

London Borough of Lewisham Social Value Policy for Procurement

1. Purpose

This policy sets out the legal and strategic and policy context for social value and the approach the London Borough of Lewisham (LBL) will adopt to deliver social value through commissioning and procurement activities.

The key performance indicators (KPI) sets out the expected outcomes for each objective and provides examples of how suppliers could contribute towards these outcomes.

2. Background and Scope

The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that as part of these processes, councils give due consideration to the wider impact of the service's delivery. It allows local authorities to, for example, choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which secures wider benefits for the community and which furthers the achievement of the Council's strategic aims and objectives.

LBL has incorporated the requirements of the Act in its procurement processes but the implementation across contracts has lacked consistency. This policy will provide an opportunity for the Council to deliver a consistent, cohesive and flexible approach to generating increased social value through public procurement.

The statutory requirements of the Public Services (Social Value) Act 2012 only apply to public service contracts above EU threshold. This policy statements sets out LBLs aims in this regard. In particular it seeks to:

- Set out a definition of social value
- Set out the priority KPIs
- Set out a method to capture and monitor social value

3. Defining Social Value

Social Value is the additional economic, social and environmental benefits that can be created when LBL purchases a service from outside the organisation, above and beyond the value of the goods, works or services.

4. Social Value Objectives and Key Performance Indicators

The following KPIs reflect the Council's approach to setting objective measures for defining how social value (defined in Section 3) can be incorporated into and further deliver the broader Council's corporate strategies and the Mayor's key commitments. The 4 objectives and associated KPIs, and their context within Lewisham, are set out below:

Employment, Skills & Economy – Lewisham contributes to the diversity and energy of the capital, supporting its growing economy whilst gaining significant benefits from being a part of a world class city. Lewisham's own economy, though relatively small by London standards, is well placed to grow, encouraging new enterprises and allowing existing businesses to prosper. Lewisham was the first Living Wage council in the country and has increased the number of Living Wage employers in the borough by 800% since 2015. Our Mayor's Apprenticeship Scheme has supported over 150 residents into apprenticeships since 2014. Unemployment has halved since 2013 and our Pathways to Work service has supports over 600 residents. Lewisham has 183,000 economically active residents of working age (16-64) with 175,000 in employment. Economic activity rates in Lewisham are high 86.8% of the working age population are economically active compared with 78.2% for London as a whole. Lewisham has the highest of any comparator borough in terms of employment rate at 83.2% and is well above the London average of 74%. The key objectives of this KPI will be: the promotion of the London living wage, creating jobs for LBL residents, creating apprenticeships, providing training opportunities for residents, work experience as well as facilitating the development of skills. Another key outcome will be the improvement of opportunities for LBL SMEs and the wider improvement of working conditions.

Creating a greener Lewisham – Lewisham is one of the greenest parts of south-east London. Over a fifth of the borough is parkland or open space. Fifteen 'Green Flag' parks, attractive residential neighbourhoods and Lewisham's waterway network all combine to create a relaxing and pleasant environment in the midst of bustling city life. We have introduced a borough wide 20mph speed limit making streets safer for pedestrians and cyclists and reducing air pollution. We support cycling and the introduction of Cycling Quietways and working with TfL on the development on the Cycle Super Highway 4. In terms of waste management, rates of household waste sent for recycling, reuse and composting in Lewisham have reached their highest level for four years (27.8%) against a target of 20% (March 2018). The key objectives of this KPI will be: to tackle and further reduce carbon emissions, reduce wastage, protect and enhance the natural environment, and the procurement of supplies or goods from sustainable sources.

Training Lewisham's future – Lewisham has a lower percentage of pupils achieving GCSE passes in Maths and English than the London average. In 2016/17 58.7% of Lewisham pupils achieved a standard 9-4 pass and 37.9% achieved a strong 9-5 pass. This compares to 67.9% and 48.2% respectively for London as a whole. Lewisham also had a lower percentage attaining these pass rates than any of the comparator boroughs. In 2015/16 Lewisham had 2180 young people progressing to higher education this is a 5.5% increase from 2014/15. Lewisham has very similar levels to neighbouring boroughs with Lambeth (2235), Southwark (2275) and Greenwich slightly lower on 1990 young people progressing

to higher education. The key objectives of this KPI will be; access for Lewisham pupils to information and guidance sessions, positive school engagement, work experience for school aged residents, and ultimately growing Lewisham's GCSE pass rate.

