



NLHPP PROJECT BRIEF


DELIVERING SOCIAL VALUE

Authority Member's Project Briefing



North London Heat and Power Project

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1. INTRODUCTION

1.1. This report provides Members with an update on the status of the North London Heat and Power Project (NLHPP) with regard to the delivery of social value. Progress against each social value theme is set out in section 2 including:

- Apprenticeships
- Training placements
- Local businesses
- Local employment
- Schools programme
- Equality, diversity and inclusion, and
- Community projects.

1.2. The report follows the practice required by Authority Members: to provide a more detailed update report on Social Value progress than is normally provided within the regular overall Project Update reports. As well as providing a more detailed overall progress summary, the report provides a more detailed examination of progress, methods adopted, and issues arising in individual aspects of the project's social value programme. The purpose of the detailed briefing is to enable Members to comment on the progress to date and to advise on any further actions they believe are necessary.

1.3. The main body of the report in Section 2 provides an overall update on progress across the social value programme. The narrative describes progress to the end of October. The issues which Officers wish to raise with Members as part of the briefing are a review of progress to date and methods employed for Acciona's delivery of their social delivery programme; an outline of how Officers will ensure that the Social Value Strategy remains relevant and targeted to maximise local benefits during the course of the long-term construction programme to 2030.

1.4. A summary of the formally reported social value progress against targets up to the end of the September 2022 reporting period is provided in the social value dashboard included in Appendix A.

1.5. Acciona's progress and plans for implementation of social value on the ERF contract is included in Appendix B.

1.6. Finally, Members are updated on the approach to reviewing the NLHPP Social Value Strategy to ensure it is up to date and relevant in Appendix C.

2. SOCIAL VALUE DELIVERY PROGRESS

Apprenticeships

- 2.1. September marked the arrival of new apprentices on the Project, following the summer recruitment period. Two new Civil Engineering apprentices have joined the project on the ERF contract and the EcoPark South contract respectively. Furthermore, two of the existing Taylor Woodrow Civil Engineering apprentices have recently completed their Level 3 courses and will be progressing to their Level 6 degree apprenticeships. Along with the new apprentices who started on the project, this has increased the project's progress against the Section 106 target to 68 years of apprenticeship employment against a target of 100. The progress is reflected in the Social Value Dashboard in Appendix A.
- 2.2. On 3 October, four further apprentices have started with Acciona on the ERF contract including a Site Supervisor, a Quantity Surveyor, a Site Support Operative, and a Social Value Coordinator. Creations of new roles will continue as the project is gathering pace, with another four apprentices to be recruited over the next few months for a January 2023 start.
- 2.3. To ensure the new cohort of apprentices feel welcome and connected across the NLHPP, the Apprentices Network will be refreshed at the end of October to welcome the new cohort of apprentices and introduce them to existing apprentices on the NLHPP. The Apprentices Network is a monthly forum which allows apprentices from across the NLHPP to share experiences, get to know each other as well as learn more about their respective organisations.

Training Placements

- 2.4. Preparations for the next phase of training placements delivery on the project are continuing, with a particular focus on linking future placements into employment opportunities on the project. It has recently been announced that Enfield Council's application for Mayor's Construction Skills Bootcamp funding, which NLWA and Acciona supported, has been successful. Discussions are now in progress to allocate training placements which would meet skills demand on the project and support unemployed residents into employment. In addition, engagement with LB Enfield about the Meridian Water Skills Academy continues in order to provide a long term training pathway for residents into work on the project.
- 2.5. Progress on the delivery of training placements up to now as part of other contracts is detailed in the Social Value Dashboard in Appendix A. The project has exceeded its targets to date, having delivered 138 placements against a Section 106 requirement of 225. The trainees on the project so far have been from diverse backgrounds, with 61% identifying as ethnic minority groups. In terms of gender diversity, however, there is an underrepresentation of women among trainees who accounted for 8% of trainees so far. While this is generally symptomatic of the construction sector, the project is taking active steps to improve gender diversity in amount our trainees. As such, Acciona is working with Women into Construction

and local boroughs to develop training placements for unemployed local women, who would subsequently be linked to employment opportunities in the sector.

Local Employment

- 2.6. The proportion of contractors' employees on site who are from LB Enfield, Haringey and Waltham Forest to date is at 18%, rising to 23% when all NLWA boroughs are considered. These proportions reflect the cumulative profile of the workforce to date.
- 2.7. The creation of employment opportunities for local residents continues, with Acciona launching recruitment for four more vacancies on the project. These opportunities are being actively promoted through local job brokerages, networks such as Women into Construction, as well as digital channels on NLHPP. In November, the contractor will be launching an Employment and Skills Delivery Network to link sub-contractors with local job brokerages to facilitate employment creation across the supply chain (see further detail in Appendix B).
- 2.8. In addition, the employment opportunities are being actively promoted at local job fairs. This includes upcoming events in Waltham Forest in October at which NLHPP was represented.
- 2.9. The key to ensuring vacancies on the project are creating genuine opportunities for local people, employment creation will be supported by training placements aligned to upcoming vacancies (delivering upskilling for previously unemployed residents) and engagement with hard to reach groups, including youth groups, to create pathways into jobs. Further detail on Acciona's approach is provided in Appendix B.

Local Businesses

- 2.10. Monthly data collected from contractors shows that the project is achieving 16% spend by the Authority's main contractors with local sub-contractors and suppliers based in London Borough of (LB) Enfield, LB Haringey, and LB Waltham Forest. This progress is set against a project target of 10% of main contractors' spend on sub-contractors and suppliers being local as agreed with LB Enfield as part of Section 106 monitoring (although it is not a Section 106 obligation). This proportion of local spend equates to £13.1m to date. With the appointment of local security contractor and enabling works contractors on the ERF contract in September, the project will continue to provide opportunities for local businesses and associated local employment.
- 2.11. Spend directly by the Authority is also monitored in relation to NLHPP construction spend. This shows that when NLWA and main contractors' spend is considered together, the project has injected over £22.0m into the local economy in LB Enfield, LB Haringey and LB Waltham Forest.

- 2.12. With the commencement of the ERF contract, the proportion of local spend is likely to drop overall as more specialist works gather pace and significant components are sourced from outside the UK. The team has undertaken a review of the spend projections taking into account ERF contractual targets, with findings presented in Appendix B.

Schools Programme

- 2.13. Following a pause in schools programme delivery over the summer holidays, the programme is resuming delivery in October and November with seven sessions planned in schools across Enfield, Waltham Forest, Haringey, Hackney and Islington. The team has also established new contacts with Careers and Enterprise Hubs to facilitate engagement with schools in Camden and Barnet to ensure opportunities are spread across all seven NLWA boroughs.
- 2.14. Plans are also progressing to facilitate educational site visits from local schools to the NLHPP which will be hosted over the next few months. The visits would be tailored to different age groups, including a site tour on the safe routes and learning sessions delivered by industry professionals. The team is continuing to engage with primary schools to gather feedback from teachers about proposed scope of sessions for younger age groups.

