and more effective ways of measuring social value outcomes.

The following objectives have been identified by ELFT for its procurement practice and these informed the focus of this work:

- Ensuring suppliers pay the Real Living Wage
- Investment to grow and retention of spend in local economies

¹ [Economic impact of NHS spending in the Black Country - Full Version | The Strategy Unit \(strategyunitwm.nhs.uk\)](https://www.strategyunitwm.nhs.uk/economic-impact-of-nhs-spending-in-the-black-country-full-version)

² [Socio-economic and environmental impact of Herefordshire and Worcestershire STP | The Strategy Unit \(strategyunitwm.nhs.uk\)](https://www.strategyunitwm.nhs.uk/socio-economic-and-environmental-impact-of-herefordshire-and-worcestershire-stp)

-
- 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

The Strategy Unit has developed a comprehensive approach to anchor working in the NHS that was used to inform this project.

The project focused on two areas of learning:

(1) Procurement Processes used to contract with two Providers Big Blue Door (an SME³ specialising in web development, internet and intranet) and OCS (a large corporate focused on soft facilities management) – e.g. how this reflected ELFT social value approach, successful and unsuccessful bidders’ perspectives, and the experience of contracted partners.

(2) ‘In-flight’ Monitoring - how contracted organisations are meeting the pledges made in their tenders, a progress assessment to date, identifying real-time issues and collecting views of ELFT support provided to suppliers.

It then used this learning to:

(3) Review a core set of Key Performance Indicators (KPIs) drawn from the Social Value Portal⁴ and developed by the NHS London Procurement Partnership (LPP) to allow ELFT to monitor progress, check outcomes and adapt future metrics as appropriate.

The Strategy Unit project team worked in collaboration with ELFT staff and supplier representatives to complete the scope of work outlined in the table below.

³ Small and mid-size enterprises (SME).

⁴ The Social Value Portal is an online platform for the procurement, measurement, management, and reporting of social value. It is an independent social impact company which developed the National Themes, Outcomes and Measures (TOMS) framework which is endorsed by the Local Government Association (LGA).

May 2022	June/July/Aug 2022	September 2022
<p>Design project design</p> <p>Initial document and source review.</p> <p>Desk-based logic model developed to assess the effectiveness of LPP identified metrics (within the wider Social Value Portal) at the ELFT level.</p> <p>Project meeting agreed evaluation methodology and implementation.</p>	<p>Interviews, focus groups and qualitative research (to include participants & partners).</p> <p>Interview topic guides, materials, and write ups.</p> <p>Qualitative data analysis against logic model and key lines of enquiry.</p>	<p>Final report summary and findings</p> <p>Working draft circulated for review.</p> <p>Consolidated final draft.</p> <p>Presentation of headline findings to an ELFT anchor learning event in November.</p>

This evaluation was conducted between June and September 2022 and encompassed seven interviews, two focus groups, two surveys, document review and three project meetings.

Research interviews were conducted remotely with social value leads from within ELFT, the two contracted suppliers and a regional stakeholder. Interviews used structured questions drawn from the agreed logic model (see section 4.1 below).

9 participants joined our procurement and contracts teams focus group (12th August 2022) and 19 participants joined our service users & local focus group (17th August 2022).

An ELFT service users survey provided 6 completed responses and 9 partial⁵ responses, and a suppliers survey provided 2 completed responses and 15 partial responses.

The data and information from the engagement activity was analysed by the evaluation team within The Strategy Unit and then considered alongside the document review and themes taken from interview transcripts.

Our emerging headlines were presented to the ELFT and Supplier Project Group on 12th September 2022 which, following a feedback period, were used as the basis for this report.

The People Participation Team at ELFT worked closely with The Strategy Unit to ensure that the perspectives of service users were included in this project through interactive focus groups and

⁵ A partial response refers to an instance where the respondent did not complete all of the questions within the survey, but still submitted.

simple surveys. This was particularly important in assessing progress to date within the contracts and in the monitoring of the identified core set of key performance indicators (KPIs).

Emerging Findings

3.1 General Stakeholder Feedback

Throughout this evaluation we received overwhelmingly positive responses from staff, service users, suppliers, and stakeholders in support of ELFT's approach to embedding social value principles through its procurement practices. There appeared to be an appetite for continuing the learning process across those engaged in current initiatives, alongside a progressive, aspirational working culture that is determined to scale up this activity more widely.

A key success factor in the procurement process was the visible strong dialogue and support that exists between the Trust and respective suppliers.

3.2 Social Value Approach

"We believe that offering social value needs engagement from both customers and suppliers."

(Supplier survey)

The overarching aims of ELFT's social value procurement activity are maximising the community benefit of procurement, generating local employment through contracts, ensuring that local spend is retained within the local economy and using the design and delivery of services to promote wider health improvement.

Our work found that there is a need for greater clarity and definition around how ELFT's social value principles are applied in practice. The detail of ELFT's stated aims could be more fully understood and more effectively translated into action. This is as much about the terminology employed by ELFT and how the details are communicated or explained as it is about the clarity of those aims themselves (the intent of the principles). We found this to be a factor in the difficulty that smaller suppliers can experience in signing up to and understanding the full extent of a social value approach to procurement, whereas larger supplier are more likely to have experience from other contracts across the public sector.

There is a need to redefine the client supplier relationship to better understand social value aims and to determine how to measure progress jointly.

"...having prescriptive requirements in tenders does make it difficult to offer social value"

(Supplier Survey Feedback, Q11, P22).

In relation to the two contracts we considered, we found that the process for identifying social value KPIs consisted either of adopting existing supplier metrics and/or adding ELFT principles to existing social value measures rather than explicitly and transparently co-creating a joint set of new measures.

Business as usual considerations within both the Trust and suppliers mean a social value approach is not yet fully incorporated across all job role descriptions nor all aspects of service delivery. Suppliers stated that, for a low value contract, it would be difficult to provide more than a standard social value offer (see Q5, p20) and that the additional costs, resources, and time required to prepare and deliver social value contracts often takes employees away from other work (see Q7, p21).

The two suppliers who had been engaged in ELFT's social value work confirmed, however, that the Trust had acted as a catalyst for them considering bids for similar NHS and local government contracts and for establishing longer-term relationships within the marketplace to advance social value practice.

We found that there is support for using the ethical values and practices of suppliers as a dynamic within the bidding process itself. Social values could then be assessed as a unique selling point by potential buyers if expressed clearly within the contract obligations prior to tendering.

Social value concepts seemed both more visible and better understood in relation to environmental sustainability (net zero)⁶ and anti-slavery initiatives than to addressing health inequalities and barriers to employment. This affirms the need for a better practical definition of ELFT's five social value principles and that whilst the concepts are accepted their application often varies in depth across services and personnel. This could be addressed through clearer guidance documents and earlier dialogue within the marketplace.

