



Lookers Leasing Ltd
ESG Assessment Report - PPN 06/20

23/08/2022

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Executive Summary

Executive Summary

Lookers Leasing is a small, office-based company with twenty-five staff. It is, therefore, somewhat limited in which themes and metrics it can address.

As part of the Lookers Group plc, it is subject to all the policies and initiatives which the broader group implements. These have been included in the assessment.

The recommendations within this report are generally around company-level data collection, community engagement and assessing suppliers according to social and environmental topics.

Our Methodology

This assessment has been created for Lookers Leasing Ltd using PPN 06/20 (The Social Value Model) as guidance.

The Social Value Model is split into eight Policy Outcomes (POs) that fall under five key themes and comprise over fifty metrics.

Organisations must assess the eight policy outcomes against their current position and commitments and develop a project plan to improve and monitor their performance.

Key Next Steps

1. Collect more data at a company rather than Group level.
2. Assess suppliers according to social and environmental topics before or during onboarding.
3. Engage with the local community to determine a suitable focus for company-level community engagement.



PO 1: Help local communities to manage and recover from the impact of Covid-19

Metrics	Comment
Number of employment opportunities for those who were made redundant due to COVID-19	This data could be collected via employee onboarding forms
Number of people-hours spent supporting community-led initiatives related to COVID-19	Make a commitment for each specific tender; include past examples if possible.
Percentage/number of all companies in the supply chain to have implemented the 6 standards in the Mental Health at Work commitment.	This data could be collected via supplier onboarding forms

Assessment

Lookers Leasing receives around 60% of its business from the public sector, including NHS contracts. It was, therefore, able to remain open during the COVID-19 lockdowns to support key workers reliant on lease vehicles. Whilst COVID-19 restrictions are over, local community engagement and support continue to be an important component of social value and one which Lookers Leasing could focus on in future.

Current position

MAC 1.1: Lookers Leasing’s recruitment and employment practices align with the Good Work Plan principles. It pays a fair wage, which is above the minimum wage for all employees, including apprentices. It supports staff wellbeing and safety through access to the Smart Health and Everymind apps. Staff surveys ensure that employees have a voice, and the Annual Report documents the changes made in response to the surveys. There is structured support to help employees progress in their careers.

MAC 1.2: All employees have one volunteering day a year and are encouraged to use it for a cause which is important to them. At a Group level, the focus has recently shifted from Group-wide charity initiatives to encouraging each company to select causes which are relevant to their local area. Lookers Leasing has supported several clients in their fundraising activities through charitable donations.

MAC 1.3: Lookers Leasing supported key workers during COVID-19 by ensuring continued access and management of leased vehicles.

MAC 1.4: Lookers Leasing introduced flexible working in response to the COVID-19 restrictions, employees can work from home two or three days a week. Flexible working has been well received and has improved employee morale and engagement. Lookers Leasing has two apps available to support employees’ physical and mental health, Smart Health and Everymind at Work.

MAC 1.5: Lookers Leasing kept its office open during lockdowns as paperwork was necessary to complete compliance processes. As a result of the lockdowns, more paper-free processes have been introduced. There is a small team working in a relatively large office, which enabled social distancing, and visual markers, e.g., lines on the floor, were used to support this. A rota system was used to reduce the number of people in the building at any one time.

Recommendations:

- Collect data on suppliers that have implemented the 6 standards in the Mental Health at Work commitment.
- Engage with the local community to determine a focus for company-level charity initiatives.

Model Award Criteria (MACs)
MAC 1.1: Employment training and return to work
MAC 1.2: Supporting people and community recovery
MAC 1.3: Supporting organisations and business to recover
MAC 1.4: Health and reduced demand on public services
MAC 1.5: Workplace conditions

PO 2: Create new business, jobs and skills

Metrics	Comment
Number of employment opportunities created under the contract.	To be determined per contract
Number of apprenticeship opportunities created or retained under the contract.	Currently N/A for Lookers Leasing
Number of training opportunities created or retained under the contract, (other than apprentices).	Currently N/A for Lookers Leasing
Number of people-hours of learning interventions delivered under the contract.	To be determined per contract

Assessment

Lookers Group plc is currently in the process of centralising its procurement process. Incorporating the metrics and criteria of PPN 06/20 in this will assist future tenders.