Equality, Diversity and Inclusion (EDI)

- 2.15. Engaging with hard to reach groups and encouraging representation of women and ethnic minorities in NLHPP's workforce remains a key focus of social value delivery on the project. There is an ongoing expansion of activities to help the project achieve these ambitions. This includes development of a youth engagement programme aimed at local youth groups. The team has been engaging with LB Enfield youth services to establish an offer aimed at Pupil Referral Units (a type of school specifically set up to provide education for children who are unable to attend a mainstream or special maintained school or academy) and youth centres (which focus on locations where youth violence and anti-social behaviour is a concern). The long term objective of the activities is to create a pathway for young people into training and employment opportunities on the NLHPP, recognising the need for additional steps and support which may be required.
- 2.16. Furthermore, the team is continuing to engage with West Lea School in Enfield which caters for students with special educational needs. On 7 October, the team attended a careers fair at the school and engaged with 22 students and teachers and job coaches to provide information on the project and explore opportunities for site visits and work experience. Liaison with the school will continue through Acciona in order to link the candidates into work placements on the project, with the aim of follow on support into a job.

- 2.17. Acciona continues to engage in the Women into Construction's Moving on Up programme which supports women in construction and engages supervisors and senior leaders to develop EDI action plans that contribute to more inclusive workplaces.

Community Projects

- 2.18. Acciona will be launching the community projects brochure to local community organisations later in October to allow applications for volunteering time and small grants (of up to £2,500) towards local initiatives. The team is looking at ways to intensify this activity such as contributing volunteering time from across the NLHPP organisations.

3. MEMBER ENGAGEMENT

- 3.1. Members are asked to consider how local supply chain opportunities, employment and the schools programme can be progressed in their areas and provide comments. Officers will continue to liaise with borough officers in relevant departments – economic development and education in particular.

4. EQUALITIES IMPLICATIONS

- 4.1. In carrying out this workstream, equalities issues are taken into account as relevant for that activity. In particular, it is acknowledged that work to encourage specific groups into the construction workforce is enhanced when role models are provided with similar characteristics. For this reason, a variety of individuals present at schools and careers events, and recruitment advertising emphasises inclusion.



Appendix A

Social Value Dashboard: October





Social Value Dashboard

Summary – data up to September 2022



Social Value Theme	Definition	Target	Progress
Development Consent Order (DCO) Obligations:			
Apprenticeships	S.106 obligation to provide 100 apprenticeships, each with a duration of 12 consecutive months. Apprenticeship means a training work scheme: (a) offered to a person ordinarily resident in the Local Area; (b) in any sector which directly relates to, and other work associated with the Project; (c) which, once successfully completed, will result in a nationally recognised qualification for the apprentice (including but not limited to NVQ Level 3 and 2); (d) at a minimum of 30 hours per week; and (e) offered on at least equivalent terms and conditions of employment to those benefitting Equivalent Workers, including paying a wage in accordance with industry norms	100	68 years of apprentices' employment
			23 individuals
On-site Skills Training Placements	S.106 obligation. 'On-Site Skills Training' means no less than 225 training placements offering relevant skills training in various sectors and provided throughout the Construction and Demolition Period, each placement being: (a) primarily on-site within the Application Site, but which may have an element of off-site classroom training; (b) offered on at least equivalent terms and conditions to those benefitting Equivalent Workers including paying a wage accordance with industry norms (if applicable); (c) one week duration; (d) provided to a school or college leaver, or an adult who has not been employed in the construction industry during the previous six (6) months.; and a person undertaking such a training placement shall be an 'OSS Trainee'.	225	138
LB Enfield targets, adopted as measure by NLHPP:			
Local Labour	Target to promote local employment. Contractors should employ suitable candidates from the local area (London Boroughs of Enfield, Haringey and Waltham Forest)	25%	18%
Local Businesses	Target to maximise contractors' expenditure within the local area (London Boroughs of Enfield, Haringey and Waltham Forest)	10%	16%
			£13.1m (local spend by contractors to date)
		-	£22.0m (local spend by NLWA & contractors to date)
Delivery against Industry Benchmarks:			
Equality, Diversity & Inclusion (EDI)	The project aims to promote women in on-site construction workforce. Representation of women varies across different trades and nature of the roles. Monitoring continues to establish reliable benchmark comparisons.	-	3%*
	The project aims to promote Black, Asian and Minority Ethnic (BAME) Groups in on-site construction workforce. Monitoring continues to establish reliable benchmark comparisons.	-	15%*

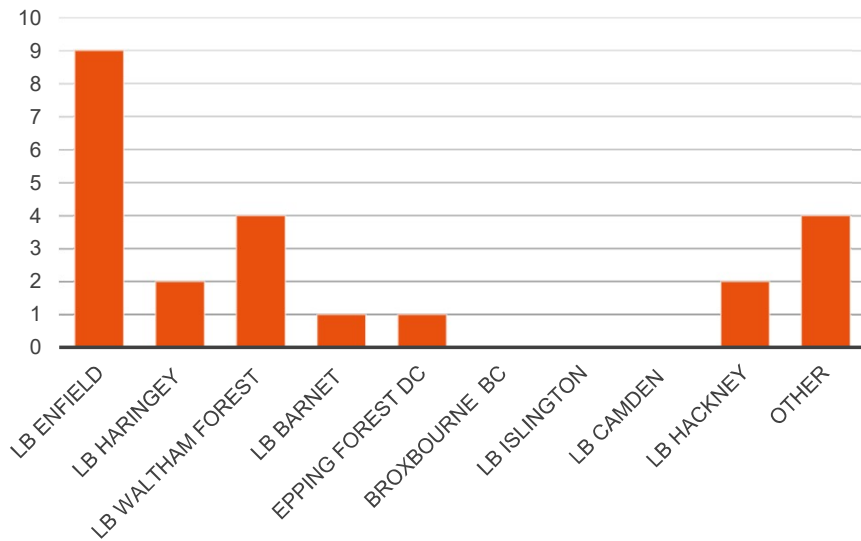
*Not all employees have chosen to report on ethnicity and gender, and the statistics are likely an underestimate. NLHPP is working with contractors to improve data collection.