There is a diversity of approach within the local supply chain as to how social value benefits can be determined and then measured. ELFT could take a more active role in engaging with local suppliers to identify both the short-term and longer-term benefits being sought.

ELFT has a strong base from which to widen out service user engagement with this work in terms of identifying future needs and opportunities, better involving users in the ranking and prioritisation of service options, sense checking plans, and supporting monitoring activities over time.

Importantly for ELFT, social value is beginning to act as an 'anchor' in the centre of procurement, contracting and public health.

⁶ The NHS is aiming to reach net zero by 2040 (for the emissions it controls directly- the NHS Carbon Footprint) with an ambition to reach an 80% reduction by 2028 to 2032. Furthermore for the emissions the NHS can influence (NHS Carbon Footprint Plus), it aims to reach net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039. From NHS England; <https://www.england.nhs.uk/greenernhs/a-net-zero/nhs/#:~:text=For%20the%20emissions%20we%20control,reduction%20by%202036%20to%202039>.

3.3 Operational Considerations

“They don't just provide the core thing that's actually required...they actually bring more than just the provision of the service that they're being paid for.” (Service user)

ELFT's social value activity has involved both translation (defining and explaining social value locally) and transition (refocusing processes and services to its agreed principles). Going forward, this activity needs to address more actively the circumstances of suppliers who are new to public sector procurement and to those (including in the voluntary sector) who are currently developing new commercial arms to respond to future opportunities.

Generally respondents felt that data access and data sharing were acting as continuing constraints between suppliers and the Trust. Such barriers can inhibit better understanding, real-time assessments of need, clearer targeting of services, and business development using shared systems. Some of these barriers sit outside of ELFT's direct control.

Suppliers reported that there is a need to ensure investment in additional staff resource to manage and define their social value responsibilities. This acts to strengthen supplier understanding and ownership of specific measures (and their effect) over time and may help to reduce future costs in terms of contract continuity, staff retention and service design.

Suppliers also highlighted the potential usefulness of a single toolkit or support document for social value procurement and a consolidated community of practice within the organisation (or through partnerships) to help share early successes and wider knowledge. Such a toolkit might provide an outline of key objectives, clarity on intended outcomes, proposed modes of operation (how principles might translate into practice) and communications guidance in relation to the overall bidding process.

ELFT has limited staff resource to support the advancement of its social value priorities, and this will likely limit the progress it can make. We heard the suggestion, additionally, that greater impact could come from the creation of discrete social value roles rather than adding the social value dimension to existing roles. This would need further testing since there is a risk that social value expertise becomes more concentrated rather than more widespread.

Supplier feedback indicates that the ELFT tendering process needs to mature further in parallel with a better communication of both client needs and service aims. Some expressed a desire for more direct questioning that would allow suppliers to provide more tangible responses to tender requests. The view was that this would allow suppliers to provide more tangible responses to clear requests or 'asks' rather than to respond more generally to a high-level set of categories.

Both suppliers and ELFT identified local key actors within their social value work. There is, however, currently no systemic or unified approach to social value across the wider North East London Integrated Care System (NEL ICS) despite the procurement activity within ELFT's catchment areas. Furthermore, there are limited processes for measuring, monitoring, and assuring social value priorities at a regional or sub-regional level.

All participants in the review recognised that social value procurement is a complex, continuous and multi-level process demanding flexibility and openness in developing a common platform around social values, as well as an appreciation of variance in terms of resources and scale across supplier partners.

3.4 Priorities

"We could bring something to the table that maybe is not considered by the Trust". (Service user).

The feedback from this evaluation identified the following priorities for ELFT to consider in further developing its approach:

- **A simpler and smaller set of social value priority actions** drawn from a generic (or core) set and then further refined as contracts are operationalised to ensure better targeting and impact.
- **An Explicit linking of social value priorities** within future tender documents (derived from agreed principles) to specific ELFT business priorities⁷. Suppliers could then gravitate existing operations to such priorities rather than having to innovate local ones on an ad hoc basis.
- **Consolidate engagement activity and service user involvement.** Service user engagement within ELFT processes has had a positive effect in allowing for the consideration of new and related work areas and contracts. Building on existing opportunities through service area participation leads within the Trust could help to embed a common approach to sense checking both delivery and outcomes.
- **Refine the tendering process** to be clearer in how it identifies, and checks adopted questions and criteria in relation to existing projects or relevant local strategies.
- **A clearer definition of local.** The term 'local' is often used to describe activity across ELFT's geography rather than as a specific focus on a defined neighbourhood or community. This is

⁷ Such as those outlined in the Trust Wide Annual Plan 2022-2023 <https://www.elft.nhs.uk/information-about-elft/publications/annual-plans>

matched with a desire amongst suppliers to improve the detail and local fit of social value initiatives, as well as to ensure that the expertise and experience of local service users is routinely factored through operationalising the contract and assessing its impact at a neighbourhood level. Survey responses also cited scale as a factor, with larger organisations finding it more difficult to ensure a social value offer is appropriate to each local area (Q6, p20).

3.5 Marketplace

“Social value requirements are going to be ever changing...in five years’ time there might be new things that we need to consider. So I would expect them to be very flexible.” (ELFT Contracts and Procurement Team Focus Group)

Overwhelmingly, our evaluation found that price is no longer the key differentiator within the public sector. Our interviews and survey feedback suggested a genuine alignment of social value, operational and commercial drivers in this case. Applying the London Living Wage as a condition in supplier contracts, for example, not only serves ELFT’s social value priorities of reducing health inequalities through higher income levels but also improves the recruitment and retention of staff for suppliers, reducing workforce turnover and its associated costs and improving operational reliability. In part, acquisition and market share are giving way to notions of quality and value drivers within the locality.⁸ This is highly positive, but there is a need for wider learning within the local supply chain and for the development of a more jointly defined narrative within that marketplace. Respondents to the supplier survey rated ELFT’s market engagement to date as ‘moderate’, in relation to applying social value priorities to potential tenders (p30).

Smaller organisations can lack the resources to support or further develop their social value proposition. This can act to create uncertainty and to limit their interface with tenders or to delay how they might implement future contracts. Suppliers with a dedicated staff resource have clear bidding advantages in terms of data analysis and strategy development. These factors are commonplace, but ELFT could initiate a better consideration of those incentives or disincentives that exist across the current range of suppliers as well as how this may translate at scale.

ELFT also needs to address supplier retention and development, as well as what this might look like in the marketplace beyond three to five years, above simple competitive advantage.

Local approaches to sustainability and ethics are guided by national policy requirements and international standards. Suppliers felt that ELFT could more clearly reference these obligations

⁸ See Appendices p21.

(outside of its own as an NHS Foundation Trust) to help support alignment with their corporate objectives and commitments.

In a global economy, some services, particularly those provided online, can be sourced internationally. This means that in relation to such services ELFT might consider a clearer definition of 'local benefit' as much as defining a 'local base'. This would allow the Trust to more readily identify the potential benefits that they could reasonably seek.

