

CABINET

21 June 2022

Title: Social Value in Procurement – Impact Report 2021/22	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Faye Elliott, Social Value Co-ordinator Commercial Service	Contact Details: Tel: 07866 179745 E-mail: faye.elliott@lbbd.gov.uk
Accountable Director: Hilary Morris, Commercial Director, Customer, Commercial and Service Delivery	
Accountable Strategic Leadership Director: Abi Gbabo, Strategic Director of Inclusive Growth	
Summary: The Council's Social Value Policy was revised and approved by Cabinet in May 2020 (Minute 4, 19/05/20) and then launched in October 2020. Its purpose was to maximise the impact the Council could leverage from its contracted spend by mandating social value must be part of the evaluation criteria on Council procurements over £100,000. The revised policy was designed to enhance delivery of 'inclusive growth' and meet Borough Manifesto targets to improve job density, income and employment rates in the borough. The Social Value policy also plays a part in supporting delivery of the Council's wider Corporate Plan and strategic goals to improve participation and engagement; independence and resilience; and environmental sustainability. This report provides the annual update regarding progress and impact that the policy has had between April 2021 and March 2022.	
Recommendation(s) The Cabinet is recommended to: (i) Note the continued positive impact of the Council's Social Value in Procurement policy in terms of suppliers' social value commitments and associated outputs; (ii) Approve the updated Social Value Toolkit 2022 as set out at Appendix 1 to the report, reflecting the change from five Social Value themes to the three themes and top-level ambitions of: Investment in Local People: A resilient population. Supporting higher levels of local employment, income, independence, and wellbeing in the borough.	

Investment in Local Economy: A vibrant, future focused local economy. A resilient economy that meets the needs of the local population.

Environmental Sustainability: Better outcomes for all. An environmentally sustainable economy with improved air quality and reduced transport, waste, and packaging.

- (iii) Note the Council's plan to pilot a programme focussing on work experience for young people and those disadvantaged in the workplace.

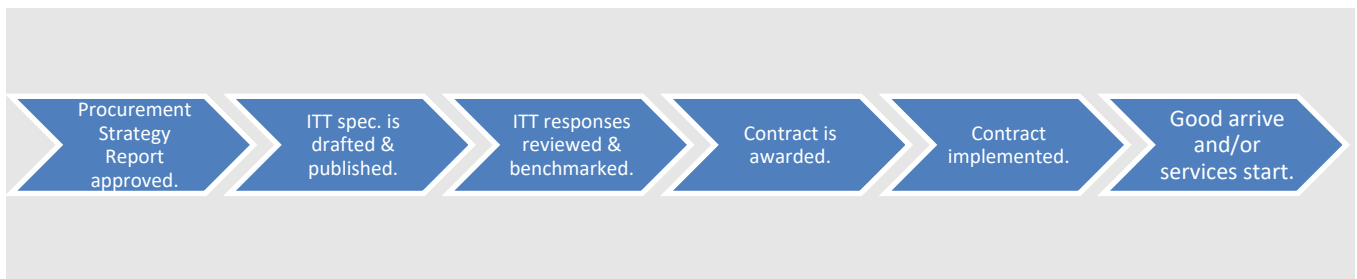
Reason(s)

As the Social Value Policy is nearly 2 years old, we are recommending reducing the 5 themes to 3 for the reasons set out in this paper, to make it easier for suppliers to understand our expectations. It is not anticipated that outcomes will be lost through this change.

1. Introduction and Background

- 1.1 In May 2020 Cabinet approved a revised Social Value policy which committed Commissioners to include a minimum of 10% and a maximum of 20% Social Value weighting to the evaluation criteria for all procurements over £100,000 (excluding frameworks and waivers).
- 1.2 This policy, along with a Social Value Toolkit, explains to potential suppliers how they can support the Council by delivering social value outcomes within our priority areas. The Policy requires potential suppliers to consider what action they might undertake to support the Council in achieving better outcomes for the borough and its residents and places emphasis on commitments that deliver within our five social value themes.
- 1.3 Under the current framework set out within the 2020 Social Value Policy, there are five themes:
- Investment in Local People
 - Investment in Local Economy
 - Environment Sustainability
 - Community Participation and Engagement
 - People, Independence and Resilience
- 1.4 The Council's Social Value Coordinator has been in post since August 2020 to work with commissioners to ensure they understand and implement the Council's priorities for Social Value. Each Commissioner is encouraged to steer suppliers towards any number of these themes with emphasis placed on 'Investment in Local People' and 'Investment in Local Economy' as these are seen as offering the best opportunity for impact. However, it is ultimately the supplier that will commit to the outputs and actions it thinks it can achieve.
- 1.5 As a reminder, most procurements that now meet the Social Value threshold are large and complex, therefore there is often a long time between papers going to Procurement Board, ITT specification being developed and published, contract

awards and the supplier starting work. The table below sets out the high-level procurement process.



