CABINET

18 June 2024

Title: Social Value in Procurement – Impact Report 2023/24 Report of the Cabinet Member for Finance, Growth and Core Services	
Wards Affected: None	Key Decision: No
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Accountable Director: Tess Lanning, Strategic Head of Skills.	
Accountable Executive Team Director: Fiona Taylor,	Chief Executive.
Summary	
The Council's Social Value (SV) Policy was developed a 2020 and then launched in October 2020. Its purpose we Council could leverage from its contracted spend by may of the evaluation criteria on Council procurements over the evaluation criteria over the evaluation criteria over the evaluation cr	vas to maximise the impact the ndating social value must be part
The revised policy was designed to enhance delivery of Borough Manifesto targets to improve job density, incon borough. The Social Value policy also plays a part in su wider Corporate Plan and strategic goals to improve par independence and resilience; and environmental sustain	ne and employment rates in the pporting delivery of the Council's rticipation and engagement;
This report provides the annual update regarding progree Value policy is having between April 2023 and March 20 procurement activity to deliver outcomes supporting the Inclusive Economy team.)24, as well as an update on non-
Recommendation(s)	
The Cabinet is recommended to:	
(i) Note the continued positive impact of the Council policy in terms of suppliers' social value commitmed to the commitmed of the contract of	

(ii) Note the Council's wider Social Impact across other Inclusive Economy sectors.

during 2023/24, as detailed in Appendix A to the report; and

Reason(s)

Social Value commitments and outcomes 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. It places emphasis on commitments that deliver within our three priority themes: investment in local people; investment in the local economy; and environmental sustainability.
- 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, invitation to tender (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 several 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 2023/24

- 2.1 In the last 12 months, 45 procurements that meet the threshold for Social Value requirements have come through Procurement Board. 100% of our eligible procurements have included Social Value in the scoring criteria for open tenders, with many of these contracts delivering on their commitments and providing Social Value to the borough and its residents.
- 2.2 We have also secured Social Value on contracts where we are not able to evaluate or mandate it because the goods or services are procured through either a preprocurement framework or via a council approved waiver process. In these cases, we encourage commissioners to discuss our Social Value aspirations with suppliers

and to work with them to try and secure commitments wherever possible. The commitments the Council has received through this process in the last 12 months range from local recruitment (with roles advertised via the Council's job brokerage service) and student work experience placements, to community consultation sessions for residents around specific social issues and resident workshops, for example a 6-week virtual parenting programme for parents in the Borough. In addition to these examples, we have secured Social Value outcomes on two procurements under the required threshold this year. One attended a volunteering event and the other offered work experience placements for residents whilst filming in the Borough.

- 2.3 LBBD now has 3 years of data collected from Social Value commitments and outcomes from suppliers. 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 in previous reports, however, we are starting to see patterns form around certain sectors and gain a better understanding of what is possible from our suppliers. Suppliers are becoming increasingly aware of their need to commit and deliver Social Value to local authorities and therefore the conversation has shifted more towards the type of Social Value B&D would like.
- 2.4 In parts of the Council where services (rather than goods) are mostly procured, relationship and/or partnerships are starting to form that allow longer term benefits for the Borough. This is leading to more meaningful work experience, work placements, industry learning etc. In one case a mock interview turned into a formal interview, and now that resident has been shortlisted for a paid role at the supplier.
- 2.5 In some areas we have sought to coordinate outcomes in order to improve impact. In 2022-23, our focus was on increasing the number of job opportunities for people with learning disabilities. This work led to the development of a supported employment programme, including a dedicated employer engagement officer in the Council's job brokerage service to support suppliers and other employers to successfully design, offer and sustain supported employment and internships. The programme is currently supporting over 60 residents with learning disabilities to access work. Supporting residents through the cost-of-living crisis is also an ongoing priority. We have provided 180 fleeces to residents that attend out food clubs at various sites across the borough. We were approached by the Food Network Coordinators to obtain freezers for any of the food clubs and community supermarkets. We reached out to existing suppliers and were able to find one supplier (OCN Contracts) that could support through its Social Value commitment. Two other construction companies operating in the borough (Bellway and Wates) also purchased freezers, so now Kingsley Hall, Riverside and Barking Food Banks have large freezers, offering more choice to residents and providing different storage options for the food these organisations receive for distribution.
- 2.6 This year we have expanded our focus to the Environmental Sustainability theme, with the goal of improving the borough's green spaces. We developed a volunteering pilot to support work needed on the community orchards at Eastbrookend Country Park. Working with the Ranger Team, we offered suppliers, staff and residents the opportunity to volunteer at one of two events in November 2023 (each one day long). Eastbrookend has a large site of community apple trees. Over the two days, 24 people made up of suppliers, residents and staff volunteered

