

**Manchester City Council  
Report for Resolution/Information**

**Report to:** Ethical Procurement and Contract Management Sub Group –  
13 September 2018

**Subject:** Update on delivery of social value in the new health and social care arrangements, including information on the proposed outcomes of the Local Care Organisation framework and how social value is being delivered under these arrangements

**Report of:** Executive Director of Planning and Operations, Manchester Health and Care Commissioning

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**Summary**

The report provides an update on the development of the approach to delivery of social value within the new health and social care arrangements. In recognition of the importance of embedding social value within the transformation of the health and social care system in the city, Manchester Health and Care Commissioning (MHCC) has funded a post to develop an inclusion and social value strategy which will set out social value priorities across both MHCC and the Manchester Local Care Organisation (MLCO).

Key to the development of this strategy has been the opportunity to share resources across MHCC and the constituent parts of the MLCO with a focus on using social value as an enabler to reduce both health and workforce inequalities.

**Recommendations**

The sub group is asked to note progress on the development of the strategy and delivery plan to embed social value across MHCC and MLCO commissioning, service delivery and workforce.

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**Wards Affected:** All

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**Alignment to the Our Manchester Strategy Outcomes (if applicable)**

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The health and social care organisations which have been established using health and social care devolution powers, constitute the largest public sector employers in the city. Ensuring that the workforce of these organisations reflects our diverse communities is a key part of the draft inclusion and social value strategy.

A highly skilled city: world class and home grown talent sustaining the city's economic success	Existing and predicted skills gaps within health and social care organisations across the city means that our approach reflects the need to make best use of the apprenticeship levy across the system to support more local people into 'good' work with progression opportunities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Linking inclusion and social value together through a single strategy reflects the opportunity to use social value as an enabler to reducing health and workforce inequalities. There is strong evidence that a diverse workforce delivers better health outcomes and by providing work with progression for under-represented groups, we will support better health outcomes for those communities.
A liveable and low carbon city: a destination of choice to live, visit, work	Whilst the main focus of the MHCC and MLCO inclusion and social value strategy will be on employment, we will support carbon reduction through the requirements built into contracts with providers and where we can deliver more in-house e.g. through the proposed office move to co-locate MHCC and MLCO teams by December 2018.
A connected city: world class infrastructure and connectivity to drive growth	The strategy recognises the need to improve health outcomes for all residents in order to support the inclusive growth agenda. Part of this is ensuring that health services are fully accessible and that any capital investment reflects the need to improve connectivity for residents.

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Report to the Ethical Procurement Sub Group – 20 December 2017.  
Introduction to the new arrangements for health and social care and how social value has been considered in these arrangements to date

## **1.0 Introduction**

- 1.1 As reported to this sub group in December 2017, MHCC had recognised the need to develop a more strategic approach to the delivery of social value both in-house and through commissioning and procurement and that this approach needed to be applied to both Manchester Health and Care Commissioning (MHCC) and the Manchester Local Care Organisation (MLCO). In recognition of the opportunity to use social value to reduce health and workforce inequalities and therefore support delivery of the Locality Plan and wider Our Manchester Strategy, MHCC has created a post to lead on the development of a five year inclusion and social value strategy for MHCC and MLCO. The Strategic Lead for Inclusion and Social Value post was recruited to in February 2018 through a job share approach, with one of the post holders being deployed part time from MCC's Work and Skills Team. This has facilitated the opportunity to build MCC's existing social value strategy and delivery mechanisms into the strategy. A final version of the strategy and delivery plan will be presented to the MHCC Board and MLCO Partnership Board respectively for approval in early autumn 2018.
- 1.2 This report provides an overview of the opportunities that have been identified to derive social value from health and social care commissioning, service delivery and workforce through the development of the strategy. It also provides an update on social value activities which have been delivered since the last report and planned activities which will form part of the delivery plan which accompanies the inclusion and social value strategy.

## **2.0 Background**

- 2.1 In April 2017, Manchester City Council and NHS Manchester Clinical Commissioning Group (CCG) entered into a single commissioning arrangement for health, adult social care and public health. This brought together the leadership and delivery of commissioning for these services into a single arrangement. The partnership organisation, called Manchester Health and Care Commissioning (MHCC), is a key part of the infrastructure which supports delivery of the Manchester Locality Plan 'Our Healthier Manchester'. MHCC was established to make best use of collective health and social care resources (financial and non-financial). Another key objective is to deliver better health outcomes through coordination of the new health and care provider delivery arrangements within the city, namely Manchester Local Care Organisation (MLCO), the Single Hospital Service and Greater Manchester Mental Health. The sharing of strategic resources and approaches to workforce and commissioning of services across the system will be key to further developing the health and social care infrastructure and the MLCO in particular.
- 2.2 Manchester governance arrangements for integrated health and social care commissioning and delivery sit within MHCC and are overseen by MHCC's Executive committee, reporting to the MHCC Board. City Council representation includes at least one Executive Member and another position

nominated by an Executive Member, currently the City Council Chief Executive, with the City Treasurer in attendance.