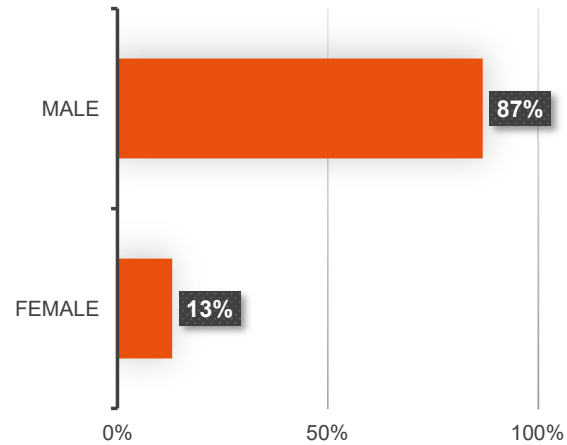
Social Value Dashboard Apprenticeships



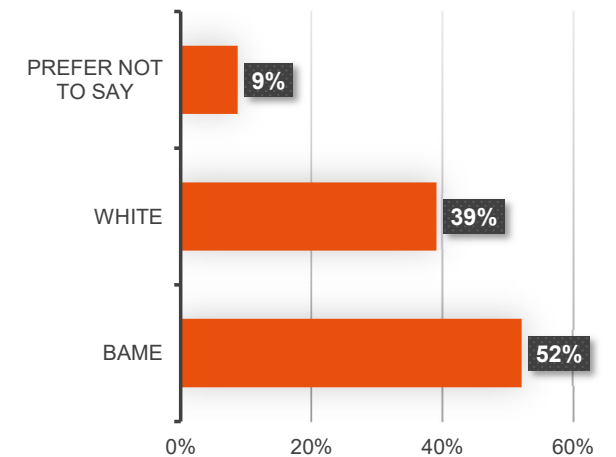
Apprentices - Home Borough



Apprentices - Gender



Apprentices - Ethnicity



Apprentices – Home Borough	Local Wards
LB Enfield	Upper Edmonton (1); Turkey Street (1); Southbury (1); Lower Edmonton (1); Jubilee (3); Grange (1); Chase (1)
LB Haringey	Tottenham Hale (1); Seven Sisters (1)
LB Waltham Forest	Higham Hill (1); Larkwood (1); Hatch Lane (1); William Morris (1)
LB Hackney	Haggerston (1); Woodberry Down (1)

Delivery & Monitoring:

Data on origin, ethnicity and gender relating to apprentices is collected from contractors on site for monthly reporting.

Local employment and recruitment of apprentices is prioritised in the contract (in particular in LB Enfield, LB Haringey and LB Waltham Forest, followed by other north London boroughs).

All construction contractors have policies to encourage equality and diversity in their recruitment practices. They have obligations under the contract with NLWA to eliminate all forms of discrimination in employment practices in accordance with an established single equality scheme.

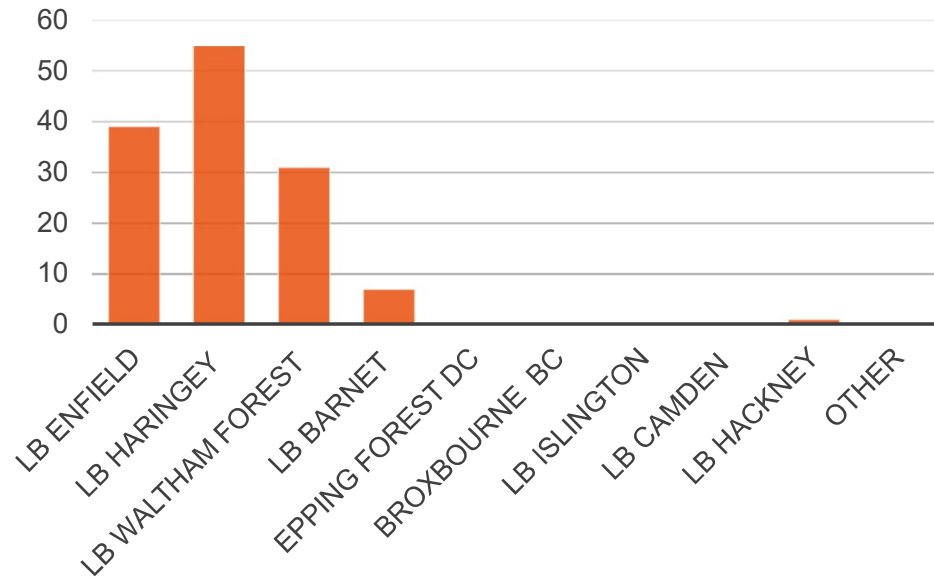


Social Value Dashboard

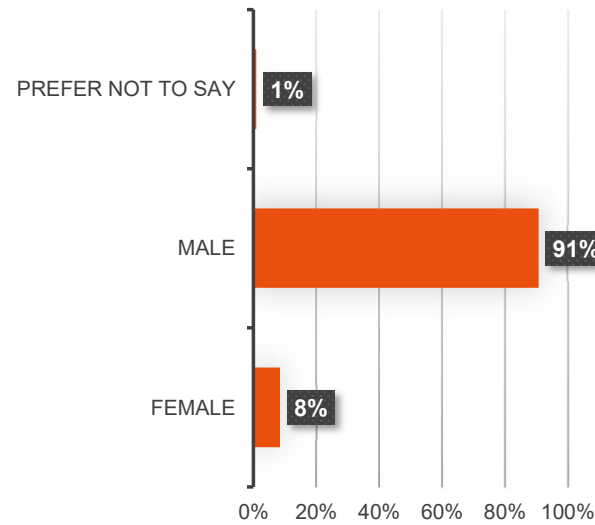
On-site Skills Training Placements



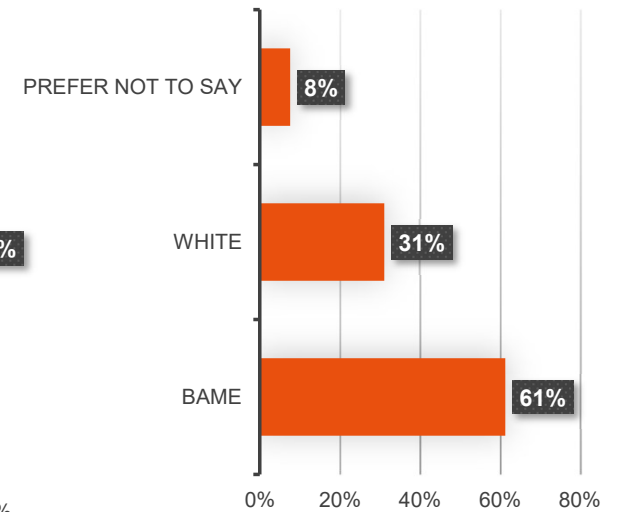
Trainees - Home Borough



Trainees - Gender



Trainees - Ethnicity



Delivery & Monitoring:

Delivery of training placements is targeted at a variety of EDI groups. To date, all trainees are from groups forming part of our EDI categories including long-term unemployed and lone parents.