ELFT's procurement portal could be clearer for those outside of the public sector and those unfamiliar with social value as a concept. This might include an explicit indication of the resources required to both research and complete a bid. This may support and benefit smaller businesses and start-up suppliers. Proactive engagement with potential suppliers might be considered to support further market development.

Suppliers suggested that ELFT's Real Living Wage ambition should consider and align with pay benchmarking within specific industries and be more detailed in how this requirement is monitored and maintained.

'New' approaches within NHS, which was how social value was often described, need to sit with commercial realities and a recognition of established practice outside of the public sector.

Survey respondents felt that ELFT would need to be mindful of the risk that its approach to social value procurement has the unintended consequence of leading to the Trust working only with a small cohort of larger companies over time given their scale benefits.

To consider the scale and scope of further development, ELFT needs to balance innovation (service redesign) against replication (mainstreaming of principles). Local impact and value for money considerations will require a clearer understanding of local market conditions and market capacity.

3.6 KPIs and Measurement

"...our current social value metrics that we use, they are ... not very service user-centric."

(Contracts & Procurement Team Focus Group)

New business reporting and data capture should include social value elements from bid to tender to contract. This may avoid any retrofitting and help to provide clarity of aim.

Several respondents asked if agreed contractual measures were achievable if applied at scale⁹, suggesting potential alternatives including the creation of 'stretch' KPIs across gradients that may more flexibly measure achievement overtime or adopting measures to challenge a service contract at key stages within its operation.

The procurement and contracts team felt that, as part of an evolving provision, there may need to be greater flexibility with KPIs so they can be adapted both to specific terms and conditions and to evolving client needs, particularly in terms of capacity. It was also suggested that, for greater impact, ELFT might conduct more in-depth research and the active monitoring of measures over time, beyond existing contract reviews within the procurement process.

Suppliers suggested that future KPIs could allow for the capture of additional actions and activities they undertake in parallel to the contracts, such as community workshops, engagement events and linked training, to provide a fuller picture of their impact and added value.

Suppliers also held that performance data could better reflect customer satisfaction feedback and be used to help develop opportunities for businesses. An adaptive KPI process could help to measure, record and report formative approaches and to gauge how social values are embedded over the contract duration, not just for performance snapshots.

The people participation team suggested that ELFT could more robustly sense check the ambition of a business-as-usual approach to social value, changing community needs and service innovation through active service user engagement, data and insight.

The view of the procurement and contracts team is that they have made progress in embracing and embedding social value concepts as part of tender and contracting activities and see further progress as requiring a cultural as well as a transactional shift. They believe that the current capacity of the teams is insufficient to affect the scale of the Trust's ambition.

⁹ Such as ensuring those employed through the contracts continued to live within the catchment area or ensuring IT integration continued to allow for website development to keep a local focus.

3.7 Core KPIs from the Social Value Portal (SVP)

Our research identified differences in the KPI sets used by ELFT and London Procurement Partnership (LPP)¹⁰, respectively. This was particularly visible in areas such as 'equal training and employment opportunities' where the LPP Core set of KPIs includes measures only for 'employment of disabled people' and the 'long-term unemployed' and not other priority groups that ELFT tracks through a local social value questionnaire.¹¹

The LPP Core is light on the range of service user measures that can be adopted and ELFT have identified and applied a wider range than currently available at the regional level. The contracts and procurement team felt that future KPIs could be distinguished from their desired delivery outcomes, but these would need to be sense checked against the current and forecast needs of service users. They also suggested that, whilst the LPP SVP¹² Themes, Outcomes and Measures (TOMs) provide a useful framework for this work, data from the local supply chain should take precedence in shaping the local KPI set over those prescribed by LPP. This would allow for both future service users' needs and market capacity to be more accurately assessed.

Feedback from ELFT's anchor steering group highlighted how a flexible relationship with LPP had developed and that it might now be consolidated in an aligned framework that promotes an understanding of existing measures but also better enables the development of new, more locally focused, metrics.

The contracts and procurement team observed that some the adopted metrics could be more specific and detailed. Furthermore, a greater choice of measures could allow for a variety of metrics to be applied to contracts of varied size and scale. A targeted KPI set on an individual supplier basis could improve both relevance of aim and the support experience of suppliers as they move towards implementation. We found a consensus for greater flexibility in the definition and operation of KPIs and performance measures and an expectation that ELFT should maintain an approach that is not overly restrictive in terms of service operation.

¹⁰ NHS London Procurement Partnership (NHS LPP) is one of four national procurement hubs with members across the acute, community and mental health sectors, as well as primary care and clinical commissioning. It delivers a range of services including workforce, digital systems, medicines, estates, and facilities, as well as providing advice on national & regional agenda and helping to share good practice.

¹¹ Q2 of Document 5c, Social Value and Environmental Questionnaire (ELFT) ask suppliers to consider that ELFT has a large diversity of people from different ethnicities, religions, sexuality, abilities and backgrounds and lists 14 priority groups.

¹² Drawn from an agreed national set <https://socialvalueportal.com/solutions/national-toms/>

3.8 Impact

Our evaluation found limited impact reporting to date. This is to be expected since social value procurement at ELFT is still at a formative stage and the two contracts considered are relatively early in their delivery.

Data supplied by the relevant contractors appears within the Appendices (5.8).

Next Steps

4.1 Summary

We found that the participants in this evaluation considered that ELFT has made a strong start in integrating notions of social value into contracting and procurement activity across the Trust's geography. It has an active and open dialogue with suppliers which is allowing for a progressive approach to scaling up.

ELFT has adopted social value principles that are well supported and have begun to translate into the practical operation of services. Moving beyond these initial aims will require a deeper understanding of how they may relate to a wider and more complex pool of contracts. This will also demand closer attention to commercial realities within the marketplace and a renewed focus on the role of service users in helping to shape service design and challenge delivery.

4.2 Potential Enhancements to ELFT's Social Value Approach

In response to what we have heard through the course of this evaluation, we summarise below key actions that ELFT might consider in further advancing its social value priorities:

- 4.2.1 **Develop a single toolkit for social value procurement**, supported by an active community of practice across the organisation (ELFT) and locality (partnerships) to share early successes and learning. The toolkit could establish common approaches to measuring and delivery, as well as practical communications advice in relation to bidding.
- 4.2.2 **Agree a social value data sharing and information protocol** to promote access across the local public sector and its suppliers. This could help to identify real and potential access issues, better enable real-time assessments of need, provide clearer targeting, and promote service development. New business reporting and data capture should include social value metrics from bid to tender to contract (via contract monitoring processes).
- 4.2.3 **Consolidate engagement activity and service user involvement.** Performance data (measurement and capture) could better reflect customer satisfaction feedback and highlight opportunities for new businesses (to address gaps or emerging trends). Such engagement could further evolve the local definition of social value and how it is expressed within both contracts and delivery.