- 2.3 The City Council has entered into a partnership to formally establish the Local Care Organisation (MLCO) and to ensure the delivery of integrated health and social care services. The partnership comprises four provider organisations Manchester City Council, Manchester Foundation Trust, Manchester Primary Care Partnership and Greater Manchester Mental Health. MCC representation on the LCO Board comprises an Executive Member and another position nominated by the Executive Member, currently the Deputy Chief Executive.
- 2.4 Manchester City Council and NHS Manchester CCG have agreed a pooled single commissioning budget for health, adult social care and public health from April 2018 with a Section 75 Partnership Agreement and Financial Framework. The Manchester Agreement sets out the overall financial context for health and social care, including detailed financial and activity assumptions.
- 2.5 The single budget will include the all of the CCG budget and the majority of the Council's adult social care budget, excluding the budget for Homelessness, Adults Safeguarding Service and Our Manchester Voluntary and Community Sector grants. When the Council's budget was approved in February 2018 the total single MHCC budget for 2018/19 was £1.117billion, made up of £930m (Health) and £186.5m (MCC). The purpose of the single health and care budget is:
- To commission coordinated health, social care and public health services, through the Local Care Organisation, Single Hospital Trust and other providers.
  - To shift investment upstream enabling proactive and co-ordinated care within neighbourhoods to reduce demand on high cost, acute or long term institutional care.
  - To realise benefits of cost efficiency through increased purchaser power, reduced duplication and reduced detrimental decisions at a system level.
  - To develop opportunities for a more strategic approach to capital and revenue financial planning.
- 2.6 The current Manchester Agreement is a starting point for more formal system governance and supporting working arrangements. It is intended that the arrangements will evolve and grow in both scope and maturity, strategy and collective ways of working which will enable more effective implementation of the Locality Plan.
- 2.7 The development of an approach to generating social value from health and social care activities and commissioning is therefore set within a context of system transformation. This provides opportunities to utilise the good practice already in place and being developed through MCC across the evolving health and social care infrastructure but also presents a need to think differently about how social value can be derived from services which are not commissioned through a competitive process; the majority of NHS (Clinical

Commissioning Group) funding is spent on contracts which are negotiated annually. The five year MHCC and MLCO inclusion and social value strategy which is currently being developed, with a view to full implementation starting from Quarter 3 2018/19, sets out the opportunities and priorities for embedding social value across the system.

### **3.0 MHCC and MLCO Inclusion and Social Value Strategy**

- 3.1 In order to develop the MHCC and MLCO inclusion and social value strategy, a full review of existing social value mechanisms and activity has been undertaken to establish what is already working well and where there are opportunities to derive more social value from in-house activities and commissioned services.
- 3.2 A 'Theory of Change' workshop was held in March 2018 with stakeholders across health and social care (including MCC) to establish our vision for inclusion and social value and priorities for the strategy and delivery plan. Whilst there are opportunities to deliver social value across a range of areas reflected in the GM and city's social value policy, including environmental sustainability, our primary focus will be on using social value mechanisms to increase employment of local people. There will be a particular focus on recruiting, retaining and supporting the progression of Black and Minority Ethnic people, disabled people and people with a long term health condition both directly as big employers and through our supply chains. By focusing our social value approach in this way, we believe that we can improve health outcomes for under-represented communities.
- 3.3 The draft strategy recognises the opportunity to adopt existing and emerging MCC social value processes and delivery mechanisms such as the social value toolkit, long established relationships between MCC and employment support organisations such as Jobcentre Plus and Breakthrough UK and NHS workforce and organisational development resources to support the progression of BME staff through positive action.

### **4.0 Progress on deriving social value through commissioning and procurement**

- 4.1 As described above, MHCC will adopt the same processes and approaches to MCC in the delivery of social value wherever possible. Social value will be explicitly covered at the commissioning and pre-tender stages, the minimum score of 20% for social value will be built into MHCC commissioning. MHCC is working towards adoption of the Ethical Care standard which involves a requirement for providers to pay all employees at least the Manchester Living Wage and not offer excessive zero hour contracts.
- 4.2 There are a number of recent examples of MHCC commissioned services where social value has been included in the project specification and procurement process, including the Community Links for Health North and

Community Links for Health Central and South (to be known as Be Well). Social value targets have been built into the contracts for these services and will be monitored and reported back to the MCC Social Value Board and MHCC Board. Social value was heavily featured at a market event in July for potential bidders for homecare services with information provided on what social value is, why it is so important to MHCC, how it will be built into the specification and scoring process and what some of the existing mechanisms are to deliver social value.

