

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: NORTH LONDON HEAT AND POWER PROJECT – SOCIAL VALUE UPDATE

REPORT OF: PROGRAMME DIRECTOR

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 24 SEPTEMBER 2020

SUMMARY OF REPORT:

This report provides an overview of the Social Value generated through the North London Heat and Power Project and updates on current activity and plans.

RECOMMENDATIONS:

The Authority is recommended to comment on and note this report.

SIGNED:  Programme Director

DATE: 14 September 2020

1. INTRODUCTION

- 1.1. The North London Heat and Power Project (NLHPP) will replace the energy from waste facility at the EcoPark in Edmonton, which will reach the end of its operational life around 2025. The NLHPP comprises a replacement Energy Recovery Facility (ERF), together with a Resource Recovery Facility, Public Reuse and Recycling Centre and EcoPark House.
- 1.2. The Authority obtained a Development Consent Order for these works in 2017. In conjunction with the grant of the DCO, the Authority entered into an agreement with London Borough (LB) Enfield, as the local planning authority, under Section 106 Town and Country Planning Act 1990. Under that agreement, the Authority has an obligation to provide 100 apprenticeships and 225 on-site training placements over the life of the NLHPP. However, as a major infrastructure project, with investment in excess of £1 billion, the NLHPP provides a unique opportunity for the Authority to create a range of other meaningful social benefits for local communities of north London.
- 1.3. The purpose of this report is to set out how Social Value is embedded in the NLHPP programme; the progress made to date, working with contractors, in creating Social Value at the start of the construction phase of the NLHPP; and what Social Value will be achieved in the future as the construction works advance.

Defining Social Value

- 1.4. The Public Services (Social Value) Act 2012 calls for all public sector commissioning to have regard to economic, social and environmental well-being in connection with public services contracts.
- 1.5. Social Value can be defined as: *'The additional, wider benefits that can be created by organisations and projects, for individuals, communities and local businesses'* (Institution of Civil Engineers and Useful Projects, 2020; 'Maximising Social Value from Infrastructure Projects'.)
- 1.6. The Institution of Civil Engineers (ICE) reports states that *'Infrastructure's purpose is to meet fundamental societal needs....[but] The societal benefits that infrastructure projects can generate are not, however, limited to delivering this basic functionality. By focusing on delivering broader social outcomes, not just engineering outputs, infrastructure projects can create additional "social value"'*.
- 1.7. The Social Value Act 2012 focuses on how conducting the process of procurement improvements in Social Value can be improved; however, Social Value has relevance beyond procurement. Social Value can be created and/or improved at all stages of a project's lifecycle from the earliest planning, through design, procurement, delivery and into operations.

- 1.8. The Authority recognises the significant potential the NLHPP has in creating social benefits, particularly given the scale of investment and nature of works, and has incorporated best practice methods into delivery to maximise Social Value outcomes.
- 1.9. This paper sets out three broad ways in which the NLHPP will deliver Social Value, which include wider social benefits associated the NLHPP in operation and its assets, as well as the Social Value created through the process of constructing the NLHPP:
 - 1.9.1. First, as a significant infrastructure project critical to the functioning of north London's society and economy, which will deliver important wider health and environment benefits (Section 2);
 - 1.9.2. Second, through the physical assets and facilities created which will enable the NLHPP to manage waste in a hygienic and efficient way for north London residents, enable reuse and reduce recycling; and the production of heat and power which will be dispersed through a district heating network for the benefit of local communities (Section 3); and
 - 1.9.3. Third, by creating additional Social Value through the process of its construction (Section 4). This section reports on what progress has been made to date. The NLHPP programme of works is currently at implementation stage and preparatory construction works well underway, and therefore this paper focuses on the Social Value being created during this phase working with contractors and stakeholders.
- 1.10. Section 5 reports on the future opportunities that the programme has to deliver Social Value, which will build on the existing work to date.
- 1.11. The EcoPark South contract is just at the start, and the ERF contract is in procurement, and so the Social Value delivery of the largest contracts is not yet fully underway, and a large proportion of the total Social Value has yet to be delivered. Once construction has been completed in 2030 the NLHPP aims to have delivered:
 - 1.11.1. At least 100 apprenticeships;
 - 1.11.2. 225 on site skills training opportunities;
 - 1.11.3. Creation of over 2,500 job opportunities during construction and operation;
 - 1.11.4. 25% of opportunities to be locally filled;

