

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



Acknowledgements

The IED is extremely grateful for the support of its partners and supporters, without whom this body of work would not have been possible.

By producing this report in conjunction with a diverse range of organisations involved in construction from across the UK, we have brought together a range of experiences of social value in the procurement, design and delivery of development projects and programmes, as well as specific skills in research and economic modelling.

The research skills and embedded socio economic expertise of the core team and authors, coupled with a range of insights from across a wide range of organisations, was essential in ensuring a robust and thorough exploration of the contemporary challenges we face in embedding greater social value outcomes in the UK construction industry.



The Institute of Economic Development (IED) is the leading United Kingdom organisation for economic development practitioners. The IED is committed to demonstrating the value of economic development work for local and regional communities; the pursuit of best practice in economic development and the attainment of the highest standards of professional conduct and competence.

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Foreword from the Chair



Bev Hurley CBE
Chair, Institute of Economic Development

Economic development is a process by which the economic, political and social well-being of its people is improved. Economic growth, a phenomenon of market productivity, innovation and confidence, is one side of the process. Improvement in welfare values — the well-being of the population — is the other.

We have seen that the historical focus on trickle-down economic growth models doesn’t work. The levels of inequality within the UK are high, entrenched, and steadily increasing. This is clear on almost every measure, be that child poverty, housing, education, mobility, health, wealth and productivity.

Encapsulating this, Office for National Statistics (ONS) 2019 figures show that around a third of the population live in the 10% most deprived areas. In these ‘left-behind’ places, nearly one in four people suffer with a long-term illness, life expectancy on average is 16 years less than those in more prosperous areas, over a third have no formal qualifications and there is on average half a job per working age person. We are one of the most unequal economies in the developed world.

The Institute of Economic Development (IED) wholeheartedly endorse the findings and recommendations in the Marmot 10 Years On Review and from the UK2070 Commission, Make no Little Plans - Acting at Scale for a Fairer and Stronger Future. It is time for a different approach.

Doing things differently means changing how we measure the value of our place interventions to take into account what matters to the stakeholders in them, and to consider how we can achieve more wellbeing improvements and a reduction in inequalities for every public pound we spend. Social value procurement must be a much more effective tool for change.

This means putting people at the centre of place-based development, engaging and working with them to understand their needs and wants, so that development happens with them, not to them. We don’t just have to change what we do, but how we do it. Indeed, as the Department for Digital, Culture, Media & Sport (DCMS) has said, “the public sector cannot afford to not maximise social value during procurement, otherwise the cost is absorbed elsewhere in public services.”

We chose to focus on the construction sector for our research as it provides the 6th largest source of employment in the UK, is a major recipient of public spending, contributes nearly 7% of our GDP, and the sector is central to economic development and what happens in placemaking. We are also in a decade of some huge infrastructure and construction projects, including Hinkley Point C, Nugen, and HS2, with a total estimated construction spend of £500bn by 2030 according to the HM Treasury and Infrastructure and Projects Authority,

The aim of this research was to help IED members, and the public sector more widely, understand what good practice social value looks like, and improve the social impact of their procurement. We wanted to discover what had changed as a result of the Social Value Act, to uncover the barriers and challenges, and to find and share examples where innovative, replicable and impactful social value had been delivered at all stages of place-based interventions as a result.

The aim of this research was to help IED members, and the public sector more widely, understand what good practice social value looks like, and improve the social impact of their procurement.

We discovered that we are a very long way from that social value nirvana; the challenges and barriers are significant in this sector. We recommend how they can be overcome; and the opportunity for change is immediate, huge and ours for the taking.

If every one of those pounds had to deliver double, quadruple or ten-fold the value in social benefit focused on making a real difference for our disadvantaged citizens and our left-behind communities, we can start transforming both individual lives and our economy. Social Value must be at the heart of our Covid-19 recovery planning and our local, regional and national strategies for tackling inequality.

Summary of findings

There is increasing awareness of the concept of social value, and the social value ‘space’ has a multiplicity of stakeholders, including residents, businesses, policymakers, all tiers of the public sector, and deliverers of all kinds from multinationals to Small and Medium Enterprises (SMEs) to specialist third sector organisations.

However, there is not a common, comprehensive definition of what counts as social value, to frame understanding, benchmarking or reporting, and aid comparison of tenders and to determine best practice. This has given rise to significant disparities in what counts as social value activities, and no requirement to focus on improving the wellbeing of those who are most disadvantaged.

Much of what is treated as social value can be seen as good commercial business practice. These include attracting/retaining staff, prompt payment codes, internal equality and diversity programmes, fair pay, training of the supply chain, ethical/low carbon sourcing, managing risk/noise, and increasing awareness of the construction industry as a career choice for young people. It is hard to argue that these provide additional benefits to those living in project areas. There is a high risk of social value becoming too diffuse and lacking focus. ▶



Summary of findings

There appears to be an increasing focus on the idea of “Social as Local” with procurement requirements for local spend. Keeping money in the local economy can contribute to driving positive local economic and social outcomes such as more jobs, higher pay and more tax and rates revenue.

However, simply requiring money to be spent within a certain area does not of itself guarantee that employers will pay higher or Living Wages, or employ or train more, or more local, people, nor that they will not spend any additional profits outside the area. Indeed, local spend may distort the market by propping up otherwise unsustainable requirements and do nothing to target spend on improving the social outcomes for those who most need it and build delivery capacity and capability outside existing supply chains.

Defining local is particularly challenging in builds not near residential or business areas, and in large infrastructure and cross-boundary projects. Our respondents reported that projects spanning geographies have multiple project stakeholders often competing for social value outputs, different frameworks with differing social value requirements, and a real lack of alignment around desired benefits and outcomes.

Social value procurement weightings vary and are increasing, but activities largely come into play only at the construction phase and are not consistently incorporated at all stages, especially in design briefs and business cases. There is little evidence of either pre-tender dialogue and consultation, or of robust prior community engagement. This can result in a misalignment of activities and local needs, and unrealistic or irrelevant targets.

At each stage of our research, the need for a move from a transactional, pure-procurement focus to a much more relational, co-creation approach was frequently repeated.

Both the public sector and industry identified many challenges to the successful delivery of social value, with consensus on one of the biggest barriers - the lack of understanding on what social value is.

Creating a better world through addressing our inequalities and disadvantage must entail public, private, third and civic society coming together to achieve the greater good.

Both the public sector and industry identified many challenges to the successful delivery of social value, with consensus on one of the biggest barriers - the lack of understanding on what social value is. This is why a definition, at least for the construction sector, is so vital: it is the starting point for everything that follows.

Much social value delivery is passed down the existing supply chain, often working in partnership with a wide variety of local organisations, including the voluntary and community sector (VCS). The most reported benefit of these partnerships was improved social outcomes, but at the same time, they come with significant challenges. These include commercial and financial issues and a lack of both capabilities and capacities to deliver and be an effective partner.

There was no evidence of any support being provided to overcome these skills deficits in the VCS, and little support other than occasional Meet the Buyer days for local SMEs outside the supply chain, both of which would improve the resilience and performance of local economies and leave a more enduring legacy.

Small businesses perceive that procurement is loaded in favour of large organisations with dedicated resources and more capacity to absorb cost, and that lack of adherence to Prompt Payment Codes throughout the chain has a significant negative impact.

Our research indicates that there are also substantial improvements that need to be made in the monitoring and evaluation of social value. To put it simply, it does not often happen, it is not done consistently, and rarely are contractual penalties enforced. Given that multi-million pound contracts can be won and lost on the percentage weightings given to social value activities at procurement stage, improving the robustness, transparency and accountability at the other end of the process is a priority to improve the return on social value investment.

A plethora of definitions, tools and frameworks for social value measurement are in use, with variations on what is measured and how it is monetised. However, they are largely focused on outputs not outcomes, and outputs delivered elsewhere (e.g. through offsite manufacture) are not captured. Moving towards an outcomes-based approach will help to ensure that impacts are the main focus of social value delivery, and focus social value activities on making a tangible change for disadvantaged people and left-behind communities.

The Green Book needs improving with respect to social value in business case preparation. A lack of knowledge of how to monitor and evaluate, and a lack of resources, (financial and people) were the most cited barriers by both sides. Without the resources to ensure accountability and impact, there is a risk that social value activities simply become a numbers game at bid stage. Mandatory reporting on social value by both procurers and suppliers will significantly increase the ability to benchmark performance and the sharing of good practice.



Our full report **From the Ground Up - Improving the delivery of social value in construction**, and case study pdf are available [here](#)

Key recommendations

1. Establish a Construction Social Value Centre of Excellence

The Centre will work collaboratively with industry and public sector bodies to help define social value, provide thought leadership, support and guidance, be a repository for social value reporting data, benchmarking, monitoring and evaluation, develop a kitemark, provide guidance on evaluation tools, and support the collection and dissemination of good practice case studies.

We recommend this be funded by government, in the same way that Be The Business and the What Works Centre are - the return on investment to be gained will far outweigh the cost. Such a Centre will increase communication, knowledge, understanding and collaboration and help defragment a complex, competitive, confusing marketplace. It will provide a longer-term perspective to help all learn what good practice looks like in terms of outcomes, legacy and impact, and who delivers it - a procurement memory.

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

This is essential to allow robust comparisons of value, and help ensure that social value requirements are proportionate and appropriate, and provide measurable additionality.

We recommend that environmental components are separately weighted in procurement, and that good business practices (e.g. internal diversity/inclusion initiatives, prompt payment codes, training of existing supply chains, modern slavery, managing noise or disruption) should be considered as a given. Activities which may be commercially beneficial to the supplier, such as apprenticeships and educational visits, could be considered as social value if supported by a robust needs analysis in the area.

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

Improve Treasury guidance on the monetisation of social value metrics and enable the assignment of different financial values to social value activities according to different areas. Social value must be considered in relevant aspects of the Five Case model (such as the economic, commercial and financial cases) so that it is considered in the early stages of the project lifecycle.

New rules should allow the social value delivered outside of a project area to be included in business case and procurement calculations and incentivise the procurement of outcomes, not outputs.

Authorities should be required to create a social value plan as an integral part of their economic development strategy, based on a needs assessment to provide one context for all bidders, and to monitor and report annually on social value outputs and outcomes, including their cost effectiveness. Local Industrial Strategies and Covid-19 local recovery plans must also give due consideration and action to social value and impact.

4. Upskill the public and private sector

The Centre for Excellence should work collaboratively to offer Continuing Professional Development (CPD) on all aspects of social value, from defining a strategy, embedding it in procurement and at all stages of project lifecycles, and understanding the tools to assess social value components, through community engagement, local spending, pre-tender consultation and education about modern construction, to monitoring, evaluation and legacy.

There is a need, especially in cross-boundary infrastructure projects, to increase collaboration, political leadership and to develop a clear framework for social value delivery. Greater understanding and clarity of what social value is, how to procure it more effectively, and how to achieve better outcomes, will improve capacity, capability and impact.

5. Upskill those not in the Supply Chain: SMEs and VCS organisations

Considering the growing impetus towards local spending requirements, we recommended that industry must help improve local SMEs and VCS organisations' ability to compete, to deliver and to grow, and by doing so, leaving a more enduring local legacy. Improving their capacity and capability will extend beyond just the construction industry.

Industry must ensure that prompt payment codes are adhered to at all levels of the supply chain, particularly at the bottom where the pressure of late payments is felt most.

Public authorities should provide information and contacts at pre-tender stage of businesses and community organisations who might be utilised for the delivery of social value.

Introduction

The economic context

Economic development is a process by which the economic, political and social wellbeing of communities of interest and place is improved. Economic growth is a phenomenon of market productivity and a rise in Gross Domestic Product (GDP), it is therefore one side of the process. Improvement in welfare values, the wellbeing of the population, is the other.

We have seen that the historical focus on trickle-down economic growth models doesn’t work. The levels of inequality within the UK are high, and steadily increasing. Inequality and poverty limit growth, the UK was almost at the bottom of average GDP per capita growth in the 29 high-income European countries for 2016 to 2018. The widening disparities between London and the South East and the rest of the country are well known, as well as inequalities within regions. Of the 326 districts, the Royal Borough of Kensington and Chelsea is the most unequal, followed by Cambridge.

The top 1% of earners take a 14% share of national income¹, and the take of the top 10% has increased over the last 30 years to nearly 35%. The proportion of GDP we spend on state education is exceeded by every country apart from Chile². We’ve dropped from 7th to 18th place in neo-natal mortality rates³, 4.1m children live in families earning less than 60% of UK median income, (£16,380 per annum), two thirds of them being in working families, and research from the Joseph Rowntree Foundation estimates that the annual cost of poverty in the UK is £78 billion⁴. At the individual level, inequality causes a massive waste of human potential. Our research is embedded within this complex picture.

The ONS 2019 figures show that around a third of the population live in the 10% most deprived areas⁵, and in these ‘left-behind’ places, nearly one in four people suffer with a long-term illness, life expectancy on average is 16 years less than those in more prosperous areas, over a third have no formal qualifications, and there is on average half a job per working age person.

The direction of travel on these, and many more metrics, indicates that our inequalities are now so entrenched, they will take two generations to reverse. The recent Marmot Review ‘10 Years On’⁶ and the UK2070 Commission⁷, whose findings and recommendations the IED wholeheartedly endorse, both call for a different approach to tackling these challenges.

We need to do things differently, now. We must seize this unique opportunity to build back better, creating a more sustainable, inclusive, equal and resilient economy.

These inequalities have driven more of a focus in recent years on “inclusive growth”. This has been defined by the Organisation for Economic Co-operation and Development (OECD) as “economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society”.

And as: “broad-based growth that enables the widest range of people and places to contribute to economic success, and to benefit from it too. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes.” by the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA).

Although many economic development practitioners fully endorse a more inclusive, fairer model, they’ve said that their understanding of how to achieve it was much more challenging. It is clear that we need to look more holistically at what interventions will help our places to thrive, taking into account our ageing population, health, education, security, where people work and how they get there, how to create ‘community capital’ and a sense of belonging, improving neighbourhood design, access to green infrastructure and better-quality housing.