- 1.6 There is often a 9-18 month lead time between the start of the process to procure and the work/service starting or goods arriving.
- 1.7 On that basis reporting on Social Value should be considered in two separate ways: commitments and outcomes. Commitments are the activities or initiatives that suppliers outline they will deliver during the time they are in contract with the Council; whereas the outcomes are the actual benefits that are delivered by the supplier. There can be a number of factors that mean these two things differ, for instance, the ongoing impact of Covid 19 or possible lack of engagement from a community organisation, school etc. If these situations occur, the Council works with suppliers to find an alternative outcome to ensure some impact is still achieved.

2. Proposal and Issues

2.1 Data analysis

- 2.1.1 There have been 58 relevant procurements brought to Procurement Board in the last 12 months with only 2 suppliers winning a tender process without providing any social value commitment. Therefore 97% of our major suppliers are committing to provide some social value to the borough and its residents.
- 2.1.2 Where goods or services are procured through either a Framework or via a Council approved waiver, Social Value evaluation cannot be mandated. However, the commissioner is still encouraged to contact the supplier to discuss Social Value impact and whether there are any commitments that can be made. This is often undertaken with support from the Social Value Coordinator. In the last 12 months the Council has received Social Value commitments from a number of suppliers through this process, with the commitments ranging from advertising roles via the jobs shop, committing to provide additional trees in the borough, and workshops for residents with additional learning needs focused on personal safety in public places.

2.2 Impact of the first full year of policy change

- 2.2.1 The following summarises the commitments that have been agreed between April 2021 and March 2022 and the outcomes that have been delivered during this period. More information regarding each supplier's commitments and outcomes can be found in the Appendix2: Social Value Commitments and Output from Suppliers April 2022.

2.2.2 Of all the procurements during 2021 to 2022, those not listed in the commitments or outcomes below are still in the ITT/contract development or implementation stage, so the final commitments have not been agreed.)

Commitments

159 places on programmes

like Fast Futures and STEMettes, volunteer employment roles, community group roles, training opportunities, apprenticeships, industry placements, etc

1000 hours

hours donated for support to job seekers, career development, skills and employability training and workshops

19 weeks

provided to students in formal work experience placements supported by BDSIP

£33k Initiative related support

Commitments to donate directly to VCSE or to support Council initiatives across domestic abuse, food banks, women's empowerment, mental health and community cohesion

Volunteering & activities

Equipment such as bird boxes, benches, mud kitchens etc provided, days volunteering to construct items or delivered through student talks, assemblies, site visits etc

Equipment & goods

5 suits, 10 warm coats, 2 Trees, 7 raised flower beds, 1 bench, 30 laptops provided to those in need in the Borough

Outcomes

9 additional roles

five placements and four roles advertised via Job Shop and filled by residents.

30 workshop attendees

across three sessions attended personal safety in public spaces workshop

140 hours

hours donated for student industry talks, careers days, student placements, VCSE business support, mentoring, skills development, employability skills etc

24 weeks

Six weeks of formal work experience students in supported by BD SIP, and 18 weeks additional work experience and career support undertaken with suppliers

£20k Initiative related support

Donated to River Roding Trust, VCSE to allow them to plant 60 semi-mature trees and 10 benches installed along the River Roding

Volunteering & activities

20 bird boxes, 1 bug hotel, 1 mud kitchen all made from recycled material. 3 assemblies delivered and 2 additional volunteering days.

