

North of England Commercial Procurement Collaborative



An introduction to Sustainability and Social Value in the NHS: A guide for suppliers

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NHS Net Zero Commitment **Targets**



Net zero by 2040 for the emissions the NHS controls directly. (NHS Carbon Footprint)



Net zero by 2045 for the emissions the NHS has the ability to influence. (NHS Carbon Footprint Plus)

This information is located publicly within the 'Delivering a Net Zero NHS' report.



Supplier Roadmap

For more information, visit Greener NHS » Suppliers (england.nhs.uk)

Net Zero and Social Value All NHS procurements include a minimum 10% net zero and social value weighting. The net zero and social value guidance for NHS procurement teams helps to unlock healthspecific outcomes (building on PPN 06/20). Net Zero and Social Value will be applied via the Evergreen assessment for NHS England Medicines tenders.

From April 2022

From April 2023/24



Carbon Reduction Plans

For all new contracts above £5 million per annum, the NHS requires suppliers to publish a <u>Carbon Reduction Plan</u> for their UK <u>Scope</u> 1 and 2 emissions and a subset of Scope 3 emissions as a minimum (aligning with PPN 06/21).

From April 2024, this requirement will be proportionately extended to cover all new procurements.

Carbon Reduction Plan for all emissions All suppliers will be required to publicly report targets, emissions and publish a Carbon Reduction Plan for global emissions aligned to the NHS net zero target, for all of their Scope 1, 2 and 3 emissions.

From April 2027

From April 2028



Product-level requirements

New requirements will be introduced overseeing the provision of carbon footprinting for individual products supplied to the NHS. The NHS will work with suppliers and regulators to determine the scope and methodology.

Social Value in Procurement









What is Social Value?

Social value in procurement is about making sure that what is bought creates additional benefits for society.

Through the lens of PPN 06/20, benefit is categorised as either:



Environmental



Economic



Social

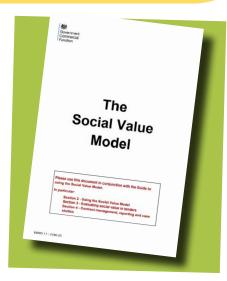






PPN 06/20: The Social Value Model

The Social Value Model was launched by Central Government in January 2021, the model requires every public procurement to apply 10% minimum of the total award to social value.



The Social Value Model is made up of 5 themes, which are:

- 1. Fighting climate change
- 2.Wellbeing
- 3. Equal opportunity
- 4. Tackling economic inequality
- 5.COVID-19 recovery



Social Value in the NHS



Social Value has been mandatory in all NHS tendering since **April 2022.**

NHS contracting authorities must:



Apply a minimum of 10% of any total tender award to social value



At minimum, ask a question in every tender on 'fighting climate change'



Ensure that all social value commitments are effectively contract managed

NHS Social Value Guidance was released in March 2022. This is a furthering of PPN 06/20.







How to write an effective **Social Value Bid:**



- Read all available social value guidance
- Provide commitments that are additional (outside the core delivery of the contract)
- Focus on what you can deliver as an organisation (social value is about quality, not quantity)
- Avoid things you're already undertaking as a supplier. For example: Corporate social responsibility (CSR policy)
 - Current company activity/policy
 - Previous social value activity on other contracts
- Avoid vagueness and always be specific Use specfic, measureable, achievable, realistic, timed (SMART targets)
- Consider how you will contract manage the commitments made





Carbon Reduction Plans

- NHS CRP Guidance launched in February 2023 aligned to PPN 06/21
- CRPs do not replace social value in the tendering stage, and should not be submitted as part of any social value bid
- From April 2024, the NHS will proportionately extend the Carbon Reduction Plan requirements to cover all procurements
- It is critically important suppliers produce CRPs now





Access free supplier webinars at both NHS and CCS

Free CRP checking service at england.crp check@nhs.net



What information should a CRP contain?

1	A commitment by the supplier to reach net zero emissions by 2050 (at minimum)
2	Supplier's baseline and current emissions for their UK operations at a minimum (Scopes 1,2 and subset of scope 3)
3	Supplier's most recent emissions reporting for the previous reporting year
4	All emissions information displayed as CO2e (carbon dioxide equivalent)
5	What environmental management measures are being undertaken by the supplier, including certification scheme or specific carbon reduction measures adopted
6	A signature from a board member (or director if no board is in place)
7	A link to where the CRP is publicly available on the supplier's website







What is a **Net Zero Commitment?**

A Net Zero Commitment will be required for NHS procurements of lower value below £5m per annum exc. VAT and above £10k exc. VAT.

