



The Public Services (Social Value) Act 2012 became law on 8th March 2012 and came into force in January 2013. It encourages public authorities to consider economic, social and environmental well-being when commissioning and procuring services. The intention is to highlight the difference between a contract's cost and its actual value by asking questions that will reveal the bidder's intended social and environmental impact.

In short, social value seeks to maximise the additional benefits that can be created by procuring or commissioning services, above and beyond the benefit of merely delivering the services themselves.

As an environmental services provider, Veolia has a long-standing reputation for delivering sustainable solutions that benefit people and planet. For us, the Act was a welcome introduction as we were already leading the industry in our social and environmental efforts. Veolia has always set demanding environmental and social targets for the communities in which we operate.

In fact, in April 2014 we received the UK's most prestigious business accolade by receiving a Queen's Award for Enterprise in Sustainable Development.



Throughout the UK, we have a wide-reaching and diverse programme of activities that are having a positive impact.



When we built our energy recovery facility in Staffordshire, 95% of the materials and labour were sourced locally.



Our Restart programme helps the long-term unemployed, homeless people and ex-offenders back into work.



We have multiple community projects and partnerships with local charities across our contracts:

Keep Warm Collective that donates coats to the homeless in Kirby.



Revive - a charity that refurbishes furniture and bric-a-brac to sell in their Shropshire store.



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### Resourcing the world



Resourcing the world

## Creating Social Value



Became law on 8th March 2012

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Difference between contractor's cost and actual value

Reveals the bidder's social and environmental impact

Social Return on Investment developed by NEF

Creating Social Value

## Understanding Social Value



## Spotlight on Southwark

The innovative ways that we can add social and economic value by playing an active role in community life is best demonstrated in the London Borough of Southwark (LBS).

Since February 2008 we have worked in partnership with Southwark Council to provide recycling and waste services for residents in the Borough. As part of our 25-year waste management contract, we constructed a state-of-the-art Integrated Waste Management Facility (IWMF). Built on one site in the heart of London, the facility includes a:

- Materials Recovery Facility (MRF)
- Mechanical Biological Treatment facility (MBT)
- Public Reuse and Recycling Centre
- Education and Visitor Centre

But it is the broader social value that Veolia has brought to the area that also helps the local community to flourish. Working in partnership with Southwark Council has enabled us to facilitate this, as well as supporting the local authority in achieving its corporate objectives.

# 400%

In the past seven years, the contract has inspired Southwark residents to more than quadruple their recycling rates.

# £18,000



Residents also benefit from a better quality of life through our partnerships with local charities, such as the British Heart Foundation and Scope, to promote reuse and recycling. For example, useful household items are diverted from landfill and donated to the British Heart Foundation for refurbishment. Southwark residents on low incomes can then purchase refurbished items of furniture at their charity outlets using vouchers provided by Southwark Council. The British Heart Foundation has also raised around £18,000 from the sale of furniture collected from our site.

Other reuse and recycling schemes in Southwark include our RePaint scheme that is designed to divert paint from landfill. Any paint that is taken to our recycling centres is handed out to local groups and residents – absolutely free of charge. We also run a scheme where old tools are donated to The Conservation Volunteers.

The Discovery Centre at our IWMF also plays a part in improving quality of life. Giving children access to additional learning tools it helps them to understand the importance of reuse and recycling, thereby helping to shape responsible citizens of the future.

# 50%



In the UK, Veolia works with prisons to deliver training and qualifications in environmental waste management to offenders on their journey to rehabilitation. Upon release, opportunities are available to them across our contracts, including Southwark. Employment has been shown to reduce re-offending by up to 50%, so supporting ex-offenders in this way has numerous benefits. Not only does it reduce the burden on society in terms of prison costs, better employment prospects can influence the lives of ex-offenders and encourage them to make a positive contribution to society. Reducing re-offending also has a positive impact on crime statistics in the Borough, making people feel safer in their community and contributing to a healthy housing market.

# 50%



Each month, the waste electrical and electronic equipment (WEEE) that we divert from landfill is sent to the Community Recycling in Southwark Project (CRISP).

Here, unemployed people are offered the opportunity to repair the equipment. Not only does this give them the training and skills that could help them secure a permanent job, it also reduces the benefits and social burden on the Borough.

Furthermore, the repaired items are sold by CRISP locally at an affordable price, enabling residents to access new technology and communication channels that would otherwise be out of their reach.

Anything that is unable to be repaired is then sent for recycling, helping the local authority to achieve its target of a 50% recycling rate by 2020.

# 20m

We have a policy of donating staff time to help community projects that make a difference to the local environment. At Cossal Park Community Garden, we helped to build a 20m raised bed. This enabled local residents to grow their own fruit and vegetables as part of their commitment to eat five a day and adopt a healthier lifestyle.



Volunteers spent a day making paths through a wooded area in Peckham Rye Park. This helped to make it more accessible to the public and encouraged residents to enjoy outdoor leisure activities that would improve their health and well-being.

# £500



Veolia's Real Nappies programme is also helping to change people's mind sets in the Borough. Buying disposable nappies is a great cost for parents and the environment. Each child will use between 4,000 and 6,000 disposable nappies and each of these could take up to 500 years to break down in a landfill site.

A free starter pack was provided to families in Southwark to highlight the advantages of real nappies. Switching from disposable nappies reduces their household waste by around half – and saves up to £500 per child.

