

Social Value and NHS Supply Chain

Annual Report 2024/2025

Introduction

The NHS exists to serve the people. Its purpose is to improve health and wellbeing, helping individuals stay mentally and physically well, recover when ill, and, when full recovery is not possible, maintain the best possible quality of life. It operates at the forefront of science, applying the highest levels of knowledge and skill to save lives and enhance health. The NHS supports people at moments of fundamental human need, when care and compassion matter most.

It is built on a shared set of principles and values that unite the communities it serves; patients, the public, and the staff who work within it. Its scale and complexity also mean it plays a significant role in our collective impact on the planet.

Social value relates to the positive impact that organisations can have on society, the environment and the economy. The concept of social value is interconnected with the values and principles established in the NHS Constitution for England.¹

NHS Supply Chain is part of the NHS family. Our role is to source, deliver and supply healthcare products, services and food for NHS trusts and healthcare organisations across England and Wales. By working in collaboration with the healthcare system and suppliers, we help the NHS to put patients first.

We deliver cost-efficient, resilient, clinically assured products that are responsive to frontline needs. Our focus on the end-to-end patient pathway supports the healthcare system to:

- Reduce treatment times

- Decrease patient length of stay
- Enable more care in community settings
- Improve clinical outcomes

We have approximately 600,000 products on our catalogue, manage relationships with over 1,000 different suppliers and deliver into 18,000 locations each year. NHS Supply Chain has applied a minimum 10% weighting of the total score in the award of all contracts since February 2024.

This report describes how NHS Supply Chain approaches the regulatory requirements of social value in our procurements and details the social value impact that we contribute to communities, the NHS and our stakeholders.

This is our second social value report, covering the financial year 2024/2025.

¹ [The NHS Constitution for England - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672222/nhs-constitution-for-england.pdf)

Social value

Social value has its roots in public sector procurement. The Public Services (Social Value) Act 2012 marked a significant shift from focusing solely on cost and efficiency as the primary measures of value. While economic indicators remain essential, the broader concept of social value encompasses the positive impact that procurement activities have on people, communities, and the environment. This holistic approach, integrating social, economic, and environmental benefits, is firmly embedded in our operations and enables NHS Supply Chain to deliver greater value to the NHS and the communities it serves.

NHS Supply Chain's inaugural Social Value Report outlined our approach to PPN 06/20 in 2023/2024. Since publishing our last report, the Procurement Act 2023 and PPN 002² have come into effect, strengthening our ability to utilise our procurement activities to create lasting value. For 2024/2025, our Social Value Report references PPN 002, which will enable us to track our performance into the future in relation to the latest guidance.

Published in February 2025, PPN 002 outlines how contracting authorities should incorporate social value considerations by applying the PPN 002 Social Value Model. The PPN states that contracting authorities must consider social value when awarding contracts. The award criteria must include a "minimum 10% weighting (or equivalent measurement) of the total score, for social value" and should incorporate the Social Value Model.

The Model is built on five core **Missions**, each with at least one **Outcome**:

Mission: Kick start economic growth

Outcome 1: Fair work: work that offers fair wages and good working conditions. Help people get a job, stay in work, and progress in their careers, with good employment opportunities across the country.

Outcome 2: Skills for growth: supporting growth sectors and addressing skills gaps.

Outcome 3: Resilient, innovative and flexible supply chains: Support economic growth through enabling resilient businesses, opportunities for small businesses and voluntary, community and social enterprises.

Mission: Make Britain a clean energy superpower

Outcome 4: Sustainable procurement practices: reducing carbon footprints, minimising waste, and promoting the use of clean energy and green technologies.

Mission: Take back our streets

Outcome 5: Support the reduction in crime through community cohesion, awareness raising and action.

Mission: Break down barriers to opportunity

Outcome 6: Employment and training for those who face barriers to employment.

Outcome 7: Creating a pipeline of opportunities for the contract workforce, reducing barriers to entry for under-represented groups.

Mission: Build an NHS fit for the future

² [Procurement Policy Note 002: The Social Value Model \(HTML\) - GOV.UK](#)

Outcome 8: Increasing productivity through physical and mental wellbeing:
in the supply chain and communities in the relevant area.

Our social value performance

Since our inaugural report in 2023/2024, we have continued to monitor performance across a suite of metrics. Each metric is described in this section, along with its relationship to social value and the relevant PPN 002 **Outcome**. Our 2024/2025 performance for each metric follows.