- 1.11.5. a London Living Wage as a minimum to all those employed on site on the project;
 - 1.11.6. a target of 10% total expenditure through the local business supply chain;
 - 1.11.7. fair terms and conditions of employment for all workers through the application of the Employment Relations Policy and the application of the National Agreement for the Engineering Construction Industry (NAECI);
 - 1.11.8. a programme of equality, diversity and inclusion (EDI) to ensure that the NLHPP welcomes all people, creates an inclusive environment and that recruitment is open and non-discriminatory;
 - 1.11.9. a schools programme, which engages pupils at Key Stage 3 level in local schools and teaches them about the NLHPP project as well as waste and construction related topics, aligned to their curriculum and the Gatsby benchmarks; and
 - 1.11.10. a community programme, which delivers improvements to the local environment and may involve capacity building amongst local communities.
- 1.12. A table outlining the current progress to date on the delivery of Social Value across the NLHPP can be found in Appendix A. The table outlines progress made and actions required in the short term against each Social Value workstream.

2. CREATING SOCIAL VALUE THROUGH WASTE INFRASTRUCTURE PROVISION

Social Value and the Role of the Authority

- 2.1. The Authority (NLWA) manages waste for seven north London boroughs, with a population of over two million people. The Authority's principal function is the disposal of waste for these seven boroughs. The Authority also manages the recycling collected by six of the seven constituent boroughs.
- 2.2. The importance of responsible waste disposal is often taken for granted and overlooked. Without effective waste disposal there would be significant negative social, health and economic related impacts for North Londoners. Social Value is therefore implicit within the day to day operations of the Authority. The NLHPP will through its operations enable the Authority to continue to deliver significant Social Value, which has far-reaching value for society through the contribution to public health.
- 2.3. As well as providing these essential waste disposal services, the Authority delivers additional benefits through its campaigns to encourage recycling and waste prevention. These campaigns have positive long term benefits, in particular for the

environment, which indirectly create wider Social Value. For example, educating people on the link between waste and the circular economy; and supporting improvements in the local environment, making the local area more attractive place to live and work.

Social Value and the NLHPP

- 2.4. The NLHPP will provide a state-of-the-art process for residual waste disposal to replace the existing aging Energy from Waste Facility at the EcoPark. The ERF will divert waste from landfill and replace more carbon intensive alternatives for generating energy, such as power plants that burn virgin fossil fuels. The ERF will be part of the UK's efforts to decarbonise its energy supply 2050. Decarbonising means reducing the emissions per unit of electricity generated. The decarbonising of the UK's power sector is a crucial part of meeting the national determined contributions to the Paris Agreement on climate change. It will be one of the first ERFs in London to support the provision of district heating, helping to support the sustainable development of thousands of new homes at Meridian Water in Enfield
- 2.5. The NLHPP will primarily serve the residents of north London. In line with the Mayor of London's Environment Strategy, the NLHPP could, if society moves more quickly than current forecasts towards a low-waste, high-recycling economy, manage waste from other local authorities and businesses within London, using the cleanest and most advanced technology of any London facility.
- 2.6. North London boroughs' ambitious plans to reduce waste and increase recycling in response to the Climate Emergency are fully supported by the NLHPP. The NLHPP will dispose of 700,000 tonnes of non-recyclable waste per annum. The climate impact of burying this quantity of waste in landfill is 243,000 tonnes of carbon dioxide per annum.
- 2.7. The NLHPP involves a sustainable waste treatment and recycling hub at the Edmonton EcoPark. This will include a new state of the art Resource Recovery Facility to extract additional wood, plastics and metal for recycling. A new hub, called EcoPark House will be built and will enable local communities to learn more about the circular economy. A Reuse and Recycling Centre will at the EcoPark, will be available for use by local communities. The Resource Recovery Facility (RRF) will have capacity to manage 135,000 tonnes of recyclable material every year. The increased capacity enables and supports waste behavioural change in north London.
- 2.8. The new facility will bring significant benefits through its expanded capacity and improved waste disposal process, which will treat waste in the most environmentally responsible way and benefit the local population by ensuring that communities are protected from environmental and health risks.