This also means putting people at the centre of place-based development, engaging and working with them to understand their needs and wants, so that development happens with them, not to them. We don’t just have to change what we do, but how we do it.

Doing things differently also means changing how we measure the value of our place interventions to take into account what matters to these stakeholders and to consider how we can achieve more of the community wellbeing improvements for every public pound we spend.

A more holistic, and inclusive, approach to development, that considers the social, economic and environmental delivery and benefits, provides the opportunity to improve the ambition, benefit realisation and legacy of projects. This enables the spend in public projects to go further, driving enhanced productivity and place effectiveness.

For example, improved employment outcomes enhance local consumption, driving associated socio-economic uplifts. The ‘poverty is bad for growth’⁸ mantra is being increasingly recognised in the inclusive growth agenda. Social mobility can enhance productivity through improved use of human capital and supports individuals’ investment in their education and training. There is also evidence that this supports social cohesion and sense of place⁹.

As noted, poverty, inactivity, poor health and neighbourhood disconnection are a drain on public services and spending. Indeed, as DCMS has stated, “the public sector cannot afford to not maximize social value during procurement, otherwise the cost is absorbed elsewhere in public services.”¹⁰

The United Nations Sustainable Development Goals, announced in 2015, present a set of targets for 2030 that expand on the original Millennium Development Goals. Many of the objectives touch on inclusive growth and social inclusion and can be directly mapped to social value, for example:



Introduction

Core to the IED ethos is sharing and increasing knowledge to improve the effectiveness of the economic development profession. So, one of our aims through this research was to help IED members, and the public sector more widely, understand what good practice social value looks like, and improve the impact of their procurement. We wanted to discover what had changed as a result of the introduction of the Social Value Act, in procuring and supplying, to uncover the barriers and challenges, and to find and share examples where innovative, replicable and impactful social value had been delivered at all stages of place-based interventions as a result of the Act.

What we (and others) have in fact discovered is that we are a very long way from that social value nirvana.

The Social Value Act

Over the last decade or so, the term “social value” has become established as the terminology and methodology of how these benefits can be quantified. The more social value, the more inclusive and sustainable growth and economic development becomes. The Social Value Act, which came into force in England and Wales in January 2013, requires the commissioners of public services to consider how they can secure wider social, economic and environmental benefits. Additionally, the ‘Wellbeing of Future Generations Act’ was enacted in 2015 which requires public bodies in Wales to consider and address persistent problems in the communities in which they work such as poverty, health inequalities, and climate change. In Scotland, the Scottish Government has similar provisions through the Fairer Scotland Duty, introduced in 2018.

The Cabinet Office launched a consultation in 2019 to improve the effectiveness of the Act (results awaited at the time of writing) with the stated intention to ‘explicitly evaluate’ social value in procurement under an extension of the 2013 Act, potentially to wider infrastructure and planning projects¹¹. The opportunity to deliver social value through procurement is significant with the government spending £284 billion per annum on buying goods and services from external suppliers which accounts for around a third of all the public expenditure¹². These new proposals would strengthen the Act by making it an explicit requirement in central government contracts to the private and third sectors.

The consultation and Act extension also intended to introduce changes that will help level the playing field for small and medium-sized enterprises (SMEs)¹³. The consultation recognises that these organisations ‘are closest to our communities and will often be well placed to deliver social value through the contract.’ A proposed new approach would apply tests that ‘all bidders, irrespective of their size and type, should be capable of meeting’, whilst the government would look to publish key performance indicators on major contracts.

In general, it would be fair to say that there is now greatly increased awareness about social value across many sectors. There are many more individuals with social value in their job title. There has been significant growth in the social impact investment market, generating the same level of returns as the Financial Times Stock Exchange (FTSE), and several corporates and organisations have introduced awards to help promote and showcase some of the good things that are happening across the UK.

The National Social Value Awards are one such platform with the latest winners announced in January 2020, covering embedding social value in procurement, contract management and organisational leadership¹⁴. The construction industry also has the Royal Institution of Chartered Surveyors’ Social Impact Awards, which look for the positive human impacts of the built environment and across the human, social and environmental domains, with suggested evidence measures¹⁵, and the IED 2020 Awards also recognise good social value outcomes.

Business has definitely been leading the change - corporations cannot sit on the fence any more, particularly if they want to be an employer of choice for Generation Z, and leading companies have incorporated social value right across their workforce, embedded these values into their culture. Local authorities are catching up, although as noted at the Social Value Conference 2020, most still don’t have a social value policy. Central Government is starting to change as well. Baroness Barran stated at the social value conference in January 2020, “we must be more intentional about social value. All of us can contribute to creating a better world. There is no longer a choice”¹⁶.

We can conclude that, although the Social Value Act currently applies only to central government contracts for public services beyond a certain value (£10 million), it has really helped catalyse the broader social value agenda and many public sector procurement and economic development teams have been encouraged to look beyond financial metrics¹⁷, and the construction industry, the focus of this research to start to up its game.

In addition, there are also a growing variety of organisations, institutions and consultancies involved in advising on different aspects of social value and driving forward this agenda, including some of those we have interviewed, as well as a multiplicity of social value measurement tools on the market. The Social Value Portal estimates that there are over 1,150 social, economic and environmental impact metrics in use around the world. In the absence of a clear definition of what is within and out with of the social value remit, at least within the construction sector, this plethora of metrics does not necessarily help the situation.

The social value ‘space’ has a multiplicity of stakeholders, including residents, visitors, businesses, policy implementers, all tiers of the public sector, deliverers of all kinds from multinationals to SMEs to specialist third sector organisations. It’s crowded, complex, and our research found, confused and competitive, despite the growing numbers of examples of social value activities taking place.

As we explore, there is considerable debate on whether ‘levelling up’ can be achieved in practice, whether much of what is taking place is actually commercial self-interest, and the impact on small business, voluntary and community organisations trying to compete on this aspect via procurement, or standard business practices. Our research has revealed that there are far bigger barriers and challenges to be overcome if we are to get serious about social value. The social value space also contains a wide range of organisations and stakeholders across the private and public sector, and invariably this research has engaged with, related to, or been informed by many of these. is demonstrated with the provided list of contributors in Appendix A.

Introduction

The construction industry

We chose to focus on the construction industry as it is a strategically important sector, providing the 6th largest source of employment in the UK¹⁸, being a major recipient of public spending, and a sector central to economic development and placemaking. Furthermore, 12.6 % of the UK's 5.9m SMEs are in the construction sector¹⁹. We consider a wide definition for the construction industry, spanning across infrastructure, housing, energy, water and several other sub-industries. Throughout this document we refer to the 'sector' or 'industry' to refer to the general construction industry.

The very nature of the UK's construction industry is central to the delivery of social value across the country, with the development of places in which people live, work and socialise in, and the construction of the connections between these places, communities and people. The Department for Communities and Local Government (DCLG)²⁰ (now the Ministry of Housing, Communities & Local Government (MHCLG)) identified the value of regeneration schemes as incorporating economic (employment, business), social (improvements in health, community cohesion, better neighbourhoods) and environmental (open space, public realm) aspects. The qualities and amenities of places are important for developing the capacity of the population to improve their economic and social outcomes.

As a sector, construction faces significant social challenges regarding diversity and inequality, changing working practices, such as off-site manufacturing, and huge labour challenges with a forecast shortage of nearly 1 million employees by 2024.²¹

These challenges are not going to be solved through apprenticeships alone, despite being one of the top three social value items procured. Construction, planning and built environment apprenticeships in England in 2010/11 stood at 22,000. By 2016/17 they were still at the same levels and only in the last two years have levels slightly increased to 23,000 per annum²². Of particular importance for the public sector buyers, 40% of Level 4 construction apprenticeships are not achieved and 33% of all levels are not completed.²³

We are also in a decade of some huge infrastructure and construction projects, including Hinkley Point, Nugen, and HS2, with a total estimated construction spend of £500 billion by 2025²⁴, and the sector contributing nearly 7% of our annual GDP²⁵. The government itself spends £284 billion a year on procurement.

If every one of those pounds had to deliver double, or quadruple the value in real social benefit that matters to our people, our communities, and our UK economy and society as a whole, we would make a start on achieving more inclusive growth, and be able to address some of our inequalities.



The very nature of the UK's construction industry is therefore central to the delivery of social value across the country, with the development of places in which people live, work and socialise in, and the construction of the connections between these places, communities and people.

Research methodology

The information in this report was collected in a number of ways, in order to create a rich picture of the issues facing contemporary social value delivery in the construction industry. 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.

Surveys

Two long-form surveys were issued in Spring of 2019. IED members received the “client survey” and suppliers received two slightly different surveys, one for larger, Tier 1 and 2 suppliers and another for smaller Tier 3 and 4 suppliers and SMEs who tend to sit within the supply chains of Tier 1 and 2 suppliers.

Two additional short-surveys, which included a subset of the original questions, were issued to IED members in order to increase response rates, one of which was distributed at the 2019 IED Annual Conference.

There was not sufficient response from Tier 3 and 4 suppliers for the data to be used, and this illustrates that engaging with these types of suppliers can be difficult, even though they play an important role in delivering social value.

Where respondents (of any survey) reported they were not familiar with social value, they did not then answer the subsequent questions, and as such the rest of this report reflects insights from those respondents who were aware of the term.

There were 43 respondents to the three surveys. Contributions were made to this report by Local Authorities, Housing Associations and Local Enterprise Partnerships (LEPs); over 25% of the IED’s local authority membership responded directly to the survey.

For the Tier 1 and 2 supplier survey, the 18 respondents reflect 54% of the top 15 construction contractors, 47% of the top 30 and 34% of the top 100 firms, based on turnover for 2019²⁶. Some 16 of the respondents considered themselves to be Tier 1 suppliers and 2 considered themselves to be Tier 2 suppliers. Respondents worked across several subsets of the construction industry, often working across multiple sectors. However, there was less representation from the housing, energy and water sectors. This is demonstrated in Figure 1.

Interviews, roundtables and case studies

Qualitative data from the Tier 1 and 2 suppliers who were surveyed was then gathered through in-depth interviews to better understand responses, explore comments in more detail and test recommendations. Throughout the report, quotes from these interviews have been presented and these have been kept anonymous.

A roundtable was held in July 2019, which was attended by several survey respondents alongside the research partners, and early findings and recommendations were subsequently presented to and discussed at the Construction Social Value Forum. Appendix A provides a list of consulted and engaged stakeholders and related work and reports. A further roundtable was held in December 2019 with a small group of SMEs at Tier 3 and 4 level.

The case studies (detailed in Appendix B: Case studies) presented in this report were voluntarily provided by survey respondents and research partners. Research partners also attended a number of industry conferences and events on social value, which has helped to interpret the survey results and influenced recommendations. Additional comments and written input were provided by both client and supply side organisations following these events and meetings, further enriching the research.

Literature review

A literature review was also undertaken and, where relevant, has been cited throughout the report. Social value research was also being undertaken in parallel by Useful Projects for the Institution of Civil Engineers (ICE), with whom we have worked closely, and new guidance created by the Supply Chain Sustainability School (SCSS), was also generously shared with the IED for cross-reference in this report. Details of documents reviewed can be found in Appendix C: Key Documents.

Which construction industry segment do you work in? Tick all that apply

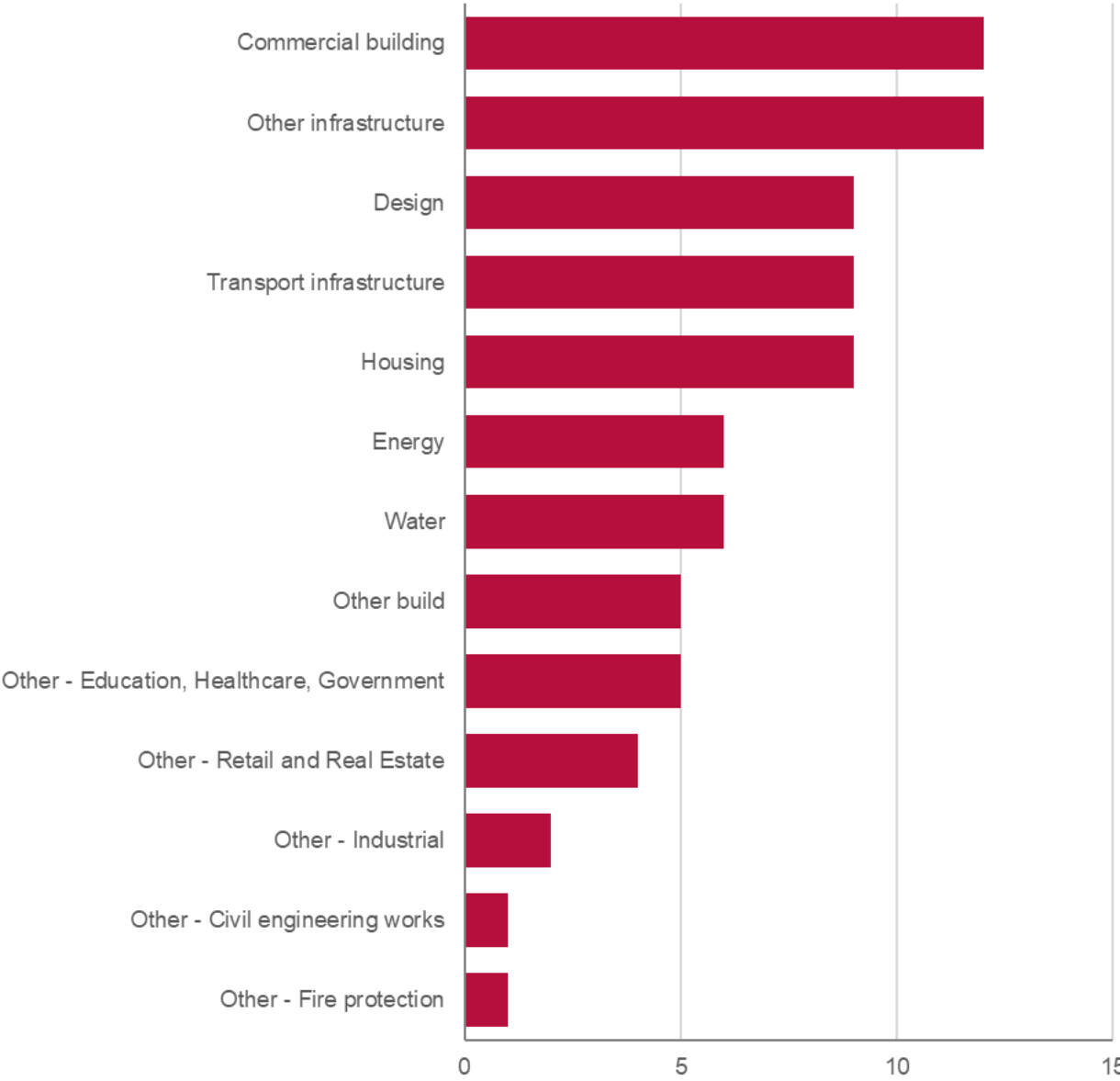


Figure 1 IED Tier 1 and 2 Survey - Industry sector

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.