Training placements are prioritised for local residents (in particular in LB Enfield, LB Haringey and LB Waltham Forest, followed by other north London boroughs). Recruitment of trainees is facilitated through engagement with local Job Centres and agencies.

EDI data relating to the on-site trainees is collected through an end of placement survey and where possible supplemented by information from the training provider. Not all respondents have chosen to report on ethnicity and gender. Information is based on a responses from 119 out of 138 trainees (86%).



NLHPP PROJECT BRIEF

APPENDIX B – Social Value Progress
Report ACCIONA

Authority Member's Project Briefing



INTRODUCTION

ACCIONA is committed to not just working in partnership with the North London Waste Authority to deliver the ERF requirements, but also to working collectively to meet our shared objectives of investing in local communities and securing measurable social value impacts.

Over the last nine months, we have worked to embed social value into our operational model, ensuring that we engage our supply chain in contributing to local economic prosperity and forging sustainable local partnerships to support healthy and resilient communities.

Through this significant project, we want to create an exemplar for how we move forward within the UK through the creation of employment, learning and skill opportunities for local communities, enabling local companies to access contracts and realise inclusive growth, and delivering partnership working within local communities to support wider health and wellbeing outcomes.

Our proactive commitment to EDI underpins our approach and will support our objective to secure a diverse workforce that reflects the communities of North London and ensure a respectful and inclusive culture that enables people to realise their potential.

UPDATE ON ACTIVITY

Prior to the construction works starting, we have established our social value delivery framework to ensure social value is integrated into our operational practices and informed by active and collaborative partnerships with the client team, key stakeholders, and the local provider network. Our approach to delivering social value is set out within the NLHPP Social Value Function Strategy and the ERF Employment Skills and Training Strategy.

We have established a Social Value Governance Board (SVGB) for the project to ensure *strategic oversight and governance and an integrated delivery network* across our delivery (Figure 1). All seven of the NLWA Boroughs have been invited to participate within the SVGB to ensure that it is informed by current priorities and existing local initiatives led by the Borough construction leads. We have had limited take up operating across the seven NLWA Boroughs and continue to promote membership to encourage take up. The Construction Industry Training Board (CITB) attend the SVGB to provide sector skills council insights and advice. The CITB lead has now left her post and has moved to the Institute of Civil Engineers but has committed to stay engaged. The SVGB will operate quarterly throughout the ERF construction period and ensure a framework for the active engagement of key stakeholders and support a locally informed approach to social value delivery.

To support social value outcomes being targeted at the three Priority London Boroughs, we are establishing Delivery Networks with the Borough construction leads to support activity across the main civils construction contract. The main civils contractor will be in place in January 2023.

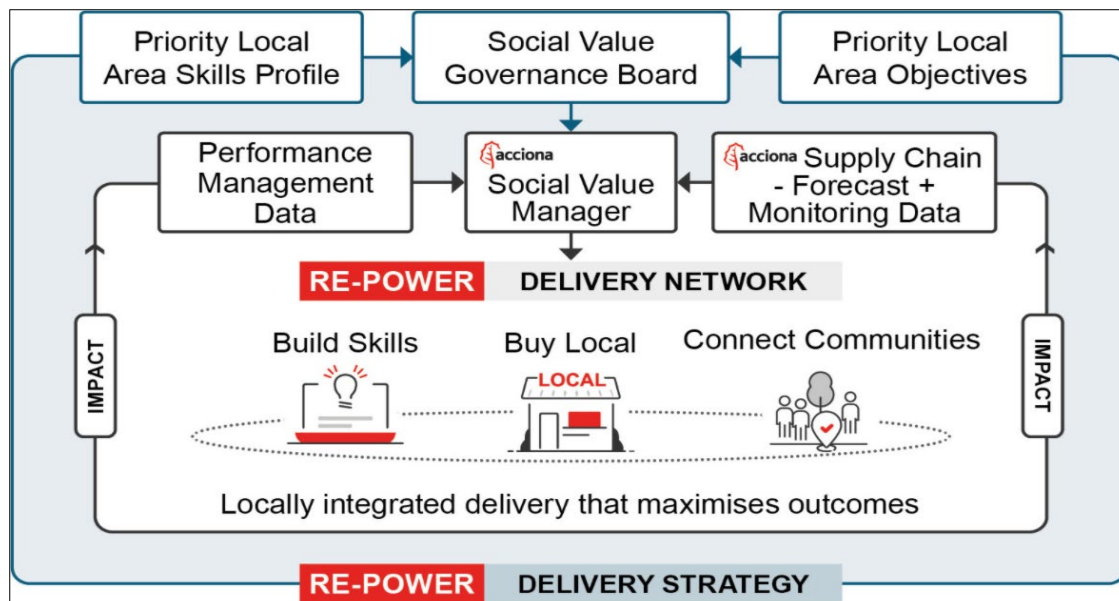


Figure 1: *RE-Power delivery structure offering strategic oversight and governance and an integrated delivery network*

We have implemented a Social Value Supply Chain Action Plan in our procurement activity to ensure our supply chain is aligned with our commitments and understands our priorities. As part of the competitive procurement process, suppliers complete a Social Value Supply Chain Action Plan, setting out how they will support delivery across the seven social value themes. In delivery, supply chain partners report to us monthly on progress against their commitments and are supported by our social value team to engage in initiatives run by Acciona.

1. SOCIAL VALUE THEMES

Apprentices

We have recruited 5 local apprentices into the Acciona team at the start of the construction works, with a further 5 in recruitment. We are engaging with London-based training providers, including London South Bank University, LDN Apprenticeships and the London Academy for Sustainable Construction in Waltham Forest. Two of our current apprentices are completing the Corporate Responsibility & Sustainability Practitioner Level 4 Trailblazer, a new apprenticeship standard designated as a 'Change Maker' role by the Green Apprenticeship Advisory Panel.

A commitment to apprentices is embedded in our contract arrangements with our supply chain, with one local apprentice recruited in September by Galldris, our local enabling works contractor. As we engage our main civils contractor this month, a commitment to local apprenticeships will be a key priority in the selection process.

We are engaged with the London Progression Collaboration (LPC), focused on tackling the challenges of low progression experienced by low-paid Londoners and the skills shortages facing the sector. We are working with LPC to offer free business support services to our supply chain to enable SMEs to offer high-quality apprenticeships by brokering the 'gifting' of apprenticeship levy funds from large employers, including local authorities.

