

# Cheshire East Social Value Policy

## 1. Purpose

This policy provides the context for social value within Cheshire East Council and NHS Cheshire Clinical Commissioning Group (CCG). It sets out our commitment to ensuring a high standard of ethical practices through embedding social value at an organisational wide level in terms of our social accounting, corporate social responsibility (CSR), and at a commissioning level across the 'whole' commissioning cycle. This includes internal service delivery, the external procurement of goods and services and contract management process. The policy provides details of our local social value priorities and our core principles for social value.

In addition, the social value policy is also underpinned by a suit of resources, tools and guidance to support the practical implementation and embedding of social value.

The policy and supporting resources are particularly useful for officers involved in some or all elements of the commissioning cycle:

- Strategic Commissioning (Planning)
- Procurement (Purchasing)
- Contract Management (Monitoring)

The Social Value Policy and supporting resources (particularly the Social Value Framework) is also available to support market engagement activities, in terms of informing suppliers of goods and services of our local social value priorities across the Cheshire East Place.

It is recognised that under this policy, individual organisations may have their own set of operating procedures and practices that they need to adhere to in their commissioning and procurement activity.

## 2. Background and Scope

The Public Services (Social Value) Act 2012 ("the Act") makes it a legal obligation for public bodies to 'consider' the social good that could come from the 'procurement' of services before they embark upon it. However, it is important to highlight that in addition to embedding social value within our commissioning and procurement practice, this policy provides a wider focus of social value at an organisational level as 'Anchor Institutions'<sup>1</sup> in terms of our social accounting and CSR. Anchor institutions are organisations rooted within our communities, with the potential to have a huge impact on the health and wellbeing of the community as local employers, purchasers and deliverers of goods and services, with assets and buildings based within the community, this includes hospitals, councils, universities, voluntary community and faith sector organisations, and local businesses. It is our intention to build on best practice through the development of social value from an organisational social accounting and CSR perspective as anchor institutions.

In terms of commissioning, the aim of the Act is not to alter the procurement processes, but to ensure that as part of these processes, public bodies give

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<sup>1</sup> The Health Foundation (2019) The NHS as an Anchor Institution [https://www.health.org.uk/news-and-comment/charts-and-infographics/the-nhs-as-an-anchor-institution?gclid=EAlaIqObChMI8erM3qCI5gIVDUPTCh3-jAnmEAAYASAAEgJAiPD\\_BwE](https://www.health.org.uk/news-and-comment/charts-and-infographics/the-nhs-as-an-anchor-institution?gclid=EAlaIqObChMI8erM3qCI5gIVDUPTCh3-jAnmEAAYASAAEgJAiPD_BwE)

consideration to the wider impact of the service's delivery. It allows public bodies to, for example, choose a supplier under a tendering process who 'not only' provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community in terms of 'social, environmental and economic' impacts and outcomes. The social value that we can achieve from the commissioning process, is over and above what we ask for within a service specification e.g. if we are commissioning and procuring office chairs, we may want to achieve a wider environmental impact as a result of the process.

The statutory requirements of the Act only apply to the 'procurement' of public service contracts above EU threshold. However, in order to incorporate the good practice associated with social value into the 'whole' commissioning cycle, it is the intention of Cheshire East Council and NHS Cheshire CCG to embed this policy and framework within all commissioning activity 'wherever proportionate and practicable'.

This policy statement and supporting resources sets out our aims and it seeks to:

- Provide a local definition and set of principles for social value;
- Sets out the policy context and application for social value in Cheshire East;
- Provide a local Social Value Framework and set out our priorities for social value;
- Provide guidance and support to officers to embed social value within our practice.

The Cheshire East Social Value Policy is supported by the Cheshire and Merseyside Health and Care Partnership Social Value Accelerator site<sup>2</sup>. Cheshire East Council and NHS Cheshire CCG have signed up to the Cheshire and Merseyside Social Value Charter, with the aim of achieving our ambition for social value across Cheshire East.

The Cheshire East Social Value policy and supporting resources should evolve and develop over time in line with national and local policy and priority setting.