Defining social value

Key findings

- Almost all survey respondents were familiar with the term “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 considered to be social value²⁷.
- Some of the activities considered to be social value reflect commercial self-interest or good or legalised business practices, with a high level of deadweight.
- The notion that a flexible definition within the Act breeds innovation has not been apparent in practice.
- Social value is often interpreted as local value, however
 - There is a lack of robust community engagement, including in shaping the vision.
 - Alignment with local needs does not happen enough or early enough in the process, with a lack of pre-tender engagement consultation.
- There is competition for outputs (esp. cities / cross-border and infrastructure projects), whilst it can be more resource efficient to use wider inputs.
- This requires local supply chains to be in place and effective.
- The availability of talent pools can act as a constraint
- Social value that is delivered elsewhere is often discounted or not captured.

Defining and understanding social value

Social value is a relatively new concept in public sector procurement of construction, with the Social Value Act aiming to change the culture around commissioning to one of “better not cheaper”²⁸. ‘Social value’ is still not a term all clients are aware of, and the survey found 14% of the public sector respondents reported they had not come across social value. Only 5% of Tier 1 or 2 contractors surveyed had never come across the term. Other terminology is also in use, such as social return, social impact, social responsibility, and “triple bottom line”.

One common thread in the social value space is the recognition that there is not a common, comprehensive definition with which to frame understanding, benchmarking or reporting, and to aid comparison of tenders. The interpretation, and debate over its definition, began as the Act was passed, where it can be interpreted in various ways. Figure 2 further provides some examples of social value definitions from prominent UK organisations and across local authorities. Survey respondents provided a wide variety of definitions, of varying levels of specificity. These have been reflected further with the section on defining themes for social value (“Social is Local”).

The recent ICE social value research also highlighted this lack of consistency in definitions and reported a similar gap in understanding. It found that there was a greater understanding of social value in general, but less of a good understanding of the Social Value Act specifically³⁰.

A potential upside to this lack of specificity is that it could leave room for innovation in the delivery of social value³¹. This was highlighted as the reason for the loose definition in drafting by Chris White, the former MP who was the architect of the Act³². So far however, as our research suggests, the open definition does not seem to have encouraged widespread innovation, as in practice the social value that is delivered is focussed on traditional areas of providing jobs and skills. Also, as there is little robust monitoring and evaluation of social value, which will be discussed in the “Evaluating social value” section, it is difficult to know what innovation looks like without good benchmarks.

A lack of understanding of what social value is, was overwhelmingly identified in the survey by both Clients and Tier 1 and 2 suppliers as one of the major challenges in delivering social value, with Tier 1 and 2 suppliers identifying it as the top critical factor preventing achievement of high levels of social value. In addition to the uncertainty caused by the lack of definition in the Social Value Act, the confusion is also compounded by the fragmented landscape of social value, with many organisations, metrics and tools, and no central agreed source of social value guidance and rules for the construction sector, or any other sector for that matter.

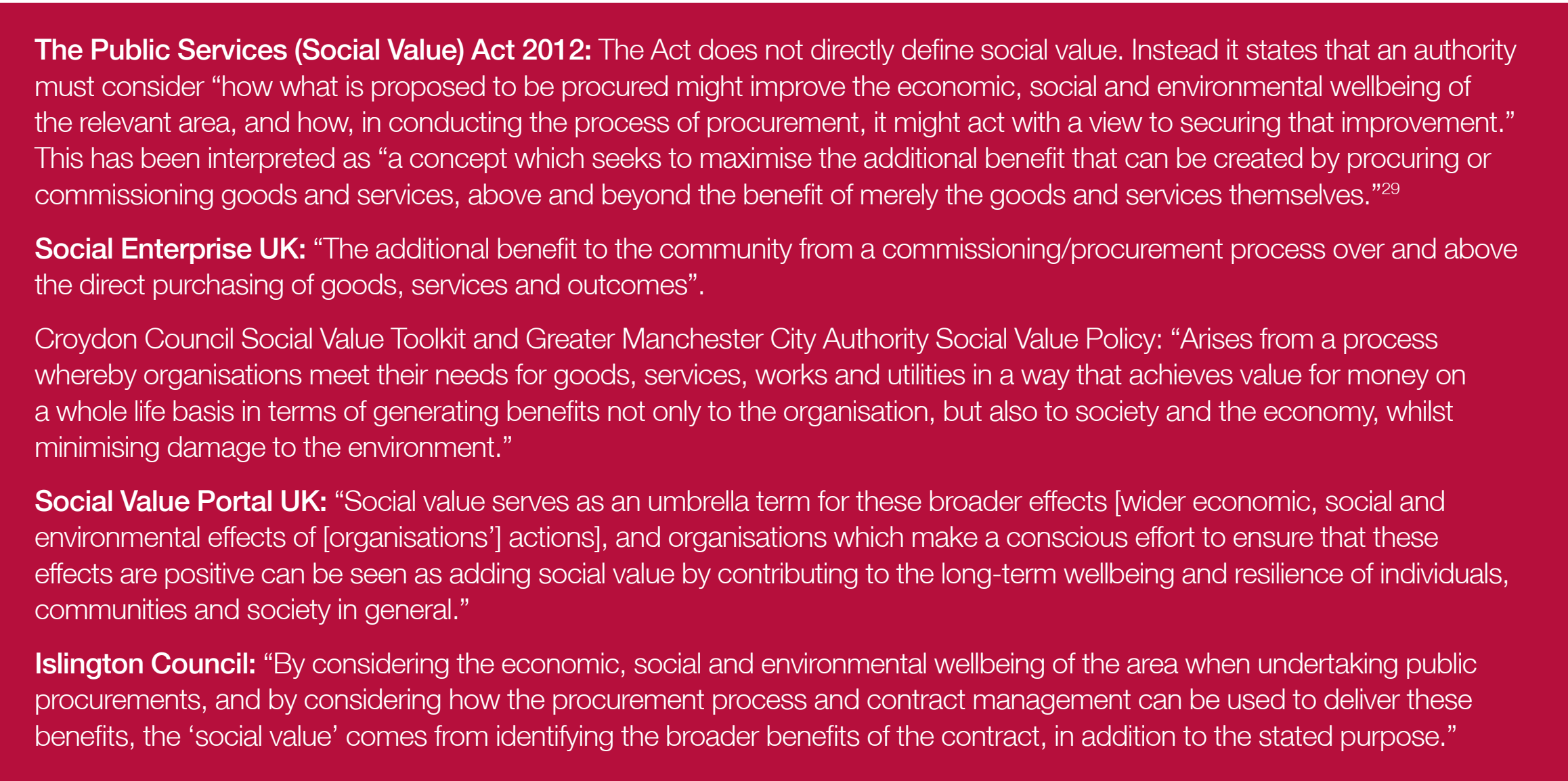


Figure 2 Example definitions of Social value

Defining social value

To add to the complexity, social value also needs to be tailored to the context in which it is being delivered to address specific local needs. This puts the onus on local government to determine what their key social value needs are and have specific goals to make it easier for the supply chain to tailor their social value offer.

“The whole area of social value is very fragmented and poorly understood, many definitions, many working groups (e.g. rail, civil engineering etc) and no-one is accountable”³³.

To illustrate the confusion surrounding social value, it is interesting to note that very few Tier 1 and 2 suppliers think it is “mostly” or “very well understood” by anyone in the process of social value delivery. Quite a few of the respondents saw their competitors as having better understanding than they did, whilst instances of strong understanding by clients and customers were perceived as rare as shown in Figure 3.

When surveyed at the 2019 IED conference, most attendees who responded thought that if there was one agreed clear definition and set of indicators, that it would help them achieve more social value. The response was even stronger for the need for an organisation to take a leadership role in standards setting, benchmarking, and best practice dissemination for social value.

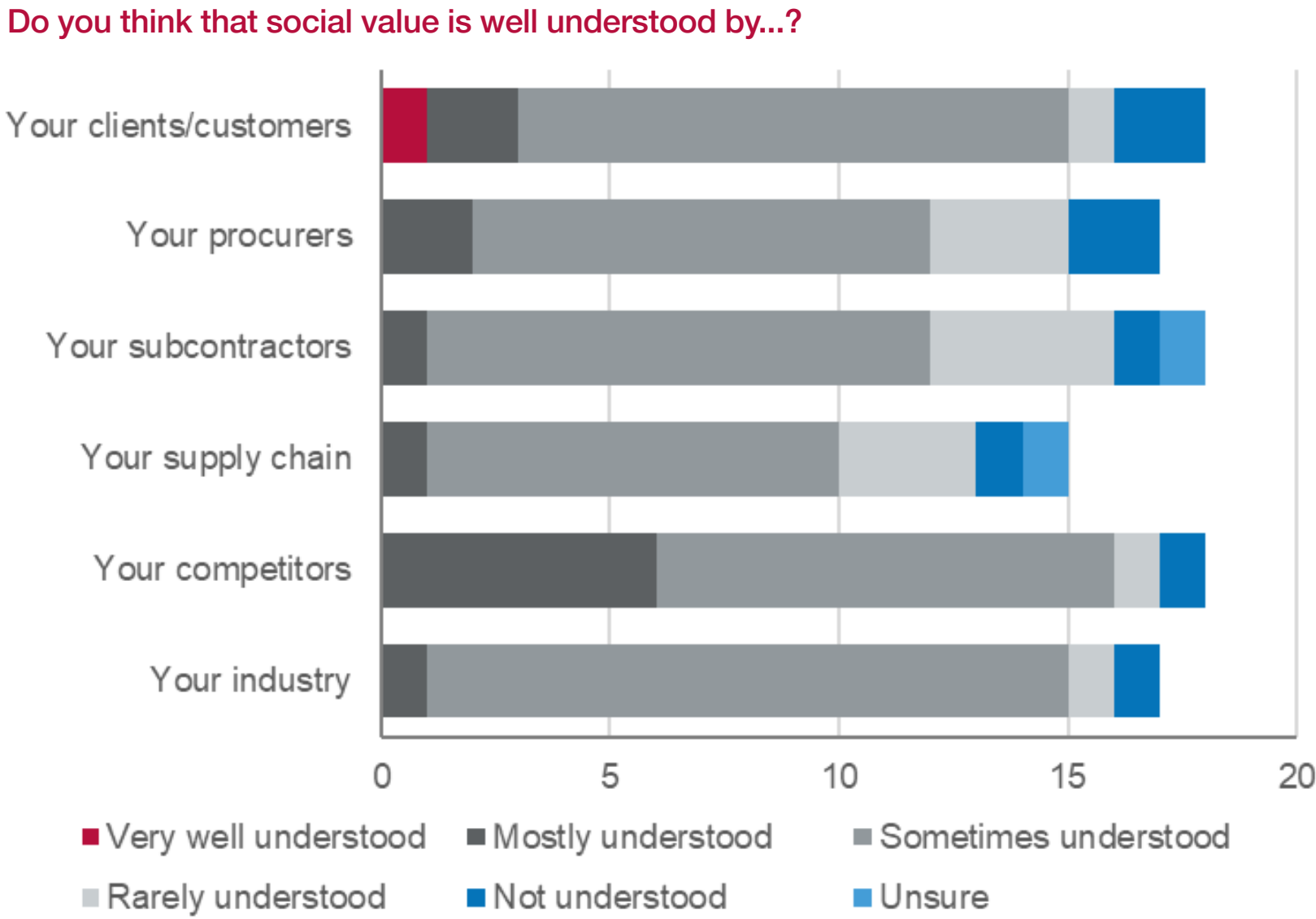


Figure 3 IED Tier 1 and 2 Survey - Social value understanding



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The whole area of social value is very fragmented and poorly understood, many definitions, many working groups (e.g. rail, civil engineering etc) and no-one is accountable.³³

Defining social value

Types of social value

To explore what is understood as being social value, the survey asked respondents what activities they considered to be social value. As is shown in Figure 4 and Figure 5, there is a particularly strong preference for employability and skills and economic benefits for local supply chains.

This observation is reinforced by the Supply Chain Sustainability School's survey of School Partners³⁴, with 100% of School Partners responding to the survey experiencing “community” requirements, and “employment” requirements, and 96% experiencing “environmental” requirements, 92% experiencing “supplier diversity / inclusive procurement” requirements and “training and skills” requirements.

