

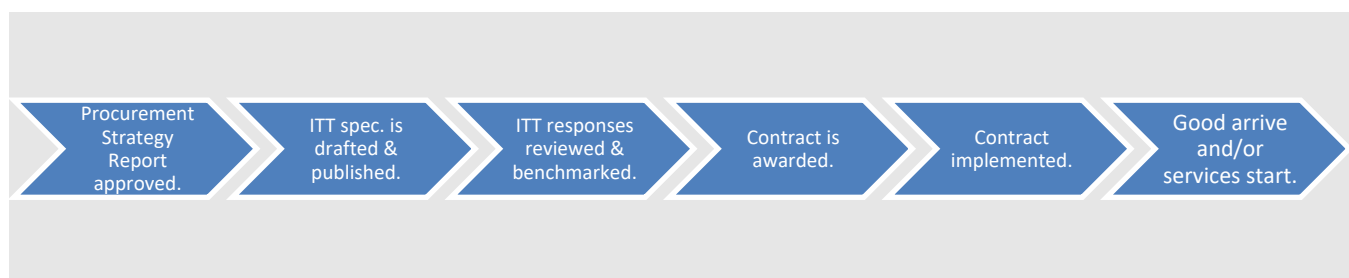
CABINET

20 June 2023

Title: Social Value in Procurement – Impact Report 2022/23	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Information
Wards Affected: None	Key Decision: No
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Accountable Director: Hilary Morris, Commercial Director, Customer, Commercial and Service Delivery	
Accountable Executive Team Director: James Coulstock, Interim Strategic Director of Inclusive Growth	
Summary <p>The Council’s Social Value Policy was developed and approved by Cabinet in May 2020 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.</p> <p>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.</p> <p>This report provides the annual update regarding progress and impact that the Social Value policy is having between April 2022 and March 2023, as well as an update on social impact from the wider Inclusive Growth team.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(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 during 2022/23, as detailed in Appendix A to the report; and(ii) Note the Council’s wider Social Impact across other Inclusive Economy sectors.	
Reason(s) Social Value commitments and outputs are linked to the wider corporate strategy and linked particular with inclusive growth, citizenship and participation.	

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 The Policy and Social Value Toolkit (supporting guide) 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 three social value themes.
- 1.3 As a reminder, most procurements that now meet the Social Value threshold are large and complex, and 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:



- 1.4 There is often a 9-18month lead time between the start of the process to procure and the work/service starting or goods arriving.
- 1.5 On that basis reporting on Social Value are reported 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, possible lack on engagement from a community organisation, school, residents etc. If these situations occur, the Council works with suppliers to find an alternative outcome to ensure some impact is still achieved.

2. Social Value Performance Summary 2022/23

- 2.1 There have been 52 relevant procurements brought to Procurement Board in the last 12 months with all suppliers being asked to commit to provide a social value commitment through that process. Furthermore, where the procurement process has been concluded, 100% of our eligible procurements have included contractual commitments to provide some social value to the borough and its residents.
- 2.2 Where goods or services are procured through either a pre-procurement framework or via a council approved waiver, Social Value cannot always be mandated. However, we encourage commissioners to discuss our Social Value aspirations with suppliers and to work with them to try and secure commitments wherever possible. 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, running virtual training sessions for residents, research findings and knowledge sharing across relevant sector partners, industry specific books for a school library and work experience placements.

- 2.3 LBBD has just over 2 years of data collected from Social Value commitments and outcomes from suppliers. It's worth noting that very rarely are two procurement processes the same or yield the same results as the intention is to try and match supplier commitments to specific needs within the community wherever possible. As such we are starting to produce analysis that looks at trends in commitments and outcomes as a way to generate a stronger understanding of what the Council might be offered as a baseline commitment in terms of Social Value from certain industries/sectors.
- 2.4 Across the educational construction sector (school improvements and general building works etc), we are seeing good outcomes, especially when the contract manager at LBBD and the supplier have a strong relationship. However, key to success is often the support and engagement of the school itself. One school project it is worth highlighting is a recycling plastic bottles project, where members of the school community brought in clean plastic bottles to school and the supplier has turned these into a greenhouse for the students to use (see picture below). This is a great example of community participation, reduction of waste to landfill and educational enrichment of the children of B&D.