Training Placements

Our approach to Training Placements is to ensure that opportunities offer a pathway into sustainable employment for local communities that experience barriers to work. Working with local partners, we are developing Training Placement programmes aligned to known vacancies on the projects and opportunities across other major projects within the Priority Boroughs.

Following engagement with Waltham Forest Job Brokerage Service, we attended a Jobs Fair to promote recruitment opportunities. From this we engaged with a perspective Site Operative candidate who was unemployed and had no construction experience. The individual has now completed a Site Operative Training Placement, including a four week site placement (paid), CSCS Health and Safety Level 1 training and successful completion of the CSCS touch screen test. This individual has now been recruited as a Site Operative Apprentice.

We are working with Enfield Council to support the development of the Meridian Water Construction Skills Academy. We supported them in their successful bid to the London Major's Office for Construction Skills Bootcamp funding and are now working with them to ensure that this supports routes into employment vacancies for local residents who experience worklessness. As part of this, we have introduced Enfield Council to RMF Construction who focus on supporting long term unemployed people and ex-offenders to gain construction skills and Women into Construction. We aim to develop training aligned to our resource demands as part of the Meridian Water Construction Skills Academy activity in partnership with these providers. Acciona will offer training placements to trainees aligned to known vacancies within our team and the supply chain.

We have recently supported the first Women into Construction programme being run through a partnership with Haringey Works and Waltham Forest College. We attended a training session with the women candidates on the programme to raise awareness of the project and the employment and skills opportunities for local residents. We are now working with the course lead to plan training placements for women on the training programme aligned to our current recruitment opportunities to ensure that these offer a route into employment on the project. We anticipate being able to offer three training placements within November for roles that are currently in recruitment. Participants will be secured an interview for the advertised roles post completion of their placement.

Opportunities for local residents

We have established a recruitment procedure in partnership with NLWA with all job vacancies advertised on the NLHPP website and with job brokerages across the Priority Boroughs for apprenticeship roles and across all seven Boroughs for non-apprenticeship roles. We also send our recruitment opportunities to Women into Construction and A Fairer Chance who support ex-offenders into work. We have attended two Job Fairs within Waltham Forest to promote vacancies locally.

Currently there are 40 residents from the seven local London Boroughs active on the project across a wider team of 88 people, which represents a local employment figure of 46%.



Figure 2: Acciona team at the Waltham Forest Jobs Fair

Opportunities for local businesses

We hosted a Meet the Buyer event at the Green Towers Community Centre, Edmonton on the 19th of May 2022. The event was advertised through the NLHPP website and Construction Enquirer and was open to local businesses offering services across a range of civil engineering and ancillary/site support services. A total of 200 suppliers registered an interest, with 41 local companies invited to attend. Attending businesses met with a member of the procurement team and we used the event to support the development of a local supplier database. From the event, a number of local companies have gone on to successfully gain work on the project, including three Enfield based businesses: Ironhill (security company), JCT (IT services) and JOD (waste services).



Figure 3: Presentation to local companies as part of the Enfield Meet the Buyer Event

We are planning to host a second event in partnership with our main civils contractor in January 2023. This event will include businesses that can support local employment on the project alongside local businesses. We are also keen to work with the Priority Boroughs to develop a capacity building programme for local VCSEs to increase their profile within construction supply chains locally.

Currently our local spend commitment is at £6.8m which represents 41% of our overall target for the project.

School Engagement

We have engaged with the Careers and Enterprise Company, who manage STEM engagement and careers support to local secondary schools. Two members of our team are operating as Enterprise Advisors and we have been partnered with:

- Haringey Learning Partnership (HLP) – who run 5 different services aimed at supporting young people with special educational and disabilities within the Borough
- Yesodey Hatorah Secondary School for Girls an Orthodox Jewish school in Hackney

Working with Yesodey Hatorah Secondary School, we have developed a Carbon and Waste Management work experience programme which will be rolled out across two schools in January 2023, involving the engagement of girls across five Y10 and Y11 forms. The programme will include a project presentation within the schools, development of a Carbon and Waste Management project by the girls and a site visit. Working with the Central Careers Hub, we plan to develop this into a 'SHE CAN' programme aimed at engaging young women and girls to learn more about the career roles available to them within the construction industry and the waste to energy sector.

As part of our engagement with the Central Careers Hub, we have supported Career Fairs and STEM engagement activity across a number of local schools and will continue to engage our team and supply chain in supporting this activity. We delivered a mock interview session within a girls school in Hackney and recently supported Careers Fairs within Islington and Hackney.

To date we have delivered 69 hours of school engagement activity, which represents 9.5% of our target. School site visits will start in January 2023 and we will establish our on-site Education Centre in April 2023 to host both school and community events.



Figure 4: NLWA and Acciona working alongside other Central Hub Careers Advisors in Islington

Equality, Diversity and Inclusion

We are working with West Lea School to develop a pre-internship programme for 2023 aligned to job opportunities. We are also talking to the school about how we can support their careers programme through career talks and site visits.

We are currently engaged in the Women into Construction's Moving on Up programme. The programme is focused on engaging women, supervisors and senior leaders from across different organisations to share their experiences, learn from each other and identify barriers to progression for women within the industry. The programme runs for six months and in January 2023 the team will develop a project specific EDI Action Plan that is informed by the programme and contributes to securing a more inclusive workplace.

Maria Sasso, our Civil Constructability and Compliance Manager, delivered a 'lunch and learn' session this month for the NLHPP Women's Network on her role and career journey. We are participating in the NLWA reverse mentoring programme with team members paired both other project based staff and a member of the Mace Dragados at HS2 Euston Station.

We are engaged with Fairer Chance who support people who are long term unemployed and ex-offenders to gain sustainable work. Fairer Chance will deliver training to supervisors and recruiting managers to ensure an informed approach to supporting candidates who experience barriers to access project opportunities.

EDI training will be embedded into our pre-induction onboarding process, to be launched this month, ensuring that everyone who joins us is aware of our commitment to operating a respectful and inclusive workplace. We will also be rolling out EDI training across the workforce using the resources of the Supply Chain Sustainability School Fairness, Inclusion and Respect Toolkit.

At this early stage in the project, we have delivered 88 hours of EDI training, representing less than 10% of our overall target.

Community Projects

We are launching RE-Power Communities this month which will offer a commitment to giving time and resources to support voluntary, community, and social enterprise organisations operating across the London Boroughs of Enfield, Haringey, and Waltham Forest. RE-Power Communities will offer:

- A **TimeBank** – providing volunteer support from the Acciona team and supply chain to community organisations
- A **Community Fund** – offering small grants (up to £2,500) for community organisations
- An on-site **ResourceBank** – offering access to construction materials such as timber, and topsoil

Community organisations will apply to RE-Power Communities through an application form, stating what type of resources they need. Projects can be a one off or part of a larger programme of activity. Re-Power Communities will support community organisations that can demonstrate that their project will lead to at least one of the following outcomes:

- Places and spaces that matter to communities are improved
- People are helped to reach their potential
- Vulnerable people within the community are supported
- Community networks that respect cultural diversity are strengthened.