This Policy Outcome is considered relevant if the contract offers opportunities for business creation and growth in the supply chain, involves a contract workforce or is related to a sector with high unemployment levels or skills gaps.

Current position

MAC 2.1: Lookers Leasing does not sub-contract and, at a group level, the procurement process is currently being centralised.

This MAC encourages companies to identify opportunities to increase supplier diversity by including small, medium and large organisations as well as voluntary, community and social enterprises.

MAC 2.2: Lookers Leasing offers structured support to help employees progress in their careers. All vacancies are advertised internally so that any employee can apply. Unfortunately, no Lookers Leasing vacancies have been filled internally in the last 12 months due to the vacancy types, the niche field of work and distance from retail sites. Turnover for the year to 31st July 2022 was 12.24%. This is substantially below the Group voluntary turnover rate of 23% and the industry in general has a high turnover rate.

Due to the small size of the company in terms of employee numbers, the specialist nature of the work and surrounding regulations, Lookers Leasing is not currently able to offer apprenticeships or work experience placements.

MAC 2.3: Women are generally underrepresented in the automotive industry, although this is improving. Lookers Leasing has strong female representation within the company, with 40% of the workforce being women. Lookers Group CEO, Mark Raban, is a patron of the Automotive 30% Club which aims to have at least 30% of leadership positions filled with diverse women by 2030. At a Group level, an external consultancy, The Clear Company, specialising in diversity and inclusion in the workplace, has been engaged with the aim of understanding the Group’s current position, set goals and put an action plan in place for achieving them. This will filter down to Lookers Leasing.

Model Award Criteria (MACs)

MAC 2.1: Entrepreneurship, growth and business creation

MAC 2.2: Employment

MAC 2.3: Education and training

Recommendations:

- When redesigning the procurement process, ensure it enables use of a diverse range of suppliers.
- Consider how to offer apprenticeships, work experience or other training-level positions.

PO 3: Increase supply chain resilience and capacity

Metrics	Comment
Number/Value of contract opportunities awarded to start-ups, SMEs, VCSEs and mutuals.	This data could be collected via supplier onboarding forms
Percentage/Number of companies in the supply chain with a current Cyber Essentials certification.	This data could be collected via supplier onboarding forms
Percentage/Number of all companies in the supply chain with a current Cyber Essentials Plus certification.	This data could be collected via supplier onboarding forms
Percentage/Number of all companies in the supply chain to have adopted the National Cyber Security Centre's 10 steps.	This data could be collected via supplier onboarding forms

Assessment

Lookers Group plc is currently in the process of centralising its procurement process. Lookers Leasing has two main areas to its supply chain, supplies for its small office and vehicles for leasing. Vehicles are primarily factory orders from the original equipment manufacturer or from dealer networks.

Government guidance suggests this PO may be relevant if there are opportunities within the contract for new businesses, SMEs, VCSEs etc, or if a need to diversify the supply chain has been identified.

Current position

MAC 3.1: Lookers Leasing does not sub-contract and, at a group level, the procurement process is currently being centralised.

MAC 3.2: Lookers Leasing is keen to embrace the opportunity presented by battery electric vehicles to create a cleaner, greener fleet. Across the Group, 16.1% of vehicles sold were electric in 2021, compared to 10.2% in 2020. Lookers Leasing has also committed to supporting this transition for its staff by providing 4 electric charging points at the office. Staff are also offered the Cycle to Work scheme to facilitate active travel.

MAC 3.3: Lookers Leasing is able to integrate into existing client systems via application programming interfaces (APIs) to enable automation of processes such as vehicle lease cost proposals.

MAC 3.4: Lookers Leasing does not sub-contract and, at a group level, the procurement process is currently being centralised.