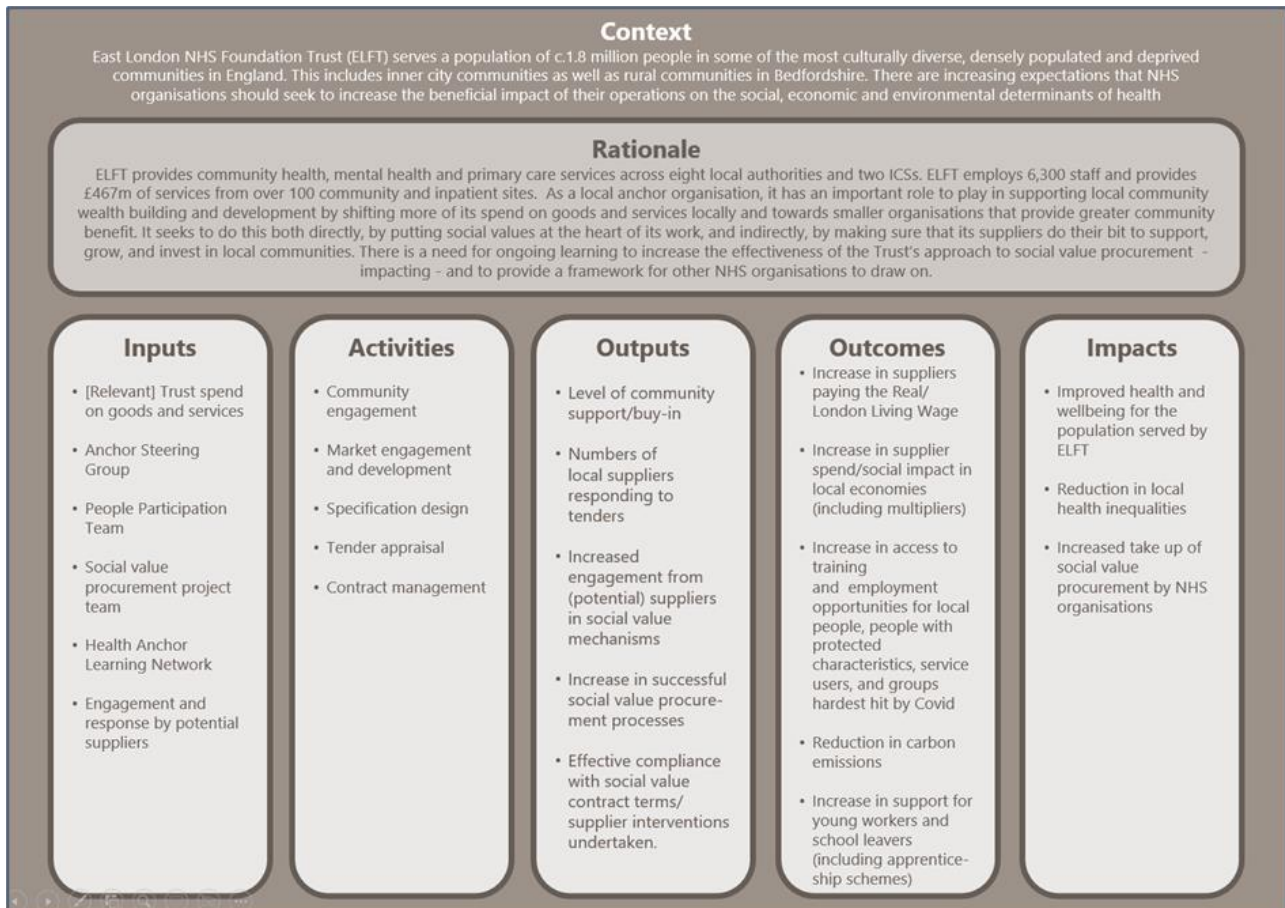
4.2.4 **Extend market development activities.** Wider engagement within the local supply chain could underpin a joint definition of social value within the marketplace. This may also help to capacity build an identifiable project pipeline (new projects) for client and supplier alike, and to enable additional organisations to tender for social value contracts, especially those that are local to ELFT, are smaller and/or are from the voluntary sector.

4.2.5 **Work proactively with the ICS to formalise social value working** beyond networks and loose partnerships and to realise their new role in promoting social value principles, providing education (to suppliers and the wider public sector), as well as in intelligence gathering and providing 'think space'.

Appendices

5.1 Logic model

Following an initial project meeting and documentation review, The Strategy Unit developed a logic model as an overarching frame for this work. This model was evolved and refined through the course of the project and used as a reference tool to identify key lines of enquiry and research questions for stakeholder engagement.



5.2 Formative enquiry questions

A set of formative enquiry questions were used to structure the evaluation research interviews and to guide discussion within the wider engagement activity. They included:

- What proportion or elements of ELFT's spend on goods and services is or could be in scope?
- What additional impact on suppliers do social value requirements have on potential suppliers responding to tenders?
- How broad is the understanding/ ownership of social value procurement within ELFT?
- How effective are the mechanisms chosen?

-
- How relevant are the chosen priorities to the local population?
 - How was a supplier's ability to impact social value assessed?
 - Could the 'ask' of suppliers be made more specific to population need e.g. specific localities, population cohorts?
 - What was different between the two procurements and why?
 - What was the supplier experience like?
 - What was the rationale for the appraisal questions and how were assessments undertaken (appraiser scores varied very significantly)?
 - What barriers remain within and across procurement processes?
 - What is the impact on the supplier pool – e.g. has it broadened and what have the costs of this been?
 - How are contracts being monitored? What evidence is there of benefit realisation to date?
 - How enforceable are the social value requirements in reality?
 - What is the desired scale, nature and distribution of the benefits (e.g. by income group, ethnicity, gender), and how will this be measured/monitored?

5.3 ELFT and Supplier Project Group

A small project group met regularly to help steer this evaluation, agree the logic model, and ensure access to key documents. Its members were:

- Una Geary (ELFT)
- Angela Bartley (ELFT)
- Paul Binfield (ELFT)
- Thomas Morgan (ELFT)
- Millie Smith (ELFT)
- Paul Jenkins (Big Blue Door)
- Shona Sinclair (OCS)
- Caroline Chautemps (OCS)
- Kevin Reaney (OCS)
- James Sandy (The Strategy Unit)
- David Frith (The Strategy Unit)

5.4 Stakeholder Engagement List

The Strategy Unit would like to acknowledge and thank the following for their support and participation throughout this review:

ELFT Interviews:

- Angela Bartley, Consultant in Public Health and Deputy Director of Population Health & Chair of Anchor Steering Group
- Dr Mohit Venkataram, Director of Commercial Development

Suppliers Interviews:

- Shona Sinclair, OCS & Chair of Social Enterprise Scotland
- Caroline Chautemps Mobilisation Manager, OCS
- Kevin Reaney Business Development Lead, OCS
- Paul Jenkins, Managing Partner, Big Blue Door
- Madeline Lodge, Senior Manager ESG, OCS

Partnerships Interview:

- Rebecca Waters, Northeast London (NEL) ICS Anchor Steering Group

Focus Groups

- Service Users & Local Focus Group (with support from Millie Smith, Head of People Participation at ELFT)
- Procurement and Contracts Teams Focus Group Reviewing the core set of social value KPIs developed by the NHS LPP.

