



## Mayor and Cabinet

### Social Value Impact Report 2022-2023

**Date:** 20<sup>th</sup> September 2023

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Jordan Knights, Social Value Officer; John Bennett, Head of Economy, Jobs and Skills; Katharine Nidd, Interim Director of Finance

### Outline and recommendations

This is the first edition of the council's annual Social Value Impact Report, documenting both an overview of the social value activities undertaken by the council's contractors and developers in Lewisham in the financial year April 2022-March 2023, as well as some of the wider social value achieved from engagement with Lewisham businesses and partnerships.

### Timeline of engagement and decision-making

The London Borough of Lewisham's latest Social Value Policy was approved by Mayor and Cabinet on 4<sup>th</sup> October 2022. The first edition of this report begins to document some of the impact of the policy, as well as the legacy of the previous policy, providing a baseline to capture future impact and progress.

## 1. Summary

- 1.1. This is the first edition of the council's annual Social Value Impact Report, documenting an overview of the social value activities undertaken by the council's contractors and developers working in the borough in the financial year April 2022-March 2023.
- 1.2. The report enables us to showcase the benefits that have been delivered to the

borough and our residents, demonstrating value for money in how we procure good, works and services as well as some of the wider social value achieved from engagement with Lewisham businesses and partnerships. As the first iteration, the annual report provides us with a baseline to understand the impact of our Social Value Policy 2022, the legacy of our previous Social Value Policy, as well as where we are doing well in terms of enabling social value and where there is room for improvement.

## 2. Recommendations

- 2.1. Mayor and Cabinet are recommended to note the contents of the report and the Social Value Impact Report appended, including how the latest social value policy is having an impact, as well as the future ambitions for social value reporting and practice.

## 3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

- 3.2. In particular, this report is closely aligned to the priority of a Strong Local Economy, because it details the outcome of our mechanisms for securing benefits for Lewisham residents and the local economy, such as jobs and skills and business opportunities. It is also closely aligned to the Cleaner and Greener priority as it details benefits secured that improve the environment in Lewisham. It also closely aligns with the priorities of Safer Communities, and Open Lewisham, as it details benefits secured to make Lewisham more inclusive through activities like volunteering, support for the VCSE sector, and opportunities for refugees and disadvantaged residents. It also closely aligns with Children and Young people, as social value is also securing benefits directly for children and young people, in schools and in routes to the labour market respectively. Lastly, it also closely aligns with the Health and Wellbeing Priority, as a number of the social value themes contribute to better health and wellbeing for Lewisham residents.

## 4. Background

- 4.1. The Public Services (Social Value) Act 2012 came into force on 1st January 2013. It

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- requires those who commission public services to think about how they can also secure wider social, economic and environmental benefits.
- 4.2. The Act is a tool to help commissioners get wider value for money from procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems. In February 2019, Mayor and Cabinet approved the London Borough of Lewisham's first Social Value Policy.
  - 4.3. In partnership with the Lewisham Deal members, an annual Social Value Report was produced which documented the activities undertaken through the partnership's working groups. There was partial focus within the report on the procurement activities of the partnership, but not an explicit focus on social value delivered through procurement, as defined in the Public Services (Social Value) Act 2012.
  - 4.4. In October 2022, Mayor and Cabinet approved the London Borough of Lewisham's second Social Value Policy. The refreshed policy was written to support the Council's Sustainable Procurement Strategy 2021-2025 and to align the key performance indicators with the Corporate Strategy 2022-2026.
  - 4.5. In July 2022, the Mayor of Lewisham convened the Lewisham Strategic Partnership, bringing organisations together to build on closer partnership working developed through the Lewisham Deal, Goldsmiths Civic University Agreement, and the pandemic response. In October 2022, partners agreed on set of shared interim priorities and a new governance arrangement, which brought the previous Lewisham Deal arrangement under the LSP structure.
  - 4.6. Due to the new arrangements, it was decided to pause the continuation of the Lewisham Deal Social Value Report while new reporting mechanisms for the partnership are developed, as well as awaiting the new priorities laid out in the upcoming partnership strategies: Lewisham 2030 Community Action Plan and the Economic Development Strategy.
  - 4.7. The new annual Social Value Impact Report will allow us to focus explicitly on reporting our own performance in regard to social value activities that the council has enabled through its procurement processes and subsequent contracts with suppliers, as well as through Section 106 agreements with developers through the Local Labour and Business Scheme.