MAC 3.5: Lookers Group and Lookers Leasing are aware of the importance of cyber security, including for the API link between the Government leasing portal and the internal Lookers Leasing system. There are internal cyber technology specialists who monitor and manage this risk

Recommendations:

When designing the new procurement process, consider including PPN 06/20 metrics and criteria:

- Collect data on whether the company has a Cyber Essentials or Cyber Essentials Plus certification or complies with the National Cyber Security Centre's 10 steps, if relevant.
- Ensure access to supply contracts for smaller or local businesses and entrepreneurs, if relevant.

Model Award Criteria (MACs)
MAC 3.1: Diverse supply chains
MAC 3.2: Innovation and disruptive technologies
MAC 3.3: Modernising delivery and increasing productivity
MAC 3.4: Collaboration throughout the supply chain
MAC 3.5: Manage cyber security risks

PO 4: Effective stewardship of the environment

Metrics	Comment
Number of people-hours spent protecting and improving the environment under the contract	Make a commitment for each specific tender; include past examples if possible.
Number of green spaces created under the contract	Make a commitment for each specific tender; include past examples if possible.
Annual reduction in emissions of greenhouse gases arising from the performance of the contract	2021: Scope 1: 10.2 tCO ₂ e Scope 2: 9.8 tCO ₂ e (location-based)
Annual reduction in water use arising from the performance of the contract	2020 261m ³ 2021 166m ³ 36% decrease
Annual reduction in waste to landfill arising from the performance of the contract	2020: 1,274 kg 2021: 1,388 kg 8.9% increase

Assessment

Lookers Leasing has a small carbon footprint in terms of direct operations. It has an office building in Harrogate with under 30 employees. Its indirect (Scope 3) emissions associated with the leased vehicles is considerably larger.

This is a Policy Objective for which Lookers Leasing has already done considerable work towards through its net-zero commitment and the Group-level Carbon Literacy Project.

Current position

MAC 4.1: Lookers Group, and consequently Lookers Leasing, is committed to the transition to battery electric vehicles and has also publicly announced its ambition to be net-zero carbon by 2050 or sooner. Achieving this will require reducing emissions across the whole value chain. As such, Lookers Leasing can support the Government Fleet Commitment to transition 25% of cars in central government department fleets to electric/ultra-low emissions (below 50g/km CO₂) by 2022 and 100% of cars and vans to electric by 2027.

In terms of its own emissions, Lookers Leasing has 4 electric charge points 22kW output with 11kW of each, at their Harrogate office. There has recently been a campaign encouraging employees to reduce energy use and increase recycling. Data on this is not yet available.

Lookers Leasing sends all office waste to a Material Recovery Facility for processing. This results in 75% of waste being recycled with the remainder processed into refuse-derived fuel (RDF) or sold-recovered fuel (SRF).

MAC 4.2: Lookers Group, in conjunction with the Carbon Literacy Project, Auto Trader and other companies, has developed a Carbon Literacy Toolkit for the automotive industry. This provides industry-specific information on reducing carbon emissions. All Lookers Leasing employees will have completed this training by the end of 2022.

Recommendations:

- Collect waste, water and emissions data at a company level as well as a Group level; set reduction targets.
- Consider ways Lookers Leasing can contribute to improving the local environment around the Harrogate office, e.g., tree planting or flower planters.
- Consider ways to influence employees, suppliers and communities local to the Harrogate office to protect and enhance the local environment. E.g., partnering with local charities or volunteering opportunities for the workforce.

Model Award Criteria (MACs)

MAC 4.1: Additional environmental benefits

MAC 4.2: Influence environmental protection and improvement

PO 5: Reduce the disability employment gap

Metrics	Comment
Percentage/Number of disabled people employed under the contract	Currently N/A for Lookers Leasing
Percentage/Number of disabled people on apprenticeship schemes under the contract	Currently N/A for Lookers Leasing
Percentage/Number of disabled people on other training schemes under the contract	Currently N/A for Lookers Leasing

Model Award Criteria (MACs)

MAC 5.1: Increase representation of disabled people

MAC 5.2: Support disabled people in developing new skills

Assessment

Lookers Leasing is a small business with under 30 employees; disability accommodations and reasonable adjustments can be made as the needs arise. It should ensure that this data is being collected for future reference.

This PO may be relevant if there are opportunities to employ more disabled people and train them in new skills, particularly if disabled people are currently underrepresented.