Which of the following activities do you consider to be social value? Tick all that apply

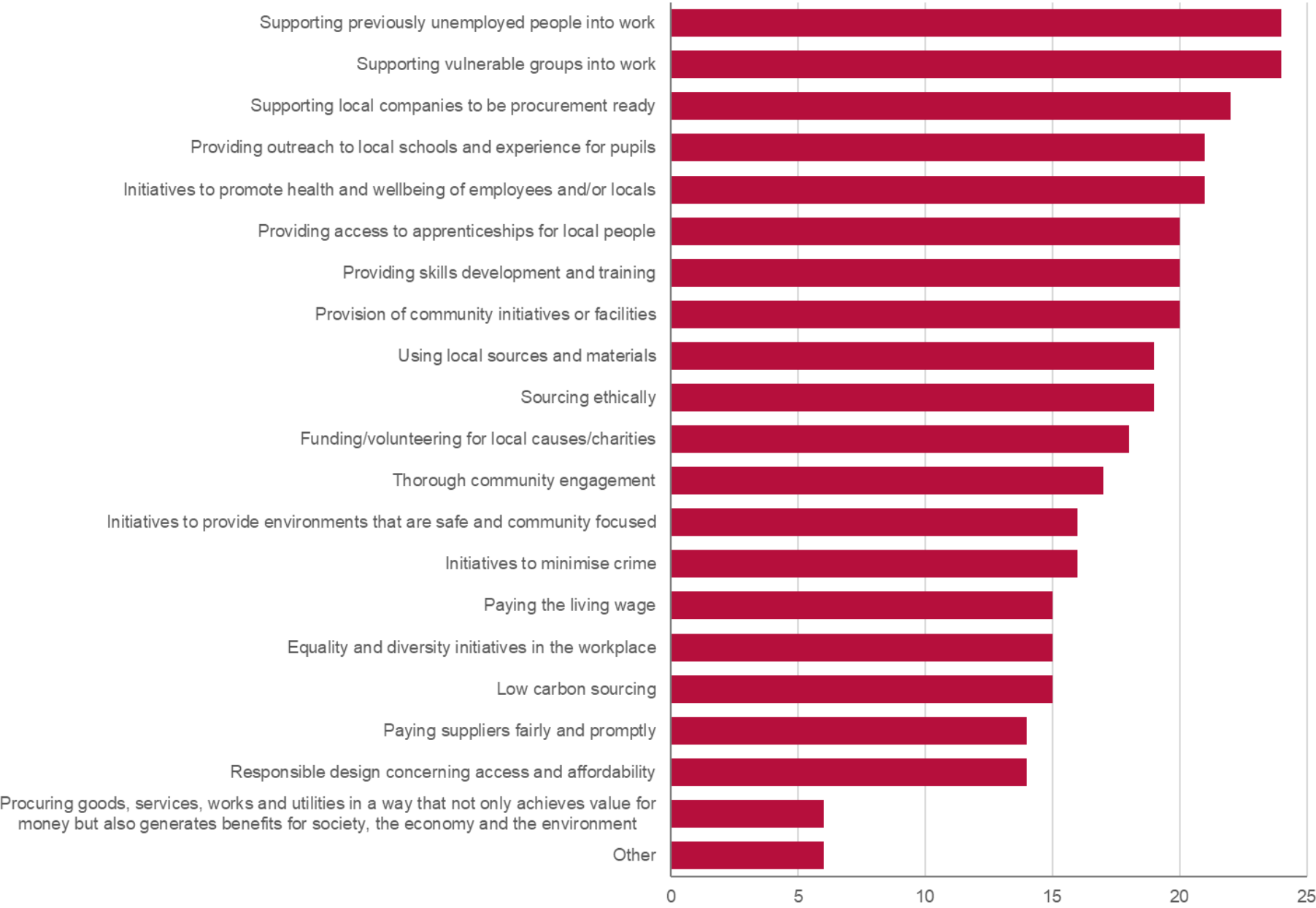


Figure 4 IED Client Public Sector Survey – Consideration of social value

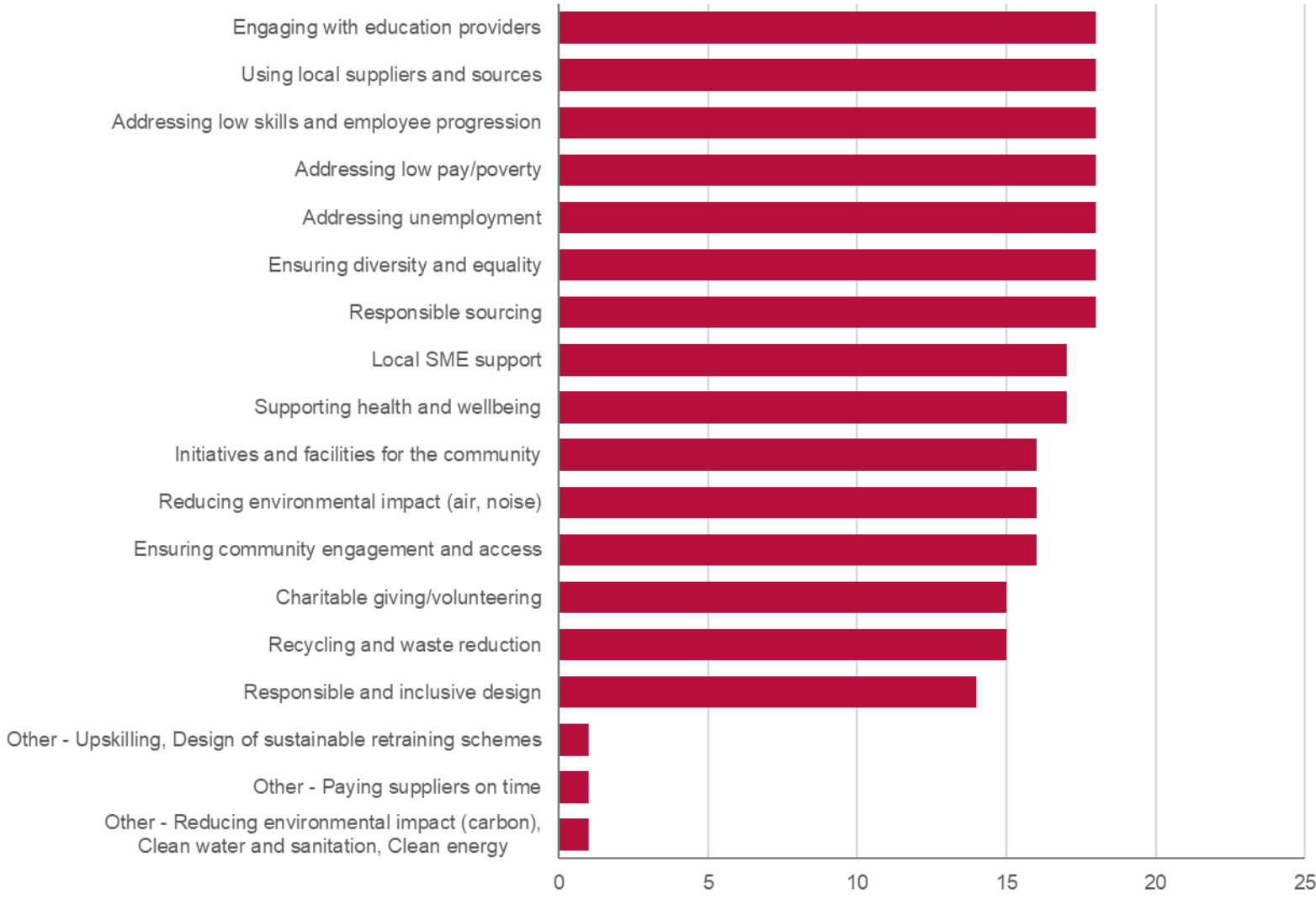


Figure 5 IED Tier 1 and 2 Survey – Consideration of social value

Defining social value

The IED survey has found that a wide range of activities are considered social value by both clients and Tier 1 and 2 suppliers. This is explored further in the “Delivering social value” section, where what is actually prioritised, procured and delivered is considered.

Interviews with Tier 1 and 2 suppliers have also highlighted the different approaches to how environmental value and sustainability is treated. Some suppliers see it as part of social value delivery and others see it as part of their Corporate Social Responsibility or Sustainability Strategies. The IED Survey asked suppliers how their clients seem to view the importance of the three elements of social value, economic, social, and environmental, and their responses indicated there was a lower reported importance for the environmental element. As illustrated in Figure 6.

There is the view that environmental outcomes are not as well incorporated or weighted as economic and social outcomes , and some Tier 1’s specifically are separating environmental and social value activities. The term’s phrasing has been identified as a factor for a higher weight being put on social benefits than the wider social, economic and environmental benefits. Economic benefits are also considered to be better understood where there is both a legacy and a clarity in providing specific employment, training or apprenticeship outputs in construction projects.

IED interviews also confirmed that the public sector focuses on a few well understood ‘traditional’ economic interventions, employment routes, training and local spend, and does not often or adequately include environmental impacts in social value objectives and assessment. Figure 7 presents some considered activities for the three dimensions of social value across the literature³⁵. Another nuance is that activities can be commonly associated with both the social and economic, but fewer activities currently reflect an economic-environmental interaction. Local procurement and local resource use could be seen to relate to all three dimensions.



Figure 6 IED Tier 1 and 2 Survey - Social value element importance



Figure 7 Social value dimensions, considered impacts and values



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Economic benefits are also considered to be better understood where there is both a legacy and a clarity in providing specific employment, training or apprenticeship outputs in construction projects.

Defining social value

Defining themes - What counts as social value

The survey of Tier 1 and 2 suppliers also indicated that social value is not just being done to meet bidding requirements or as a differentiator in bidding, there are often core business motives for doing so. Identifying way to align core business motives with the delivery of social value can deliver ‘win-wins’ for both suppliers and clients, but there is a challenge to prove that the social value is genuinely additional. Indeed, for some SMEs, social enterprises and non-profits who tender for contracts, social value may be their ‘business as usual’ way of operating.

“People who work for us realise the contribution they make to society, including changing people’s lives.”

Why does your company deliver social value? Please tick all that apply



Figure 8 IED Tier 1 and 2 Survey - Why businesses deliver social value



Figure 9 IED Research – the benefits for businesses in delivering social value

Defining social value

Attracting and retaining staff and managing corporate reputation were two of the top reasons Supply Chain Sustainability School Partners³⁶ were interested in social value, in addition to other client or project-focussed expectations.

Some social value activities may be in the industry’s own commercial interest and would have been delivered anyway, not being done solely as a “good deed”. For instance, attracting new workers to and retaining them in the construction industry, especially at a time the sector is facing a labour market storage, is likely to be a key market driver behind the industry’s motivation to invest in highly developed training and apprenticeship programmes. Industry suppliers were asked who champions social value within their organisation, with marketing and communication teams being most reported, and who actually has responsibility for delivery social value, with project managers and technical leads being most reported here.

Consideration also needs to be given on whether what businesses do already should be counted as social value , or if they should demonstrate they are going beyond their usual business practices on a particular commission.

Similarly, other ‘social value’ activities may be considered as simply part of modern business practices of good employers. One could argue, for example, that prompt payment, equality and diversity programmes, fair pay, training the supply chain, increasing awareness of the construction industry as a career choice for young people and under-represented groups would all be in the long-term commercial interests of suppliers . The Cabinet Office’s 2019 consultation proposed an evaluation model that included some of these practices, in an admittedly ‘light touch’ approach.

Whilst delivering social value could be part of a wider Corporate Social Responsibility (CSR) strategy, there is a need to distinguish between the two. Further, social value’s relation to CSR may be another cause for confusion around what is social value, which has been suggested to lead to a reliance on self-policing³⁷. CSR in itself has many definitions which pertain to being aware of business impacts on the rest of society and contributing to typically social and environmental benefits for wider stakeholders.

ICE’s research also made a distinction between social value and basic business conduct (adherence to policies such as the Modern Slavery Act, national minimum wage, prompt payment code and equality and inclusion policy).

Another example is the Supply Chain Sustainability School’s research³⁸ which included managing noise and risk of disruption as significant ways in which partners contributed to social value in communities. It is up for debate whether these good employer and good contractor practices should be counted in the spirit of the Act, especially when there is so much more to be done and they are typically conditions of planning permission. **It is the IED’s opinion that only activities which go beyond good business practices should be counted as social value.**

Defining themes - “Social is Local”

There are some common elements to understanding social value. It is about maximising outputs that support the public good³⁹ and respond to local needs and these drivers are reflected in the IED survey, where the range of definitions provided by public sector clients and the Tier 1 and 2 suppliers are depicted in the word clouds of Figure 10 and Figure 11.



Figure 10 IED Client Public Sector Survey - Definition themes of the Public Sector



Figure 11 IED Tier 1 and 2 Survey - Definition themes of the Tier 1 and 2s

“We need to challenge that social value just means ‘local employment/ apprenticeships’. There may be several different projects and those suppliers all end up fishing in a very small pond to try to fulfil these obligations. You take the local number of people out of work, then rule out those without previous construction experience, health disabilities, and the eventual pool is unrealistic.”

Defining social value

The Supply Chain Sustainability School’s research⁴⁰ also found that partners tend to focus social value activity on host communities, with 92% giving to charities, and 85% involving communities. A lot of market traction and interest is also being gained under the umbrella of ‘community wealth building’. However, the interpretation of ‘social as local’ can be problematic when attempting to maximise the social value delivered. Negative impacts of this view include:

- Lack of engagement with and understanding of local community needs and desires, leading to mismatch between actual needs and the social value requested by clients. This can lead to a social value project being the ‘unwanted gift’ by the recipients, they have no option but to accept it.
- Overcoming ingrained cynicism and negative views towards construction projects and change.
- Neighbouring areas competing for social value between themselves, particularly in cities, double counting or simply shifting social value from one location to another.
- Cross boundary infrastructure projects are particularly challenging, with no alignment of outputs and multiplicities of partners on both sides.

“In London, all 32 boroughs want just local jobs, and ignore the double counting going on with the 106 developments next door. We often manufacture offsite – so if we employ local people there, that can’t be captured on a site in London or anywhere else.”