Money that could be spent on nutritional food that could secure their child's well-being in the future. Reducing disposable nappies also reduces the amount that Southwark Council has to pay in Landfill Tax.

# £1,000



The Southwark EnviroGrant Scheme has been set up by Veolia to help local people who would like to protect and improve their local environment. Grants of up to £1,000 are awarded for a diverse range of projects from bat detectors and community compost bins to refurbishing a community hall garden and tidying up a local estate. Veolia can also help with practical support from staff volunteers for work such as decorating and landscaping. The scheme helps to raise awareness of local environmental issues and contributes to encouraging a sense of civic pride in neighbourhoods throughout the Borough.

The Veolia Environmental Trust also supports community and environmental projects, in Southwark and throughout the UK, by awarding grants through the Landfill Communities Fund.

## Measuring Social Value

Measuring what matters is fundamental in capturing social contribution to society. But, until now, this has been almost impossible to quantify because it goes beyond what can be captured by financial reporting.

### A ground-breaking methodology

However, Veolia utilises the SROI tool (an analytic model for measuring a broader concept of value), in its methodology to assess the social value of its services to local authorities. The Southwark study was the first of its kind and represents a major leap forward in understanding.

The study assesses an 'absolute' measure of social return. The case study has just been finalised and this methodology will now be tested and adapted across Veolia's contracts.

The study was carried out in two distinct stages:

**Stage one** assessed Southwark Council's corporate objectives and mapped them against Veolia's services to clarify where social value was being delivered.

**Stage two** carried out a detailed mapping of our key activities including waste collection, materials recovery, district heating and the mechanical biological treatment of waste. It also mapped the inputs, outputs and cash flows of all stakeholders to form the basis for the independent SROI calculation.

For every **£1** spent by Veolia

**£2.09** worth of social value is delivered

**£28.05** worth of social value is contributed by our community projects

### The key findings

The results showed that for every £1 spent by Veolia as part of our contract, we deliver £2.09 worth of social value. What's more, when it comes to community projects our contribution is significantly higher, delivering £28.05 of social value for every £1 we spend in the Borough.

The resulting forecast overall SROI for Southwark is £1.92. This means for every £1 spent by LBS with Veolia £1.92 is delivered in social value.

### Targeting social value

In addition, we are now able to contribute even further to Southwark's social and environmental goals by targeting the most effective community projects. Following stakeholder consultation we are managing our activities so that every £1 we spend creates even more social value for the Borough.

Southwark is a shining example of how our presence in a community can make a measurable difference. It demonstrates our commitment to social value, going beyond mere gestures to address real social issues and involve local people, organisations and enterprises in sustainable solutions.

### Education

**38** CLASSES  
**741** PUPILS

visited the Recycling Discovery Centre (including three special needs school classes).

**Benefits:** increased environmental awareness of young people around recycling and waste and what happens to peoples' waste; increased recycling rates.

### Re-Use schemes

#### Paint

16 tonnes of paint diverted from landfill to Community RePaint, benefiting 69 community groups and 400 individuals.



#### Household Items

12 tonnes of materials diverted from landfill by donating it to two local British Heart Foundation shops, generating £18,000 in resale value.



#### Textiles

39 tonnes of textiles were collected by SCOPE from textile banks in Southwark, saving 549 tonnes of CO<sub>2</sub> through landfill diversion.



#### Tools

340kg of tools were donated to The Conservation Volunteers – an increase of almost 50% on the previous contract year.



**Benefits:** environmental benefits of the circular economy – closing the loop so less is sent to landfill, benefiting social enterprises and charities through provision of materials; benefits to employees.

### EnviroGrant

47 applications to the Southwark EnviroGrant scheme and £3,498 was awarded.

# £3,498

**Benefits:** improved physical environment; increased awareness of Veolia activities and commitment to the community.

### Local procurement

# £4.6m

We prioritise local procurement. Over the last 12 months we spent £4.6m with 41 local suppliers.

**Benefits:** provides an economic boost to the local area; lowered CO<sub>2</sub> emissions through decreased travel.

# 50

new jobs created

### Employment opportunities/boosting skills

50 new jobs were created when the site opened in 2011, local recruitment via job fairs at Peckham Job Centre – there were over 400 applicants for the jobs. Boosting local recruitment by distributing newsletters to the local area when jobs become available.



Currently taking 2-4 students each year for a work experience programme of 1-2 weeks that provides experience across different areas of work: data, finance, operations, marketing.

Currently working with a local special needs school to develop a bespoke programme for children/young adults with autism.

**16t**

Send 16 tonnes of small WEEE and cathode ray tube lights each month to CRISP who use it to train unemployed people in electronics before sending for recycling.

**Benefits:** sustainable employment; less time on benefits; improved skills and employability; increased skills and confidence.

### Community events to promote recycling

**2,192** people were engaged via the following activities:

- |                              |  |
|------------------------------|--|
| 1 'Wonder Open Day'          | 6 Workshops  |
| 1 School assembly            | 6 Supermarket and school visits with the Mobile Recycling Centre |
| 5 Field marketing promotions | 18 Community meetings  |

**Benefits:** increased environmental awareness around recycling and waste; increased recycling rates; increased visibility/brand awareness.

For more information on Veolia's social and environmental activities please see our Annual Review available on our website.