The 5% Club status

Description: The 5% Club is an organisation that supports its members in increasing the availability and quality of workplace learning opportunities. Member employers are committed to “achieve 5% of their workforce in earn and learn positions (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining.”³

Outcome: NHS Supply Chain is committed to developing the skills and capabilities of our people. In September 2024, we welcomed 25 graduates onto a structured training programme, all of whom undertook an apprenticeship or further education in the workplace. We also made formal training schemes available to colleagues across the organisation.

PPN 002 Outcome 7: Creating a pipeline of opportunities for the contract workforce, reducing barriers to entry for under-represented groups.

Performance: **Gold**⁴

Number of work experience days for school students

Description: The total number of work experience days undertaken by

school students in the reporting year.

Outcome: NHS Supply Chain recognises its responsibility to the local communities in which we operate. Our formal Work Experience Programme provides structured and meaningful opportunities for young people to explore careers within NHS Supply Chain and gain valuable insights into the world of work. In 2024/2025, the programme was open to students aged 15–17 from a wide range of schools and colleges in the Nottingham area. In future years, we aim to expand this provision to additional sites. Across all locations, we also welcome the children, relatives, and family friends of colleagues, offering further opportunities for 15–17-year-olds to gain practical experience through our informal work experience programme.

PPN 002 Outcome 7: Creating a pipeline of opportunities for the contract workforce, reducing barriers to entry for under-represented groups.

Performance: **10 work experience days**

Number of reported supply chain disruptions successfully resolved

Description: Supply chain resilience refers to the capability of a supply chain to withstand disruption and minimise the impact of a changing or challenging landscape. This includes managing risks such as raw material shortages, manufacturing or transportation interruptions, geopolitical events, and pandemics. Ensuring that all NHS trusts have equitable access to key products remains a top priority.

Outcome: NHS Supply Chain invests in a dedicated Supply Chain Resilience function, focused on minimising the impact of disruptions for NHS trusts while ensuring fair and equitable access to products. In 2024/2025,

³ [About - The 5% Club](#)

⁴ [Accredited Membership- become a Platinum, Gold, Silver or Bronze Member - The 5% Club](#)

147 reported supply disruptions were effectively managed and resolved, minimising the impact to our customers and ensuring a return to continuity of supply.

PPN 002 Outcome 3: Resilient, innovative and flexible supply chains: Support economic growth through enabling resilient businesses, opportunities for small businesses and voluntary, community and social enterprises.

Performance: **147 reported supply chain disruptions successfully resolved**

12-month sales by SME class ratio

Description: Small and medium-sized enterprises (SMEs) contribute significant value to the NHS, create jobs in local communities and are at the forefront of innovation across the NHS. SMEs can also increase resilience in supply chains and adapt quickly to the evolving needs of the NHS. NHS Supply Chain supports the government's ambition to improve competition in public contracts and remove barriers to entry⁵.

Outcome: In 2024/2025, NHS Supply Chain played a collaborative role in supporting NHS England's SME Action Plan⁶. We worked with NHS England and the Department of Health and Social Care through the SME Advisory Group to identify issues affecting SMEs and improve their access to NHS commercial opportunities. We were also represented within the group's membership structure.

NHS Supply Chain supported early strategic alignment by working with partners, including NICE and the Health Innovation Network, to develop a

⁵ [Supplementary information: Small and Medium-sized Enterprises definition \(HTML\) - GOV.UK](#)

⁶ [NHS England » Small and medium enterprises action plan](#)

collaboration charter that improved coordination across the innovation landscape. We continued to expand opportunities for SMEs to bring innovation into the NHS through our Medical Technology Dynamic Purchasing System (DPS) for Innovative Product. This work also enabled us to gain insight into potential levers to increase equity and enhance engagement opportunities for SMEs.

Outcome 3: Resilient, innovative and flexible supply chains: Support economic growth through enabling resilient businesses, opportunities for small businesses and voluntary, community and social enterprises.