- 2.5 Sectors where the Council is procuring 'services' appear to find it easier to commit to jobs, work experience, work placements, industry learning etc. Suppliers also seem to grasp the link and benefits achieved from B&D residents being employed and delivering LBBD services.
- 2.6 Suppliers of 'goods' often need to be more creative in thinking about how they might support B&D from a Social Value perspective. However, we are starting to see more suppliers look to the Environment Sustainability theme, particularly focusing on reduction of single use plastic, reduction of cardboard used in transportation and use of electric vehicles. This is not just good business sense, it makes LBBD a cleaner, greener borough.
- 2.7 Finally, taking a focused approach to target particular need in the borough has seen a link develop between small financial contributions, often from 'goods' suppliers, to funnel support to wider council campaigns, like the cost-of-living crisis. A good

example of this is the Community hubs being able to offer 180 fleeces to residents in the Borough who attend Baby Club, Food Club or Warm hubs during autumn and winter months.

3. Social Value Commitments and Outcomes 2022/23

- 3.1 The following summarises the commitments that have been agreed in procurement processes that have concluded and contracts awarded between April 2022 and March 2023 as well as the outcomes that have been delivered during this period.
- 3.2 More information regarding each supplier's commitments and outcomes can be found in **Appendix A** "Social Value Commitments and Output from Suppliers April 2022 to March 2023".

Data and Impact: Commitments made 22/23



Data and Impact: Outcomes made 22/23



- 3.3 During 22/23 the Social Value Coordinator was recognised for LBBD's work within the Social Value space, with two nominations for nationwide awards, picking up a Highly Commended in the GO National Procurement awards. The Social Value Coordinator has also been asked to attend a session with a small number of other local authorities to have a discussion on Social Value, which concluded in an article in the Local Government Chronicle that LBBD featured in. LBBD has also been asked to present at two Social Value Panel sessions, run by the Social Value Portal and the Westminster Business forum, speaking alongside other Local Authorities and suppliers, highlighting LBBD's approach to Social Value.

4. Social Value Improvements

- 4.1 We continue to look for ways to improve our approach to Social Value to ensure we are obtaining maximum value and the below summarises some of the activities we have undertaken this year.
- 4.2 First, we have completed the Social Value Portal's Maturity Index assessment, which assesses the strength of our approach in relation to a series of criteria, for example Policy, Reporting, Internal Management, Market Engagement and Partnership etc. This report suggests that our approach to social value is assessed as split 50/50 between 'Mature' and 'Leader' (the higher level) with an overall benchmark score of 'Mature'. This is a positive reflection of the significant step-change we have nurtured in our approach to Social Value since the revision of the policy in 2020 and also give us defined areas of improvement to focus on to allow us to move consistently into the 'Leader' space. The areas we will be focusing on moving forward will be around supplier and VCSE market engagement and communication of Social Value wins and lessons learnt both internally and externally.
- 4.3 Secondly, the Council seeks to enhance and develop its existing relationship with the Voluntary Sector (VCSE). Since 2021 LBBD has held bi-monthly meetings with the VCSE and this forum brings together front facing B&D staff, as well as representatives from the VCSE sector in the Borough. The purpose of this engagement is to ensure that wherever possible Social Value commitments reflect the needs, issues and priorities facing the residents of B&D and help build the capacity of existing initiatives to address these.
- 4.4 Thirdly, the Council has held its first Social Value priorities setting session. Facilitated by BD Giving, the VCSE came together to talk with council teams about the focus areas across the borough that Social Value activities might look to support. This session was attended by 12 residents/VCSEs representatives/suppliers and was a very engaging conversation around what Social Value is, and what the sector sees in terms of issues, priorities and need. There was an active question and answer sessions around Social Value and the overall aim of the session was to start a process to establish a statement owned by the VCSE sector that suppliers can access directly, relating to the Social Value needs of the Borough. This is now planned as an annual event, to review and develop this shared statement.
- 4.5 Finally, the Council is also looking for innovative ways to recognise those suppliers that go above and beyond. LBBD is looking into the option of a Digital Badge reward system for suppliers, awarding those that make commitments to B&D,

deliver against that commitment, and/or over deliver. The badge is being developed to include the B&D logo and show that the supplier it is awarded to has met certain criteria relating to Social Value. The digital badge will be given to suppliers to store/display the badge on their website/social media. The badge itself is a link to a set of principles LBBD will create explaining the supplier has made Social Value commitments, delivered and/or over-achieved against those commitments.