3. CREATING SOCIAL VALUE THROUGH NEW ASSETS AND FACILITIES

- 3.1. The NLHPP will provide facilities with intrinsic value for north London's residents, in that it will include an ERF to manage residual waste generated in the area efficiently and hygienically. The waste will be diverted from landfill and used to generate low-carbon heat and power for up to 127,000 homes.
- 3.2. In addition to electricity, the ERF will be able to produce heat energy which can be harnessed for distribution into the local community, offering the benefit of low-carbon heat. The ERF in Edmonton is planned to partner with Energetik, LB Enfield's energy company, which runs heat networks across the borough. This offers a unique opportunity to access heating by a public company with networks that support improvement in public health and make the homes that connect to the service warmer and more efficient. Energetik's publicly stated aim is to operate to offer fair and reliable prices, putting customers in control of their heating needs and are dedicated to protecting vulnerable people through their customer services. Further information on the environmental and service credentials are available at <https://www.energetik.london/fag/>.
- 3.3. The Resource Recovery Facility (RRF) is a new transfer station to receive and sort waste collected by local authorities. It will have capacity to manage 135,000 tonnes of recyclable material every year, including wood, paper and plastics. The RRF has been futureproofed to ensure that it can accommodate more recyclable materials in the future.
- 3.4. A Public Reuse and Recycling Centre (RRC) will enable residents to bring their recyclable materials directly to the EcoPark for the first time. It will add to north London's existing network of RRCs and extend the opportunity for Enfield residents to recycle a wider range of materials in closer proximity to their home.
- 3.5. EcoPark House is a visitor centre that will offer education on waste, recycling and energy. It will also provide space for the Edmonton Sea Cadets with a wharf onto the River Lee so that the Cadets can continue to operate from this location.
- 3.6. New public access will be introduced on to the EcoPark from the Lee Valley River Corridor. An area accessible to the public will be provided at the ERF which will serve as an access point for the rooftop viewing platform and a starting point for tours of the EcoPark.
- 3.7. NLHPP includes an extension of local green spaces, including planting along Enfield Ditch and native tree, shrub and grassland planting will be added on Edmonton EcoPark.

4. DELIVERING SOCIAL VALUE THROUGH THE CONSTRUCTION PROCESS

The Opportunity to Create Social Value during the Construction Phase

- 4.1. The construction phase of the NLHPP provides significant opportunities to create Social Value. The Authority recognises that there are opportunities to attract new talent into the construction industry and upskill the current workforce; create opportunities for local and disadvantaged people to access employment opportunities; stimulate interest in STEM subjects (science, technology, engineering and mathematics) and construction / waste infrastructure related careers via an NLHPP education programme; and ensure best practice in employment relations.
- 4.2. The requirements of the Development Consent Order (DCO) include the creation of new apprenticeships and on-site training placements. Beyond the Section 106 legal agreement, the NLWA has included additional requirements within its contracts aimed at promoting employment, skills and economic development including: the prioritisation of local candidates in recruitment; third party staff and apprentices; ensuring local supply chain businesses benefit from procurement opportunities; promotion of Equality, Diversity and Inclusion in workforce management; payment of the London Living Wage to all employees; promotion of learning and careers insight through a school programme; and investment in waste/environmental community projects. An Employment Relations Code of Practice has also been adopted, being approved by Members at the meeting on 3 October 2019, which contractors will be required to adhere to; this aims to avoid poor workforce relations which can pose significant risks to programme delivery, but also to promote Social Value.
- 4.3. Each of the Social Value measures has a set of identified outputs and outcomes. The Social Value programme is based on research using publicly available information into local socio-economic needs. Outputs refer to the tangible and visible assets resulting from infrastructure activities, for example the creation of EcoPark House. Outcomes refer to the specific changes brought about for its beneficiaries / users, for example that the local supply chain is supported and grown.

Social Value in Construction Contracts

- 4.4. Currently a key work area for the Authority is facilitating the delivery of the Social Value measures within existing contracts, which involves working with local agencies, contractors and London Borough (LB) of Enfield to identify how best to deliver the requirements.
- 4.5. All contractors are required to produce a Social Value action plan setting out how they will work to meet their contractual Social Value obligations. The action plan is

developed at the beginning of the contract collaboratively, with support and guidance by NLWA officers. Through this collaborative process the importance of Social Value is highlighted for the NLHPP and individual contracts and works with the contractor to find ways to maximise additionality.

