



Department  
for Culture  
Media & Sport

# Social Value Case Study

Sustainable Supply Chains & Aintree University Hospital

February 2016



Aintree **NHS**  
University Hospital  
NHS Foundation Trust

We can also provide documents to meet the specific  
requirements for people with disabilities.  
Please email [enquiries@culture.gsi.gov.uk](mailto:enquiries@culture.gsi.gov.uk)

Department for Culture, Media & Sport  
Printed in the UK on recycled paper  
©Crown copyright 2017

You may re-use this information (excluding logos) free of charge in any  
format or medium, under the terms of the Open Government Licence.

To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will  
need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to us at  
[enquiries@culture.gsi.gov.uk](mailto:enquiries@culture.gsi.gov.uk)

This document is also available from our website at [www.gov.uk/dcms](http://www.gov.uk/dcms)

## WHAT ARE THE HEADLINES?

- It is useful to set up an organisational task group that is committed to social value. It clarifies what social value means to the organisation as a whole, and helps to set priorities and desired outcomes.
- Each organisation is different; there is no 'one size fits all' solution to delivering social value. The commissioner can be inspired by other organisations, but their strategy should be tailor-made.
- Keep the social value strategy as simple as possible. Different stakeholders will have varying levels of understanding of social value in the commissioning process; it is important to keep them engaged.
- Commissioners should be mindful of the purpose of social value and motivated by the benefits that can be achieved – both for the organisation and the wider community - by incorporating social value into the commissioning process.

## WHAT IS THE CASE STUDY CONTEXT?

### Procuring with social value in mind

The Public Services (Social Value) Act 2012 requires all public bodies in England and Wales to consider how the services that they commission might improve the social, economic and environmental wellbeing of the area.

This particular project involved Sustainable Supply Chains and Aintree University Hospital, NHS Foundation Trust who worked together to create a social value strategy. The Trust were committed to the Social Value Act and wanted to ensure that social, economic and environmental wellbeing opportunities were maximised during the commissioning process. The key aims were:

- To embed social value into the commissioning process by collaboratively producing a social value strategy, including a set of social value outcomes and measurements.
- To deliver an innovative service that encourages the local purchasing of goods / services and creates local employment and training opportunities throughout the region.

## HOW DID THE CASE STUDY GENERATE SOCIAL VALUE?

### Methodology

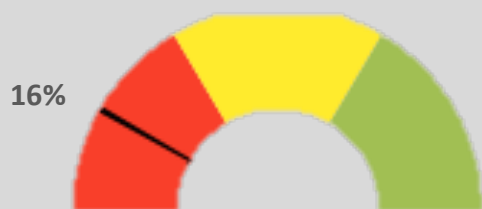
In our project with Aintree, we used the Sustainable Supply Chains (SSC) Social Value Diagnostic Tool that is based on British Standards. This tool aims to assess where an organisation is currently positioned on the social value scale; in this instance, it was used specifically to assess the extent to which Aintree University Hospital had already embedded social value into their commissioning process.

The diagnostic tool aims to highlight areas to focus on when embedding social value. It encourages organisations to embed social value within a structured framework, making it easier to deliver and measure best practice results.

#### Sustainable Supply Chains (SSC) Social Value Diagnostic Tool

Aintree University Hospital used the diagnostic to self-assess their position with regards to social value. The tool attempts to identify:

- To what extent, if any, does the Trust already embrace social value in the commissioning process?
- How could the Trust embed a social value framework into their processes going forward?



The results of the diagnostic tool are demonstrated above; Aintree University Hospital scored 16%.

Use the tool at [www.sustainablesupplychainsltd.co.uk/social-value-diagnostic-tool-take-the-test](http://www.sustainablesupplychainsltd.co.uk/social-value-diagnostic-tool-take-the-test)

## Results

The diagnostic tool suggested that Aintree University Hospital embed social value by:

1. Identifying the most important social issues in their area.
2. Incorporating these social issues into a policy.
3. Setting clear and measurable objectives for achieving this policy.

This diagnosis helped to shape the bespoke social value strategy and desired list of outcomes, which Aintree University Hospital and Sustainable Supply Chains went on to create collaboratively.