RE-Power will launch in November, with the application deadline by 6th January 2023. ACCIONA will shortlist applications and the SVGB will select successful participants.



Figure 5: RE-Power Communities brochure



NLHPP PROJECT BRIEF

APPENDIX C - Approach to NLHPP
Social Value Strategy Review.

Authority Member's Project Brief



1. INTRODUCTION AND PURPOSE

- 1.1. The purpose of this note is to inform Members of the approach to NLHPP Social Value Function Strategy review which is being undertaken to ensure social value delivery on the project remains ahead of changing practice, guidance and legislation, and most importantly stays impactful and relevant to the needs of the community.
- 1.2. The Social Value Function Strategy was adopted in January 2020. Since the then, social value delivery on the project has developed considerably, and is expected to grow further with the commencement of the Energy Recovery Facility (ERF) contract. As such, this presents an opportune time to review the Strategy ensure its objectives remain up to date and relevant.
- 1.3. In preparation of the review, the social value team has undertaken several tasks which will help to inform the future development of the Strategy, validate the project's priorities, and ensure the project continues to provide excellence in the delivery of social value. The findings of the tasks are presented in this note as follows:
 - Section 2 sets out the update on the latest social value guidance and best practice.
 - Section 3 presents a review of case studies of other nationally significant infrastructure projects in the UK.
 - Section 4 provides an update of the local needs assessment to factor in the latest changes in the socio-economic context of the local area, taking into account effects of the COVID-19 and the cost-of-living crisis.
 - Section 5 identifies next steps.

2. SOCIAL VALUE GUIDANCE AND BEST PRACTICE REVIEW

- 2.1. Since the project established its progressive social value strategy agreed by Members in 2019, the delivery of social value in infrastructure has been subject to increasing attention in public sector procurement. The project has always set its ambitions much higher than mere compliance with standard practice, but it is important to review changing standard practice to ensure the project retains its progressive position.
- 2.2. The Government launched PPN 06/20 in autumn 2020 which now requires government organisations to explicitly evaluate social value in public procurement, rather than “consider” it as was required under the Public Services (Social Value) Act 2012. Furthermore, PPN 06/21 released in June 2021 requires all public authorities to consider social value outcomes alongside additional local priorities including creating new businesses, new jobs and new skills in the UK; improving supplier diversity, innovation and resilience; and tackling climate change and reducing waste. The implication of the legislation is that social value is gaining increased prominence in procurement, and the project is keeping abreast not just with legislation but also with emerging best practice to stay at the forefront of its implementation.
- 2.3. With the commencement of the ERF contract, the NLWA is implementing the National Themes, Outcomes and Measures (TOMs) Social Value Measurement Framework which has been used to evaluate social value on the contract. The TOMs framework has been adapted for the NLHPP to reflect the main activities and benchmarks for

social value measurement on the project, including apprenticeships, training placements, local labour, local business procurement, schools programme delivery, volunteering and donations to support community projects, and equality, diversity and inclusion (EDI) training. Based on TOMs, the ERF contractor is required to deliver £35 million in social value outcomes as part of the contract. As such, the framework provides a consistent approach to measuring and reporting social value across projects and represents industry best practice.

2.4. The National TOMs has recently been updated to include additional outcomes to capture benefits with a focus on environmental and climate emergency, modern slavery, and vulnerable members of communities. This presents an opportunity to re-assess and expand the relevant metrics for social value delivery to ensure the full spectrum of activities on the NLHPP are being captured, in particular environmental outcomes (including carbon savings through innovation in construction methods) as well as workforce safety and wellbeing outcomes. These activities are already generating positive outcomes as part of NLHPP and we will work on capturing the social value these activities generate these as part of the updated approach.

2.5. Furthermore, a number of publications from sector professional bodies over the past two years looked into best practice in delivering social value during construction. These have been actively considered in the development of the social value delivery on the NLHPP, taking on board the relevant principles and recommendations including:

2.5.1. **Delivering tailored social value interventions which respond to local needs:** activities which are designed with local needs in mind help to achieve the best outcomes for local communities¹. In aiming to meet the diverse range of needs in the local communities, approaches to deliver social value are “*evolving from delivering apprenticeships to more sophisticated approaches*” which consider the economic, social and environmental needs of residents.² The NLHPP Local Needs Assessment undertaken in 2020 has helped to inform needs and priorities of the local communities to shape the delivery of activities.

2.5.2. **Ensuring communities are engaged and consider tailored approaches to maximise reach:** further engagement with community groups on NLHPP is helping to create discussions and identify activities for the local area. For example, plans to engage with local youth groups are being developed in response to suggestions by local community groups.

2.5.3. **Deliver diverse intervention packages which achieve a range of outcomes:** the majority of social value activities in infrastructure are focused on providing jobs, apprenticeships and opportunities for SMEs. While these actions are important, broader and more creative approaches can help to secure a wider range of outcomes. Building on the two previous best practice points, social value activities can be tailored to directly respond to community aspirations and can be used to ensure a positive legacy for the project.³ This can include examples from

¹ IED (2020) From the Ground Up – Improving the Delivery of Social Value in Construction

² ICE and Useful Projects (2020) Maximising Social Value from Infrastructure Projects

³ DECC (2014) Community Benefits from Onshore Wind Developments: Best Practice Guidance for England

community amenities, visitor recreation facilities, environmental improvement initiatives, funding of local events, infrastructure improvement and social initiatives (among others) which lead to a diverse range of outcomes spanning social cohesion, environment, health and wellbeing, economy, and placemaking. The launch of the Community Projects as part of the ERF contract will help to further broaden the range of activities and outcomes being secured, with impact and legacy being a key consideration in how projects will be selected.

2.5.4. Outcome-based procurement approaches to ensure outcomes are achieved.

Outputs⁴ can be more straightforward to deliver, whereas outcomes⁵ can be more challenging; however outcomes secure meaningful changes and ultimately lead to long-lasting impacts. *“Without an outcomes-based approach, there is a risk of social value “greenwashing” that delivers generic and meaningless social value activities”.*⁶ Outcomes-based procurement has been the focus of the ERF contract as well as other social value activities on the NLHPP as part of earlier contracts. As delivery progresses, the team is monitoring the outcomes associated with each activity to ensure lasting impacts are being secured. This includes, for example, onward employment for apprentices; progression of trainees into employment; impact of schools engagement on interest in STEM subjects and apprenticeships; representation of women and ethnic minorities in the project workforce.