- 4.6. Monitoring contractor compliance with NLHPP's Social Value and employment relations requirements occurs each month. This monitoring process is a crucial part of ensuring that NLWA can demonstrate the value which it generates, in line with the NLHPP vision, and reflecting on what is working well and what needs to change to improve delivery. The Authority have been liaising with LB Enfield Section 106 officers on the progress made in delivering the DCO requirements, as well as other Social Value benefits, and has agreed the format for reporting. Formal reporting has not taken place in recent months as a result of the relevant staff members leaving LB Enfield, but regular meetings should restart in the near future, to ensure liaison on compliance with the requirements of the Section 106 legal agreement and awareness of Social Value initiatives.
- 4.7. The preparatory contracts have provided insight into the challenges of implementation and how to best secure Social Value through the procurement process. This insight will feed through in contract delivery and has fed through to the design of the Social Value requirements in the ERF procurement process.
- 4.8. The NLHPP will create a range of beneficial Social Value outcomes. The outcomes can be grouped under three themes: Economic benefits; Education, Skills and Training benefits; and Social benefits. These are explained below in the following sections.

Benefits to the Local Economy

- 4.9. The Authority recognises the significant economic benefits that the NLHPP can generate through the large-scale capital investment made over the long term programme. The Social Value programme places an emphasis on creating opportunities for local and disadvantaged people:

Supporting Local Labour Initiatives

- 4.9.1. The NLHPP will generate significant opportunities for local people to benefit from employment opportunities. Through the nature of the project works, a range of job opportunities will be available. Whilst the DCO does not have a quantified target for the use of local labour, NLWA has incorporated a target of 25% from within the north London area into its work with contractors the 25% target is consistent with the policy of LB Enfield.
- 4.9.2. In order to ensure that upcoming contracts are able to draw from the local labour pool, officers have developed a list of employability organisations

who are able to help with sourcing candidates, many of which are focused on supporting those living in the local area. For example, council-led employability organisations (such as Build Enfield) and local organisations such as Fairer Chance.

- 4.9.3. In line with DCO requirements, contracts specify that there is a requirement for new apprentices to be local residents (the boroughs of Enfield, Waltham Forest and Haringey), though in order to ensure that there is a full complement of apprentices in the project, if this is unachievable contractors can recruit candidates from the wider area.

Supporting Local Business Expenditure

- 4.9.4. There is a desire to see the substantial spending associated with the NLHPP programme benefit businesses (and residents) in the local area (the boroughs of Enfield, Waltham Forest and Haringey), so that they may share in the benefits of investment.
- 4.9.5. The DCO does not have a quantified target for the use of local businesses. However, NLWA is committed to maximising spending with local businesses, and has agreed to work with contractors to achieve a target of 10% expenditure across the programme to be through contracts made with local business. This is the target that is used by LB Enfield for construction projects and is considered aspirational given the complexity and specialist requirements of the programme.
- 4.9.6. This commitment will ensure that NLWA spending and economic multiplier effects are locally beneficial.
- 4.9.7. Working with contractors and organisations subcontracting and supplier opportunities will be advertised effectively so that local businesses are aware of all the available opportunities. This work will grow as large contracts with deeper supply chain requirements come forward (works associated with the EcoPark South and the ERF).
- 4.9.8. To support this process, the Authority has identified local organisations that have existing knowledge and contacts within the local construction supply chain and can assist in advertising opportunities and connecting contractors with local businesses. This information is being used in the procurement documents of recent contracts including the ERF.

Education, Skills and Training Benefits

- 4.10. There is a shortage of labour within the construction and engineering sector in the UK, and key gaps or under-representation in certain skilled trades. The NLHPP will strive to ensure that the skills and workforce required to deliver the project are in

place by attracting new talent into the construction industry and upskilling the current workforce. This is to be achieved through the following programmes:

Creating New Apprenticeships

- 4.10.1. The aim of apprentices to provide those looking to start a career in the construction sector (likely to be mostly younger people) an opportunity to enter the labour market through an apprenticeship. Apprentices will work towards a National Vocational Qualification or professional membership qualification supported by the National Apprenticeship Scheme's on-the-job training with a construction company. The intention is to achieve no fewer than 100 apprenticeships, the requirement in the DCO.
- 4.10.2. The apprenticeships should last at least 12 consecutive months and where possible the Authority will work with contractors to ensure that apprentices are kept on at the NLHPP throughout the duration of their apprenticeship so that they are able to get a meaningful experience and get a holistic view of the project and its various stages.
- 4.10.3. An accelerated recruitment process was undertaken for the first intake of apprentices on the EcoPark South contract, which included the advertisement for apprenticeship roles prior to the appointment of a contractor, to ensure the apprentices are able to start as soon as the contract commences as it is line with the academic calendar.
- 4.10.4. Four apprentices have started their apprenticeships on two of the preparatory works contracts (Northern Access Works and Laydown Area West). This comprises two business administration apprentices and two engineering technicians.
- 4.10.5. For the EcoPark South contract, the roles include construction and electrical and civil engineering. The appointed contractor has made offers to 5 apprentices, and they are expected to start on site in September 2020.
- 4.10.6. Further recruitment activities are currently on-going for a ground worker apprentice on the Northern Access Works contract. There are also further apprentice opportunities on the EcoPark South contract including in business administration and mechanical trades.