Targeted Surveys

- ELFT Service Users Survey with support from Millie Smith, Head of People Participation (ELFT)
- Suppliers (wider organisations & others not currently subject to SVP LPP Core Set), including:
 - UHB NHS FT – payroll

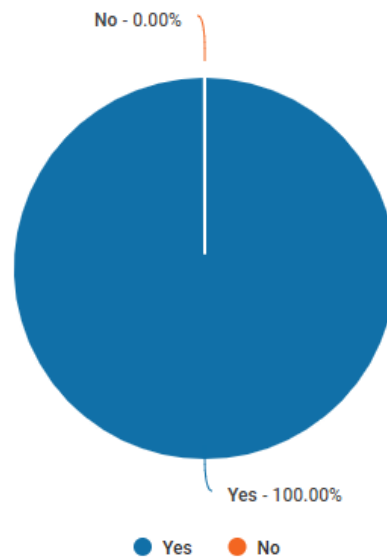
-
- Rydon – hard FM
 - Xerox – hybrid mail
 - On the Level PR – communication services
 - Rio Systems – Servelec
 - Green Tomato Cars – taxi services
 - Barry Morgan – Hard FM
 - Virgin Media – data access, LAN and IP telephony
 - Corporate Travel Management – travel and events

5.5 Engagement Feedback

5.5.1 Supplier Survey Results

(2 completed responses and 15 partial responses)

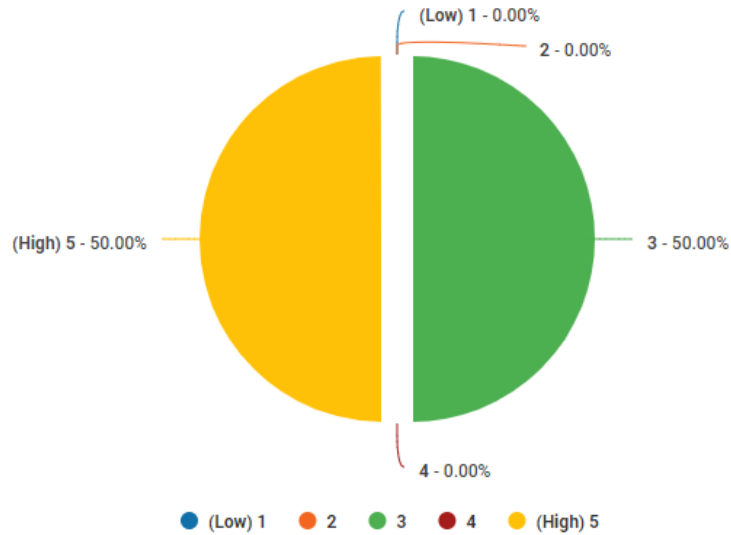
1. As a supplier to public sector organisations, do you have experience of social value procurement processes?



Respondent 1: Yes. We operate as an anchor company, generating social value through our Friends of On the Level PR scheme. This works with young people from disadvantaged backgrounds in the areas we serve, giving them the opportunity to experience a career in PR and learn skills that will help them eventually join the industry.

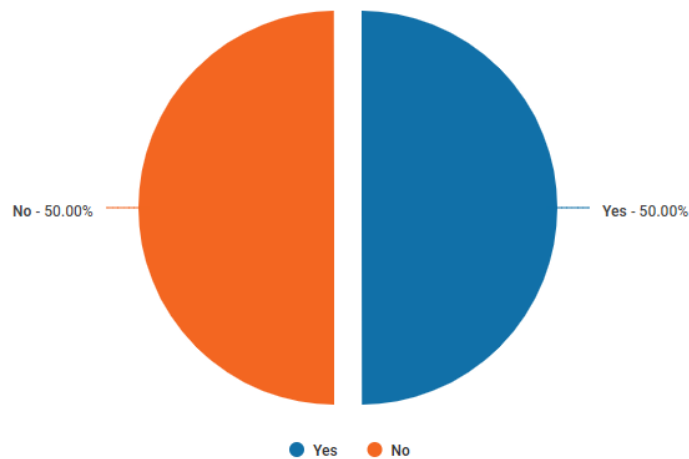
Respondent 2: Yes, we have experience of providing social value as part of the procurement process.

2. How would you rate your current understanding of social value?



One respondent rated their current understanding of social value as moderate, whilst the other rated their understanding as high.

3. Does your organisation have an explicit commitment to social value in a plan or strategy?



Respondent 1: Yes. Please see question 1 above.

Respondent 2: No.

4. Do additional social value requirements placed on you as a supplier make you more or less likely to respond to a tender?

Respondent 1: More as it shows the values of the NHS and other public and charity bodies we'll be partnering with.

Respondent 2: Social value requirements would not stop us from responding to a bid or tender, however we would need to take into consideration how prescriptive the social value requirements are. For example, we are a national company, and in some cases, we have been asked to deliver social value in a specific location and to employ citizens from a specific area. This can be very difficult for us to offer as our jobs are open to people from across the UK and would be given to people based on knowledge, skills and qualifications and not purely based on their location.

5. Would the value of a contract influence your approach to embedding social values at a practical level?

Respondent 1: We already do.

Respondent 2: For a low value contract, it would be difficult for us to offer anything extra above our standard social value offering.

6. Would the size of your organisation influence your approach to embedding social values at a practical level?

Respondent 1: No, we can all play our part tackling inequity.

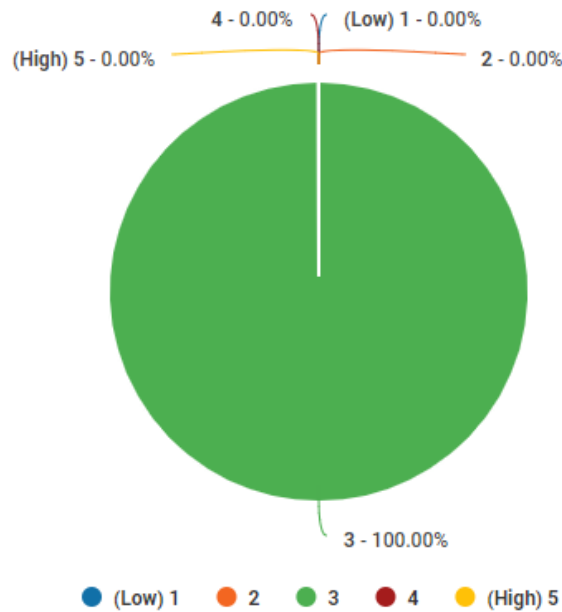
Respondent 2: Being a large organisation, we already have a number of social value initiatives in place such as giving back to charity days. Due to the scale of our organisation, it can sometimes be difficult to offer social value in a local area.