- 4.3 Manchester City Council has committed to paying the Manchester (Real) Living Wage to all staff and this includes an ambition to apply the same to all commissioned and sub-contracted services. Our procurement powers offer us a real opportunity to apply this across MHCC commissioned services and this will be applied to the homecare services contract as well as the Continuing Health Care contract. MHCC has budgeted for this uplift and publicly announced this positive development for care workers in March 2018 which aligns with the Unison Ethical Care Charter which MCC signed up to work towards in October 2017.
- 4.4 A large proportion of the NHS commissioning budget is spent on contracts which are negotiated on a year by year basis rather than through procurement e.g. hospital contracts. MHCC is therefore developing an approach to deriving more social value from these contracts using an NHS Commissioning for Quality and Innovation (CQUIN) funding mechanism which makes a proportion of healthcare providers' income conditional on demonstrating improvements. The CQUIN targets will be linked to improving employment outcomes for local people and will be put in place as part of annual contract negotiation from autumn onwards in time for an April 2019 start. This represents a step change in terms of our requirements of providers.
- 4.5 As the delivery of social value is fairly new to some of the MHCC workforce, we will be working collaboratively with MCC's Corporate Procurement Team, the Integrated Commissioning Team and the Work and Skills Team to deliver training and guidance to staff across commissioning, contract management and quality assurance as well as the MLCO to embed an understanding of social value across the organisations.
- 4.6 The development of the Local Care Organisation for the city (MLCO) continues to progress with support from MHCC. This development has included involvement of the Voluntary and Community sector and a range of stakeholders through a series of 'Future Search' workshops which took an Our Manchester approach to establishing priorities and purpose. Whilst the MLCO does not have a commissioning function at present, the agreement is that for procurement and commissioning purposes, the MCC/MHCC approach will be adopted in the future.
- 4.7 As reported previously, in the development of the MLCO outcomes framework, MHCC has incorporated indicators to reflect the requirement of MLCO to take account of social value, with a focus on employment. The indicators are to:

- Reduce the proportion of Manchester residents aged 16-64 claiming ESA and incapacity benefits (The roll out of Universal Credit will require a change of wording to reflect a reduction in the proportion of residents claiming a health related out of work benefit)
- Increase the proportion of LCO employees who are Manchester residents
- Increase the number of adults who are helped to stay in work

4.8 The case study included as Appendix 1 provides an early example of a service which 'sits' within the MLCO and where existing social value delivery mechanisms have been utilised to support local unemployed people into reablement roles. This is one example of MLCO activity which will deliver against the outcomes framework indicators agreed with MHCC. Performance information against the indicators within the outcomes framework is not available yet but can be provided to a future meeting of this sub group.

## **5.0 MHCC 'in-house' social value**

- 5.1 In addition to the social value being derived through commissioning and the MLCO, MHCC has been developing its approach to 'in-house' social value delivery. As a relatively new organisation, we have been able to bring good practice from the two 'host' organisations (MCC and the Manchester CCG) into the development of our working culture and practice. We are for example working collaboratively with MCC to develop a mechanism for passing on up to 10% of the MCC and MHCC apprenticeship levy to pay for the delivery costs of apprenticeships within homecare and primary care respectively. We are also working alongside the MCC Our Manchester team to develop our approach to collaboration with and funding of Voluntary and Community sector groups. We have also brought in Manchester Foundation Trust's Head of Sustainability to support an approach to the planned office move for MHCC and MLCO teams which will minimise our carbon footprint.
- 5.2 The staff volunteering policy launched for MHCC staff mirrors the MCC three day per year policy. It is still early days in terms of the implementation of the policy but we have examples of teams and individuals supporting events such as the recent launch of the Wythenshawe Forum Futures employment and skills zone – offering support for job applicants and staff supporting NHS careers aspiration events for young people at the East Manchester Academy. Other staff have provided mentoring support for apprentices and delivered 'In the Know' tours for unemployed residents – this is a pre-work experience model which aims to break down some of the recruitment barriers that some of our residents tell us they experience by just bringing them into the workplace to give an insight into working life and what careers we can offer.
- 5.3 There is also a strong link to social value within the city's health and social care Locality Workforce transformation plan – we recognise our role in supporting more under-represented communities into work with progression opportunities. There is strong evidence that diverse workforces deliver better health and social care outcomes and that 'good' work is good for health. We

will be adopting a number of measures to recruit more disabled and BME staff and have collaborated across the health and social care system in the city to agree our priorities and mechanisms to this end. For example, all health and social care organisations in the city are signing up to achieve Disability Confident Level 3 in 2019. Disability Confident is a voluntary government standard for employers to improve recruitment and retention of disabled staff. Whilst achievement of the standard will not in itself necessarily change outcomes for disabled people, it will provide a shared framework across organisations which we will develop collaboratively and allow us to measure impact and share resources. MHCC has already funded a pilot this year across all organisations to give managers of disabled staff the tools to support staff to stay in work and progress.

## **6.0 Conclusion**

There has been some real progress since the last report to this sub group in terms of developing the MHCC approach to social value. This has been based on what works well within the existing and evolving MCC approach and allows for a specific focus on improving health outcomes through employment related social value. The draft five year MHCC and MLCO inclusion and social value strategy and delivery plan which is due to be presented to the MHCC Board and MLCO Partnership Board in the autumn will provide the framework for implementation of the measures outlined in this paper. As the city's health and social care infrastructure continues to develop, this will provide the basis for further embedding social value within commissioning, contract review and in-house activities.