

Findings



From the Ground Up – Improving the Delivery of Social Value in Construction



Research and methodology

- A wide definition of the construction industry
- 2 Surveys: “Client” survey and “Supplier” (Tier 1 and Tier 2) survey
- Interviews from Tier 1 and 2 suppliers
- Roundtable in July 2019
- Case studies
- Literature review



The report does not consider social value which is derived directly from policy, stand-alone social programmes, or the design and operation of infrastructure assets, such as a new school, housing, or hospital. Rather it is concerned with social value resulting from construction projects which are delivered by the private sector, for the public sector, following a procurement process.

Defining Social Value

- There is an absence of a single definition and lack of understanding of what social value is.
- A wide range of activities are considered to be social value, but “economic” activities are more likely to be requested and delivered as social value
- Some of the activities considered to be social value reflect commercial self-interest or good or legalised business practices
- Social value is often interpreted as local value, however there are a number of issues with this

Key Recommendation 2:

Agree a definition of social value, and what activities are within scope, for the construction sector

Delivering Social Value

- Increasing importance of social value
- Social value is not consistently emphasised at all project stages
- Existence of social value policies is inconsistent across client organisations, but most suppliers feel that they know how to score well on social value
- Often outputs are delivered, instead of outcomes
- There was significant alignment between challenges and critical factors for success – for clients and suppliers

Factors for success for clients include:

- Clear understanding of what social value is
- Contractual obligations to deliver and measure
- Availability of resources and skills to deliver and measure
- Budget to deliver social value
- Conflicts with other objectives and requirements
- Developing an effective plan or strategy to deliver social value

Factors for success for suppliers include:

- Clear understanding of what social value is
- Contractual obligations to deliver and measure
- Availability of resources and skills to deliver and measure
- Collaboration with the client and understanding client objectives
- Supply chain engagement, partnering with community and local businesses
- Aligning with actual local needs
- Budget to deliver social value
- Leadership support
- Conflicts with other objectives and requirements

Delivering Social Value

Key Recommendations:

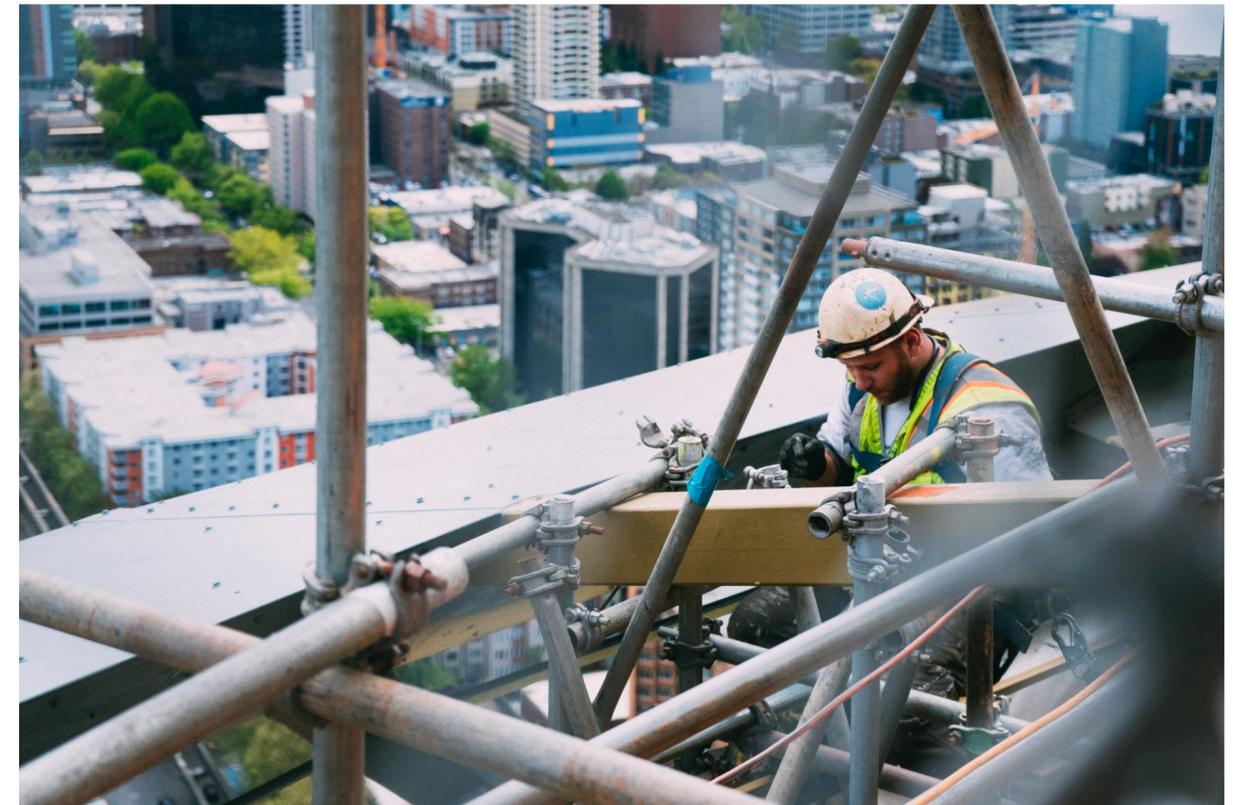
3. Update the Treasury Green Book, the Social Value Act and initiate mandatory reporting