7. What do you see as the additional costs and benefits to your organisation of adopting a social value approach?

Respondent 1: On The Level PR's commitment to social value isn't based upon material gain. We believe that all companies extracting profit from the system should work towards a better society by tackling inequity.

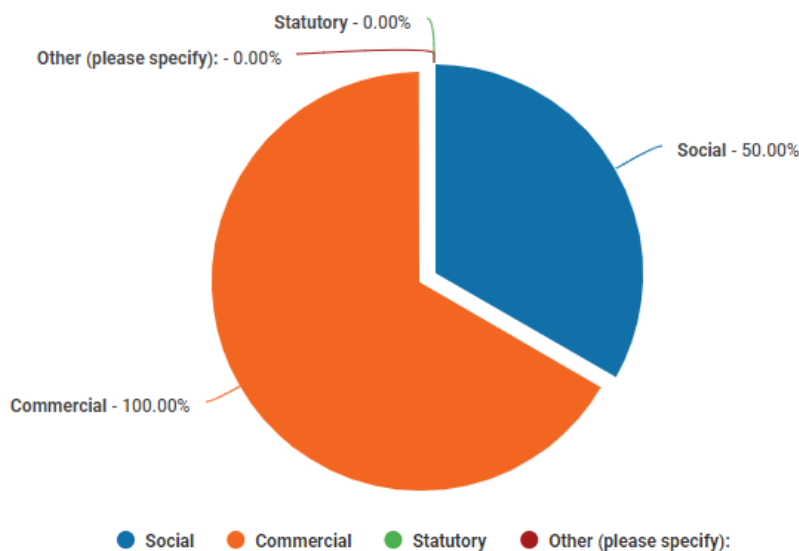
Respondent 2: Social value does provide additional costs to our organisation as resources and sessions take time to prepare and deliver and takes employees away from their day-to-day work. Social value does contribute to our social responsibility as a business.

8. Based on your experience to date, how would you rate ELFT’s market engagement in relation to applying social value priorities and potential tenders?



Both respondents rated ELFT’s market engagement in relation to applying social value priorities and potential tenders as moderate.

9. What are the main drivers for your tendering?



For one respondent the main driver for their tendering was commercial, but for the other both social and commercial aspects were drivers for their tendering.

10. What has been your experience of contract compliance and monitoring in relation to any specific social value measures?

Respondent 1: We are Crown Suppliers and therefore have to comply with social value requirements.

Respondent 2: Where we have offered social value in bids as part of the procurement process, some customers have had very little engagement with us on this. We believe that offering social value needs engagement from both customers and suppliers. As a supplier we can provide social value offering such as employability sessions, etc. however, the customer will need to promote these sessions to their citizens and work with us to deliver social value.

11. Do you have any further questions or comments with regard to embedding social values in procurement?

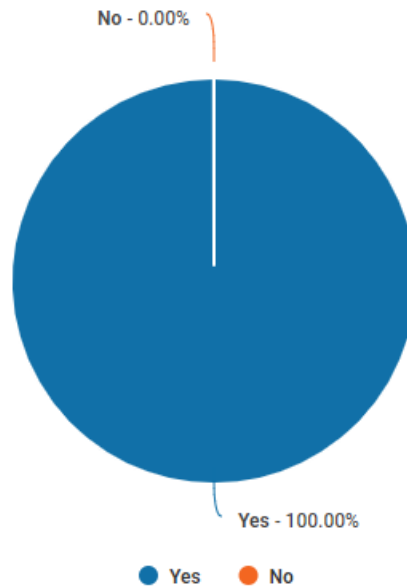
Respondent 1: Whilst we understand the importance of social value, having prescriptive requirements in tenders does make it difficult to offer social value. For example, if we have 20 customers who require us to deliver face-to-face sessions, this is a costly and large project for us to undertake.

Respondent 2: No response.

5.6 Service User Survey Results

6 completed responses and 9 partial responses.

1. Before taking this survey, had you heard of the term 'social value'?



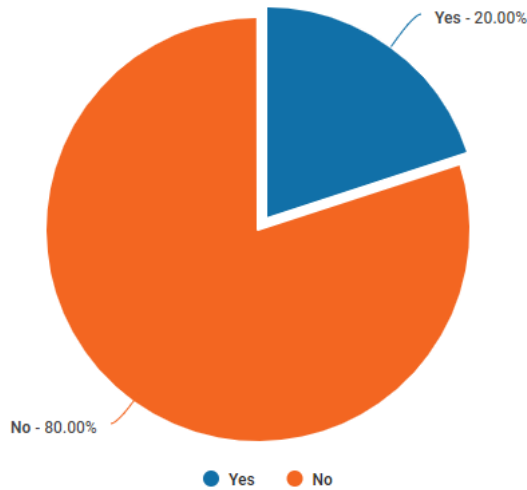
1 service user skipped this question, but 5 reported that they had heard of the term 'social value' before.

2. What does the term social value mean to you?

1 service user skipped this question, but 5 commented that the term social value meant:

- The positive value businesses create for the economy, communities, and society.
- Guidelines that are important for society to align with in order to maintain stability.
- The value of services, people, conversation, community, being organised.
- Equality of access to services, diversity in all the work and all partnerships, and grass roots support.
- Something being worthwhile from the point of view of people and diverse communities, as contrasted with commercial value, corporative assessment of worth, or medical/institutional assessment of a treatment or service being affordable.

3. Did you know that ELFT had started to focus more on social value when buying supplies or services from other organisations?



1 service user skipped this question, 1 reported that were aware that ELFT had started to focus more on social value when buying supplies and services from other organisations, and 4 (80%) stated that they were not aware of this.

4. ELFT have chosen a core set of social value priorities to apply to future spending, which are listed below. From your perspective, how would you rank these priorities in order of importance from 1 (High) to 5 (Low)?

1 service user skipped this question, but the overall ranking of priorities after calculating the scores from the 5 respondents are as follows:

Priority	Total Score	Overall Rank
Ensuring that the organisations they buy services from pay their staff the Real Living Wage	20	1 (High Priority)
Equal employment and training opportunities for local people, people with protected characteristics, service users, and groups hardest hit by the COVID pandemic	19	2
Support for young workers, school leavers and apprenticeship schemes	14	3

Ensuring that money is spent with local businesses	13	4
A commitment to environmental sustainability (net zero and climate action)	9	5 (Low Priority)

For the majority of service users surveyed, ensuring that the organisations ELFT by services from pay their staff the Real Living Wage was of high priority, however a commitment to environmental sustainability was ranked as least important from their perspective.