Making Lewisham healthier At 79.1 years average life expectancy for males is in line with the England average of 79.5 years, whilst average life expectancy for females (83.3 years) is also line with the England average of 83.1 years. However, underlying indicators show that Lewisham performs significantly worse than the England average as it relates to all-cause mortality; mortality due to cardio-vascular disease; cancer; diabetes diagnosis 17 plus and childhood obesity. More generally we have improved air quality by introducing air quality accreditation for schools, rolling out the Lewisham Air app and supporting low emission bus routes. Measures of air quality monitoring sites across Lewisham, show that the borough performs well, compared to statistical neighbours, in terms of nitrogen and particulate levels in the air. The key objectives of this KPI will be: increased support for all community groups especially for those with complex needs, improving air quality, supporting the Council's commitment to a SugarSmart borough, promoting the safeguarding and welfare of children, young people and vulnerable adults.

5. How will Social Value be achieved in Lewisham

The incorporation of Social Value into Lewisham contracts will significantly help the Council to deliver on its strategic corporate and Mayoral priorities and deliver added value for the borough as a whole. Officers will need to ensure that (on a case by case basis) they clearly identify those social value objectives which are relevant, and that the social benefits required are linked to the subject matter of a contract. The Council will ensure that it can link the benefits derived from the chosen KPIs to a core requirement of the contract as it is unlawful to take issues into account in a procurement process which aren't relevant to the subject matter of the contract.

There has previously been no mandated weighting for social value within procurement evaluation criteria, but it is now proposed that for all procurements of a value in excess of £50k, that either 5% or 10% of the evaluation weighting be allocated to social value, and assessed as set out below, unless otherwise agreed by the Corporate Procurement Board.

In order to determine whether 5% or 10% of the evaluation weighting should be applied, each procurement will need to consider:

- Additional impact of social value
- how many KPIs under each of the 4 key objectives set out in part 6 can be delivered
- the geographical impact of the contract

| | Additional impact of SV added | Objectives delivered against | Area impacted |
|-----|-------------------------------|------------------------------|-------------------|
| 10% | Significant | More than 2 | More than 3 wards |
| 5% | Some | 2 or less | Less than 3 wards |

The exact weighting will be determined during discussions with the Procurement team.

If you have any questions around measuring any of the above the Procurement Team, Social Value Officer and Local Labour & Business Scheme team will be able to assist.

6. Social Value Key Performance Indicators

The Council has identified a number of KPIs grouped under the 4 key objectives that can be used in the procurement process as part of the evaluation and then to be measured and tracked through the lifetime of the contract.

The intended outcomes and ambition for each of the 4 key objectives and associated KPIs is set out below. The clear identification and measurement of individual KPIs will enable the achievement of these and the broader corporate strategies and Mayoral commitments, together making Lewisham the best place in London to live, work and learn.

Employment, Skills & Economy – Lewisham aims to be one of the fastest growing parts of the London economy. It will achieve this through 3 aims. To boost Lewisham's contribution to the London economy by enhancing the ability of new and existing businesses to thrive and grow. To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth. To diversify and expand the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents.

Creating a greener Lewisham – Lewisham has identified a number of long term aims to create a greener and more sustainable Lewisham and its intended that the social value key performance indicators set out in this policy and achieved through the procurement process will actively contribute to the achievement of these. These aims are: i) to minimise the growth in waste and keep landfill to a minimum by reducing, reusing and recycling resources, ii) promote opportunities for people to make environmentally friendly choices and minimise their personal impact on the environment, iii) ensure that new developments and new homes are built to a high environmental standard and, where possible, support on-site renewable energy measures, iv) encourage the use of sustainable forms of transport and minimise the need for people to rely upon car travel by making it easier and safer to walk or cycle around the borough, v) procure energy from sustainable sources, and vi) work alongside the South East London Combined Heat and Power (SELCHP) plant to progress sustainable measures for heating and powering local developments.

Training Lewisham's future – Lewisham has identified 7 priority aims to ensure that our children and young people achieve the best that they can supported by the best education, employment and training opportunities and its intended that the social value key performance indicators set out in this policy and achieved through the procurement process will actively contribute to the achievement of these. These aims are: i) ensuring there are sufficient school places for every Lewisham child, ii) ensuring all our children are ready to participate fully in school, iii) improving and maintaining attendance and engagement in school at all key stages, including at transition points, iv) raise participation in education and training, reducing the number of people who are NEET at 16 – 19, v) raising achievement

and progress for all our children at key stages 1 – 4 and closing the gaps between under-achieving groups at primary and secondary school, vi) raising achievement and progress for all our children and closing gaps between the under-achieving groups at KS5 and post-16 do that all young people are well prepared for adulthood and able to access the best education and employment opportunities for them, and vii) raising achievement and attainment for our looked after children at all key stages and post 16.