### 3. Defining Social Value

The Act itself does not define what is meant by 'social value' but offers a broad definition of social value. Therefore, Cheshire East Council and NHS Cheshire CCG will adopt the definition of social value which has been coproduced via the Cheshire and Merseyside Health and Care Partnership Social Value Accelerator programme.

When we talk about social value, we mean:

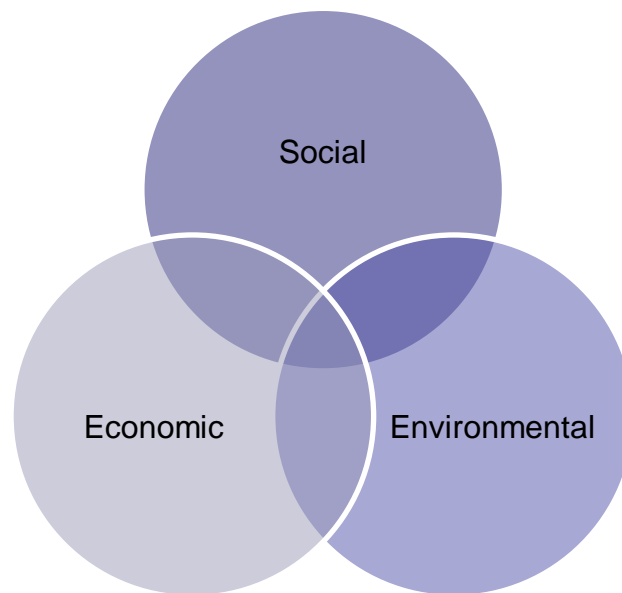
- the good that we can achieve within our communities through the purchasing (commissioning and procurement) of goods and service related to **environmental, economic and social factors**;
- our approach for enabling communities to live a 'good life' through improved outcomes as a result of the added value that we achieve through our commissioning and procurement activities;

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<sup>2</sup> Cheshire and Merseyside Social Value Accelerator Site  
<https://www.cheshireandmerseysidepartnership.co.uk/our-work/social-value>

- an enabler for the growth of ‘Social Innovation’ (SI)<sup>3</sup> and in the reduction of ‘avoidable’ inequalities within our communities – linked to the Marmot Principles<sup>4</sup>;
- a requirement of the public sector as ‘Anchor Institutions’<sup>1</sup> to use our purchasing power to enable local people to live a good life, and to ensure that Cheshire East is a great ‘Place’ to live and work

*NB - Corporate Social Responsibility (CSR) can be seen as the ethical activities of Suppliers, Business and Industry which are not a direct response to a procurement/tender process, but the wider ethical practices of an organisation that impact on people and communities. Public bodies are also becoming more aware of their own CSR and their own ethical practices in terms of employment, environmental impact/influence, and community buildings/assets etc.*



Social value essentially asks the question of public bodies “if £1 is spent on the delivery of goods and services, can the same £1 also be used to produce a wider benefit, impact or improved outcomes to the community in terms of social, economic and environmental factors”. It is the additional benefit to the community from a commissioning process over and above the direct purchasing of the goods and services. This recognises that every time the public sector spends money, it should do so in a way that achieves as many of its overall objectives as possible. See further information in terms of examples of social value within the Social Value Framework (see supporting resources.)

<sup>3</sup> Supporting Social Innovation in your Local Area (2019)  
<https://www.cheshireandmerseysidepartnership.co.uk/news-and-publications/publications/54-social-innovation-guide-digital/file>

<sup>4</sup> Marmot Review <https://www.local.gov.uk/marmot-review-report-fair-society-healthy-lives>

#### 4. Policy Context and Application

The core principles of social value are underpinned by the 6 priorities of **the Marmot Review 2010 (Health Inequalities, Fair Society, Healthy Lives)**<sup>4</sup> which seek to:

- Give every child the best start in life;
- Enable all children, young people and adults to maximise their capabilities and have control over their lives;
- Create fair employment and good work for all;
- Ensure a healthy standard of living for all;
- Create and develop healthy and sustainable places and communities;
- Strengthen the role and impact of ill health prevention

Social value is therefore clearly aligned to the **Cheshire East Council Corporate Plan (2020-2024)** (subject to consultation), which consists of priority areas:

- **Open** - We will provide strong community leadership and work transparently with our residents, businesses and partners to deliver our ambition in Cheshire East.
- **Fair** - We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.
- **Green** - We will lead our communities to protect and enhance our environment, tackle the climate emergency and drive sustainable development.