5. Are there other or additional priorities that you would like to see ELFT consider?

3 service users skipped this question and 1 did not have anything to report, but 2 commented that they would like ELFT to consider additional priorities such as:

- Person-centred values informed by effective consultations with service users (patients and carers) and staff about their experiences and criteria.
- Support for university students' loans.

6. Are you aware of anything that ELFT have done, or spent money on, which contributes to the following?

1 service user skipped this question, but 5 responded as follows:

	Yes	No
a. Help fight climate change	2 (40%)	3 (60%)
b. Improve health and wellbeing of local communities	4 (80%)	1 (20%)
c. Help local communities recover from the impact of COVID-19?	2 (40%)	3 (60%)
d. Help local people into work and training?	4 (80%)	1 (20%)
e. Provide equal opportunities e.g., for disabled people and long-term unemployed people?	3 (60%)	2 (40%)
f. Help the local economy by buying from local businesses?	1 (20%)	4 (80%)

Hence, the majority of respondents were aware that ELFT had contributed to improving the health and wellbeing of local communities, helping local people into work and training, and providing equal opportunities for disabled and long-term unemployed people. However, over half of the

service users surveyed were unaware that ELFT had contributed to helping fight climate change, helping local communities recover from the impact of COVID-19 and helping the local economy by buying from local businesses.

Of the 5 respondents to this question, 4 expanded on their responses:

- ELFT have helped local people into work and training through employment steering groups.
- Some service users have gone on to get jobs within ELFT.
- People Participation is something ELFT invests in that gives a recovery focus to involvement initiatives; fosters connections between service user experience and input, and ELFT management; and makes community service a reality.

In relation to the above table:

- a) Sustainability Network.
- b) Innovation fund- Our project was awarded funding. Our ELFT LGBTQ+ network sponsor has also given us small, but valuable pot of funding.
- d) Employment service (needs improvement but exists) People Participation, Recovery College Training, LD Apprentices.
- e) Employment of disabled people in workforce; the ELFT Ability Network.

7. Do you have any other examples of the organisations ELFT buy services from creating benefits for the community, beyond providing healthcare services?

3 service users skipped this question and 1 did not have anything to report, but 2 commented:

- The cleaning company, keeping the existing staff.
- I am not informed about this. I have only just learned, from our focus group discussion, that ELFT is now committed to outsourced services staff having the same rights and benefits (and pay? not clear) as NHS staff. I'd say this needs publicising and making real, as in "you said, we did...", etc.

8. Do you have any suggestions that can help ELFT to achieve its social value aims and to benefit the local community through its spending?

4 service users skipped this question, but 2 suggested that ELFT could achieve its social value aims and benefit the local community through its spending by:

- Having more talks and knowledge sharing events, (a person with more tools become more equipped).
- Selecting procurement items and agencies on the basis of quality and relevance to community needs, not just cost.
- Doing audits of spending and its effects on community wellbeing and health.

5.7 Key messages from focus groups

Feedback and comment from the two focus groups held with a) ELFT Contracts & Procurement Teams Staff and b) ELFT Service users.

How broad is the understanding / ownership of social value procurement within ELFT?

- The Contracts and Procurement team are confident that this is a key strategy at executive level and that the Trust has been progressive and driven in its vision to embed social value. They are only at the beginning of their journey to adopting social value metrics into their day-to-day activities but it's a clear priority.

"From what I've seen so far, the trust has been very progressive and very driven"
(Contracts and Procurement Team Focus Group).

- Across the Trust, levels of awareness/understanding of the social value agenda vary and not all relevant stakeholders are currently involved. For example, estates are conscious of net zero ambitions and have begun incorporating more sustainability metrics in what they do, whereas clinical colleagues, service users and corporate staff are less involved and aware. For example, the majority of service users surveyed were not aware of the Trust's increased focus on social value procurement. There is a need to tie together clinical and social values strategies, and to bring in service user perspectives. Service users indicated they would welcome the opportunity to have more involvement in social value procurement processes, given their understanding of the needs of the local community. One service user also felt that there needs to be training amongst staff involved in procurement to support them to think beyond monetary value, as their experience had been that decisions were still driven by cost (unclear if this experience was prior to ELFT commencing social value procurement).

"We could bring something to the table that maybe is not considered by the trust"
(Service user).

- The Contracts and Procurement team's understanding of social value has been supported by their partnership with the London Procurement Partnership (LPP). For example, regular forums and one-to-one sessions have supported their understanding of the social value portal and how it can be integrated with ELFT's tender processes.

Meaning of social value and how it relates to ELFT's procurement

- The Contracts and Procurement Team and service users shared the understanding that social value is about looking beyond cost to also consider how ELFT, through its spending and the suppliers it awards contracts to, can have a positive impact within local communities. They

agreed that procurement should incorporate looking at what people in the local community or service users need.

“They don't just provide the core thing that's actually required...to provide it in a way that adds value to the community and is actually what the community needs but also that they actually bring more than just the provision of the service that they're being paid for” (Service user)

“Social value's really about thinking about the three elements, sort of the social, environmental and economic factors and making sure you're paying attention to all three of all three parts and not just giving or paying lip service to one over the over some of the others in my role in the contracts team” (Contracts & Procurement Team Focus Group)

Selecting the right metrics

- From a contracts and procurement perspective, when negotiating contracts with ICBs there has been a tangible shift to focusing on outcomes, particularly outcomes that meet service user requirements. There is recognition that current metrics are not very service user focused or informed, and that there's more they can do to get service users involved in developing meaningful outcomes.

“What our current social value metrics that we use, they are from my recollection not very service user centric” (Contracts & Procurement Team Focus Group)

- More thinking about priority groups for employment is needed. There are some groups not reflected in the KPIs currently that ELFT would want to add in there. Another suggestion was that on an individual supplier basis, it might be possible to select three most relevant groups to focus on.
- More generally, one member of the Contracts and Procurement Team focus group suggested that different metrics might be required for different contacts. They gave the example of working with OCS to define the priority groups to focus on, with input from the anchor steering group. This idea was supported by a response to the supplier survey, which stated that they would need to consider how prescriptive social value requirements are when considering whether to respond to a tender, as for example, being a national company means they cannot always offer jobs to people in a very specific location.

“Social value requirements would not stop us from responding to a bid or tender, however we would need to take into consideration how prescriptive the social value requirements are” (Supplier survey)

- Service users felt that the outcomes that social value procurement is trying to achieve should be based on what people in the community need, and that there needs to be accountability to ensure that those needs are being met. One person specified that the measurement of health outcomes and improvement in people’s experience of using health and care services should be measured. In terms of priorities to focus on, employment-related impact was considered especially important (e.g. ensuring staff are paid the living wage, providing employment opportunities for local people, supporting young people with apprenticeship schemes).
- There’s a need for flexibility and evolution in the outcomes / KPIs being measured, as social value priorities change and emerge over time.

“Social value requirements are going to be ever changing...in five years’ time might be there might be new things that we need to consider. So I would expect them to be very flexible” (Contracts & Procurement Team Focus Group).