Current position

MAC 5.1: Lookers Group has a policy of offering equal opportunities to all employees, including disabled people. This includes training, career development, and promotion.

As part of the onboarding process, employees can request reasonable adjustments through the pre-employment questionnaire. The Health and Safety teams make site visits to design or confirm personal evacuation plans. Accessibility issues or additional requirements are flagged to the estate team, who are responsible for execution.

Lookers Group is working with the Clear company, an external consultancy specialising in diversity and inclusion in the workplace, to develop a strategy for promoting increased recruitment of disabled individuals into the workforce.

MAC 5.2: Lookers Leasing does not currently have any disabled employees. However, they would be supported in the development of new skills as necessary.

Recommendations:

- Gather company-wide and group-wide data on employees which require reasonable adjustments.
- Sign up to become a Disability Confident Employer, a government employer scheme.

PO 6: Tackle workforce inequality

Metrics	Comment
Percentage/Number of people from under-represented groups in the workforce, in apprenticeship schemes and on other training schemes	40% women in Lookers Leasing workforce Lookers Leasing does not currently offer apprenticeships or other training schemes
Percentage/Number of the supply chain to have committed the five foundational principles of good work	This data could be collected via supplier onboarding forms
Percentage of the supply chain for which supply chain mapping has been completed to the appropriate tier or to source in order to reduce the risks of modern slavery.	100%
Number of people-hours devoted to supporting victims of modern slavery	Currently N/A for Lookers Leasing
Model Award Criteria (MACs)	
MAC 6.1: Tackling inequality in the contract workforce	
MAC 6.2: Supporting in-work progression	
MAC 6.3: Identifying and managing the risks of modern slavery	

Assessment

Lookers Group plc, and consequently Lookers Leasing, has identified gender diversity as a key area of focus concerning underrepresented groups. It is making efforts to address workforce inequality, with regards to gender imbalance in the industry.

Current position

MAC 6.1: Lookers Leasing is aware of the workforce gender imbalance in its industry. Lookers Group aims to be an equal opportunities employer and in 2022 is reviewing its current position to monitor and manage this. It offers six months of full basic pay for employees on maternity leave, if length of service and other conditions are met. It is working with the Clear company, an external consultancy specialising in diversity and inclusion in the workplace, to develop a strategy for promoting increased recruitment of women and disabled individuals into the workforce.

CEO Mark Raban is a Patron of the Automotive 30% Club. Mark has pledged his support for the Automotive 30% Club's goal of achieving true gender balance within the automotive industry, including having at least 30% of leadership positions filled by women by 2030. Every employee in the group also has annual training on diversity, equality and inclusion (DEI), including what it means, examples, why it is important, and employee rights.

MAC 6.2: Role openings are advertised internally to all employees, and 65% of all vacancies are filled internally across the Group. Pay grades, seniority levels, and progression pathways are clearly established and standardised for all employees in the company. Seniority level also determines the progression opportunities that are open to the employee.

MAC 6.3: Lookers Group, including Lookers Leasing, publishes an annual Modern Slavery statement. A Group-wide incident reporting system is in place for raising issues regarding modern slavery and human trafficking. Lookers Group and Lookers Leasing recognise that their supply chains are predominantly international motor manufacturers. All new suppliers are subject to due diligence checks and must comply with the supplier Code of Conduct. All employees complete annual training on incident management and whistleblowing.

Recommendations:

- Gather data on the company supply chain regarding inequality and anti-modern slavery policies.
- Consider using skill-based assessment tasks in recruitment and using structured interviews for recruitment and promotions.

PO 7: Improve health and wellbeing

Metrics	Comment
Percentage/Number of the supply chain to have implemented measures to improve the physical and mental health and wellbeing of employees.	This data could be collected via supplier onboarding forms
Percentage/Number of the supply chain to have implemented the 6 standards in the Mental Health at Work commitment.	This data could be collected via supplier onboarding forms
Percentage/Number of the supply chain to have implemented the mental health enhanced standards, for companies with more than 500 employees, in Thriving at Work.	This data could be collected via supplier onboarding forms

Assessment

Lookers Group plc, and consequently Lookers Leasing, recognises the importance of mental health and is implementing multiple programmes and campaigns to raise awareness and provide support for mental health among employees.