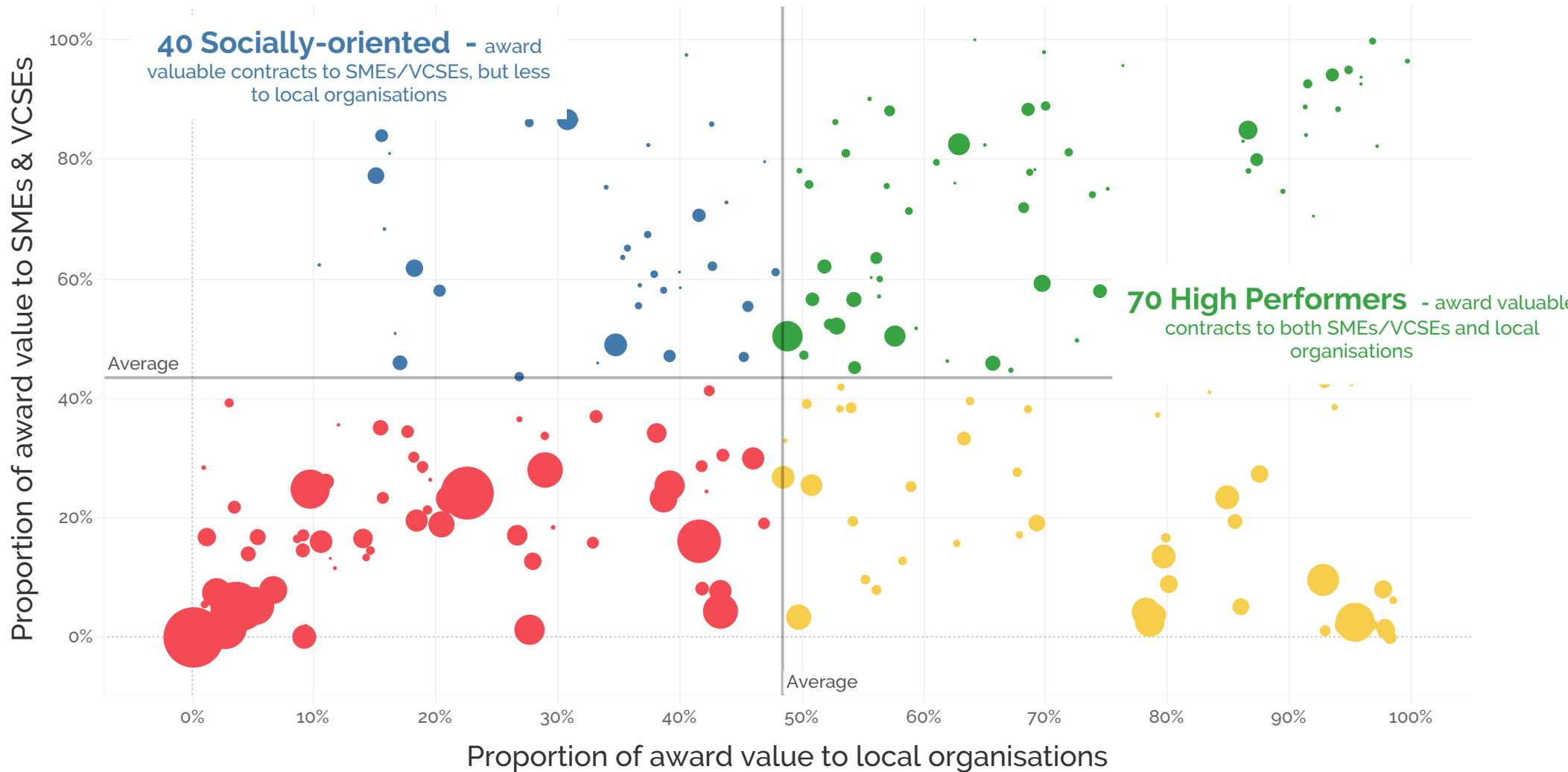
- Dismissal of social value which is being delivered in a location where it is more needed.
- Lack of existing local supply chains or people with capacity and skills to deliver the project and social value.
- The timescale of projects and industry labour market flexibility requires resources for a short period of time in any given area.
- SMEs sometimes struggle to meet local social value requirements, or lack delivery capacity/capability
- A requirement for local spending may prevent innovation coming in from outside.
- Market distortion propping up otherwise unsustainable businesses and VCS organisations.

Tussell have undertaken an analysis of local authority social value procurement⁴¹, considering the value of the work awarded to local SMEs and Voluntary Community and Social Enterprises (VCSE) and categorise local authorities according to:

- Socially orientated – award valuable contracts to SMEs and VCSEs, but less to local organisations.
- Need improvement – could improve awarding to both SMEs and VCSEs and local organisations.
- Locally minded – award valuable contracts to local organisations.
- High performers – award valuable contracts to both SMEs and VCSEs and local organisations.

Local Authority Social Value Procurement

There is considerable diversity in the performance of local authorities on social value procurement. On average, authorities awarded 43% of their 2018/19 contract value to SMEs and VCSEs, and 48% to local organisations. As you can see from the size of the bubbles, authorities that are awarding particularly valuable contracts tend to perform fairly poorly on awarding to SMEs and VCSEs, while authorities with lower procurement spend are generally much better.



73 Needs improvement - could improve on awarding valuable contracts to both SMEs/ VCSEs and local organisations

45 Locally-minded - award valuable contracts to local organisations, but less to SMEs/VCSEs

This chart maps the proportion of 2018 contract value that local authorities awarded to SMEs and VCSEs against the proportion they awarded to organisations in their local area. Only the 228 local authorities that awarded 10 or more contracts, collectively worth £1m or above, in 2018/19 are included. Each authority is one bubble on the page. The size of the bubble corresponds to the total value of contracts that authority awarded in 2018.

Figure 12 Tussell Social Value Procurement Local Authority League Table

Defining social value

Tussell analysed what percentage of the value of contracts were awarded by local authorities to local SME's/VCSEs, non-local SMEs/VCSEs, local large companies and nonlocal large companies. They then rated local authorities across four categories based on these percentages. They found that many local authorities are already working with SMEs and VCSEs on their smaller packages of work, but larger contracts are still being awarded primarily to large firms. London and devolved authorities tended to have the most 'high performers', while the North West, East and South East had more 'needing improvement.' However, it is important to note that the percentage of contracts awarded to locally to SMEs and VCSEs is just one way of categorising social value delivery and the analysis does not look at the quality of outcomes being delivered.

Furthermore, as modern methods of construction lead to more off-site construction and assembly, creating social value on-site through traditional mechanisms may become increasingly challenging for suppliers. For instance, it may no longer be feasible to provide a certain amount of apprenticeships on-site based on project spend, when the actual number of workers and the time spent on site decreases due to off-site construction. Those apprenticeships may be better and more safely delivered in an off-site factory, which could be located at the opposite end of the country from the development.

A methodology enabling the recognition of social value activities and impact wherever it is delivered must be created.

“Community engagement must inform the vision, don’t tell them, ask them; and procurement needs to be less prescriptive and more informed.”

A mismatch between what communities need and want, what clients request, and what suppliers can deliver is an ongoing challenge. Traditional light touch and top-down provision of information is not enough to attract and engage communities, who are often hostile and resistant to construction projects. Sustained and innovative effort, and trust, is required to overcome opposition and achieve genuine engagement and empowerment of the community, to give them a voice, and to tap into their intimate knowledge of their locale.

Even construction projects that are not near a residential area, a 'fixed local community' per se, will be commissioned to deliver local or regional economic benefit, such as a business park development next to a motorway junction. The question still needs to be asked and answered how it will provide social value benefits to those living and/or working in that wider area, including access to the economic opportunities it is designed to bring.

Much more dialogue, collaboration and soft market testing is required at the early stages of design and procurement between clients, suppliers and the local community to identify what social value the community needs or wants and focus on what is most appropriate to deliver for the project. During this research we found very few examples of 'supplier enabled innovation', pre-procurement market engagement with potential suppliers, despite this being a key opportunity to unlock creativity and innovation.

Early contractor involvement commonly focuses on design, particularly sustainability, buildability and value engineering, rather than optimising social value delivery later in the project. ICE⁴² also found that social value was incorporated poorly into design briefs and that social value needs to be better incorporated into the design and business case gateways. This will help build on community engagement at earlier stages and ensure that communities are the drivers and focus of social value.

Community cohesion is another important area, especially given that the Social Value Act specifically references 'social wellbeing'. As currently presented, it is a subset within the 'inclusion, staff mental health and wellbeing' theme for the proposed evaluation method in the Social Value Act consultation. 'Community' is one area where businesses, especially SMEs and VCS organisations wishing to add value, can provide real and tangible benefits and the current metrics do not also allow for these to be adequately considered.

“We’ve had to learn some hard lessons about perception and trust, which in most cases is exceptionally low with big imbalances of power. There needs to be a three-way dialogue including local stakeholders and civil society.”

The Connswater Community Greenway and London Borough of Waltham Forest case studies are examples of community engagement going above and beyond, as presented in the following case studies and in Appendix B: Case studies.

Feedback from the IED roundtable discussion also showed that cross-boundary projects can experience real challenges due to the multiplicity of stakeholders and partners with competing objectives and lack of collaboration. Often major projects are joint ventures too, and commonly several Tier 1's and their supply chains are involved in delivery. A purely "Social is Local" approach would be a significant barrier to social value delivery in these cases and cause unnecessary complications unless a collaborative approach is agreed by stakeholders.

At each stage of our research, the need for a move from a transactional, pure-procurement focus to a much more relational, co-creation approach was frequently repeated. No one organisation can do it alone, it is too complex and challenging. Creating more equitable places must entail public, private, third and civic society coming together to achieve the greater good. And because every situation is different, social value weightings and requirements must be tailored, simple, clear and proportionate to each project.

“The clients often ask the supplier to provide the vision – and they haven’t talked to the community either.”

“The front-end procurement process often totally excludes all this [supplier community engagement]. It’s too late to start all this once you’re constructing.”

Conclusion

This section has considered the many challenges and issues in social value's definition, understanding and rationale for delivery across clients and suppliers. A range of recommendations can be made in this aspect of social value, where clear and useful definitions and more consistent understanding are recognised as factors for implementation success.

Defining social value

CASE STUDY

Connswater Community Greenway, Belfast

The multi-award winning, multi-partner Connswater Community Greenway was a £40 million investment that has transformed the quality, safety and vibrancy of a large underprivileged area in East Belfast, where more than 40% of children live in poverty, life expectancy is low, and the sedentary proportion of the population is high.

The project, combining improvements to flood protection with new, high-quality public and green spaces linked by a network of pedestrian-cycle paths, initially faced strong opposition due to concerns about anti-social behaviour, but this was overcome with a significant consistent, skilled and sincere public engagement effort using traditional and online channels. The number of schools, colleges, community groups and volunteers engaged greatly exceeded the project target.

Today, Connswater is a 9km linear park boasting a network of pedestrian-cycle routes and a civic square for outdoor events, supported by a busy visitor centre-café and a Sustrans active travel hub. The project’s civil engineering interventions improved flood protection for 1,700 homes and 5km of restored watercourses. Works also included the removal of unnecessary fencing, seven new and five restored bridges, and two refurbished play parks and MUGA pitches.

A core goal of Connswater Community Greenway is to encourage healthier and more active people and communities and to improve the public health of residents. Whilst the project delivered significant environmental and

economic benefits, including improved flood protection for 1700 homes, 5km of restored watercourses, training and employment of 325 people, and a doubling of visitor numbers to the area, the desired health improvements have not yet been realised. The PARC ‘before and after’ study on the activity, health and wellbeing objectives showed that these in particular were ambitious. In 3 health-related indicators (self-reported general health, meeting physical activity target and use of ‘active’ transport), the project-end measures were lower than the starting measures. The research was completed in the context of worsening inequality indicators for the area and austerity measures which may have had negative impacts on the health and wellbeing of the population which the project could not counter-balance.

A 2019 evaluation concluded that ongoing work to promote the use of the park and encourage physical activity are critical to success and achieving health outcomes. It recommended great care is needed when setting objective and timescales in areas of changing behaviours and attitudes as these are challenging and take a long time; monitoring also therefore needs to take a long-term timeframe.

For more information contact Michele Bryans at the East Side Partnership: michele@eastsidepartnership.com

Partners: EastSide Partnership, Belfast City Council, Northern Ireland Department for Infrastructure Rivers Agency, Northern Ireland Department for Communities, Connswater Community Greenway Trust, Big Lottery. BSG Civil Engineering, McAdam Design, AECOM, Jacobs, Arup, Farrans, Paul Hogarth Company



Photos © Chris Hill Photographic

Defining social value

CASE STUDY

Changing minds, changing places, ‘Mini Holland’, Waltham Forest

The London Borough of Waltham Forest secured £27 million in 2014 to create a greener, healthier and more sustainable borough - reducing polluted and congested residential streets, increasing cycling facilities with secure parking, and improving walking and green public spaces. Their vision was to join cycle routes into a connected network, attract growth into the area, and reach 10% of journeys by cycle by 2020. The scheme, dubbed “Mini Holland”, met with strong opposition from many in the local community, including demonstrations and an application for a judicial review.

Delivering the scale of engagement required to overcome these barriers on a borough-wide basis could not have been achieved using traditional communication methods. Waltham Forest recognised that a digital platform would enable them to deliver the quality, intensity and consistency of engagement at scale and provide evidence of local needs to inform the design process. They wanted to understand the perceptions right at the beginning of each of the 33 local schemes.

They chose Commonplace as their digital engagement platform because of its highly interactive and intuitive interface, and success in getting people to talk about their local needs, aspirations and challenges. The openness of the platform increases trust - people can see that other residents are participating, and what comments they have made: a ‘social proof’ that it’s not made up.

This encourages more people to take part and reduces challenges.

The Waltham Forest team used the granular evidence to play back to the community what was being said by different groups, such as businesses and visitors, as well as demographic segments. It was fed into the design proposals, which were then presented back to the community in a virtuous circle. Over 50,000 people engaged, and 15,000 actively responded across the 15 local areas.

Across the borough, there was twice as much positivity from the public in response to proposals for change compared to how they initially felt about their neighbourhood during the perception survey. More importantly, the first year of a longitudinal follow-up study led by University of Westminster found that people were already both walking and cycling more, and including a new uptake of cycling, not just existing ones riding more. A study from King College London found that people living in the borough will live longer because of the air quality improvements from these improvements. These changes were consistent across demographic and socio-economic groups, not just the perceived beneficiaries of the white middle class.