Providing Training Placements

- 4.10.7. Training placements are designed to provide insight into what working on a construction site involves and practical support for those looking to get a job on site. This could be for those new to the sector or looking to return to the sector. The placements help to demonstrate the potential different types of jobs in the construction sector.

- 4.10.8. Placements will provide a combination of pre-employment advice, classroom-based skills, and exposure to practical skills on site. These are skills that trainees can build and develop through the training placement that they are then able to use to attain employment.
- 4.10.9. The placements should result in a measurable outcome, which trainees can use to gain onward employment, such as a Construction Skills Certification Scheme (CSCS) Card that provides Health and Safety awareness training and enables on-site working.
- 4.10.10. Contractors of the preparatory works (Galldris and Buckingham) are currently working in partnership with the College of North East London and the Capital City College Training (CCCT) to deliver training placements. Placements combine classroom based learning with first-hand experience of the environment of a construction site and an understanding of the various roles and skills that are required on a construction site and the day-to-day activities. Classroom learning provides trainees with the opportunity to attain a CSCS card before they undertake their on-site placement, as well as CV writing and interview workshops.
- 4.10.11. Engagement has taken place with the Royal School of Military Engineering (RSME), who provide training for the military veterans, to accommodate apprentices on the NLHPP. COVID-19 prevented opportunities to support students; however, this relationship is established, and future opportunities are likely to come forward.

Schools Programme: Supporting Learning and Career Insight

- 4.10.12. The NLHPP represents a unique opportunity to educate and enthuse children and young people about the waste management and construction sectors. It is possible that some of these young people could become part of the NLHPP's workforce in future years.
- 4.10.13. The NLHPP schools programme will include both a learning-based programme and career focussed programme targeted at early secondary school, Key Stage 3 (KS3), children aged 11 to 14. The curriculum during the first few years of secondary school is flexible and can accommodate bespoke learning opportunities such as those which the NLHPP can bring. This age group is engaged with key topics of relevance and will benefit greatly.
- 4.10.14. The learning-based programme will focus on providing an educational insight into waste management including recycling, reuse and sustainability as well as about the Energy from Waste process and what the NLHPP is delivering. This will enable the Authority to stimulate interest

in STEM subjects (Science, Technology, Engineering and Mathematics) through practical application of knowledge that students will be learning in the classroom environment.

- 4.10.15. The career-based programme will focus on sharing knowledge on construction and engineering careers, the relevant training and skills that are required to achieve these careers and provide practical examples of what day-to-day activities and roles are undertaken on a construction site. This will provide a platform for the Authority to generate interest in construction and waste infrastructure related careers.
- 4.10.16. Importantly, the Schools Programme's content and format of delivery will need to be curriculum relevant. The Authority has begun developing the potential programme content through alignment of how the type of learning and insight the NLHPP fits with the National Curriculum (in particular the subjects of Physics, Chemistry and Geography) and Gatsby Benchmarks (alignment with good career guidance).
- 4.10.17. Career insights will need to be highly relevant so those looking to get into the construction sector have an understanding of diversity of the sector, the types of jobs and ways into such as further learning and on the job training.
- 4.10.18. The Schools Programme is being developed collaboratively with teaching practitioners, career, and employability specialists. In collaboration with local schools, the Authority will develop a suitable programme to most effectively deliver its ambitions for the school programme. The programme will aim to target those locations closest to the NLHPP site. This may be, for instance, in deprived communities where for example there are lower levels of education attainment, earnings, occupation levels, and higher levels of unemployment. These locations are where the greatest outcome uplift can be created.
- 4.10.19. To date, officers have had extensive engagement with LB Enfield regarding the approach to take with the school programme and a high-level strategy has been developed based on the outcomes of engagement with LB Enfield.
- 4.10.20. Going forward, officers will work with LB Enfield to engage with prospective schools on how to implement the schools programme. It is anticipated that the programme will be implemented in person at schools in January 2021.