## Developing a social value strategy

While developing a social value strategy, Sustainable Supply Chains and the Trust reviewed the existing corporate plans, strategy documents, priorities and objectives in use at Aintree University Hospital. Documents considered at this stage of the process include:

- Corporate Strategy
- Healthy Liverpool Programme
- Annual Business Plan
- Sustainability Strategy 2010
- Quality Strategy

The initial project team consisted of the Head of Procurement and Supplies and the Procurement Manager at Aintree University Hospital, alongside Sustainable Supply Chains. Yet early in the process, a wider organisational task group was established; the project sponsor and Director of Risk, Resilience, Estates and Facilities headed this. Also represented on the task group were Trust employees from Human Resources, Estates, Learning, Work Experience and Volunteer Development, Communications and Healing Arts.

In consultation with the task group, the project team conducted a prioritisation exercise that sought to better understand the social value issues affecting the Trust. Each task group member had the opportunity to suggest strategy content based on desired outcomes. From this, the project team was able to develop a social value strategy alongside a list of the Trust's social value outcomes; these desired outcomes are detailed in the chart below.

| <b>SOCIAL</b>   | <b>ECONOMIC</b>  | <b>ENVIRONMENTAL</b>  |
|---|--|---|
| <b>Employer of choice</b>   | <b>Healthcare provider and partner of choice</b>   | <b>Reduce CO2 emissions</b>   |
| Improve opportunities and working conditions to develop staff skills, training and overall potential. | Build capacity and support for the voluntary and community sector, including social enterprises. | Reduce CO2 emissions as a result of changes to travel, energy, waste, water and procurement activity. |
| Provide a clean and safe working environment.   | Create local jobs and apprenticeships.   | Protect and enhance green spaces and biodiversity.  |
| Encourage equality and diversity amongst staff and suppliers.   | Support local businesses and spend money locally.  | Promote improved health and wellbeing, including healthy eating.                                      |
| Engage and build relationships within the community.  | Create education and training opportunities for local people.                                    | Promote opportunities for physical activity and recreation.   |

## WHAT HAS BEEN THE IMPACT?

### Putting social value strategy into practice

At the time of writing, Aintree University Hospital had not yet had the opportunity to put their social value strategy into practice; this is the necessary next step for them to take. When the Trust does endeavor to put the strategy into practice, they will have several options for how to apply it. Regardless of which social value outcomes are chosen, when embedding social value in procurement it is vital to ensure that social value is:

1. *Proportionate*. The desired social value outcomes should be tailored to reflect the goods or services that are being procured so as to reflect best practice. It is the role of the service commissioners and procurement leads to consider, on a contract-by-contract basis, the potential social value outcomes that could be delivered through the commissioning process and the most appropriate strategy to achieve them.
2. *Considerate of the area's economic, social and environmental wellbeing*. This should be taken into account at the pre-procurement stage of the commissioning process to influence the ultimate selection of a more innovative supply solution. Doing so could be more economically advantageous, and may also go beyond basic contract terms to deliver wider benefits for the community.

The social value strategy developed by Aintree University Hospital and Sustainable Supply Chains helps to achieve the above considerations by encouraging the commissioner to ask for specific social value outcomes and/or look to the market for innovative solutions. The social value strategy can be used when the Trust has:

- Insight into the category market.
- Held pre-market engagement.
- Defined its social value priorities and knows the social value outcomes it desires from the tender.
- A contract with potential value of at least £10,000 (this is in line with spend threshold guidance within the social value strategy).

When the commissioner is writing the PQQ and ITT questionnaires, social value outcomes could be embedded into the questions themselves, so as to encourage innovative responses from the bidder.

In circumstances where the Trust has little or limited knowledge of the market and has not carried out any pre-market engagement, a generic statement and question can be used. The purpose of making this statement and question is to underline the organisation's commitment to the Social Value Act. Within this, the social value question should ask bidders how they would support the organisation in fulfilling its social value priorities. By using a generic statement, room is left for bidders to write more innovative responses.

Often, the statement needs to be used when the procurement is urgent and there has not been adequate planning time. Hence while there is not time to implement the social value strategy, using a social value statement and question could still allow bidders to produce a more innovative tender application. It is also worth noting that a social value statement and question can also be used in conjunction with the social value strategy.