Social value has been highlighted as a priority within the overarching **Cheshire East Partnership 5 Year Plan**<sup>5</sup> and the Cheshire and Warrington Local Industry Strategy. The Cheshire East Social Value Policy also supports the delivery of the following strategies and priorities:

The **Cheshire East Sustainable Community Strategy 'Ambition for All'**<sup>6</sup> sets out our vision and priorities for action to improve the quality of life of all the people of Cheshire East and to contribute to the achievement of sustainable development through action to improve **economic, social and environmental** wellbeing across the Cheshire East Place.

The **NHS Cheshire Clinical Commissioning Group (CCG) Commissioning Intentions** includes priorities that are aligned to the Cheshire East Partnership 5 Year Plan.

The Cheshire East **Connected Community Strategy**<sup>7</sup> and the **Social Action Charter** as part of the **Cheshire East Social Action Partnership**<sup>8</sup>, aim to build the connections between public, private and the Voluntary, Community, Faith and Social

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<sup>5</sup> Cheshire East 5 Year Plan <https://healthwatchcheshireeast.org.uk/wp-content/uploads/2019/07/Cheshire-East-5-year-plan-v8c.pdf>

<sup>6</sup> Cheshire East Sustainable Community Strategy 'Ambition for All' [https://www.cheshireeast.gov.uk/council\\_and\\_democracy/connected-communities/sustainable\\_community\\_strategy.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/connected-communities/sustainable_community_strategy.aspx)

<sup>7</sup> Connected Communities Strategy [https://www.cheshireeast.gov.uk/council\\_and\\_democracy/connected-communities/connected-communities.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/connected-communities/connected-communities.aspx)

<sup>8</sup> Cheshire East Social Action Partnership <https://www.cesap.org.uk/>

Enterprise (VCFSE) sectors to achieve social action and therefore social impact. This is part of our ambition to build on our existing community strengths and assets. This is also supported by the CCG **Framework for Care Communities** which details how Care Communities will develop and operate across Cheshire.

The Cheshire East Council **Environment Strategy** highlights our commitment to become Carbon Neutral by 2025. This includes our wider influence through the commissioning and procurement of goods and services to encourage organisations, businesses, and residents in Cheshire East to reduce their carbon footprint, by reducing energy consumption and promoting healthy lifestyles.

These strategic priorities are highlighted within the Cheshire East Social Value Framework (see appendix 1).

Each year the Council and the CCG spend millions of pounds commissioning, procuring and contracting a wide range of goods and services, and it is recognised that there can be no “one size fits all”. This policy will therefore need to be applied in a proportionate manner and be tailored to reflect what is being contracted and/or procured and how. Commissioning practices may differ within the organisations for example the Council will consider a number of options for commissioning, which could include in house delivery, the development of Local Authority Trading Companies, or procurement and tender activities for the outsourcing of goods and services. The CCG predominantly manages large recurring contracts with large NHS providers. It is the role of commissioners, procurement leads and contract managers to consider, on a contract by contract basis, what social value opportunities and outcomes may be relevant to that contract, and to consider how the application of social value helps to secure the most valuable benefits for our area. Social value should therefore be embedded across the whole commissioning cycle (see appendix 1).

The Act specifically applies to service contract and contracts above the EU threshold which combine service with the purchase or hire of goods, but not work and supply contracts. However, Cheshire East Council has for many years considered social, economic and environmental issues when procuring goods and services. Therefore, social value outcomes will be considered in the procurement of all contracts over a value of £5,000 (i.e. both below and above the EU threshold set out in the Act), where it can be shown that it is **relevant and proportionate** and is compliant with EU and national public contract regulations.