## 5. Summary of the Report

- 5.1. Social Value refers to the return on investment in our communities, our places, our economy, and our environment that creates wellbeing on a wider scale. This investment can be time, money, materials, or ways of doing things. It is calibrating the wider social impact and economic feasibility to create the most impact in how we do

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- things. The end goal is to create long term positive changes from investment.
- 5.2. Whilst social value is part of the fabric of the Council's interaction with its residents and businesses, one of the most tangible tools for delivering social value is through the benefits achieved via our procurement of goods, works and services. This is enshrined in the Public Services (Social Value) Act (2012). For public sector authorities, social value is the additional economic, social and environmental benefits that can be created when the organisation purchases goods, works or services from outside the organisation. Social value can also be created through developers' contributions in Section 106 agreements and our Local Labour and Business Scheme (LLBS). Social value should have wider community or public benefit that increases the wellbeing of residents.
  - 5.3. The data for this report was collected from contract managers, suppliers and developers. We received information from 81 of the council's contracts and from 5 developers. It is focused on social value and developers contributions delivered in the financial year April 2022 to April 2023.
  - 5.4. The data collected is based upon required reporting information and information voluntarily returned and is a broad overview of social value activities that happened within the year. The data begins to document the impact of the council's Social Value Policy 2022-2026, the previous Social Value Policy, and social value activities in legacy contracts from before the council's first policy. The data collection therefore reflects the different social value practices and attempts to bring these together in a uniform way of measurement. Whilst it is a strong picture of social value delivered, the report does not claim to comprehensively cover all contracts and activities. Thus, the impact will be even greater than what has been recorded.
  - 5.5. The key takeaways are: Social value is being directed to the causes most in need; Social value creates investment and opportunities in Lewisham; Social value helps us to tackle inequalities in Lewisham; The total impact will be greater than reported; Impact reporting provides us with a baseline to grow and improve.
  - 5.6. The data recorded has been themed under our social value KPI headings: Core Commitments; Employment and Skills; Economy and Growth; and Environment, Community and Place.
  - 5.7. Core Commitments:
  - 5.8. 99% of contractors pay the London Living Wage. 71% of contractors had a modern slavery statement in place (not all contractors are required by legislation to have one). 97% reported on equalities data. 188 Core Commitments were recorded from our contractors, which included carbon emergency actions, good working and business practices, and public health activities.

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- 5.9. Employment and Skills:
- 5.10. A total of 824 Lewisham residents were recorded as being employed through our contracts, including 38 apprenticeships. This equates to £18 million in wages to Lewisham residents. A range of job fair activities, specialist employment support for targeted groups, and sector specific career events were also recorded. The LLBS secured 15 new apprenticeships, 28 work experience or trainee opportunities, and 31 job starts.
- 5.11. Economy and Growth:
- 5.12. Tussell and LocalGov recently placed us top in the country in the Local Government Procurement index for our local (London region) spend, at 82% of our total spend (including Lewisham Homes). We spent around £74 million pounds in the borough through our contracts. 25% of our total live contract value within the year was with local suppliers. A range of other activities were also recorded including ad-hoc spending in the local economy, such as in local café's and use of local taxi's; subcontracting by developers; donations of materials to VCSE organisations, such as wood chips and plants and hi-viz jackets; workspace for local startups at Downham Leisure Centre; and donations of devices and digital inclusion activities for employment.
- 5.13. Environment Community and Place
- 5.14. 160 Community benefit activities were recorded, including:
- 5.15. Greening activities such as the installation of cycle racks and the creation of community gardens in our Supported Living Contracts, the installation of Smart Meter's and heat saving systems in our Schools Contracts, the decommissioning of petrol equipment and switch to electrical equipment in our Parks and Green Spaces Contract.
- 5.16. Volunteering and social inclusion activities such as voluntary health support advocacy, and volunteering from developers, as well volunteering in our Supported Living Services, and specialist social inclusion activities.
- 5.17. Donations of goods and materials such as sports equipment an interactive whiteboard and laptops to schools, timber and a shed to an allotment, a hand football table to a youth clubs and the donations of laptops to community groups.
- 5.18. A total of £80,000 of community donations were recorded. This went to schools, support for the cost-of-living crises, Lewisham People's Day and community grants.

## **6. Financial implications**

- 6.1. There are no specific financial implications arising as a direct result of this report. The cost of delivering both the Council's procurement activity and social value monitoring are contained within existing revenue budgets.
- 6.2. The content of the report is a demonstration of how our procurement processes and our Social Value Policy are designed to ensure that the Most Economically

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Advantageous Tender (MEAT) is successful through an effective and transparent evaluation of cost and quality of delivery. The report shows the impact, both qualitative and quantitative, these decisions are having and their resultant positive impacts for Lewisham residents. These will help to inform future evidence based decision making in the allocation of resources by the council.