Performance: **36.40%**

Supplier completion of CRP to compliant level for contracts awarded within the reporting year

Description: In February 2025, the UK government issued PPN 006, which outlines the carbon reduction reporting requirements for public sector procurements. Although PPN 006 replaces the previously applied PPN 06/21, the substantive requirements remain unchanged. A Carbon Reduction Plan (CRP) under PPN 006 is a short, publicly available statement required from suppliers bidding for major UK public sector contracts (over £5m), confirming their commitment to achieve net zero by 2050 and disclosing their current Scope 1, 2 and selected Scope 3 emissions⁷. It summarises baseline emissions, planned reduction initiatives, and senior-level sign-off to demonstrate compliance with the government's procurement requirements.

Outcome: NHS Supply Chain requires all suppliers to comply with PPN 006. Only suppliers with a compliant CRP are awarded contracts, and suppliers

⁷ [Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts - GOV.UK](#)

must update their CRP regularly (at least annually).

PPN 002 Outcome 4: Sustainable procurement practices: reducing carbon footprints, minimising waste, and promoting the use of clean energy and green technologies.

Performance: **100%**

Annual publication of NHS Supply Chain's carbon footprint and CRP

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Outcome: NHS Supply Chain published its first CRP in 2024 and commits to at least annual updates, in compliance with PPN 006.

PPN 002 Outcome 4: Sustainable procurement practices: reducing carbon footprints, minimising waste, and promoting the use of clean energy and green technologies.

Performance: **Published**

Sustainable opportunities per framework

Description: The percentage of NPCs (products) on frameworks awarded in

the reporting year that are classified as sustainable opportunities. Performance is measured as the percentage increase in the proportion of sustainable options relative to total items, comparing the previous framework with the new one. Sustainable opportunities must be supported by accompanying guidance outlining how customers can access them.

Outcome: To be published in 2025/2026.

PPN 002 Outcome 4: Sustainable procurement practices: reducing carbon footprints, minimising waste, and promoting the use of clean energy and green technologies.

Performance: **New metric. Performance to be published in 2025/2026.**

Total percentage of FTE employees with disability (including long-term health and neurodivergent conditions) employed by NHS Supply Chain, as a proportion of the total FTE contract workforce

Description: Equality, Diversity and Inclusion (ED&I) are interconnected principles focused on promoting fairness, fostering inclusion, and recognising the value of individual differences. NHS Supply Chain is committed to cultivating an inclusive environment where diversity is respected and celebrated, enabling everyone to thrive.

Outcome: In 2022, we introduced our first ED&I strategy to support the delivery of our people promise for the period 2022-2025: "We are compassionate and inclusive. A working environment that is inclusive, celebrates diversity and ensures colleagues are their best selves, free of judgement and encouraged to learn from alternative perspectives."

NHS Supply Chain encourages colleague networks as a place to celebrate, support and engage with the wider organisation to raise awareness of the

diverse communities that they belong to and the issues they face. In 2024, NHS Supply Chain launched the *Diverse Abilities Network*. The network was set up to provide a safe, supportive and inclusive community where unique minds and bodies are accepted by those living with them, embraced and celebrated. Across NHS Supply Chain, the network provides a space for greater understanding to help change perspectives, removes barriers and creates a working environment where everyone can thrive.

PPN 002 Outcome 6: Employment and training for those who face barriers to employment.

Performance: **8.28%**

Total percentage of FTE ethnically diverse employees at NHS Supply Chain, as a proportion of the total FTE contract workforce

Description: Equality, Diversity and Inclusion (ED&I) are interconnected principles focused on promoting fairness, fostering inclusion, and recognising the value of individual differences. NHS Supply Chain is committed to cultivating an inclusive environment where diversity is respected and celebrated, enabling everyone to thrive.

Outcome: In 2022, we introduced our first ED&I strategy to support the delivery of our people promise for the period 2022-2025: “We are compassionate and inclusive. A working environment that is inclusive, celebrates diversity and ensures colleagues are their best selves, free of judgement and encouraged to learn from alternative perspectives.”

NHS Supply Chain encourages colleague networks as a place to celebrate, support and engage with the wider organisation to raise awareness of the diverse communities that they belong to and the issues they face. Our *embRACE Network* aims to amplify the voices of under-represented

ethnically and culturally diverse and racial groups and create a sense of belonging for all. The network promotes inclusivity and provides a safe space to understand the experiences of ethnically and culturally diverse groups, turning awareness into tangible actions to improve the colleague experience and support organisational goals.

PPN 002 Outcome 6: Employment and training for those who face barriers to employment.