for a total of 140 hours to plant five trees, clear the eating apple orchard of brambles and re-mulch the areas around the tree bases ahead of the winter months. This was well received and so was followed by an event in March with LBBD's Parks team. A further 30 volunteers joined a wider team of Thames Chase Trust volunteers to plant a massive 600 trees (the majority of which were small whips) in Central Park around the Pitch and Putt site. The aim is to improve the aesthetics of the course, expand the surrounding habitat for local biodiversity, re-establish hedgerow around the course and add definition to the holes to help playability. Given the support for these volunteering events, we are looking to hold 2 to 4 events each year going forward.

- 2.7 There have been challenges securing Social Value commitments on two contracts this year. In both cases service delivery has been poor and therefore working with the supplier to achieve the service specification has taken precedent. We are working with the contract managers and suppliers to ensure that this doesn't continue, and that the Borough receives some benefit, even if it is smaller than the initial commitment. This requires heavy involvement from the contract manager and social value coordinator at LBBD.
- 2.8 The Social Value team have been audited by the Council's Internal Audit team. The report found that the council was working well to achieve additional social, economic, and environmental outputs from its supply chain and the overall comment in the report stated: 'Internal Audit is of the opinion that the arrangement and controls in place for the enforcement of the Public Services (Social Value) Act (2013) is effective'.

3. Social Value Commitments and Outcomes 2023/24

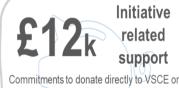
- 3.1 This section summarises the commitments that have been made through contracts awarded between April 2023 and March 2024, as well as the outcomes that have been delivered during this period.
- 3.2 More information regarding each supplier's commitments and outcomes can be found in **Appendix A** "Social Value Commitments and Outcomes from Suppliers April 2023 to March 2024".

Data and Impact: Commitments made 23/24

6 Workshops events Focused on the economy, these include research sharing events, business to business workshops, attending job fairs, and wider support to organisation in LBBD.



Sessions donated for support to job seekers, career development, skills and employability training and interview preparation.



to support Council initiatives across domestic abuse, food banks, women's empowerment, and community cohesion



Various days volunteering to construct items, deliver student talks, assemblies, site visits, community group support etc. approx. 14 committed to.



Provided to students and residents formal work experience, placements, apprenticeships, Traineeships, formal volunteering roles with oragnisation etc.



Data and Impact: Outcomes made 23/24



- 3.3 During 23/24 the council, in conjunction with two suppliers, was recognised for our work to secure Social Value. We were nominated for the Go National Award May 2023 in partnership with Moore Insight and shortlisted for the 'Sustainability and Social Value' award in the Public Finance Awards in August 2023 in partnership with Clear Channel. We were also shortlisted for two awards in 2022-23. We have also been asked to speak about LBBD's approach to Social Value at sessions with other local authorities and suppliers. The Local Government Association is highlighting the LBBD approach on their website, showcasing best practice around our Social Value Toolkit.
- 3.4 Below are some quotes from beneficiaries of Social Value in LBBD.

Quotes from beneficiaries and residents

'Very beneficial, it allowed me to **apply my skills in a workplace**...(gained experience of) working in a team and working independently. **I feel I know what I want in a career.'**

Resident / Beneficiary undertook work experience placement.

'With the cold spell at present a lot of the residents can't afford to heat the whole house so confine themselves to one room. Adding another layer of clothing has been a godsend and this could not happen without these generous gifts (Fleeces).'

Food Network Coordinator

'Working and living in Barking and Dagenham is very beneficial as I don't drive at present so I can use pubic transport and access the family homes/contact centres that I am visiting easily. It also supports me to respond to emergencies that my families may have as it doesn't take too much time for travel as everything is within reach.'

Resident / Beneficiary employed on LBBD contract as result of SV commitment.

I just wanted to say a big thank you for the **panto tickets** - we were able to share them between three families (3 adults and 7 kids) who all had such a wonderful time. **Two of the Mums** were so happy to receive the tickets that they **cried when we gave them** to them. What a joy to be able to bring these happy moments for families to **make special memories together that they may otherwise not be able to afford to**.'