Making Lewisham healthier – Lewisham has identified 9 long term outcomes as part of its 2013 strategy and it is intended that the social value key performance indicators set out in this policy and achieved through the procurement process will actively contribute to the achievement of these: i) achieving a healthy weight; ii) increasing the number of people who survive colorectal, breast and lung cancer at 1 and 5 years, iii) improving immunisation uptake, iv) reducing alcohol harm, v) preventing the uptake of smoking among children and young people and reducing the numbers of people smoking, vi) improving mental health and wellbeing, vii) improving sexual health, viii) delaying and reducing the need for long term care and support, and ix) reducing the number of emergency admissions for people with long term conditions.

The objectives and key performance indicators are set out in Appendix A.

7. Monitoring and Evaluation

The monitoring of the KPIs should be built into the contract management of the service, and where appropriate financial or commercial penalties can be associated with these. There is a simple tool for commissioners and contract managers to use to enable a complete picture of Social Value outputs to be recorded correctly.

All KPIs identified should be reported by contractors/providers on a quarterly basis using the Council's reporting tool. Contract managers will be responsible for linking into the Social Value Report for Lewisham at the end of each financial year – this will be a mix of the data collected as well as qualitative data.

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Appendix A – Objectives and Key Performance Indicators

| Objective | KPI |
|---------------------------------------|---|
| Employment, Skills and Economy | |
| Employment of LBL residents | No. of LBL residents employed |
| Creating apprenticeships | No. of LBL residents securing apprenticeships No. of existing apprentices and duration and quality |
| Work experience for Residents | No. of LBL residents on work experience (elderly, disabled, most vulnerable) No. of LBL residents on work experience (minimum time) |
| Support local skills growth | No. of LBL residents supported into skills and training No. of skills and training opportunities funded |
| Use of local businesses | No. of local businesses accessing sub-contracting opportunities No. within supply chain Amount of £ spent locally |
| Commitment to broader improvements | Reductions in zero hour contracts Modern slavery Any other accreditation Sick Pay Scheme, Payment while Training, Paid Travel Time |
| Volunteering | No. of volunteers in an organised/supportive programme of training, hours of volunteering, average time span volunteers stay an organisation? |

| Objective | KPI |
|---|---|
| Creating a Greener Lewisham | |
| Minimise energy and fuel consumption in the provision of the service | Reduce carbon footprint |
| Improve air quality | FORS accreditation Silver Zero emissions for light vehicles Reducing and consolidating deliveries Last mile deliveries - look to include cargo bikes, electric vans, micro vehicles All non-road mobile machinery to comply with NRMM Low Emission Zone Standards |
| Secure suppliers from sustainable sources | No. of sustainable sources used on contract (insert from sustainable Procurement policy and refresh) |
| Efficient use of resources by minimising waste | Reduction in waste sent to landfill / reduced packaging / recycling rates |
| Provide initiatives which retain, protect or enhance the character of Lewisham's natural environment for the benefit of local people and wildlife | Amount of new green spaces created as part of the project / amount of green space brought back into use as part of the project / increased biodiversity |
| Water fountains | |
| Cycling | |

| | |
|------------------------------------|---|
| Commitment to broader improvements | <p>Any accreditation suitable for the area</p> <ul style="list-style-type: none"> • Publicly reported energy and/or carbon emissions based on an accredited methodology • A corporate target for reducing carbon emissions that has been set and is published and reported on |
|------------------------------------|---|

| Objective | KPI |
|--|--|
| Healthier Lewisham | |
| Improving health and wellbeing of Lewisham residents | <p>Based on Health and Wellbeing Strategy for the Borough:</p> <ul style="list-style-type: none"> Achieving a healthy weight (e.g. sugar smart accreditation) improve immunisation uptake (e.g. offer staff flu jabs) Reduce alcohol harm Preventing uptake of smoking among children and young people Improve mental health and wellbeing Improve sexual health Delaying and reducing need for long term support Reducing number of emergency admissions for people with long term conditions |
| Volunteering and Mentoring | |
| Commitment to broader improvements | Any accreditation that is suitable for the area (e.g. Dementia Friendly, Time to Change Employer Pledge, Smokefree workplace) |

| Objective | KPI |
|---|---|
| Training Lewisham's Future | |
| | No. of LBL young people in receipt of [support] |
| | No. of LBL young people achieving [appropriate] accreditation |
| | No. of LBL young people on work experience |
| Work experience and support for young people - young offenders - care leavers - children with SEND - children with complex health needs | |
| Work experience for school students and youth service users | No. of LBL school children on work experience |
| Information and guidance session for schools and youth services | No. of LBL school children in receipt of IAG |
| Engaging with schools both primary and secondary | No. of school engagement offers delivered to LBL schools |
| Commitment to broader improvements | Any accreditation that is suitable for the area |