Performance: **21.68%**

Supplier completion of Modern Slavery Assessment Tool to satisfactory level for contracts awarded within the reporting year

Description: The Modern Slavery Assessment Tool (MSAT) is a modern slavery risk identification and management tool. This tool has been designed to help public sector organisations work in partnership with suppliers to improve protections and reduce the risk of exploitation of workers in their supply chains.

Outcome: NHS Supply Chain complies with PPN 02/23. By adopting the PPN, NHS Supply Chain uses its extensive buying power to mitigate the risks of modern slavery occurring in our supply chain. All suppliers must complete and maintain an up-to-date Modern Slavery Assessment Tool (MSAT) as a minimum requirement.

PPN 002 Outcome 1: Fair work: that offers fair wages and good working conditions. Help people get a job, stay in work, and progress in their careers, with good employment opportunities across the country.

Performance: **100%**

Best Companies Accreditation level

Description: Best Companies accreditation is a nationally recognised benchmark for workplace engagement in the UK. It is awarded based on anonymised employee feedback collected through the Best Companies Index (BCI), a data-driven scoring system that measures how employees feel about their organisation across key factors such as leadership, personal growth, wellbeing, and fairness.⁸

Outcome: In 2024, NHS Supply Chain gained 1-star accreditation, achieving a 'Very Good Company to Work For' rating. This demonstrates significant progress since our previous rating of 'One to Watch', reported in our Social Value Report 2023/2024. We created a Corporate Action Plan, which incorporates the findings of the surveys and feedback from our listening forums to create focused areas for improvement. In March 2025, we improved our BCI score again, putting us on track to meet our goal of 2-star accreditation by 2028.

PPN 002 Outcome 1: Fair work: that offers fair wages and good working conditions. Help people get a job, stay in work, and progress in their careers, with good employment opportunities across the country.

Performance: **One Star (Very good to work for)**

Lost time injuries per 200,000 hours

Description: This metric measures the number of workplace injuries that result in employees being unable to perform their normal duties, standardised per 200,000 hours worked. It provides a consistent way to track safety performance over time and compare across organisations or industries. A lower rate indicates a safer working environment and effective risk-management practices.

Outcome: For the financial year 2024/2025, NHS Supply Chain set an

⁸ [Best Companies - Company Accreditations](#)

organisation-wide target of fewer than 0.6 lost time injuries per 200,000 hours worked. Not only did we improve on the previous year's performance, but our result this year also surpassed the target.

PPN 002 Outcome 1: Fair work: that offers fair wages and good working conditions. Help people get a job, stay in work, and progress in their careers, with good employment opportunities across the country.

Performance: **0.56 per 200,000 hours**

Frameworks awarded in reporting year meet all standards of our clinical and quality assurance framework

Description: The delivery of high quality, safe patient care relies on a resilient supply of high quality, safe products.

Outcome: Our Clinical Quality Assurance Dashboard was launched in October 2024 and has been designed to provide up to date insight into how each of our pre-tender frameworks are progressing. It is also a useful tool to highlight any risks or issues that need to be addressed.

Utilising our clinical quality standards, the dashboard provides a single version of the truth for quality and demonstrates progress against each standard using a Red, Amber, Green (RAG) system.

Outcome 3: Resilient, innovative and flexible supply chains: Support economic growth through enabling resilient businesses, opportunities for small businesses and voluntary, community and social enterprises.

Performance: **100%**

Number of certified Mental Health First Aiders

Description: Mental health at work refers to the emotional, psychological, and social wellbeing of employees and the extent to which the working environment supports their ability to feel safe, valued, and able to perform at their best. A mentally healthy workplace recognises the pressures people may face, reduces stigma around mental health, and fosters a culture where colleagues feel comfortable seeking support.

Outcome: Promoting and supporting the wellbeing of our people is at the heart of our culture. Our Mental Health First Aiders (MHFA) community is made up of trained and supportive colleagues who are available to provide emotional support when needed. They help identify early signs of mental ill health, offer initial and ongoing assistance, and signpost colleagues to appropriate resources to support their wellbeing.⁹ In 2024/2025, there were 26 certified mental health first aiders.

Outcome 8: Increasing productivity through physical and mental wellbeing: in the supply chain and communities in the relevant area.