Beneficiary / VCSE allocated free Panto ticket to provide to families in LBBD.

'I am **incredibly proud** to have completed work experience here....Thank you [all] for accepting me and taking me under your wing to learn so much in a short span of time'.

Care experienced / Beneficiary undertook work experience placement

'Just wanted to say that the 2 courses were amazing and taught me a lot in architectural terms. I loved listening to everyone's thoughts for their designs , very excited to see how Padnall Hall will turn out. I would also love to see my influence on the design! The goody bags were amazing , and I'm looking to invest the £30 into my education. I would like to thank the teams involved. Thank you very much for this opportunity.'

Resident / Beneficiary undertook young person workshops.

'The support we as a network of food providers in the borough has been, and continues to be outstanding. We **feel our needs are being heard**, and met by the SV of suppliers and the work...put in to help us provide freezers to give food providers to up the **amount of food on offer to residents**, and the food given, fleeces given have provided extra **support to B&D residents in a great time of need**, so a heartfelt thankyou'

Food Network Coordinator

'It's excellent that some of the <u>#socialvalue</u> initiatives in the Borough are being pushed down to us #smallcharities'

Beneficiary / VCSE allocated free Panto ticket to provide to families in LBBD.

4. Social Value Updates and Improvements

4.1 We continue to look for ways to improve LBBD's ability to use its procurement processes to secure Social Value. To support this, we have surveyed our supplier base to understand more about how suppliers perceive Social Value and what they see as the most impactful activities. Of the 27 companies that completed the survey, 92% agree or strongly agree that their organisation has a good understanding of Social Value and 96% said their staff care about Social Value.

62% of respondents felt LBBD's approach to SV was either good or excellent. The type of Social Value activities these organisations offer to LBBD were:

- 20% work experience for young people.
- 15% Volunteering.
- 13% Work experience/paid opportunities for Adults.
- 11% Unpaid opportunities for Adults.
- 10% Residents workshops.

Suppliers suggested they thought the most impact was across the following activities:

- 26% said work experience for residents/students.
- 16% said additional services for residents & voluntary groups.
- 13% said professional support for businesses.

We asked what additional support suppliers would like to see from LBBD. Over a third (35%) stated face to face sessions were useful and a quarter (26%) said webinars would be useful. Some comments from the supplier surveys about why they make SV commitments are highlighted below:

"We care about the communities we work in, and we believe that running businesses is about more than financial profits."

"We strongly believe that young people should have equal educational opportunities regardless of their backgrounds."

"LBBD are very committed to their suppler chain playing their part in social value within the community."

"So we can work with and support the communities that we are working in, so the people living there can actually see the benefits our social value brings. Meaning we can leave a legacy in that community whereby the residents are able to thrive."

- 4.2 LBBD also continues to engage with local voluntary, community and social enterprises (VCSEs) in order ensure that our approach Social Value responds to evolving local needs, issues and priorities and helps build the capacity of existing local initiatives to address these. Since 2021 LBBD has held bi-monthly meetings that bring together representatives from the local VCSE sector and front facing B&D staff. The purpose of this engagement is to ensure that wherever possible Social Value commitments. These have enabled us to identify and respond to specific local needs through Social Value, such as the need for freezers to stock local food aid supplies.
- 4.3 As well as responding in real time to borough needs, we engage with the local VCSE sector and residents on our strategic approach. Working with BD Giving and BD Collective, we have supported and participated in two workshops with suppliers, residents and VCSEs to discuss our approach to Social Value, its purpose and the wider social impact organisations could be (and often are) having on the borough. BD Collective commissioned an initial piece of research as part of their wider contract with the council to facilitate this process. Various members of the social sector were interviewed about how best to increase impact through improved coordination and relationships between LBBD, suppliers and the social sector. Following a final workshop in February 2024 to identify priorities and actions, BD Collective and BD Giving have decided to lead work to promote Social Value and the impact that socially-led organisations have and can have in the borough, with plans to develop a Social Value community group in 2024-25. The Council will work with this group to engage all organisations in LBBD in how they can deliver and improve Social Value. This group will also inform the Council's priorities and focus for securing Social Value outcomes through procurement that meet local need.