Current position

MAC 7.1: In 2021, Lookers Group introduced a group-wide programme that supports and raises awareness of mental health issues for all employees, including Lookers Leasing. The programme, which includes 25 mental health first aiders as a first point of support, aims to serve as a support centre for employees in need of help and allow employees to be more comfortable and aware of the support available within the company.

The Group has partnered with SmartHealth, which provides support for the general wellbeing of employees. Across the Group, the two top SmartHealth services employees have used have been GP appointments (393) and health checks (246). The Group has also newly appointed a management and development manager, who is introducing new modules on wellbeing for employees.

The hybrid working options introduced during the COVID-19 restrictions have been continued and this gives employees more flexibility which has improved engagement and morale.

MAC 7.2: Lookers Group has partnered with Everymind At Work to provide further support for mental health. The partnership and programme includes quarterly check-ins with a mental health and wellbeing consultant for support, an app for support resource access and mental health management, webinars and training workshops. Lookers Leasing plans to have all employees complete the programme as soon as possible.

Recommendations:

- Implement the 6 standards in the Mental Health at Work commitment
- Further assessment and engagement with mental health and wellbeing throughout Looker Leasing’s supply chain.

Model Award Criteria (MACs)
MAC 7.1: Support health and wellbeing in the workforce
MAC 7.2: Influencing support for health and wellbeing

PO 8: Improve community integration

Metrics	Comment
Number of people-hours spent supporting local community integration, such as volunteering and other community-led initiatives, under the contract.	Make a commitment for each specific tender; include past examples if possible.

Model Award Criteria (MACs)
MAC 8.1: Collaborate in codesign and delivery
MAC 8.2: Influence to support strong, integrated communities

Assessment

Lookers Leasing does not currently gather data about volunteering and community engagement efforts made by employees. Community involvement is an area where Lookers Leasing could look to take a proactive approach, to improve the social value it is providing through its contracts.

Government guidance suggests this PO may be relevant if the contract involves community engagement or opportunities for this. If community activities are possible, it is recommended that these are designed in collaboration with users and the community.

Current position

MAC 8.1: Lookers Leasing’s contracts do not generally involve community engagement, although this will be considered where possible and appropriate.

MAC 8.2: Lookers Leasing provides one paid leave day for employees to volunteer and engage with their local communities. In recent years, Lookers Group has increasingly encouraged its companies to engage with the local communities in which they operate, rather than providing Group-led activities. Employees are given one volunteer day per year and are encouraged to volunteer in the local community.

Recommendations:

- Gather company-wide and group-wide data on the number of volunteer days taken, and the types of volunteering completed by employees.
- Developing more extensive community engagement programmes to encourage employee and company engagement with the local community.

APPENDIX

Tender preparation:

When responding a PPN 06/20 response for a tender, consider which policy objectives are most relevant to the contract, if these have not already been specified.

For each relevant policy objective, the response should answer what has been committed to, what will be measured, how the data will be captured and how progress will be reported on. It may also include relevant detail on the specific context to show understanding of the requirements and also any additional social value which could be provided.

Government guidance suggests the following structure for responses:

For the material POs, describe the commitment that is being made to ensure that opportunities under the contract deliver the Policy Outcome and Award Criteria.

Please include:

- a 'Method Statement', stating how the commitment will be achieved and how it meets the Award Criteria, and
- a timed project plan and process, including how the commitment will be implemented and by when. Also, how the impacts and the progress towards the commitment will be monitored, measured and reported on.

This should include but not be limited to:

- timed action plan
 - use of metrics
 - tools/processes used to gather data
 - reporting
 - feedback and improvement
 - transparency
- If relevant, how staff, suppliers, customers and communities will be influenced through the delivery of the contract to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering.

References:

Further details on all the assessment criteria for the PPN 06/20 framework can be found in the Government document ['The Social Value Model'](#).

Guidance has also been provided for contracting authorities on how to use the framework and this includes suggestions of how responses could be scored in the ['Guide to Using the Social Value Model'](#).

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