4. Upskill the public and private sector



Partnerships

- Wide variety of partners used in Social Value delivery
- Partners bring value for effective delivery - local knowledge and networks, closer and flexible approaches, meet obligations and win tenders
- Partnerships often considered in scope for Social Value
- Tier 1 and 2 suppliers report supporting supply chain, additional support needed
- Significant barriers to smaller organisations' involvement – procurement capability, capacity, prompt payment, resilience



Key Recommendations:

4. Upskill the public and private sector

5. Support and upskill SMEs and VCS organisations

Monitoring and Evaluation

- Not consistently done and contracts rarely enforced
- Misalignment in what is believed to have been delivered
- Varied tools and approaches – but less outcome and impact based measures
- Challenges of lacking capability and resources (people, finance)
- Collaboration needed going forward

Key Recommendations:

3. Update the Treasury Green Book, the Social Value Act and initiate mandatory reporting

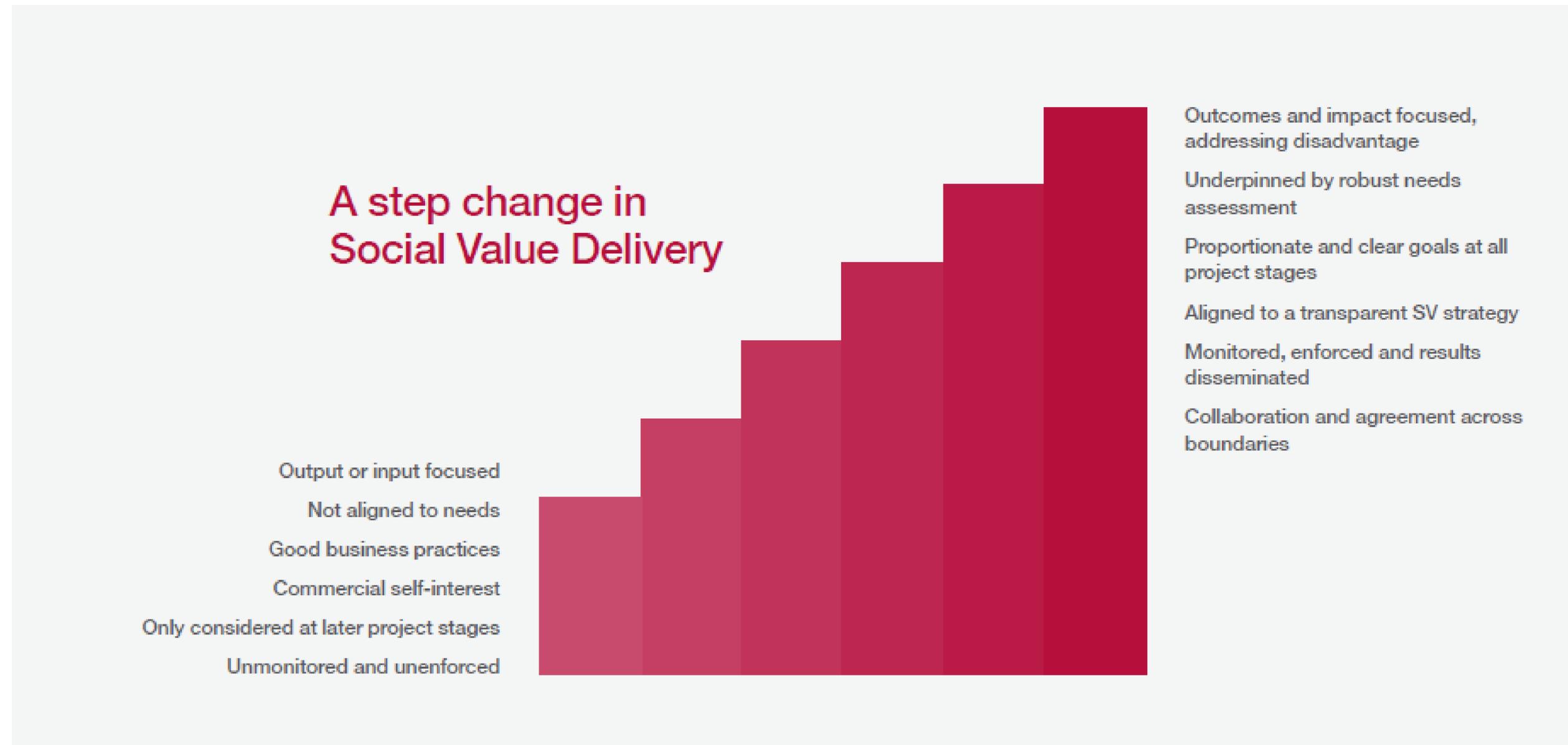
1. Establish a Construction Social Value Centre of Excellence

Five Recommendations

- Define Social Value and what activities are within scope
- Establish a Social Value Centre of Excellence for the construction industry
- Support review of the Treasury Green Book, and initiation of mandatory reporting
- Upskill public and private sector
- Upskill local SMEs and VCS organisations



From the Ground Up – Improving the Delivery of Social Value in Construction



The Report

www.ied.co.uk/insights

- Executive summary
- Case studies
- Full report



Next steps...



Series of round tables for construction sector, members and all interested parties to define the scope of the Centre of Excellence

Collaboration with UBGBC and others to define what counts as social value in the construction sector

Feed into the review of the Treasury Green Book

Series of CPD sessions for upskilling public sector