2.5.5. Partnerships with local organisations to help secure of local outcomes: the project has established good relationships with a range of local stakeholders including training providers, educational institutions, employment organisations, local suppliers and community groups. Delivery as part of the ERF contract will help to expand and strengthen these relationship through mechanisms such as the ERF Social Value Governance Board (where local stakeholders are represented) and establishment of Delivery Networks (to support local employment across the ERF supply chain). These relationships in themselves can also deliver social value by strengthening local supply chains, increasing diversity of supply chains and delivering local employment.

3. REVIEW OF CASE STUDIES

- 3.1. This section summarises the social value delivery on other significant UK infrastructure projects including HS2, Hinkley Point C, and Thames Tideway Tunnel who would also be considered to be leaders in the incorporation of social value outcomes as critical factors in successful project delivery. Whilst these projects are of a different magnitude to the NLHPP, as knowledge leaders in the subject, benchmarking the NLHPP social value programme is beneficial to determine any innovations are relevant

⁴ Output refers to the change in the level or quality of a public service. For example, number of completed training courses (Source: HM Treasury Green Book, 2020).

⁵ Outcome refers to the consequences to society of a change in a public service. For example, job creation (Source: HM Treasury Green Book, 2020).

⁶ IED (2020) From the Ground Up – Improving the Delivery of Social Value in Construction

to the NLHPP and capable of being scaled. The review focused on the following elements:

- Scope of social value delivery for each project (i.e. types of activities to reflect the breadth of social value delivery)
- Scale of project (to provide context and help benchmark with NLHPP)
- Delivery approaches
- Measurement (how does the project measure its social value)

3.2. Review of Findings

Project 1 – Hinkley Point C

- 3.2.1. Hinkley Point C is a new £26bn nuclear power station in West Somerset being built over the next five years. Construction of Hinkley Point C will create 25,000 employment opportunities (directly created on the construction site with 8,500 workers at peak) and support a further 22,000 jobs across the UK, with up to 1,000 apprenticeships and 64% of the project's construction value is predicted to go to UK companies. While the scale of the project is substantially larger than NLHPP, the case study has been reviewed to establish any transferable learnings from its approach to social value on the project.
- 3.2.2. Quality local partnerships and high levels of investment into communities, employment & skills and the environment allow this project to deliver on their social value targets and the HPC project could already support the reason for the areas recent growth in productivity and decline in NEETS.
- 3.2.3. Social value strategy on the project is structured around the following priorities:
 - Improving social mobility: Education initiatives, boosting skills, employment opportunities and access assistant.
 - Supporting British businesses: Focusing on partnering with local & national organisations to maximise the economic benefit to the UK; with strong focus and support to the local area.
 - Opportunities for skills and employment: Inspiring, funding, training, recruiting, and developing local people and all staff to gain sustainable careers and help address critical skills shortage across UK.
 - Supporting the community: Improving the environmental wellbeing of communities that are affected by the construction.
 - Protecting the environment: Limiting the carbon emissions and help biodiversity thrive around the site.
 - Britain's largest net-zero project: Alongside wind and solar, its large volumes of low-carbon electricity will help give the country a secure energy supply – without dependence on fossil fuel.
- 3.2.4. The key features of the approach include:

- The local areas project operates in areas classed as deprived areas and are low on the UK social mobility index. The project has funded a free bus service linking rural areas to the project for staff and public. There has been a £400k investment in education business partnerships and employment/training centres and this is to challenge the areas being geographically isolated and challenged by seasonal work.
- Working in partnership with Somerset Chamber of Commerce, local management consultancies and local enterprise partnerships, HPC has contracted local businesses into the supply chain and to date have spent £4.1b locally against a target of £1.5b.
- Creation and funding for three training centres focusing on the skills training needed for the upcoming packages of work on the project. Five employment centres have been set up in deprived areas and opportunities range from T-Levels, traineeships, apprenticeships, and jobs. HPC have also shared their apprenticeship levy funds to their supply chain to support apprenticeships. Partnerships with trade unions, colleges, JCP's, membership organisations (e.g. CITB etc.) are vital to Employment and Skills success on the project.
- £130m has been planned for community projects whilst an additional £7.5m is being used to support the local housing need for the extra 4,000 beds needed for HPC workers. A further £700k was provided to support the tourism sector locally. Five police officers have been funded through the force to work on the project and a GP has been hired to be on site full-time for staff. Another big focus has been on increasing the wellbeing and resilience of young people and supporting community volunteers annually.
- To date £540k has been donated to local environmental projects and 50 environmental specialists are now employed across the project. 102 social and hybrid lights are installed on site and 80% of generators are electric rather than diesel. 98% of the steel is recycled, 65,000 trees / bushes have been planted and the site team monitor local wildlife and report back to wildlife trust.

3.2.5. The project uses the National TOMS to quantify and value the impact of its social value delivery.

3.2.6. It is important to note that while the scale of the project is much more significant in comparison with NLHPP, the review shows that social value delivery on NLHPP is proportionate to its size in comparison with other nationally significant projects.

Project 2 – Thames Tideway

3.2.7. Thames Tideway is a £4.3b project building a 25km Super Sewer under the Thames and predicted to complete in 2025. The project will create a minimum of 4,000 jobs inclusive of 80 apprenticeships. 25% of all staff will live within the 14 affected local boroughs and 30% of river workers to live in London, Kent or Essex. At peak the project will see 4,250 direct construction workers on site with a further 5,100 off site. The project has identified 54 legacy commitments which they are on track to be achieved against a target of 75%.

- 3.2.8. Social value strategy on the project is structured around the following priorities:
- Environment: Minimise carbon footprint, use of river transport whilst reducing lorry movements, improving water quality and providing infrastructure that support more resilient biodiversity.
 - Health, Safety & Wellbeing: Aiming for zero major incidents, industry-leading initiatives and training to raise the standard of H,S &W.
 - Economy: Support job and apprentice creation, provide London with the essential sewage infrastructure and engaging potential suppliers and supply chain.
 - People: Creating employment for local jobless people, support ex-offenders, improve health and inspire people to engage in river activities.
 - Place: Protecting London's history, planting 2 trees for every 1 removed, creating of three acres of public foreshore, collaborating with other local organisations to support ongoing work.
- 3.2.9. The delivery approach includes working with local stakeholders and organisations across all themes to create quality social value outcomes, which is considered standard good practice.
- 3.2.10. Tideway commissioned an independent Social Return on Investment (SROI) assessment on its legacy programme and in 2018 the SROI forecast an anticipated £3.39 return for every pound spent on delivering the legacy commitments programme. Tideway mapped their legacy commitments against the UN sustainable Development Goals, which in 2018/19 they were on track to deliver 90% of all commitments.