50 food parcels **22** laptops donated to VCSE & Schools

Equipment & goods

Free office space to VCSE **30** personal alarms

2.3 Social Impact outside of Procurement

2.3.1 As explained in the previous Impact Report, the revised Social Value Policy change is generating a culture shift within the Council which is having a knock-on effect

outside of procurement discussions. The wider community benefit and social impact the policy is having is highlighted in a few key example areas below:

- **Council Commercial Portfolio** - The Council has noted a marked step change in the way our commercial portfolio address the Social Value owned by them through their onward supply chain. Below are a few examples:
 - B&D energy: Working with their onward supply chain, B&D energy have secured two apprenticeships via Vital Energy started in May 2021 and October 2021. Vital Energy have also undertaken school talks, tours and mini competition and given away goodie bags to students. There have also been seven trees planted in LBBDD by B&D Energy supplier as part of their Social Value outcomes.
 - Be First – Through their own construction works and their onward supply chain Be First are offering residents local employment (941 people from B&D employed), work experience, apprenticeships (86 employed on site), as well as supporting local businesses through local spend. Be First have really embedded Social Value into the way they procure, and the Borough and its residents are seeing the benefits.
 - BD Group – Working closely with the council BD Group are reviewing their own Social Value Policy and how they manage this through their onward supply chain. While this is underway, BD Group have also used social value commitments made through their supply chain to fund the Job Shop to support 25 individuals in the Borough with additional barriers to find employment.
 - BD SIP – As a stakeholder in the Council's Social Value Advisory Panel, BD SIP helps suppliers to fulfil their Social Value commitments by working with suppliers to schools with opportunities for work experience placements, volunteering opportunities and careers and industry specific sessions they host at the schools within the Borough. BDSIP therefore helps to provide the infrastructure that supports suppliers to fulfil their Social Value commitments in a meaningful and structured fashion.

- **Film LBBDD** - The Council's Film Service, Film Barking and Dagenham continues to drive Social Impact through the engagement they have with their client base – an approach that is set to grow through the 'Make It Here' programme of pathways to secure education, employment, supply chain and community benefits linked to the new film studios.

Focusing on delivering outcomes within the Council's Social Value themes, Film LBBDD have overseen additional community benefits from visiting productions ranging from work experience for students on film sets, paid marshalling roles, additional financial support to local businesses and creation of new local long term employment opportunities for residents (5 opportunities currently being advertised through the Council's job shop within the Film Office team and its associated supply chain).

With a total of 21 paid placements being offered to students in the borough, the Film office alone achieved approx. 117 days of paid experience in a variety of roles for students with the likes of Apple, Netflix and Warner Bros. Using the flat daily marshal rate (set by industry), an estimation can be made that total earnings of £14,625 were shared between this cohort of B&D students. This is

all additional to the benefit the Borough obtains from the direct income from these visiting productions and gives them direct experience in this critical key sector.

Also, the Eastbrook Studio hoarding is a great example of wider Social Impact. All the casting agents, models, photographers, and designers are from within Barking and Dagenham, a total of 23 people. Highlighting the talent that B&D has, as well as the Borough's ability to ensure the positive impact of the Film Studio development is felt by its residents.

- **LBBB Park Service** - Across the Parks Services, the teams ensure that whenever they spend any Council money that there is additional benefit to the Borough, even though their spend is predominantly below the threshold at which Social Value is required. A good example of these outcomes are personal trainer sessions and open days that are implemented when new Outdoor Gyms are installed or when additional equipment is purchased. Although it does not benefit the borough directly, the outdoor gym equipment providers plant 1 tree nationwide for every piece of gym equipment bought.

An additional example is at Pondfield Park where the supplier is providing and installing two new picnic tables for families using the park, as an additional commitment to the Borough.

- **Local Procurement Pilot** - To support the Council's goal to procure more goods and services within the borough, Inclusive Growth is working with My Place to pilot a different approach to smaller contracts – i.e. those under the £100K threshold for Social Value. The pilot is identifying contracts that could be delivered locally and supporting commissioners to tender and promote it in ways that make it more likely local organisations will apply. It is also exploring what support can be put in place to address some of the barriers local organisations face when seeking contracts with the Council.
- **London Living Wage** - In the original plan to implement Social Value, we said we would promote payment of the London Living Wage in our contracts for services through Social Value. Having consulted with Living Wage accredited councils that are already committed to paying the London Living Wage to contracted staff as well as employees, we are now proposing to make this a condition within the contract. This would require contractors to pay the London Living Wage to their staff working directly on LBBB, rather than simply scoring those that commit to do so more highly.