4.4 Finally, as outlined in last year's report, we have sought to increase the impact of Social Value by introducing Digital Badges to recognise effective delivery on Social Value commitments by suppliers and create a mechanism to celebrate those that go above and beyond. We have developed and deployed these badges to 12 suppliers of the Council and plan release roughly 15 more once this report is approved by cabinet. This will then become an annual process. The digital badge is given to suppliers to store/display on their website/through social media. It has been well-received by suppliers and appears on their Linked-In posts. As part of allocating the badges, we always confirm with the contract manager at LBBD that the supplier has committed and fully delivered on their Social Value commitments. This badge is not awarded if there are service or goods delivery issues, and only once all the full Social Value delivery for that specific contract has been finalised.



5. Social Impact beyond Social Value

- 5.1 The use of Social Value clauses in 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 efforts to secure community benefits are summarised below. The outcomes are noted for information and are not included in the Social Value figures above:
- 5.2 In 2022-23, the Council strengthened its wider procurement rules in order to promote investment in the local economy. Commissioners across the Council are now required to seek a quote from a local organisation for all contracts under £213k. In 2023-24, we have built on these new rules by regularly sharing upcoming tender opportunities via the Business Forum network. Eight new contracts were awarded to local organisations in 2023-24, and the Council spent £155m with local companies out of a total £413m contracted and non-contracted spend (38%). In March 2024, we ran the first of six information events to help local businesses to understand the requirements of different sectors, funded through the UK Shared Prosperity Fund. The first event focused on supply chain opportunities in the film sector. Three businesses subsequently signed up as film locations and others registered as potential suppliers to visiting productions.
- 5.3 The Council's planning powers provide another major opportunity to secure local jobs, supply chain and community benefits for the borough. Section 106 agreements are applied to the construction-phase of all major developments in the borough. We use these to require developers to ensure that 25% of the workforce on site is local, that 5% of their FTE workforce is an apprentice, and that 25% of their spend is with local businesses. Developers are also asked to provide work experience and careers activities in schools and deliver events to help local suppliers to understand the opportunities available. They can deliver these targets

across their supply chain but are ultimately responsible for delivery. These are legal agreements. In the past there have been challenges enforcing these, but under the new Local Plan we have introduced a requirement for financial contributions to be made if employment and apprenticeship targets are not met. In 2023-24, Section 106 construction-phase targets generated at least 339 jobs¹ for local people including eight apprenticeships (2%), and a further nine unpaid volunteering and work experience placements. More than two-thirds (68%) of the jobs were on Be First sites.

- 5.4 Section 106 targets are also set on the 'end-user' phase of all large commercial developments. In recent years the process has been used to secure significant endowments linked to the film studios (£1m) and relocation of London's food wholesale markets (£3m). We have used these endowments to establish programmes to support local people and businesses to access opportunities linked to these growth sectors:
 - 5.4.1 The funding secured through the markets' relocation programme is supporting the development of a new food school and food hub in Barking town centre. It has also enabled the Council to establish a Good Food Plan and Partnership to improve access to healthy, affordable and sustainable food in schools and communities. In 2023-24, the school food programme engaged over 3,600 local students in food-related events and activities including visits to Billingsgate Seafood training school and 'Taste Festivals' that celebrate local food diversity and entrepreneurship. A Good Food Community programme provided 75 work experience opportunities and engaged over 980 people through growing and cooking clubs. Recipes shared through the clubs and school events have been published in a community cook book ('Come Cook With Us').
 - 5.4.2 The endowment provided by film studio operators MBS/Hackman funds the Make It Here programme, launched in February 2022. Working closely with the Wharf Studios and the Council's Film Service, Film Barking and Dagenham, the Make It Here programme brokers opportunities for residents with productions filming in the borough. In 2023-24, it engaged over 1,950 students from local schools through film careers events including an interactive film focused Careers Day, an ambitious 'Outside Broadcast' project hosted by Crew Room Academy and a Film Enterprise Project delivered with the Cultural Education Partnership in nine Schools, as well as workshops for teachers. The programme supported community events including the World Cinema Film Festival and LBGTQ Behind the Lens events. It trained eight unemployed residents as marshals, with three residents subsequently being employed on productions. In total the Film Service brokered 14 paid marshalling opportunities for trainees on visiting productions including: The Challenge (Squid Games), Heads of State, Gangs of London, Black Doves, Joy and Marching Powder. Marshalls were paid the industry set day rate of £130-40 per day, generating approx. £3,000 earnings for trainees. In addition, the programme secured shadowing opportunities with heads of department on studio and location filming for 11 students from Barking & Dagenham College. A further 23 electrical, media and production arts students were trained in film lighting, in partnership with MBS Lighting

¹ This figure includes all the jobs for which evidence has been provided. The actual figure may be higher.

and the Wharf Studios. These outputs were in spite of the film industry strike that halted UK filming for nearly six months in 2023-24. The number of opportunities are expected to grow once Eastbrook Studios open in Summer 2024.