For CCGs, Social value is an integral element within existing NHS Standard Contracts: Service Condition 18 of the contract titled ‘sustainable development’. A consist approach is needed by CCGs for development of existing rolling contracts with NHS providers in relation to embedding and monitoring social value outcomes.

During the planning stage of the commissioning process, we will undertake activities to identify the possible social value opportunities and outcomes. This will be developed using the Social Value Framework (see supporting resources) alongside any consultation, engagement and coproduction with stakeholders (e.g. suppliers and service users). This will enable commissioners to understand how we can improve the economic, social and environmental wellbeing of the area to deliver outcomes relevant to our local priorities.

Social value can be addressed through a number of levers in the commissioning and contracting process for example:

- Asking relevant, targeted questions at the **Pre-Qualification Questionnaire** stage of major procurements – seeking to ensure that the shortlist of bidders is made up of suppliers with a strong track record on delivering social value.
- Asking specific, **target-setting** questions at the **Invitation to Tender** stage of relevant procurements – allowing bidders to propose specific targets and delivery plans to reduce emissions, create local employment opportunities, and provide other sustainable outcomes.
- The development of **Social Value Outcomes and KPIs** within the Service Specification, Contract, Service Level Agreement (SLA), Performance Management Framework (PMF), and or Service Improvement/Development Plan. This can be achieved through procurement processes, service reviews, service improvement/development, contract management, contract modifications, and contract negotiations.
- Taking steps to improve the **accessibility** of the procurement process itself, allowing a diverse range of bidders to participate. For example:
  - ✓ Removing or reducing financial turnover thresholds, where financial risk is not high, to enable small firms or start-ups are not excluded;
  - ✓ Dividing larger contracts into **lots** so that small organisations with limited capacity can bid for part of the contract;
  - ✓ Ensuring the procurement process is accessible to bids from **consortia** or partnerships;
  - ✓ Engaging in **supplier engagement** with the market, prior to major tender exercises, to ensure local bidders understand the process.

If a procurement is carried out in emergency circumstances, not due to any delay on our part, making it impractical to comply with the Act, then we may need to disregard the requirements. This is as set out in the Act.

Under the duty of Best Value public bodies also need to consider overall value of contracts. Whilst this includes economic, environmental and social value, the duty also requires public bodies to secure continuous improvement in the way in which its functions are carried out and consider the combination of economy, efficiency and effectiveness. It should be noted that the Best Value duty has not been replaced by the Act. Therefore, whilst looking at social value the Best Value duty remains throughout and is an important factor for public bodies in the weighting and evaluation of bids.



## 5. Commissioning Principles

As we face increasing pressure on resources and an increased demand on public services, it is essential that we achieve the maximum value from each pound we spend. When we commission services, we need to be outcomes focussed in addition to concentrating on outputs, by doing this we will ensure that the greatest impact **and** the best value for money for the residents of the borough are achieved. When undertaking Social Value activities, there will be opportunities to identify potential outcomes that are not specified in the Commissioning service specification, but could very well be highly valued outcomes by other Council or NHS departments and priorities.

The Social Value Framework (see supporting resources) will support the achievement of social value outcomes by ensuring that social, economic and environmental outcomes are embedded at an organisational level in terms of our CSR and where appropriate into our commissioning processes. Not only will the Social Value Framework support commissioners to achieve greater impact from our contracts, it will also support mechanism to enable true consideration by commissioners across the 'whole commissioning cycle' (see appendix 1). This includes strategic commissioning, procurement and contract management activities. As organisations with significant contracts in terms of value and impact, it is important to ensure that social value is embedded with all planning and spending decisions that have a local impact. This can be achieved through the Social Value Framework with the alignment of social value and our commissioning intentions, plans, strategies and partnership planning. The Social Value Framework can be used as an enabling tool to support the achievement of our local priorities.