For more information, contact enjoy@walthamforest.gov.uk



News > Transport

Judge throws out campaigners’ bid to derail £27m ‘Mini-Holland’ cycling scheme

SEBASTIAN MANN | Friday 6 November 2015 15:50 | 34 comments

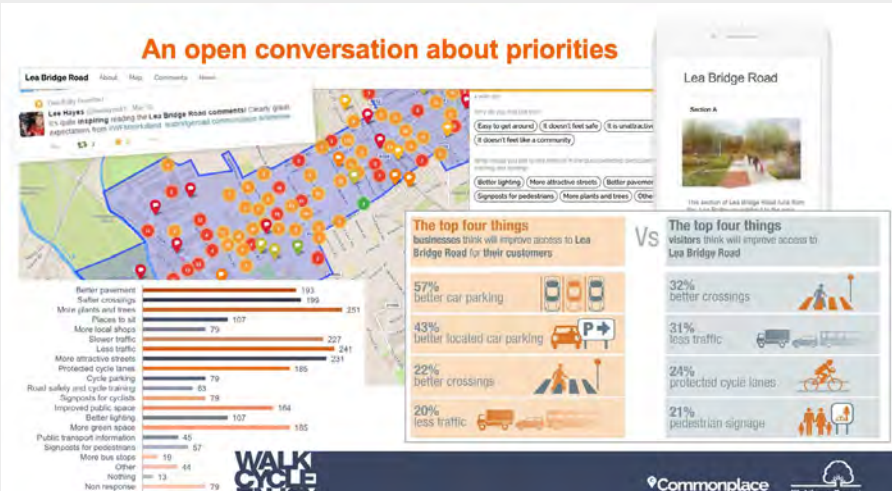
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Delivering social value

This section covers the types of social value that are reported as being delivered by the sector, with insights into how it is being set, procured and championed – with an examination of the factors for success. The “Partnerships” section looks at partnering in social value delivery and the “Evaluating social value” section looks at the monitoring and evaluation aspects of social value delivery, including an assessment of the tools being used.

Key findings

- Economic activities are more likely to be requested and delivered, and clients and suppliers are generally aligned on these.
- The importance of social value has been increasing and is expected to continue to do so, however half of clients have said that the weighting of social value has not increased as part of procurement.
- There is no homogeneity in the procurement landscape.
- Risk of social value becoming too generic and suffering from “greenwashing”, becoming meaningless.
- Social value is not consistently emphasised at all project stages.
- Social value typically accounts for between 2–10% of the total scoring within construction procurement. However, interviews and roundtable discussion indicate that this is usually higher.
- Suppliers tend to rely more on past experience and understanding of good practice than clients, though both groups’ reporting had industry benchmarks or tools as the highest type of target setting. Some of the challenges related to this include:
 - There is fragmentation of tools and metrics
 - Outputs, or even inputs, may be captured and delivered as opposed to outcomes
 - Targets can be unrealistic
- Existence of social value policies is inconsistent across client organisations, but most suppliers feel that they “often” or “always” know how to score well on social value.
- Many teams were identified by clients as being involved in determining what is procured for social value, but a lack of resources and capabilities is a key challenge.

- 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, which share some common ground with clients, 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

The importance of social value in procurement

The IED survey captured a high reporting of social value importance in determining policy, alongside a strong expectation for its value to increase significantly over the next five years. In the public sector, 82% forecast a ‘significant increase’ and 18% ‘some increase’ over the next five years. Suppliers have also reported that social value requirements in procurement have been increasing in the last year. However, it is important to note that the survey respondents may have been those who are already most engaged in social value and as such these insights may not represent the public sector as a whole. These client insights are presented in Figure 14.

This perception contrasts sharply with that of the public sector, with nearly half saying that the percentage of social value has not increased over the past three years in their organisation’s construction procurement. Understanding the disconnect between the views of Tier 1 and 2 suppliers and clients is difficult, but suppliers may be seeing a sharp increase in social value requirements from some clients, but not all. For example, leading councils are now embedding social value into all contracts above £100,000, with some as low as £25,000 (e.g. Bristol, Wakefield) using tender weightings of up to 15-20%, with some proposing to use up to 30% (e.g. Manchester). Clearly there is no homogeneity in the procurement landscape. Suppliers may also be seeing an increase in social value requirements in other aspects of project delivery, such as the planning process and Section 106 agreements.

Client organisations were also asked how much of their construction procurement scoring accounts for social value. The most common answer was 2-5%, whilst 11 reported 6% and 4 over 10% (out of 22 respondents to this question).

This is presented in Figure 14. As a percentage of the procurement scoring, social value is still a small percentage of the overall score, but interviews and roundtable participants indicated this was lower than their experience, where 20% was more commonly reported as a standard in the sector.

There are some procurement frameworks such as Scape, a public-sector partnership providing frameworks for the built environment⁴³, where social value accounts for 20% of the total score. The STAR Framework is a procurement service for four councils in Greater Manchester, where social value is also embedded and over 20% weighting has been agreed, with a large share of tenders let to local suppliers⁴⁴. The STAR Framework is presented in Appendix B: Case studies as a case study.

Procurement frameworks, with required levels of social value commitments, can bring efficiency and good practice application across public sector contracts. They can provide suppliers with more clarity on what is required for social value and how this will be recorded. Such procurement services that guarantee work once suppliers are on the framework, can incentivise well-considered social value commitments for both SMEs and larger organisations.

However, a procurement framework approach may provide a further layer of disconnect between local beneficiaries and the provision of social value. The delivery of a locally responsive approach, which links to and utilises community groups and organisations, requires greater clarity. There could be an opportunity for clients to identify initiatives and local organisations in the tender documentation, embedding local knowledge and understanding of need into the brief, rather than leaving suppliers to try to work this out or to ‘reinvent the wheel’.

Where have you seen the changes in regards to social value’s importance?

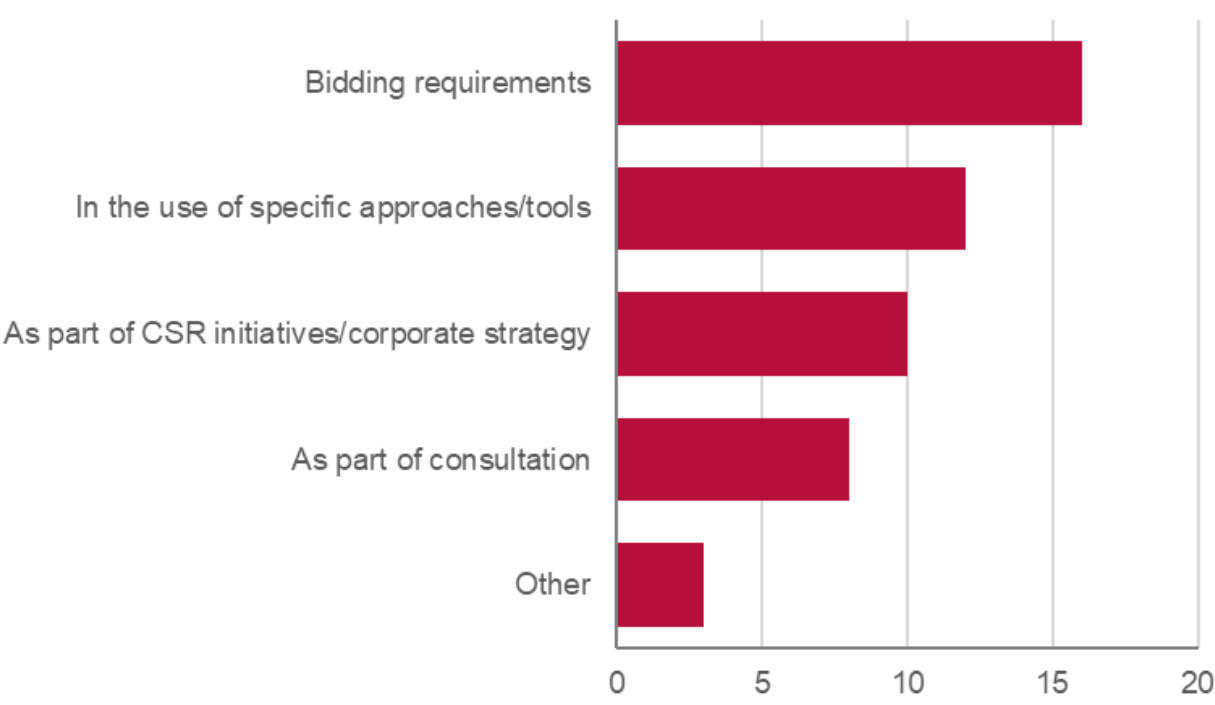


Figure 13 IED Tier 1 and 2 Survey – Changes in social value’s importance

What percentage of the total score does social value account for in your organisation’s construction procurement?

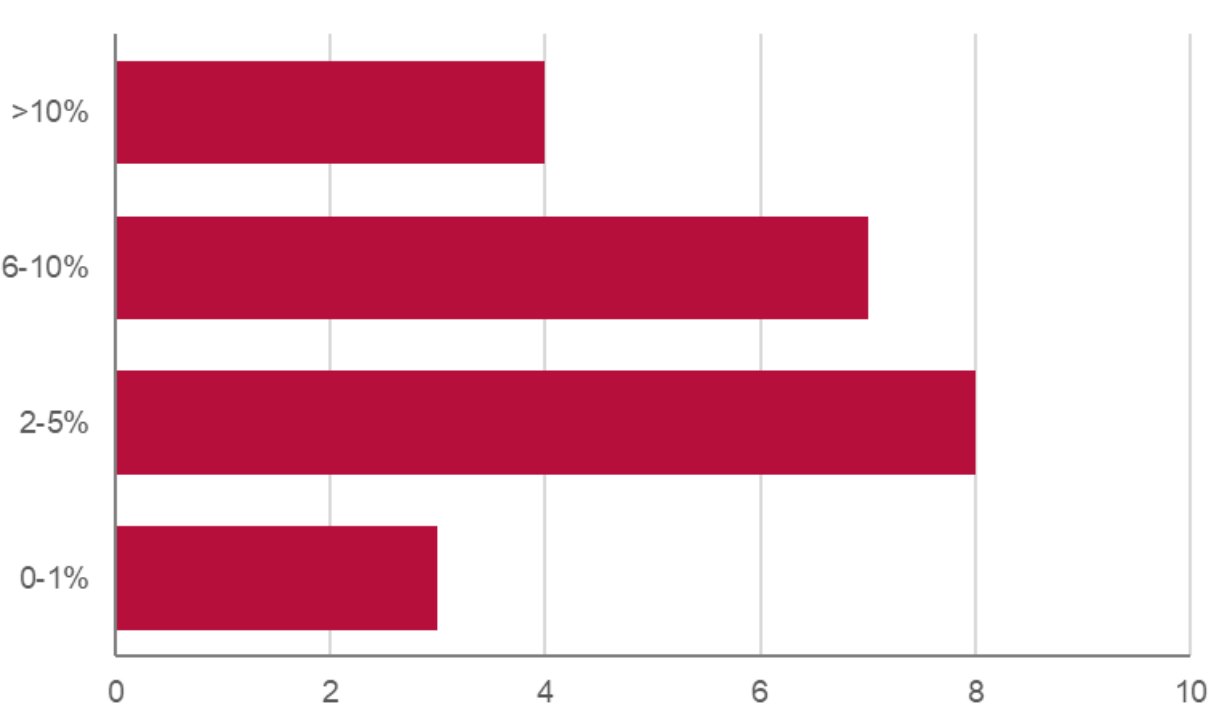


Figure 14 IED Client Public Sector Survey – Social value as a % of the total score for construction procurement

Delivering social value

What gets delivered when?

Across the social value space and literature there are a great deal of activities that are understood, procured or presented as social value.

The IED survey was keen to understand from the client and supplier respondents the common types of social value being requested and provided. These are outlined in Figure 15.

These questions indicate that the economic aspects of social value tend to dominate client requests and supplier provision for social value. Suppliers’ understanding of client requests shows reasonable alignment with the client procurement views, where access to apprenticeships, training and skills development, and educational outreach were all highly reported. Suppliers did though provide a more clustered representation of activities, with many activities being reported by numerous respondents.

When attendees at the 2019 Annual IED Conference were asked what social value beyond employment training, skills and education they procured, most said that they procured a wide range of activities. However, these tended to be weighted towards some common “good-employer” practices, such as paying the living wage, paying suppliers fairly and promptly, equality and diversity initiatives in the workplace, and initiatives to promote health and wellbeing of employees. As previously discussed, we suggest that the public sector reflect on whether these should be treated as social value.