ELFT working with suppliers

- Initial activities undertaken by ELFT include a supplier survey to understand their level of commitment to the various priorities, what they are currently able to meet and what they are willing to work towards going forward to meet strategic aims. They have also begun to work with estates to incorporate more sustainability metrics. The plan for expanding the rollout of their strategy is to apply social values requirements to all new contracts and expired contracts going through re-tender. There’s an intention for social values to be a point on the agenda in all contract review meetings with suppliers to ensure it stays on everyone’s radar.

“With new contracts, new tenders coming in, that’s going to be our new baseline, that’s going to be our new expectation, but we want to work with you” (Contracts and Procurement Team Focus Group)

- There is recognition that working with suppliers and supporting them with tenders will be important. ELFT aim to develop a consistent approach to social value across the board but are open to giving some leeway to suppliers who are struggling to meet the requirements. One response from the supplier survey highlighted the importance of the requirements not being too prescriptive, as there are some commitments that would be very difficult for them to make given the nature of their company and the roles they employ to. The contracts and procurement team also discussed a need to develop a supportive accountability process,

which not only holds suppliers to the social value requirements but looks at acknowledging and rewarding achievements.

- A respondent to the supplier survey highlighted the importance of engaging with them to support them to meet social value requirements, while both respondents rated ELFT's market engagement to date in relation to applying social value priorities to potential tenders as 'moderate'.

"We believe that offering social value needs engagement from both customers and suppliers. As a supplier we can provide social value offering such as employability sessions, etc. however, the customer will need to promote these sessions to their citizens and work with us to deliver social value." (Supplier survey)

- Service users talked about the benefits to suppliers of incorporating social value into their contracts. One service user highlighted that engaging with community projects is something that companies can use to promote themselves, and that they had noticed more companies doing this. Similarly, if the workforce delivering the contracts are members of the local community (for example where the social value requirement is to hire local people), they will be more invested in their work, feel that they are doing an important job and also personally benefit from its impact because they live and/or work in that community. So there is potential for ELFT to 'sell' social value procurement to suppliers by highlighting the benefits it offers them and their staff.

Opportunities

Data provided by service users highlighted potential opportunities:

- Although most service users reported that they weren't aware of ELFT's increased focus on social value procurement, the majority reported an awareness of ELFT having generated social value in relation to some of the defined priorities - improving the health and wellbeing of local communities, helping local people into work and training, and providing equal opportunities for disabled and long-term unemployed people. Meanwhile there were also initiatives that they hadn't been aware of, such as ELFT's outsourced services staff now having the same rights and benefits as NHS staff. This highlights the potential for activities that ELFT are already undertaking (e.g. employment and training for service users) to be formally embedded into procurement processes, and to be promoted more widely to develop a visible culture around social value.

"I'm so pleased to hear what you said, that the outsourced staff have the same rights as the NHS staff. I didn't know that. Maybe lots of people don't know it. I think it will be a great badge for ELFT to put this out publicly"

(Service user focus group)

-
- Service users highlighted the potential for hiring service users as part of the procurement process, given the wealth of skills available to tap into within the community. Giving people the tools to engage with volunteering and employment, 'life skills' support, would be helpful to increase this potential and enable service users to potentially be employed to deliver procured services. This could meet multiple objectives including improving the wellbeing of communities:

“There's an awful lot of people in the local community who would really get an awful lot of personal value and personal gain to their own well-being and sense of purpose and connection to actually be involved in.”

(Service user)

- Service users also highlighted that ELFT could be looking at opportunities to develop some of the services they procure from other organisations in-house to directly generate social value (rather than through procurement). There might be roles that are currently outsourced but are relatively small and simple and that people in the community and services would love to have the opportunity to do or be trained to do.

5.8 Impact Data

The following is a summary of relevant contract information provided by the two suppliers considered through this evaluation and their impact to date.

Big Blue Door (BBD)

- All staff across BBD (20) have received a wage increase since contract start (relates to companywide performance across all clients not just ELFT SV factor).
- BBD recruited four new people since the start of the contract (including a UX specialist, two backend developers, and a project support officer).
- No new apprentices were employed since the start of this contract. One apprentice did complete during the contract operation and has since moved into wider employment.
- Two employees are 'relatively local' (Bow and Rotherhithe) but not within ELFT catchment. This was not a mandatory requirement of the recruitment process.

OCS

- Currently has circa 250 roles with 230 staff in post (i.e. 20 vacancies).
- Additional contracts could potentially create an additional 30 roles.

-
- 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, 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.
 - 42% of employees said that their health improved since you started this job. 40% responded that it had not.
 - 78% of employees agreed that they felt better about life since starting their job.

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

5.9 Acknowledgements

The Strategy Unit would like to thank Una Geary, Public Health Specialty Registrar at ELFT, for her support in conducting this evaluation, and to all Trust and supplier staff who gave generously of their time to capture early learnings from social value procurement activities to date.

5.10 Review Team

The following colleagues at The Strategy Unit comprised our project team:

- David Frith, Principal Consultant (Strategy & Change)
- James Sandy, Senior Consultant (Strategy & Change)
- Ellie Moore, Consultant (Evaluation)
- Romaana Kapadi, Research Assistant (Evaluation)
- Shelia Ali, Research Assistant (Evaluation)

5.11 Documents & Resources

The following documents and resources were referenced during the conduct of this review:

- Social Value in Procurement: Progress to Date and Next Steps -Benchmarking and Next steps June 2021 (ELFT).
- Social Value Offer ELFT v3- Extract from Social Value Portal TOMs (ELFT).

-
- HALN test and learn grant funding – full application Project title: Evaluating and embedding social values in procurement (ELFT).
 - Social value procurement: Metrics and KPIs ELFT Public Health Team (OCS_ELFT support_Social value procurement metrics) (ELFT).
 - SV in Procurement- Benchmarking and Next steps June 2021.
 - NHS LPP - Session 1 Social Value Framework (Training Slides).
 - National TOMs 2021 Framework April 2021 (Social Value Portal).
 - Lessons from the ELFT and North East London Anchor Journey July 2021 (PP Slides).
 - Report to integrated care and commissioning committee 11 November 2021 (ELFT).
 - ICC report Anchor Strategy Nov 2021.
 - ELFT Social Value Delivery Plan- Contract KPI's_v3 (PP Slides).

Contract Documents

- OCS_8. 20210722 ELFT amended NHS terms and conditions (Soft FM tender) vFinal.
- Big Blue Door_ELFT_Website Build Maintenance.
- Social Value Questions - Big Blue Door from Master -Website Tender Evaluation v3.

The
Strategy
Unit.

The Strategy Unit

Tel: 0121 612 1538

Email: strategy.unit@nhs.net

Web: www.strategyunitwm.nhs.uk

Twitter: @strategy_unit



Midlands and Lancashire
Commissioning Support Unit