Cheshire East Council and NHS Cheshire CCG are committed to and expect that our providers and suppliers are also committed to:

- Supporting the local economy including SME's and voluntary community and social enterprise (VCSE) sector;
- Including measurable clauses in contracts to demonstrate **both** social value **and** value for money;
- Supporting the business and voluntary, community, faith and social enterprise (VCFSE) sector through transparent and proportionate procurement processes and contracts;
- Ensuring robust contract management is in place to monitor and measure social value outcomes in partnership with our providers and suppliers;
- Paying our suppliers promptly;
- Not engaging in criminal conduct or activity;
- Complying with labour and environmental laws;
- Adopting the Cheshire and Merseyside Social Value Charter and apply to the Cheshire and Merseyside Social Value Award;
- The prevention of Modern Slavery;
- Ensuring that workers are aware they may join a trade union and are not to be treated unfairly for belonging to one;
- Not engaging in human rights abuses;
- Not engaging in environmental abuses;
- Providing fair payment for supplies, works and services through the supply chain;



- Providing workers with fair wages;
- Act ethically and sustainably in how they manage and operate their business,

## 6. Cheshire East Social Value Principles and Objectives

Our commitment to social value is to adhere to the following principles:

- Enabling local people and communities to see what a 'good life' could be.
- Understanding why social value is important to Cheshire East in making it a better 'Place' to live.
- Working together across sectors to achieve social value outcomes, foster innovation and reduce avoidable inequalities – linked to the Marmot Principles<sup>4</sup>.
- Protecting health and social care services for future generations.
- Taking a strengths and assets based rather than needs or deficits-based approach.
- Giving a voice to local communities – social value is our social model for good health, a chance to re-imagine a new future 'dreaming with communities' through listening and involving the community in leading the way in decisions that affect their lives.
- Social value will be embedded as core practice, behaviours and the way that we operate.
- Social value will be embedded across the whole commissioning cycle, underpinned by the principles of good commissioning.
- Making every penny count, growing local wealth, health and our environment.
- Creating opportunities for 'Social Innovation' – The Social Innovation<sup>3</sup> is our model for the acceleration of social innovation processes to deliver social value across Cheshire East.
- Our work is connected to Cheshire East strategic priorities: 5 Year Plan, Local Sustainable Communities Strategy and the Local Industry Strategy.
- We are inclusive in our approach so that social value is for everyone.
- We will create a lasting impact and legacy for local people through delivering our social value approach.
- We are part of the Cheshire and Merseyside Social Value Network and will facilitate shared learning, encouraging innovation and best practice in exploring social value

The following objectives reflect the definition of social value (see section 3):

- **Promote employment and economic sustainability** – tackle unemployment and facilitate the development of skills.
- **Raise the living standards of local residents** – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Cheshire East.
- **Promote coproduction, participation and citizen engagement** – encourage resident participation and promote active citizenship.

- **Build the capacity and sustainability of the voluntary and community sector**– practical support for local voluntary and community groups
- **Promote equity and fairness** – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- **Promote environmental sustainability** – reduce wastage, limit energy consumption and procure materials from sustainable sources

## 7. Supporting Resources, Tools and Guidance

A number of resources have been developed to underpin the Cheshire East Social Value Policy and to support commissioners to maximise social value opportunities with contracted suppliers. The resources also support the achievement of social value outcomes at an organisation level in terms of CSR and Social Accounting. Supporting resources include:

- **Cheshire East Social Value Framework**
- **Cheshire and Merseyside Social Value Charter**
- **Cheshire and Merseyside ‘Recipe for a Good Life’ Coproduction report**
- **Cheshire and Merseyside Social Value Guidance**
- **Cheshire and Merseyside Social Value Award**
- **Cheshire and Merseyside Social Innovation Guide**
- **Cheshire East Commissioning Academy:** There are specific training units available including - Commissioning, Procurement, Contract Management and Social Value.
- **Commissioning Templates and Guidance** e.g. Commissioning Project Plan, Service Specification Template, Performance Management Framework (PMF) Template
- **Standard Procurement Templates** e.g. Pre-Qualifying Questionnaire, and Invitation to Tender.
- **Social Value Case Studies**
- **Example Social Value Tender Questions**

## Appendix 1 - Embedding social value across the whole commissioning cycle