Clients – activities procured	Suppliers - view of client requests	Suppliers – types tend to provide
Providing access to apprenticeships for local people	Providing access to apprenticeships for local people	Providing skills development and training
Providing skills development and training	Providing skills development and training	Equality and diversity initiatives in the workplace
Supporting previously unemployed into work	Providing outreach into schools and pupil experience	Funding / volunteering for local causes
Providing outreach into schools and pupil experience	Equality and diversity initiatives in the workplace	5 further activities: Providing access to apprenticeships for local people Providing outreach into schools and pupil experience Using local sources and materials Paying suppliers fairly and promptly Initiatives to promote health and wellbeing of employees/ locals
Supporting vulnerable groups into work	Using local sources and materials / paying suppliers fairly and promptly	

Figure 15 IED Survey – Typical types of social value provision, top 5s (main alignment in green)

What are the most common types of social value that are requested by your customers or that tend to fit their requirements? Tick all that apply

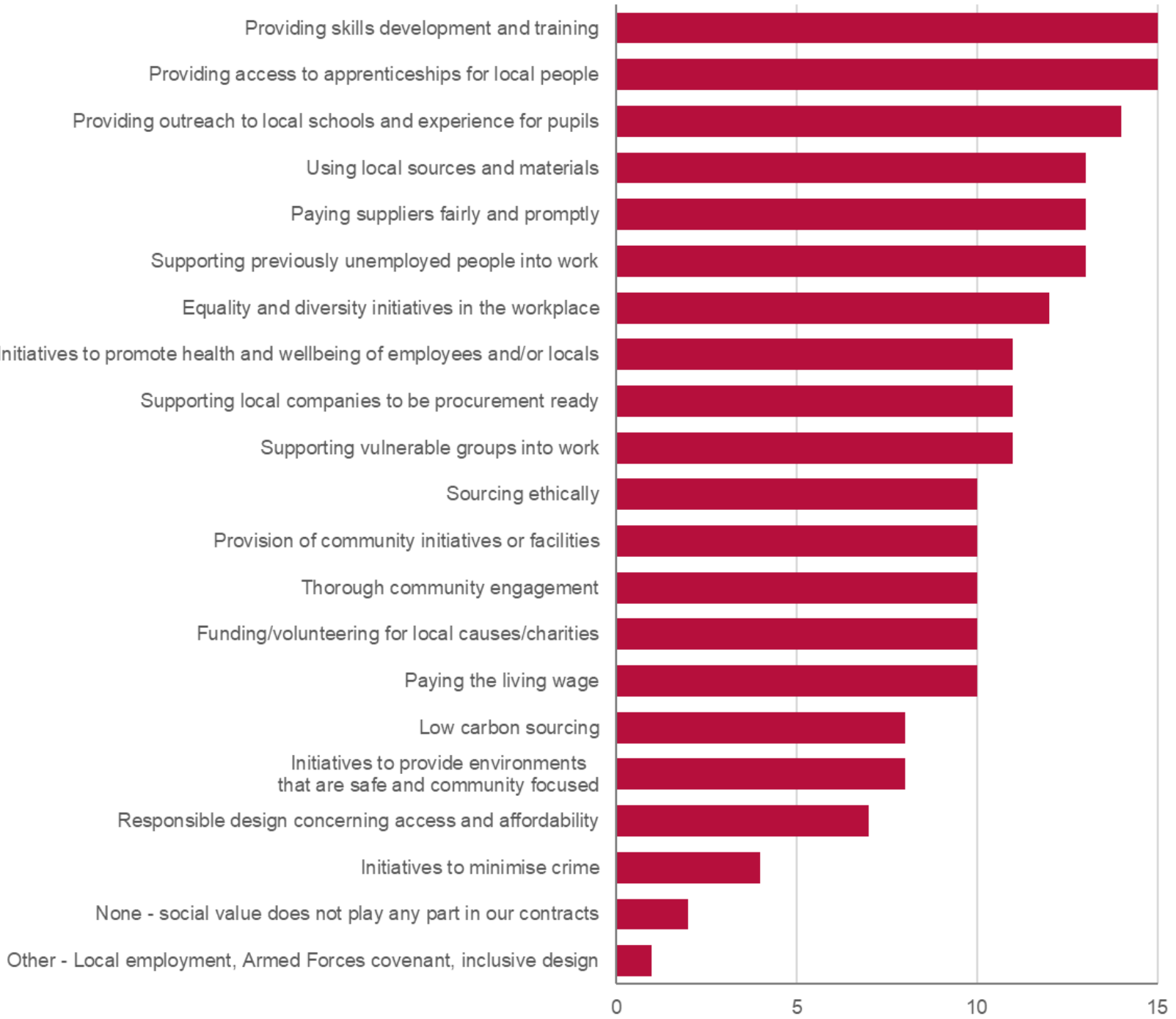


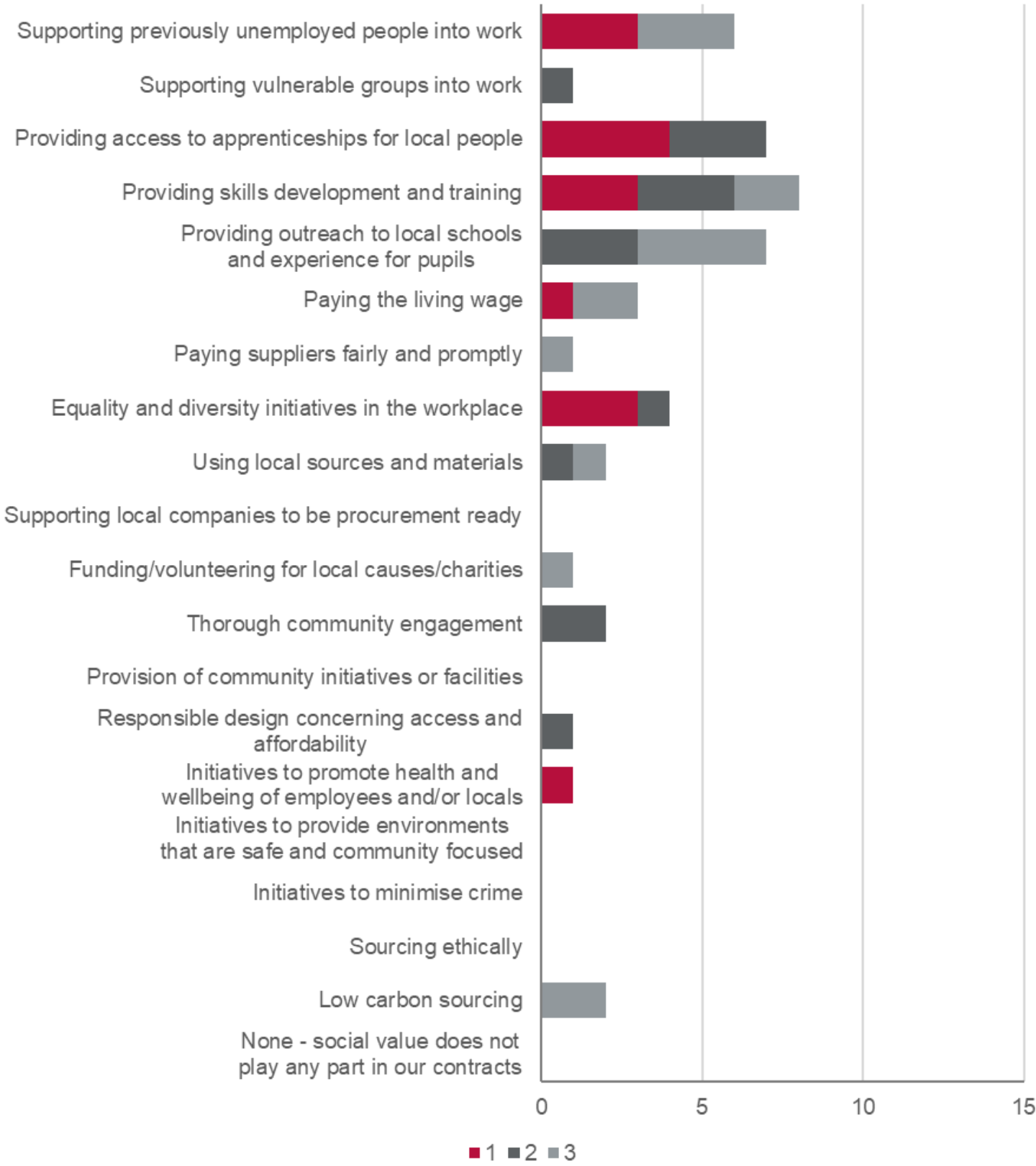
Figure 16 IED Tier 1 and 2 Survey – Most commonly requested social value activity requested by clients

Delivering social value

As well as the educational outreach activities, there are other community and local procurement-related social value reported that fit more with social, community and equality ambitions. The supplier views that equality and diversity initiatives, fair supplier payments, and health and wellbeing promotion were requested, or fit client requests, relates strongly to the proposed evaluation method in the Cabinet Office’s Social Value Act consultation⁴⁵. This method is discussed further in the “Evaluating social value” section, where it both captures and seemingly misses some important aspects of social value and the types reported by the IED survey respondents.

In terms of how these views translate into delivery, and to provide a sharper focus, the survey asked respondents to report their top three social value activities that they intend to procure and provide. This showed that supporting local people into work and training was a top priority across clients, whilst suppliers showed a more mixed picture across themes of employment, local procurement and equality. These priorities are shown in Figure 17.

Which are the top 3 social values you intend to provide?



Which are the top 3 social activities you procure?

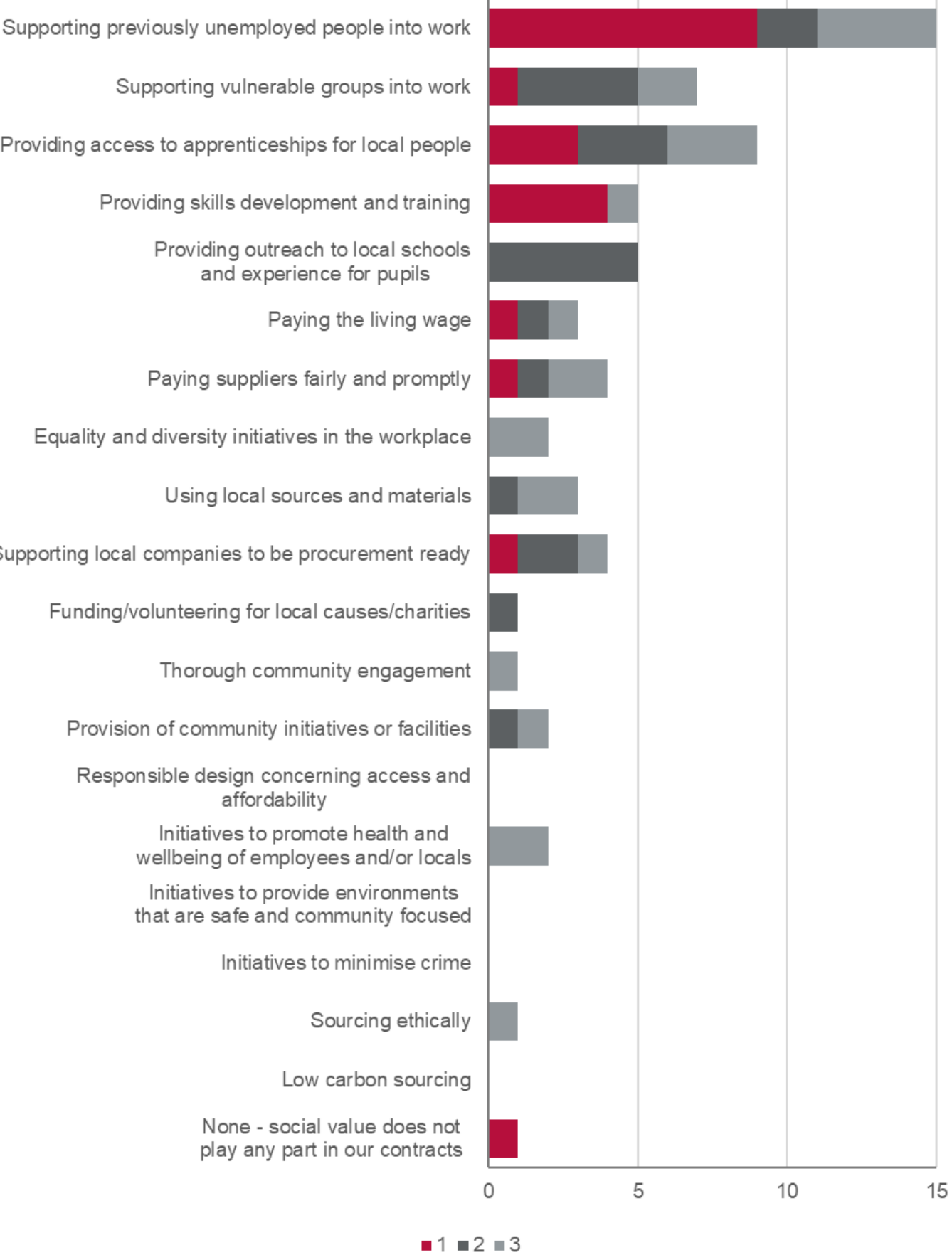


Figure 17 IED Client Public Sector Survey and Tier 1 and 2 Survey - Priorities for social value procurement/ provision

Delivering social value

The results of these questions are not surprising when compared with earlier responses to questions regarding what types of activities are considered social value. There is some divergence in what is requested and provided, notably around supporting vulnerable groups into work and outreach to local schools. Beyond this, there was some further misalignment related to the project phases when social value activities happen. The survey asked where social value comes into play across planning; design and feasibility; construction and build; community/stakeholder engagement; funding and finance; implementation; and the operation and facilities management. The results are shown in Figure 18 and Figure 19.

The client side reported a wider focus for social value in the implementation; construction; planning and community engagement phases, with quite an even spread across phases that were identified as ‘always’ having social value come into play. For the Tier 1 and 2’s, implementation and construction were the key phases reported as ‘always’ or ‘often’ having social value incorporated. This may reflect a tendency of the respondents to be contracted for construction phases, however a narrow focus of project stage social value may constrain whole project outcomes.

How often does social value come into play for the following project stages?