Benefits to Society

- 4.11. A key Social Value aspiration of the NLHPP is to help make society more equitable. The NLHPP site is located in the ward of Edmonton Green, which is one of the most deprived parts of London and ranks within the top 20% most deprived neighbourhoods in the country. The area also has a demographically diverse population and the NLHPP could offer substantial opportunities through initiatives across the social value themes described in this report that will deliver significant benefits within the local community and target benefits at the identified Equality, Diversity and Inclusion (EDI) groups to encourage under-represented demographic groups into the workplace and construction industry.
- 4.12. The Authority are working with relevant local authorities and organisations such as A Fairer Chance, Build Enfield to identify the those who would benefit the most from the opportunities offered by the NLHPP including the local supply chain as well as local people. To date, this has been achieved through the delivery of apprenticeships and training placements on the preparatory works contracts with all four apprentices currently working on the NLHPP living in Enfield and three out of four of the apprentices attended schools that are in close vicinity to the NLHPP site. In addition, training placements are being delivered in partnership with local colleges who target those living locally who are not in education, employment or training (NEETs).
- 4.13. The larger opportunities to deliver benefits to local communities, including the identified EDI groups, will be through contracts for EcoPark South Construction and the delivery of the ERF. The ways in which the benefits can be delivered are yet to be established with contractors. An example will be the implementation of the schools programme which will focus on schools in the local area and targeting those located in more deprived communities, providing school pupils with opportunities that they may not have been able to access otherwise. Project officers have been actively engaging with LB Enfield to develop the content and approach to the schools programme. Moreover, the delivery of community projects will also deliver wider environmental and societal benefits to the local community through projects initiated as a result of the NLHPP.
- 4.14. Both the EPS and ERF contracts offer the opportunity to work with sub-contractors and local suppliers at a larger scale as well as offering the more opportunities for employment within the construction sector to those people living in the local area. Work with contractors and local organisations will continue throughout the project to ensure that dis-advantaged and under-represented groups have access to all opportunities coming forward.
- 4.15. NLWA will endeavour, in the way it sets up and implements the NLHPP programme, to address imbalances, and to be a model of what a better construction sector and society should look like. Through the following initiatives, the Authority are aiming

to reduce inequality and ensuring that the benefits of the NLHPP experienced across all groups:

Equality, Diversity and Inclusion (EDI)

- 4.15.1. Certain demographic groups experience greater barriers to accessing jobs. The NLHPP aims to support a diverse workforce and maximise the benefits of the project for under-represented and disadvantaged groups within the local community.
- 4.15.2. Actions are required to promote equality, diversity and inclusion in the execution of the contract. EDI is not defined within the DCO. However, each contractor will be required to uphold the Equality Act 2010.
- 4.15.3. NLWA is required to promote Social Value by the Local Authority Best Value Duty Act 1999, the Public Contracts Regulations 2015 Public Procurement selection criterion and the Public Sector Equalities Duty (Equality Act 2010).
- 4.15.4. The EDI groups are those who fit one of the following characteristics: unemployed (for at least 6 months prior); long term unemployed/economically inactive; those not in education, employment or training (NEETs); lone parents; women; those with physical disabilities; those with learning disabilities; Black, Asian, Minority Ethnic (BAME); ex-offenders; military veterans.
- 4.15.5. In order to ensure that contracts are able to target hard to reach groups in the local area, the Authority has developed a list of employability organisations active locally that are able to help with the sourcing of candidate within these hard to reach groups.

Providing the London Living Wage

- 4.15.6. The Authority is committed to addressing inequity by ensuring that paying all workers including temporary and agency staff and apprenticeships is a contractual requirement and therefore contractors are required to pay wage for workers on site at the London Living Wage.

Community Projects

- 4.15.7. The scale of investment means that there are opportunities to leverage meaningful change for local communities. Community projects are expected to align with the statutory requirements of the Authority and generate environmental or social benefits for those living and working closest to the NLHPP site.

4.15.8. Contractors will lead on the delivery of projects with support and input to maximise benefit delivery, as required by Authority.

4.15.9. To date the Authority has undertaken scoping of activities to understand best practice and the potential types of projects that could be delivered. The ERF contract presents the greatest opportunity to support Community Projects. The contractor will bring its own expertise and innovation.

5. FUTURE SOCIAL VALUE BENEFITS

5.1. As a Nationally Significant Infrastructure Project the Authority recognises the importance of striving to be a Social Value exemplar, and the potential opportunities to share our best practice and lessons learnt. This is expressed in the ambitious targets set for outputs and outcomes, but also in the ways in which the Authority is willing to work with contractors to maximise gain. The outputs from the programme are described above in this paper.