- 5.5 As well as programmes to secure community benefits from major local partners, the Council seeks to provide guidance and support to help local businesses to understand and respond to local social and environmental priorities and goals. In 2023-24, we have used money from the UK Shared Prosperity Fund to establish a range of business support programmes. This includes support for 25 local convenience stores to sell healthier and more sustainable food products; support for 15 care providers to improve staff recruitment, retention and engagement by giving them greater input and control over their working patterns; and mentoring and workshops available to all businesses in the borough promoting inclusive leadership and environmental sustainability, as well as wider support to help them innovate, grow and improve, delivered in partnership with the BEC.
- 5.6 Finally, we work with all the Council-owned companies to promote social impact through their business and supply chains:
 - 5.6.1 As well as the employment and skills outcomes secured through Be First, outlined above, the Council's Social Value Coordinator and Section 106 monitoring officer have worked together to increase the wider social. economic and environmental benefits being secured from construction companies, Among Be First contractors; McLaren has donated PPE to job seekers and supported several events including Barking Mad about Christmas and Summer of festivals; Jerram Falkus have donated PPE to job seekers, soil and gardening items for allotments, volunteers for litter picking and funding for community events including the Women's Empowerment Awards; Wates has provided volunteers and toy donations; and Murphy's have supported local events and cleaned and improved community spaces and infrastructure including a subway and local care home. Among other providers, Bellway provided funding (£2,250) to two local VCSEs supporting work on domestic abuse survivors and food poverty. The Hill Group have made several donations, including £1,800 worth of festive gifts for students at Hunters Primary School Dagenham. Dalkia provided 4 volunteers for a full week, and 2 volunteers for 3 further days (26 days in total), split across various sites including country parks and food banks. Several volunteers from these companies also attended our volunteering days at Eastbrookend and Central Park.
 - 5.6.2 B&D Energy has taken on two 3-year accountancy apprentices and are looking to recruit two further members of staff shortly. For these new roles they are hoping to employ residents, and believe this will contribute to a culture of seeing firsthand and owning the difference B&D Energy make in the local area.
 - 5.6.3 BD group have established an internal Social Value committee with seven SV champions focused on achieving outcomes for the borough. This year, they have donated nearly 400 easter eggs for four hostels across the Borough and provided several community events for care home residents. They have sponsored a local u13s football for local young people and a

careers event for students at a local college, preparing them for the work of work world by speed-interviewing. As part of their role as the borough's school catering provider, they work closely with the Council to support children and their families to improve access to healthy food and have supported initiatives such as the community-led 'Come Cook With Us' recipe book and worked with B&D college to support a cooking competition. The winner was supported through a week's work experience placement at BD Group.

6. Consultation

6.1 This report was considered and reviewed by Senior Leadership Team during May 2024.

7. Financial Implications

Implications completed by: Sandra Pillinger, Finance Manager

- 7.1 Social value refers to improvements in the life of residents, communities and the environment that goes beyond economic exchanges. It is difficult to quantify social value, and although it is theoretically possible to calculate the Social Return on Investment this is not something that is feasible to undertake. All procurements over £100,000, excluding frameworks and waivers require a minimum social value weighting of 10%, as part of the evaluation criteria.
- 7.2 The Council's Social Value Policy continues to provide considerable local economic and indirect financial benefits, including cost savings for both the Council and the Borough's residents. Social value benefits are diverse and wide-ranging but generally take the form of workshops, employability training, work experience and volunteering placements, but may also include the supply of goods and equipment such as play equipment and foodbank donations.

8. Legal Implications

Implications completed by Lauren van Arendonk, Acting Principal Contracts and Procurement Lawyer.

- 8.1 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.
- 8.2 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.
- 8.3 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.

8.4 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.

9. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 9.1 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.
- 9.2 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.

10. Corporate Policy and Equality Impact

10.1 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 Impact April 2023 to March 2024