2.4 Changes to the Toolkit

2.4.1 Having worked with the Social Value themes for over a year now, it appears suppliers struggle to focus across all five themes and found it particularly challenging to understand how they can deliver outcomes that meet the Council's aspirations in the following two themes:

- Community Participation and Engagement
- People, Independence and Resilience

2.4.2 From listening to a number of suppliers, it has become clear that if the above themes could be incorporated into the Investment of People, Economy and Environment themes they are more likely to engage with considering tangible outcomes associated with these aspirations. It has also been suggested that by reducing the number of themes, it is likely to increase the suppliers focus on less small activities, in favour of activities that have greater and more tangible impact to the Borough and its residents.

2.4.3 Following these discussions, it is recommended to merge these two themes and any current activities that sit as examples under them into the remaining three to ensure no activity type would be lost. We believe this will provide a more public-facing narrative that is easier for commissioners, suppliers and residents to understand and engage with than the previous five themes. The revised themes and top-level ambitions would be:

- **Investment in Local People:** A resilient population. Supporting higher levels of local employment, income, independence, and wellbeing in the borough.
- **Investment in Local Economy:** A vibrant, future focused local economy. A resilient economy that meets the needs of the local population.
- **Environmental Sustainability:** Better outcomes for all. An environmentally sustainable economy with improved air quality and reduced transport, waste and packaging.

2.4.4 More detail around suggested activities under each theme can be found in the updated Social Value Toolkit, included at Appendix 1.

2.5 **Development of key programmes: Supported Employment Pilot**

2.5.1 Currently the Social Value Coordinator engages with commissioners and suppliers to identify suitable Social Value commitments, based on a combination of their corporate interests and resources, and the borough priorities. We host a Social Infrastructure Advisory Panel that provides a forum for key community representatives and partners to advise and shape our approach, both generally and on specific Social Value agreements. This flexible approach is a key feature of our ability to generate creative ideas and outcomes through Social Value.

2.5.2 Alongside this, however, we feel it would be useful to better direct contractors towards key priorities by establishing a small number of programmes that they could be asked to contribute to as part of their Social Value commitments. The first of these that we are working on is a supported employment programme to improve employment levels among people in receipt of social care support – including those with learning disabilities and mental health conditions – and in doing so improve levels of independence and resilience in the borough.

2.5.3 Some co-design research has been commissioned to develop a pilot programme with the relevant services (including Disability, Mental Health and Youth Offending) and the people they work with who would like to work. BD Group has agreed to be part of the pilot, with a view to developing a single approach to Social Value across their various contracts with My Place. If successful, the aim would be to expand the programme using the Social Value commitments of other major contractors. The pilot is due to start in the summer/autumn 2022.

2.6 Conclusion

- 2.6.1 There continues to be progress of the second phase of implementation of the Social Value Policy and commitments are starting to turn into a larger volume of outcomes as time passes. The Commissioners have a greater understanding of what is the art of the possible with Social Value and are showing real commitment and understanding of the wider impact of the policy changes. There is genuine engagement in certain areas, rather than just completing an additional procurement process and suppliers are increasingly keen to work with us to ensure their outcomes have tangible long-term benefits.
- 2.6.2 As Social Value continues to develop, so does the Council's understanding of what is possible in terms of expected outcomes. However, it isn't always easy to quantify what can be expected from suppliers. There isn't always a link between size/value of contract and our ability to obtain social value commitments, as some procurements and supply chains lend themselves to Social Value commitments in a way others do not. There are examples of high value IT contracts with limited or no Social Value commitments from suppliers, and other smaller adult social care contracts where the outcomes are having a real tangible impact of residents' lives. The Social Value Coordinator continues to work internally and with external suppliers to develop guidance, training and understanding to address this. We are also seeking to test the impact of a higher Social Value weighting (up to 20%), and to direct resources to priority areas through the development of programmes.
- 2.6.3 Overall, the impact continues to be felt within the Borough, by its residents and the environment. Below are some of the quotes received from suppliers, voluntary sector organisations and residents.

"It's amazing to see all of the work of The River Roding Trust and how our fund has had a **direct and tangible positive impact** for the local community. We're exceptionally **proud to be a part of the fabric of Barking and Dagenham.**"

- Clear Channel

"We have found social value uplifting as a team. We have found that it has given us a **new insight in to ways of supporting our residents.** With the contributions from our staff and volunteers we feel we are more in tune with our community"

- Independent Living Foundation (ILF)

"The Moore Insight colleagues have been wonderful and really supportive. I'm so happy that are working with borough for 10 years, although I anticipate **engagement with young people will continue** beyond that."