5.2. The application of these Social Value outputs and outcomes to contracts is determined by the nature of the type and length of works. There is a strategy to realise and maximise these Social Value benefits over the course of the NLHPP programme.

Facilitating and delivering future Social Value

5.3. The works of the preparatory stage have been underway since the start of 2019. The contracts are relatively small in scale and short-term (compared to other stages of the NLHPP works). However, the Authority has specified Social Value requirements in contracts where appropriate, in order to maximise Social Value opportunities throughout the programme. These requirements include the DCO requirements of creating new apprenticeships and training placements, as well as targets to work to for local residents into employment and local business supply chain involvement, the London Living Wage, and the application of EDI and recruitment of protected characteristic and hard to reach groups.

5.4. The process of working with the contractors to develop a delivery strategy for Social Value has provided first-hand practical experience of the issues in delivering Social Value. This experience has been used to develop the more extensive programmes in the contracts for EcoPark South Works and for the ERF construction.

5.5. Moving forward, the project team will continue to challenge contractors in being innovative and seek to create the greatest additionality in outputs and outcomes, for existing preparatory phase contracts and future contracts.

5.6. The EcoPark South works contract has been awarded and construction is due to start in Quarter 1 2021 and be complete by Quarter 4 2022. This contract is of

larger value and longer timescale than the preparatory works contracts, and so there are opportunities to step up the realisation of Social Value. For example, this contract includes the requirement for 20 apprenticeships and 20 training placements. The competitive dialogue phase of tendering identified the need for the Authority to advertise apprenticeships ahead of contract signing to enable apprenticeships to begin in autumn 2020. This is an example of how the Authority is flexible in its approach and working, and managing potential risks to Social Value delivery.

- 5.7. The ERF construction contract, being the longest and most valuable contract, has the greatest potential to delivery Social Value benefits. The Social Value requirements involve a requirement for 90 apprenticeships and 180 training placements plus requirements to support realisation of all other Social Value themes. The Authority has committed to incorporate the National Agreement for the Engineering Construction Industry (NAECI), which sets comprehensive terms and conditions of employment for engineering construction workers, into the ERF construction contract, and this has been included in the procurement documentation. This will contribute to delivering social value by ensuring that certain standards apply to worker protection, and that there are constructive arrangements for resolving any workplace disputes.
- 5.8. In the procurement process, the market was engaged early, and the importance of Social Value delivery to the overall success of the NLHPP was explained in the Market Information Days. The procurement documents incorporate learning and best practice on how to implement Social Value gained from existing contracts, and include safeguards to ensure Social Value is properly built into the contractor's delivery strategy. In particular the ERF tender requirements incorporate Social Value procurement best practice by applying the Social Value National Themes and Outcome Measures (TOMs) framework to monetise contractor proposals. This will ensure that bidders recognise the importance the Authority places on Social Value; commits to delivering Social Value ambitions; plan for the right resources to deliver these; and thinks through how they will deliver practically, incorporating this into tender proposals put forward.
- 5.9. The procurement process also emphasises Social Value delivery quality. Bidders must set out their proposed delivery strategy, which requires careful consideration of what and how they will deliver, how it fits with programme, the risks and mitigation needs, and how they will effectively monitor and evidence gain.
- 5.10. Once the ERF contract is in place, monitoring and management processes will be in place, with contract enforcement tied to the National Themes Outcomes and Measures (TOMs) Framework (TOMs) monetisation process, giving further confidence that the Contractor will deliver the required Social Value.

- 5.11. The operational phase will provide opportunities for Social Value benefits: through operational employment and through the wider societal benefits of improved capacity and capability for responsible waste disposal.

6. EQUALITIES IMPLICATIONS

- 6.1. In setting up, carrying out and monitoring the Social Value initiatives in this paper, issues of equality and diversity will be addressed so that that barriers to access are considered. In part this is integral to the initiatives, in the prioritisation of the local communities. Contractor policies, and their effective implementation of these, are checked during the procurement process.

7. COMMENTS OF THE LEGAL ADVISER

- 7.1. The Legal Adviser has been consulted in the preparation of this report and has no comments to add.

8. COMMENTS OF THE FINANCIAL ADVISER

- 8.1. The Financial Adviser has been consulted in the preparation of this report and has no comments to add.