## 7. Legal implications

- 7.1. Under the Public Services (Social Value) Act 2012, the Council as a commissioner of public services must consider in any pre-procurement process how it can secure wider social value, economic and environmental benefits in its area.
- 7.2. The Council must carry out its procurement function in accordance with both current procurement legislation, the Council's Contract Procedure Rules as set out in the Constitution (7.1) and the Council's policies. The Council must base the award of contracts on the most economically advantageous tender. Regulation 67(3) of the Public Contracts Regulations 2015 permits the Council to consider relevant and proportionate social and environmental criteria as part of its assessment of the most economically advantageous tender.
- 7.3. The Council must also comply with Procurement Policy Note 05/21 which requires all contracting authorities to familiarise themselves with the contents of the National Procurement Policy Statement and to consider the following national priority outcomes alongside any local priorities: creating new businesses, jobs and skills; tackling climate change and reducing waste; and improving supplier diversity, innovation and resilience. This obligation is only necessary where the national priorities are relevant to the subject matter of the contract and proportionate.
- 7.4. The Council has a duty to obtain best value in the procurement of works, services and supplies and to secure continuous improvement in the way functions are carried out, having regard to a combination of economy, efficiency and effectiveness (Local Government Act 1999). This means that when procuring contracts the Council must, on a case by case basis, weigh up the costs of the contract against the benefits of the particular relevant issue including social value issues.
- 7.5. 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.
- 7.6. Social Value is integrated into the planning system. Any social value to be delivered through section 106 obligations must be necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind (Regulation 122, Community Infrastructure Levy Regulations 2010).

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## **8. Equalities implications**

- 8.1. There are no direct equalities implications arising as a result of this report. However, the activities detailed within this report are designed to benefit those with the most need in order to address inequalities in Lewisham. In the process of commissioning services, the council carries out Equalities Analysis Assessments to understand how changes to service design and delivery, including providers, may have an effect on service users and the wider Lewisham population. The social value activities delivered by contractors should be designed with the appropriate equalities evidence in order to create the greatest impact and deliver the best value for money through their contracts. Contract managers within the council guide contractors in this regard and our social value KPIs are designed with an integrated equalities lens. Developers who provide social value activities should do so through an equalities impact lens in order to offset any disturbance to communities affected by regeneration and development work, and this should be particularly designed in a way to limit impacts to those most likely to be negatively affected.

## **9. Climate change and environmental implications**

- 9.1. There are no direct climate or environmental implications arising specifically as a consequence of this report. However, the social value requirements, as well as the broader procurement mechanisms that the council employs are designed to encourage and/or enforce reflection and action on the operational effects of contractors business practices in the delivery of good, works and services to the council. Some tender invitations will have specific requirements within their procurement process that detail the necessity of reducing emissions and waste in order to successfully win contract awards. Other tender invitations may invite the supplier to voluntarily commit to other emissions and waste reducing practices, which will increase their likelihood of winning the contract award. These processes are designed to help us achieve our carbon neutral commitments.

## **10. Crime and disorder implications**

- 10.1. There are no direct crime and disorder implications arising directly from this report. However, a number of the priorities embedded within the social value key performance indicators are factors that contribute towards a likely reduction in crime and disorderly behavior. This includes jobs and skills support, volunteering and community support activities, as well as bespoke targeted schemes, which are appropriate to specific contractor activities, geographical output areas or communities with specific needs.

## **11. Health and wellbeing implications**

- 11.1. There are no direct health and wellbeing implications arising from this report. However,

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the details of the social value activities described in this report demonstrate that their impacts are contributing towards improving the wider determinants of health for Lewisham residents. These include activities such as improving the environment, creating employment pathways, improving community integration and the social economy and targeting inequalities, which often have a health dimension.

## 12. Background papers

12.1. [Social Value Policy for Procurement 2022-2026.](#)

## 13. Glossary

Term	Definition
LLBS	Local Labour and Business Scheme.
Most Economically Advantageous Tender (MEAT)	The tender that will bring the greatest benefit to the council. Most economically advantageous award criteria may embrace aspects of the tender submission other than just price.
Procurement	The buying, leasing, renting of goods, services and works required by an organisation.
Social Value	Social value is formally defined through the Public Services (Social Value) Act (2012), which required public authorities to have regard to economic, social and environmental well-being in connection with public services contracts. The act came into force in 2013.
Tender Process	The official process of advertising a contract, inviting organisations to tender, evaluation of tender submissions and subsequent award of a contract.
VCSE	Voluntary, Community and Social Enterprise sector.

## 14. Report author(s) and contact

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## 15. Appendices

- *Appendix A – Lewisham Council Social Value Impact Report 2022-2023*

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