- BDSIP

"We believe that **Barking deserves beauty and that the River Roding should be the jewel in the crown of the town.** That's why ...local volunteers have spent many months working hard to plant trees and install benches along the river.

We're very grateful to Barking and Dagenham Council for recognising the importance of social value and to Clear Channel for." **providing the funding to pay for the trees and materials**

- River Roding Trust

"My placement at Moore Insight has been very beneficial for myself and for my future...**the placement has given me a better understanding of how communities and environments** can affect people in many different ways which has taught me to be much more grateful and don't take anything for granted.

Lastly, the team has had a big role in my life over the last few months...I am very grateful for this opportunity and very happy I took the opportunity up as it has **helped me develop as a person** and hopefully **my input will be a factor in making Barking and Dagenham a better place**".

- Child A. Resident / Beneficiary

"**Without the ILA I would not have had the confidence to move on and find employment.** The support throughout lockdown really **helped me realise I could find a job**"

- Resident / Beneficiary

We don't just want to "tick a box" for Social Value. We want our passion for doing good in everyday life to reflect in the work we undertake with clients. Targets and measurements are only one part of Social Value but to us, **focusing on creating a long-lasting impact on the communities** that our clients serve, with real, tangible results is what we see as making a real difference."

- Moore Insight

I can now go out in confidence knowing I don't have to remember phone numbers as **one button will get me help faster if in danger.**

- Resident / Beneficiary

"I feel very much part of a team, **like I belong to something**"

- Resident / Beneficiary

3. Consultation

- 3.1 This report was considered and endorsed by Corporate Performance Group in May 2022.

4. Corporate Procurement

Implications completed by: Sam Woolvett, Category Manager, Corporate Procurement

- 4.1 Corporate Procurement have worked alongside stakeholders in all service areas to ensure social value is included in the procurements we are responsible for. We assist our stakeholders in recognising the benefit of social value and the impact it can, and does have, within the borough.
- 4.2 Corporate Procurement ensures social value reflects the various themes detailed in the Borough Manifesto and that supplier's tender responses include targets and demonstrates how those targets will be delivered within the borough.

5. Financial Implications

Implications completed by: Sandra Pillinger Group Accountant

- 5.1 Although the Social Value Policy does not generate income in terms of cash receipts, there has been a considerable indirect financial benefit for both the Council and the borough's residents. For example, donations of equipment, work experience placements and support to residents. There has also been direct funding support to the VCSE sector and contributions made in support of Council initiatives. It is not possible to quantify these benefits, but it is clear that the introduction of the policy has resulted in financial advantages.

6. Legal Implications

Implications completed by: Lauren van Arendonk, Contract & Procurement Lawyer

- 6.1 This report provides an annual update on the progress and impact that the Social Value Policy has had between April 2021 and March 2022 and suggests changes to condense and streamline the social value outcomes sought in suppliers.
- 6.2 Clause 18 of the Contract Rules requires that Council Officers procure goods and services in compliance with the Public Services (Social Value) Act 2012 and the Council's Social Value Policy. Under clause 18.2, prior to the commencement of a procurement process, consideration to how the proposed procurement might improve the economic, social and environmental well-being of the Council's area must be given. In addition, consideration to how the procurement may secure such improvement and lastly, whether consultation on the economic, social and environmental well-being factors could provide value to shape specifications, programmes and services. Therefore, the policy ensures procurements are undertaken with social value as an important consideration in contracting with any successful supplier and take the form of weighted questions.

- 6.3 The Social Value policy supports the delivery of the Council's wider Corporate Plan and strategic goals to improve participation and engagement; independence and resilience; and environmental sustainability. These are critical considerations in any procurement. Streamlining all 5 themes of social value would not contradict clause 18 of the Contract Rules.
- 6.4 Lastly, the proposals would also not contradict the legislative requirements under the Public Services (Social Value) Act 2012.

7. Other Implications

- 7.1 **Corporate Policy and Equality Impact** – The Equality Impact Assessment has been updated accordingly and it is expected that the outcomes secured through the revised policy will continue to deliver improved outcomes for residents.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix 1:** Social Value Toolkit – Update 2022
- **Appendix 2:** Social Value Commitments and Outcomes from Suppliers (April 2021 to March 2022)