List of documents used:

ICE and Useful Projects, (2020); 'Maximising Social Value From Infrastructure Projects'

Contact officer:

Ursula Taylor
Unit 1b Berol House
25 Ashley Road
London N17 9LJ
Ursula.taylor@nlwa.gov.uk

APPENDIX A SOCIAL VALUE PROGRESS TO DATE

The table below outlines the key activities that have been achieved, are currently being undertaken and that will be carried out in the immediate future by each Social Value workstream.

Much of the work that has been undertaken to date has been associated with the ensuring that the preparatory works contracts deliver their social value obligations. Further work has also been carried out to ensure contracts starting on-site soon are able to deliver social value obligations i.e. apprenticeships on time.

Social Value Activity	Progress to Date
Apprentices	<p>Progress</p> <p>Four Apprentices have started their apprenticeships on two of the preparatory works contracts (Northern Access Works and Laydown West). This comprises two business administration apprentices and two engineering technicians.</p> <p>For the EcoPark South contract, the Authority accelerated the recruitment process for the first major intake of apprenticeships. We advertised the roles prior to appointing a contractor, to ensure the apprentices are able to start this September in line with further education calendar. The roles include construction and electrical and civil engineering. Vinci have made offers to 5 apprentices on the Eco Park South contract. The apprentices are expected to start on site in September 2020.</p> <p>Next Steps</p> <p>Recruitment for a groundworker apprentice on the Northern Access Works contract is currently on-going. The apprentice will continue to work with Galldris through the duration of their apprenticeship.</p> <p>Further apprenticeships are being scoped out on the Eco Park South Contract including a design apprentice, business administrator apprentice and apprentices in the mechanical trades.</p>
Training Placements	<p>Progress</p> <p>Galldris have begun delivering on-site training placements, which involve trainees shadowing workers and learning about the skills required on a construction site and gain experience of day-to-day activities on site. Buckingham are also in the process of delivering training placements through the College of North East London. The placements involve classroom-based training as well as an on-site element.</p> <p>Engagement has taken place with the Royal School of Military Engineering (RSME), who provide training for the military veterans, to accommodate apprentices on the NLHPP.</p> <p>Next Steps</p>

Social Value Activity	Progress to Date
	<p>The Authority will work with contractors to ensure all training placements are delivered on existing contracts and that contracts that are soon to start on site have established a framework to deliver training placements that have both an on-site element as well as a measurable output e.g. a CSCS card or equivalent.</p>
Local Labour	<p>Progress NLWA are committed to work with contractors to achieve a target of 25% of workers from the Local Area.</p> <p>Next Steps The Authority has developed a list of employability organisations who are able to help with the sourcing of candidates, many of which are focused on supporting those living in the local area (the seven boroughs of the NLWA membership), for example council-led employability organisations (such as Build Enfield, which encourages and supports residents to move into construction-related roles is important) and local organisations such as A Fairer Chance (which supports various EDI groups into employment, e.g. ex-offenders and Not in Education, Employment, or Training (NEETS)).</p>
Local Businesses	<p>Progress NLWA have agreed to work with contractors to achieve a target of 10% expenditure across the programme to be through contracts made with local business.</p> <p>Next Steps The Authority has identified local organisations that have existing knowledge and contacts within the local construction supply chain and can assist in advertising opportunities and connecting contractors with local businesses.</p>
EDI	<p>Progress In order to ensure that upcoming contracts are able to target hard to reach groups in the local area, the Authority has developed a list of employability organisations active locally that are able to help with the sourcing of candidate within these hard to reach groups.</p>
Schools Programmes	<p>Progress To date, officers have had extensive engagement with LB Enfield regarding the approach to take with the school programme and a high level strategy has been developed based on the outcomes of engagement with LB Enfield</p>

Social Value Activity	Progress to Date
	<p>Next Steps Going forward, officers will work with LB Enfield to engage with prospective schools on how to implement the schools programme. It is anticipated that the programme will be implemented in person at schools in January 2021.</p>
Community Projects	<p>Progress To date the Authority has undertaken scoping of activities to understand best practice and the potential types of projects that could be delivered.</p> <p>Next Steps To work with stakeholders (LB Enfield) and Contractors to identify what projects could be undertaken.</p>
London Living Wage	<p>Progress The Authority have made it a contractual requirement that all workers at the site, including apprenticeships are paid the London Living Wage.</p> <p>Next Steps To continue the monitoring of LLW to ensure the provision is upheld for all workers.</p>