Project 3 – HS2

- 3.2.11. HS2 is the largest infrastructure project in Europe and arguably the most advanced railway ever to be built in the UK. The project will create 2,000 apprenticeships and at peak will see 30,000 workers designing and building the railway (with 70% of these jobs outside of London). HS2 aims to combat the rail skills shortage the country faces with their project as well as support communities who are directly affected by the project.
- 3.2.12. Social value strategy on the project is structured around the following priorities:
- Levelling up the north of England: HS2 connects eight out of ten of Britain's largest cities, allowing people to live and work where they want by making it easier to move between the North, Midlands and South of England.
 - Creating jobs and boosting the economy: Creating skilled professionals through specific apprenticeships and training.
 - Local communities: Tailored local area engagement plans across the UK and community funding to support specific areas affected by the HS2
 - Protecting the environment: Creating new woodland, wildlife and river habitats, targets for 50% emissions reduction and minimal use of lorries.

- The key features of the approach include working with local stakeholders and organisations (public and private) to deliver quality social value outcomes which are considered standard good practices.
 - HS2 uses the TOMs to measure its social value benefits.
- 3.2.13. To date, the Project has committed £1,103.9m of costs. This reflects the value of work agreed in contracts – including construction works, advisors, NLWA direct costs and third-party fees.
- 3.2.14. When adjusting the March 2019 forecast using current published industry-wide indices associated with forecasts of inflation, the out-turn expenditure is currently forecast to be £1,467.5m. This figure will vary as inflationary pressures change over time.

3.3. **Summary of Findings.**

- 3.3.1. The review of studies reveals that the NLHPP social value strategy measures up well against other projects in terms of employment and skills, communities and the economy offering an equivalent level of detailed activities.
- 3.3.2. The review identified that the other projects take a wider view of social value by considering environmental outcomes in delivery such as the types of supplies being used on site (e.g, recycled steel), CO2 emissions, car miles saved, environmental focused volunteering creating habitats for and supporting local wildlife to thrive and overall making decisions that will benefit the biodiversity in the local area as well as the project.
- 3.3.3. Plans are in place to start delivering environmental focused social value outcomes we look forward to updating members in the future.

4. **CHANGES IN LOCAL CONTEXT**

- 4.1. Over the past two years since the NLHPP Local Needs Assessment was undertaken COVID-19 and the current cost of living crisis have affected the socio-economic context of the local area, which is important to take account of in informing the Social Value Strategy update. Below is a summary of the emerging changes to socio-economic context of the local area:
- The rates of economic activity, employment and unemployment in the year to June 2022 show the economy is recovering from the effects of the pandemic, however, Enfield and Waltham Forest are experiencing higher unemployment levels than pre-pandemic. The overall pattern of economic activity remains consistent: Enfield is lagging behind London, Haringey and Waltham Forest in terms of economic activity and employment, as well as experiencing the higher levels of inactivity.
 - Latest claimant count analysis provides the most up-to-date measure of unemployment. The claimant rates to September 2022 show signs of recovery, however, these are still higher than pre-pandemic levels. LB Haringey maintains the highest rates of claimants (6.9%), followed by Enfield (5.9%) and Waltham

Forest (5.6%) respectively. The analysis also shows that the gap between the three boroughs and London has widened since 2020, as the pandemic has had disproportionate effects in these boroughs.

- For residents who are in employment, there have been increases in low-paid jobs held by residents in most London boroughs, which also follows a national trend. Enfield in particular has the second-highest number of low-paid workers in London and third-most in the UK, at almost a third of all workers indicating high levels of in-work poverty. Haringey is also not far behind on this measure, at over a quarter of workers (26%). Analysis by sex shows worsening inequality, as the women hold a higher proportion of low paid jobs than men.
- Enfield, Hackney and Islington have all seen a worsening in the proportion of 16 and 17 year olds not in education, employment or training (NEET) compared to 2020. Haringey has the highest proportion of young people who are NEET (7.9%), followed by Hackney (4.8%), Islington (4.8%) and Enfield (4.6%) which all exceed the London average of 4%.
- Most of the NLWA boroughs are expected to be badly hit by the cost of living crisis as a result of high energy bills and overall inflation. Enfield has been ranked fifth in the UK by the number of energy crisis hotspot neighbourhoods – defined as lower than average income and higher than average energy use. This is followed by Waltham Forest (22nd), Barnet (31st in the UK), Haringey (54th), and Hackney (65th), with Islington and Camden less badly affected.

4.2. The findings of the analysis highlight the importance of the well-paid employment and upskilling opportunities which are available through NLHPP for the local area. While the provision of jobs for the unemployed remains important, there is an increased emphasis on supporting well paid roles for local residents (through payment of at least LLW) and providing opportunities for local workers to upskill and progress into higher skilled roles.

5. NEXT STEPS

5.1. This note has presented a summary of best practice and evidence review which will be used to inform the NLHPP Social Value Strategy update to take account of the emerging findings.

5.2. The review has found that the NLHPP scope and range of social value activities measures up well with other significant infrastructure projects. Despite being smaller in scale to case studies which were considered, the activities on the project are proportionate to its size. The Strategy update will further ensure the activities remain relevant and well-tailored. Going forward, the review will reflect on the following findings:

- Taking a full view of social value being created by the project, including through the environmental, wellbeing and health and safety activities being delivered in addition to the employment and skills activities traditionally considered part of the social value programme of activities.

- Taking account of the changing local context in light of the COVID-19 and cost of living crisis. This includes emphasis on the importance of the well-paid employment and upskilling opportunities to tackle in work poverty. This also includes supporting opportunities for local workers to upskill and progress into higher skilled roles.
- Ensuring the social value created on NLHPP is being captured and reported in full through the use of best practice outcome-focused monitoring approaches across the programme.

- 5.3. As part of next steps, the team will update and confirm priorities within the NLHPP Social Value Strategy in December/January which will be shared with NLWA Members in early 2023.
- 5.4. The outcomes of the Strategy Review will be fed into the NLHPP Social Value Action Plan which will be updated to identify and capture the additional metrics which contribute to social value; establish data collection processes across the project, including from contractors as required; and establish reporting to convey the full range of additional social value outcomes being created across NLHPP activities. The metrics will be aligned with the latest TOMS calculator which provides consistency in reporting and allows for comparison and benchmarking between projects.
- 5.5. In doing so, the project team will be working closely with Acciona as the ERF contractor to ensure opportunities to maximise benefits are being harnessed and appropriate processes are being put in place from the outset of the ERF contract. The exercise will also require close collaboration from across the NLHPP team disciplines, including environment, transport, health and safety.