5. Social Impact beyond Social Value

- 5.1 In addition to the use of Social Value requirements, procurement rules are being used to promote wider good practice. In September 2022 the Council became an accredited Living Wage Employer – meaning all new contracts to deliver Council services require suppliers to pay staff working on them the real London Living Wage. In the same month a new rule was introduced that all bronze spend (under £25k) contracts must include a quote from a local supplier. A dedicated working group is looking at how we can improve the information about procurement opportunities and over the last twelve months we have attended 3 local market engagement events (2 in person, 1 online) and 3 meet the buyer sessions to date. Work has also started to better promote sustainability in Council supply chains.
- 5.2 Procurement is just one of the ways that the Council is seeking to use its levers to drive social impact and promote a culture shift to deliver on the priorities of the Borough Manifesto. These wider community benefits have been highlighted in a few key example areas below. Their outcomes are noted here for reference and are not included in the Social Value figures above:
- 5.3 The Council Commercial portfolio includes Be First and B&D Energy. These companies have, where possible, been set targets and expectations relating to local employment and training in their work, as well as obtaining their own Social Value from their supply chain:
- 5.4 The Council has set Be First targets to ensure 25% of their workforce is local, 5% of their FTE workforce is an apprentice, and 25% of their spend is with local businesses. Be First & their wider supply chain currently employs approx. 1080 B&D residents and manage 54 apprenticeships across their wider portfolio. Through their supply chain, they have also delivered at least 1 week or more of work experience placements to 18 people and 43 careers talks/workshops with residents and students from B&D.
- 5.5 B&D Energy has taken on 1 apprentice who is working on a 4-year apprenticeship, and they have also recruited one additional member of staff during the past 12 months from B&D, taking their total to 4 employees from the Borough.
- 5.6 The Inclusive Growth portfolio has seen the Council's Film Service, Film Barking and Dagenham, continues to drive Social Impact by brokering opportunities for residents with visiting productions using the borough as a location – 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.
- 5.7 Film Barking and Dagenham – Make It Here link their Social Impact to the Council's Social Value policy and themes. Outcomes in 2022-23 include:

- work experience for students directly with the film service
- 35 paid marshalling roles for trainees from their Bootcamps in a variety of roles for students with visiting productions including Apple, Amazon, Netflix, and Warner Bros. Using the flat daily marshal rate (set by industry) an estimation can be made the total earnings of approx. £15,000 shared between this cohort of B&D students.

- 5.8 Employment opportunities at the studios including 1 year London Living Wage studio runner contract for a Barking Riverside resident and a permanent local grounds person at the Wharf.
- 5.9 Supply chain opportunities for local businesses including Ritchie's Bakery at the Wharf Studios.
- 5.10 Additional financial support for food banks and income to support building repairs in the areas and locations where filming is taking place.
- 5.11 As part of the wider film sector development work, the 'Make It Here' programme has delivered bootcamps, industry masterclasses and workshops with local colleges, schools, teacher CPDs and community-led film focussed projects. Two careers' events also saw almost 1600 students across 4 half-day sessions learn about different aspects of the film industry and career pathways that will be open to them when the new Eastbrook studios are complete.
- 5.12 The Council has strengthened its ability to use planning powers to secure construction-phase and end-user employment, training and supply chain targets from major developers in the borough using Section 106 powers. The new policy is being embedded in the new Local Plan.
- 5.13 Among other developments in Inclusive Economy, the new policy underpins an endowment secured from the City of London in relation to the planned relocation of its food wholesale markets to Barking and Dagenham. This is supporting a plan to promote healthier, affordable and more sustainable food in the borough. Overseen by a Good Food Partnership that was launched in March 2023, this includes work to improve in food education and catering in schools and a community Grow, Cook, Eat programme, as well as plans for a new World Food School and Food Hall in Barking town centre, with links to the new wholesale markets.