A Net Zero Commitment is a public commitment to achieve net zero by 2050 or earlier, and a confirmation that the supplier is taking steps to reduce their GHG emissions over time.

To comply with the NHS Net Zero Commitment requirements, a supplier must:

- Confirm the bidding supplier's commitment to achieve net zero by 2050 or earlier for their UK operations on the sources included in scope 1 and 2 of the GHG Protocol, and the defined subset of scope 3 emissions (in the same context as the CRP for geographical boundary etc.)
- Clearly signpost and publish the commitment on the supplier's website.

Example Net Zero Commitment

"[Supplier name] is committed to achieving Net Zero emissions by 20XX for emissions scopes X, X and X. The commitment was made on DD/MM/YY by the [approving board/equivalent management body]"

For contracts above £5m exc. VAT per annum and frameworks let by major NHS framework providers a full Carbon Reduction Plan will be required still from April 2024.





Evergreen Sustainable Supplier Assessment





The Evergreen Sustainable Supplier Assessment is a self-assessment and reporting tool for suppliers to share sustainability information with the NHS, providing a single route for information and data sharing between suppliers and the NHS.

Online tool for suppliers to engage with the NHS on their sustainablility journey and understand how to align with the NHS net zero and sustainability ambitions.





After completing the assessment, suppliers will receive a sustainability maturity score against NHS priorities, which signposts their current position and pathway to progress.







Evergreen: What is assessed?



Supplier carbon reduction projects.

Scope 1, 2 and 3 emissions.





Geographical boundaries of emissions provided.

Net zero target year.





External validation of net zero target and emissions information.



Modern slavery policy.



Corporate social value programme.

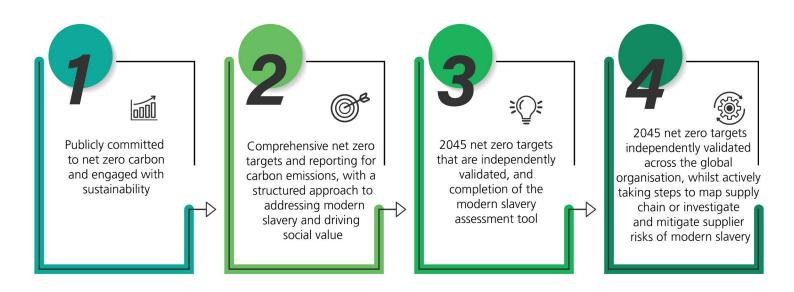


Entity level reporting (parent or subsidiary).



Evergreen Supplier Levelling

EVERGREEN SUSTAINABLE SUPPLIER ASSESSMENT



For more information on Evergreen, go to NHS England > Evergreen Sustainable Supplier Assessment

> As a supplier, you must have an Atamis account to access and complete the assessment. Registration is free to access here.





Why do the Evergreen assessment?

Benefits for the NHS





Improved understanding of respective supply chains



One sustainability conversation with suppliers, creating standardised information



Supports contract management



Benchmarks supplier performance against the NHS Net Zero Supplier Roadmap requirements



Provides consistent information to NHS decision makers about supplier progress towards the NHS short and long term sustainability goals



Understand how and where there are opportunities to support suppliers to accelerate progress.

Why do the Evergreen assessment?

Benefits for suppliers



- Ø
- Allows a supplier to benchmark themselves against current and future NHS net zero priorities
- Ø
- One sustainability conversation with the NHS, creating standardised information
- Ø
- Supports both NHS and supplier sustainability ambitions Can be used as an educational tool to understand where suppliers can improve on sustainability
- **S**

A detailed assessment that is free to use.





Why it's important for suppliers to be sustainable

Climate change undermines the core foundations of good health

Scope 3 emissions are forecasted to contribute to 62% of NHS carbon emissions

It's ethically correct to do so

Collective action reduces the burden of disease from air pollution

It is a requirement of the Health and Care Act 2022

Growing customer demand for sustainable products and services

Suppliers can prepare themselves and their products for the future

Protects against reputational damage





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