### **Aintree University Hospital's Statement and Question**

*Statement.* Aintree University Hospital NHS Foundation Trust is committed to the Public Services (Social Value) Act 2012 (PSSVA 2012); ensuring that social, economic and environmental issues are considered at all stages of our commissioning and procuring process, and as part of the whole life cost of a contract.

The Trust aims to become an Employer of Choice, a Provider of Choice and through effective procurement a Partner of Choice and will aim to reduce CO2 emissions from our operating processes.

As part of this we will look to create jobs, apprenticeships, education and training opportunities, support local business and the third sector, engage and build relationships with the community, reduce CO2 emissions and promote healthy eating and lifestyles.

*Question.* Bidders are asked to articulate (in less than 200 words) how they will support the Trust in achieving its priorities and what social value benefits you can bring to this contract.



## Measuring social value

The Trust and Sustainable Supply Chains agreed that the desired social, environmental and economic outcomes (as identified in the table on page 4) should be used as the basis for measuring social value. At the time of writing, Aintree University Hospital had not yet implemented their social value strategy in practice. Therefore, it was decided that the measurement methodology would be continually reviewed in the future; this would enable the measurement methodology to enhance organically as the Trust became more confident in its use of the social value strategy.

The success of the Trust's social value strategy will be demonstrated in the results of this measurement exercise. These results will provide better understanding of how the NHS supply chain reacts to the demands of delivering social value. In a market that has been driven by cost in recent years, the results should be interesting.

## WHAT HAVE BEEN THE KEY AREAS OF SUCCESS?

This social value strategy will benefit Aintree University Hospital in many ways. Most significantly, it has motivated the Trust to take a proactive approach towards embedding a social value agenda into day-to-day practice, thereby encouraging an attitude that strives for positive social change in the local area. This can be attributed directly to the creation of specific desired social outcomes, which align with Aintree University Hospital's priorities and values. Alongside this, Aintree University Hospital has had the opportunity to realise many other benefits:

1. *Organisational values.* By developing a social value strategy, the Trust is able to clearly establish its priorities, leading to the creation of more realistic goals. These clearly established priorities provide a clear direction for where and how to move the social agenda forward within the organisation, and will be easier to measure. These objectives can be clearly communicated to stakeholders, the community, suppliers, prospective employees and patients.

2. *Financial.* When embedded properly, social value can combine social and financial benefits to deliver cost savings, reduce waste and offset demands on resources. By engaging with suppliers who deliver social value, the Trust will be better placed to overcome barriers to funding that have resulted from public service cuts. As an example, a service provider that increases recycling will reduce the amount of waste going to landfill, resulting in cost savings.
3. *Risk.* Embedding social value into the commissioning process ensures compliance with the Social Value Act, thereby reducing the risk of legal challenges from unsuccessful bidders. If applied properly, social value can reduce the risk of reputational damage caused by dangers that lurk within the supply chain.
4. *Employer of choice.* By demonstrating its commitment to social value within day-to-day practice at work, the Trust can attract and keep the best and most talented workers as they may feel inspired by the organisation and motivated by the meaning of their work. This could result in increased productivity and high levels of employee engagement.
5. *PR.* Social value is a great PR tool that will help the Trust to stand out amongst its competitors. Spending more money on local suppliers, creating jobs and training opportunities for local people, reducing CO2 emissions and promoting health and wellbeing are all results worth celebrating.

### Benefits of developing a social value strategy



**Aintree University Hospital, NHS Foundation Trust**

Trust Headquarters, Executive Offices

Lower Lane, Fazakerley, Liverpool, L9 7AL

[www.aintreehospital.nhs.uk](http://www.aintreehospital.nhs.uk)

**Sustainable Supply Chains Ltd**

2 Hilliards Court, Chester Business Park

Chester, CH4 9PX

[www.sustainablesupplychainsltd.co.uk](http://www.sustainablesupplychainsltd.co.uk)

**Department for Culture, Media & Sport**

4<sup>th</sup> Floor, 100 Parliament Street

London, SW1A 2BQ

[www.gov.uk/dcms](http://www.gov.uk/dcms)



Department  
for Culture  
Media & Sport

Aintree **NHS**  
University Hospital  
NHS Foundation Trust