6. Social Value focused area: Support Employment Programme update

- 6.1 A key ongoing focus is how to coordinate and maximise the impact of Social Value in priority areas. Working across the Council to understand wider Borough need and trying to establish coordinated programmes in order to channel the supplier commitments towards the greatest or most relevant need.
- 6.2 In the 21/22, securing more paid employment opportunities for people with complex barriers to work, was identified as a key focus. In summer 2022 research was undertaken and completed by the Learning and Work Institute (L&WI) to identify how best to target and coordinate a supported employment programme, in consultation with Care and Support and other relevant colleagues across the Council.

- 6.3 L&WI recommended focusing on people with LD and/or mental health needs, highlighting the need for paid placements, a structured programme and more support and engagement to enable more employers to offer placements.
- 6.4 The job brokerage service subsequently secured funding from DWP for a 2-year Supported Employment programme for people with learning disabilities. Based on the L&WI recommendations, this includes match funding provided through additional employer engagement officers.
- 6.5 Securing placements will be a key focus of Social Value negotiations wherever possible, including through BD Group.
- 6.6 The programme is currently in the recruitment phase with one of the key positions recently offered and accepted. The outcome of the rest of the recruitment will be announced imminently. Many participants have already been identified to join the programme, with 7 already in progress, one of which has a job offer being processed.
- 6.7 Currently in the recruitment phase of the programme with one of the key positions recently offered and accepted. The outcome of the rest of the recruitment will be announced imminently. Many participants have already been identified to join the programme, with 7 already in progress, one of which has a job offer being processed.

7. Consultation

- 7.1 This report was considered and reviewed by Senior Leadership Team during May 2023.

8. Financial Implications

Implications completed by: Gina James, Finance Business Partner

- 8.1 Social value refers to improvements in the life of residents, communities and the environment that goes beyond economic exchanges. Although it can be difficult to quantify the social value of the outcomes delivered, it may be possible to measure performance with the introduction of relevant and focused metrics that align with the Council Social Value, Corporate Plan and strategic objectives. This information would allow for better justification of procurement decisions and the delivery of the most value for money for all stakeholders.
- 8.2 The revised Social Value Policy has led to considerable local economic and indirect financial benefits, including cost savings for both the Council and the Borough's residents. For example, the Community hubs being able to offer 260 fleeces to residents in the Borough who attend Baby Club, Food Club or Warm hubs during autumn and winter months in support of the cost-of-living crises; £28k direct funding support to various VCSEs, employment opportunities created and offered to the local community, suppliers volunteering days and other contributions made in support of Council initiatives, all lead to financial advantages.

9. Legal Implications

Implications completed by Lauren van Arendonk, Locum Contracts & Procurement Lawyer

- 9.1 The Council recognises the importance of social value within the Borough, for its improvements in the life of residents, communities and the environment that goes beyond economic exchanges. As a local authority, the Council is required to adhere to key legislation which deals with aspects of social value.
- 9.2 Under the Public Services (Social Value) Act 2012, commissioners of public services are to consider in any pre-procurement process, how they can secure wider social, economic and environmental benefits in its area.
- 9.3 Social value is promoted via various regulations in the Public Contracts Regulations 2015 ("PCR") Reg. 67(2) states that environmental and/or social aspects of a tender may be a factor that taken into account in the evaluation of tenders. Similarly, the Council is bound by the Modern Slavery Act 2015. Section 54 states that a commercial organisation must prepare a slavery and human trafficking statement for each financial year.
- 9.4 The social value policy has relevance to public procurement. It is embedded within the Council's Contract Rules and is also relevant to public contract law and the Council's adherence to legislation.

10. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 10.1 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.
- 10.2 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.

11. Corporate Policy and Equality Impact

- 11.1 The Equality Impact Assessment was updated for the previous Social Value Impact Report (21/22) due to the changes to the Social Value Toolkit. There are no planned changes to the Social Value Toolkit in this report and therefore we have been advised we only needed to update the EIA to reflect this.

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

List of appendices:

Appendix A: Social Value Commitments and Outcomes from Suppliers April 2022 to March 2023