Performance: **26 certified Mental Health First Aiders**

Number of activity hours logged on the Myles health and wellbeing app by employees

Description: The Myles app is an employee wellbeing platform designed to encourage healthier habits through activity tracking, monthly challenges, and reward-based incentives. It supports a wide range of activities, integrates with major fitness trackers, and uses leaderboards and digital rewards to boost engagement. The platform focuses on inclusivity, simplicity and long-term participation, helping organisations promote a positive,

⁹ [Myles Wellbeing](#)

connected, and health-focused workplace culture.

Outcome: Promoting and supporting the wellbeing of our people is at the heart of our culture. We aim to help employees maintain a healthy work–life balance, build personal resilience, and contribute to a positive working environment where everyone can thrive. Since 2023, one way NHS Supply Chain has invested in colleagues' health and wellbeing is through the organisation-wide availability of the Myles app. Engagement continued to grow in 2024/2025, with more hours logged in the app than in the previous year.

Outcome 8: Increasing productivity through physical and mental wellbeing: in the supply chain and communities in the relevant area.

Performance: **59,154 activity hours logged**

Overall Customer Satisfaction Survey score

Description: This metric is measured through our quarterly Customer Satisfaction Survey, a continuous research programme that enables us to assess how effectively we are meeting customer needs. The survey provides a broad range of customer-related performance insights, helping us understand how our partners across the NHS and the wider healthcare network perceive the quality of the service we deliver and the products we supply.

Outcome: Our Overall Satisfaction (OSAT) KPI target for 2024/2025 was to deliver a rolling 12-month net improvement in our overall satisfaction rating. With the previous year's OSAT score at 56%, we have significantly exceeded this target, achieving a 6-percentage-point increase to 62%. This strong performance reflects the hard work and continuing focus on customer needs across the organisation and is underpinned by ongoing

improvements in the four key drivers of overall satisfaction: communication, trust, acting on feedback, and product availability.

Outcome 3: Resilient, innovative and flexible supply chains: Support economic growth through enabling resilient businesses, opportunities for small businesses and voluntary, community and social enterprises.

Performance: **62.00%**

Volunteering hours logged by NHS Supply Chain employees

Description: NHS Supply Chain recognises the important role we play in supporting our local communities. Volunteering strengthens our social

impact by supporting local organisations, fostering community resilience, and empowering colleagues to make a meaningful difference beyond their day-to-day roles.

Outcome: We offer our people up to two days of paid volunteering each year, enabling them to build connections within their communities and contribute to causes they feel passionate about. In 2024/2025, volunteering hours logged by our people increased by 60%, demonstrating growing engagement and a deepening commitment to community contribution.

Outcome 8: Increasing productivity through physical and mental wellbeing: in the supply chain and communities in the relevant area.

Performance: **4,359.19 volunteering hours logged**

FY 2024/2025 summary

Metric	PPN 002 Social Value Model outcome	2023/2024 performance	2024/2025 performance	Assessment of progress
The 5% Club status	7	Silver	Gold	
Number of work experience days for school students	6	62	10	
Number of reported supply chain disruptions successfully resolved	3	-	147	
12-month sales by SME class ratio	3	37.30%	36.40%	
Supplier completion of CRP to compliant level for contracts awarded within the reporting year	4	100%	100%	
Annual publication of NHS Supply Chain's carbon footprint and CRP	4	Published	Published	
Ratio of sustainable opportunities per framework that are clearly articulated to the customer with processes for access	4	-	-	-
Total percentage of FTE employees with disability (including long-term health and neurodivergent conditions) employed by NHS Supply Chain, as a proportion of the total FTE contract workforce	6	5.1%	8.28%	
Total percentage of FTE ethnically diverse employees at NHS Supply Chain, as a proportion of the total FTE contract workforce	6	7.7%	21.68%	
Supplier completion of Modern Slavery Assessment Tool to satisfactory level for contracts awarded within the reporting year	1	100%	100%	
Best Companies Accreditation level	1	One to watch (Good to work for)	One Star (Very good to work for)	
Lost time injuries per 200,000 hours	1	0.87	0.56	
Frameworks awarded in reporting year meet all standards of our clinical and quality assurance framework	3	-	100%	
Number of certified Mental Health First Aiders	8	18	26	
Number of activity hours logged on the Myles health and wellbeing app by employees	8	42,610	59,154	
Overall Customer Satisfaction Survey score	3	55.00%	62.00%	
Volunteering hours logged by NHS Supply Chain employees	8	2,725.40	4,359.19	