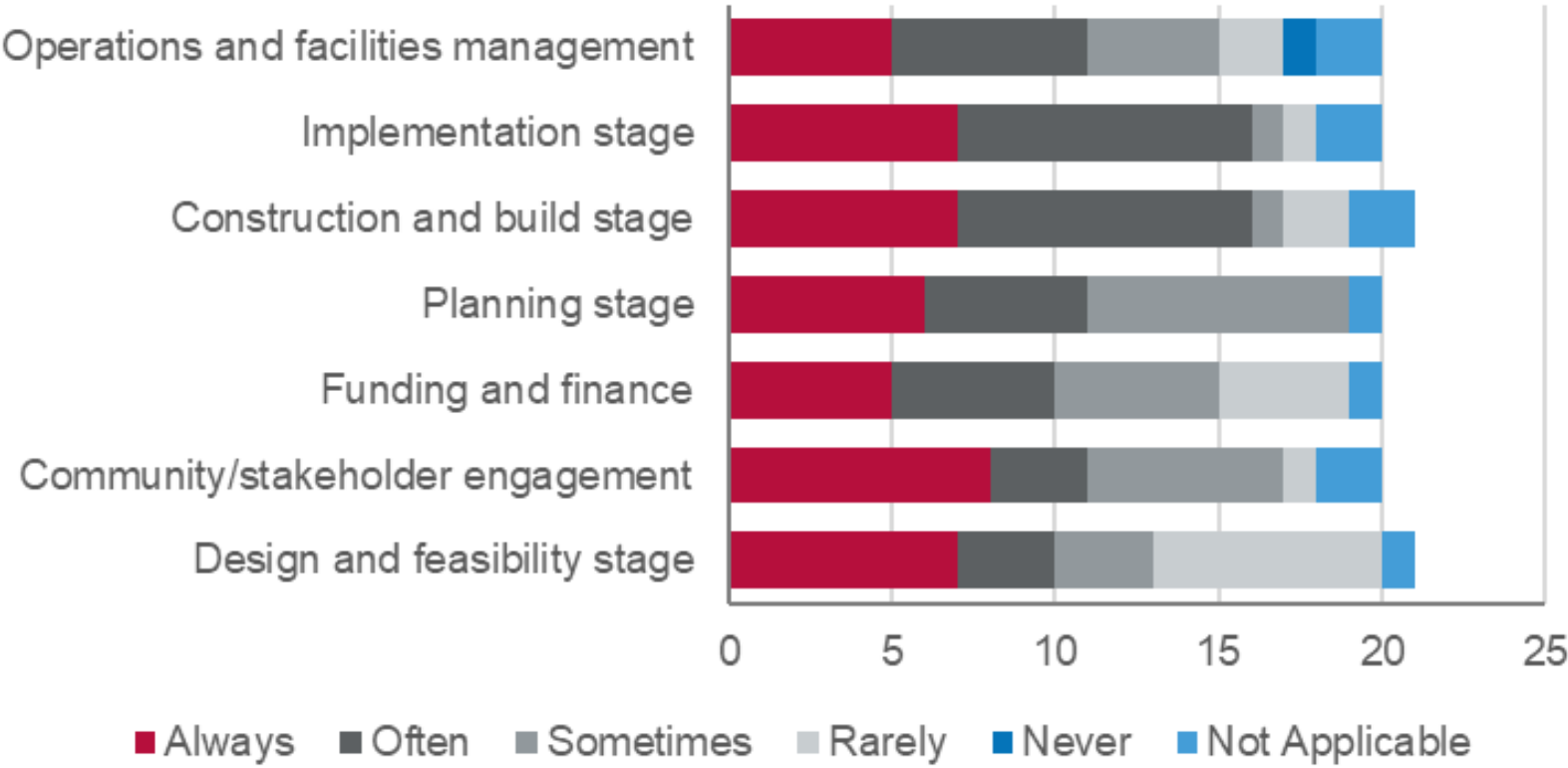


Figure 18 IED Client Public Sector Survey – How often does social value come into play across project phases

How often does social value come into play for the following project stages?

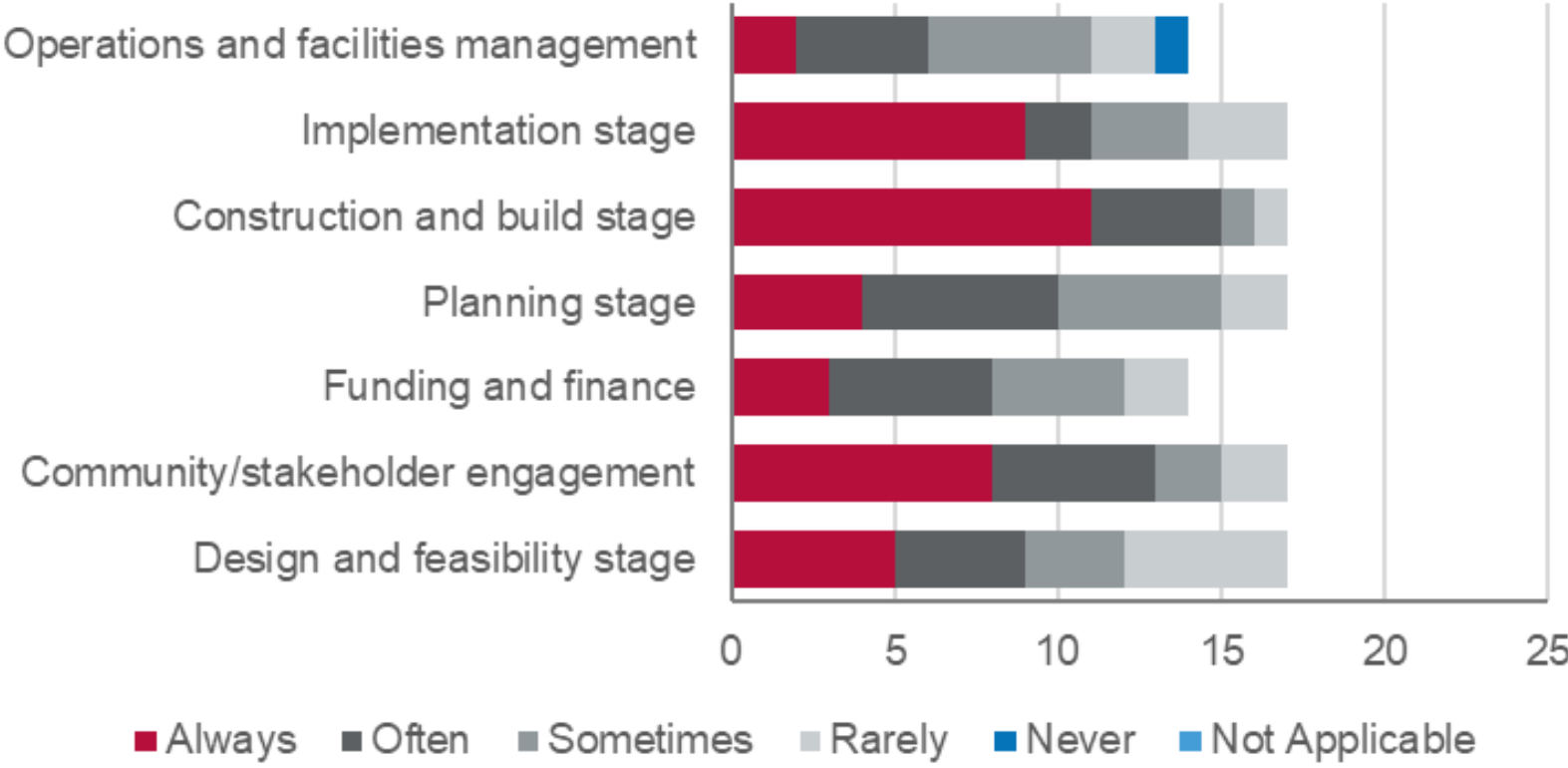


Figure 19 IED Tier 1 and 2 Survey – How often does social value come into play across project phases

Delivering social value

This picks up one of the earlier issues, about communities and suppliers not being engaged in pre-tender dialogue and consultation at the earliest stages, with the result being that suppliers must come up with a vision and its social value as part of the bid process. This doesn’t enable the buyer to compare like with like, and risks the community feeling that projects are being imposed on them from ‘on high’ without their involvement. Unless social value is built in at every single stage of the process, many opportunities for additional benefits will be lost. Consultation should be done by the procurer and the results shared with bidders to help inform their bids. Having a clear policy about how social value transfers between different suppliers during a project’s lifecycle would really help to embed it at all stages.

For example, the UK Green Building Council maps a range of social value opportunities (across jobs, economic growth, health, wellbeing, environment and community strength) across the project stages of investment, planning, design, construction and operation for new developments⁴⁶. ICE’s research⁴⁷ also makes the same recommendation that social value is embedded into every stage of the project lifecycle, with particular emphasis at the business case and design stages. It is also worthwhile to note that local health and wellbeing improvements were not well picked up in the IED survey within the activities that are procured and delivered for social value.

A holistic perspective across all project phases is also important in supporting social value activities across and between suppliers. Even where a supplier is contracted for specific works of the project lifecycle, a recognition of what has and could be done prior to the work, through engagement, planning and design, and what can be realised in the operational phase, is important. These interactions are discussed further in the sections on “Partnerships” and “Evaluating social value”.

Setting social value targets

Both clients and suppliers usually rely on industry benchmarks or tools to set, monetise and justify social value targets; however, our interviews indicated that these can vary significantly by client, location, industry and project. Interviewees also indicated that some of these resulting targets may be unrealistic particularly due to the changing nature of the industry, with significantly increased outsourcing (and therefore a small number of ‘permanent’ staff on site), the rise in offsite manufacturing and the need for workforce flexibility. Balancing the costs of social value and the project budget was also a key aspect in setting suitable targets, and some of the interviewees and other organisational input to this work stressed the importance of relevance, clarity and proportionality.

The graphic in Figure 20 shows that suppliers tend to rely more on the past experience and understanding of good practice than clients, though both groups’ reporting had industry benchmarks or tools as the highest type of target setting. However, as outlined in the “Evaluating social value” section, use of tools is inconsistent within and across organisations.

How do you set and justify social value targets?



Figure 20 IED Client Public Sector and Tier 1 and 2 Surveys - How do you set social value targets?

Delivering social value

The setting of social value targets relates closely to the presence of social value policies within buying organisations and in the responsibilities for championing and delivering social value. These look to be important factors in the success of social value delivery and are detailed in the next section.

ICE⁴⁸ notes that there are typically two approaches from a client perspective when specifying what social value is to be delivered. With specified requirements, the client defines a set of social value obligations or targets that they expect to be achieved, and with outcome-based questions, the client provides an outline of what outcomes they want to achieve and ask an open question to tenderers.

Although this topic was not specifically highlighted in our research , responses to survey questions and examples in case studies showed that what is being delivered is often social value “outputs”. It is often easiest to deliver “outputs”, but much more meaningful, and challenging to deliver “outcomes” or impacts. If delivering social value through procurement activities is to truly “improve the economic, social and environmental wellbeing of the relevant area”, procurement and delivery should be focused on delivering outcomes. The HM Treasury’s Magenta Book defines outputs and outcomes and impacts as follows:

Term	Definition	Example
Inputs	Public sector resources required to achieve the policy objectives or service.	Resources used to deliver the policy.
Activities	What is delivered on behalf of the public sector to the recipient.	Provision of seminars, training events, consultations etc.
Outputs	What the recipient does with the resources, advice/ training received, or intervention relevant to them.	The number of completed training courses.
Intermediate outcomes	The intermediate outcomes of the policy produced by the recipient.	Jobs created, turnover, reduced costs or training opportunities provided.
Impacts	Wider economic and social outcomes.	The change in personal incomes and, ultimately, wellbeing.

Figure 21 Magenta Book Guidance Definitions⁴⁹

An outcomes-based approach is a key recommendation of both our and the ICE research, as it better demonstrates meaningful and quality impact instead of focusing on the quantity of outputs delivered. It also decouples the costs of delivering social value from the targets and value for money. This is not to underestimate the challenges in assessing and monitoring outcomes, but if what you do doesn’t have a positive outcome, there seems little point in doing it. Without an outcomes-based approach, there is a risk of social value “greenwashing” that delivers generic and meaningless social value activities.

A move to outcomes is particularly of relevance when considering the value-added benefit of ‘business-as-usual’ activities that are currently often included within scope of social value, as discussed previously, and with specific reference to one of the most commonly procured outputs, the taking on of apprenticeships. With 40% of Level 4 construction apprenticeships not being achieved, and 33% of all levels not completed,⁵⁰ there are very high levels of deadweight and low levels of beneficial outcome attached to this social value activity. In addition, with the industry facing a labour shortfall of nearly 1 million over the next few years, buyers should reflect on whether this too should be outwith of their social value activities, because it is something that the industry will have to do, as well as get better at enabling more apprenticeships to complete. The rail industry for example has developed the Common Social Impact Framework (CSIF), which is a library of measures which are usefully categorised as inputs, impacts, outcomes or outputs, with monetised values and approaches to qualitative reporting.

Although clients and suppliers are fairly aligned on the types of social value that are requested and delivered, the interviews and roundtable indicated that they are not always aligned on what is appropriate, fair and proportionate to deliver for a specific project. This can lead to unrealistic, inappropriate, or unambitious targets being set. The amount of social value which can be delivered depends on the type of project, timeframes, and location.

Social value policies

Not all clients and public-sector organisations surveyed had a social value policy. The IED survey of clients and the public sector found 12 respondents had a social value policy and a further 7 had a policy in progress (out of 24 respondents to that question). It is important to note that the survey respondents may have overly represented those clients and public-sector organisations who were well engaged with social value, whilst those respondents who had not come across social value were only picked up in the first questions (4 respondents). In comparing this to other research, the National Social Value Conference reported that over half of local authorities do not have a social value policy⁵¹. Having a social value policy should ensure that the definition of social value is clear and consistent throughout the organisation, as well as to suppliers.

The presence of a client social value policy may be a factor for the suppliers’ understanding of how to score well on social value in procurement. Most of the Tier 1 and2 respondents reported that they ‘often’ understand how to score well, with one reporting they knew only ‘sometimes’.

Delivering social value

The National Social Value Conference also reported that over half of local authorities do not have a social value policy⁵² and it has been estimated in estimated that up to 75% of local authorities have not included a reference to the Social Value Act or social value in their corporate procurement strategies⁵³. Although suppliers were not asked about their social value policies, the Supply Chain Sustainability School acknowledges that most School Partners do not have an explicit social value policy or strategy⁵⁴. They rely instead on Corporate Social Responsibility strategies or Codes of Conduct.

Delivery success factors and challenges

The IED survey asked suppliers their view on the top three factors for success in delivering social value, from a list that is presented in Figure 22.

The IED survey of clients posed the same question on the top 3 success factors. Contractual obligations were the highest reported, followed by close collaboration with the main contractor and their supply chain, tender brief specificity and robust, regular monitoring and enough resources to monitor and evaluate. These are presented in Figure 23.

What do you think are the critical factors involved in achieving high levels of social value? Please choose the top 3 factors from the list below

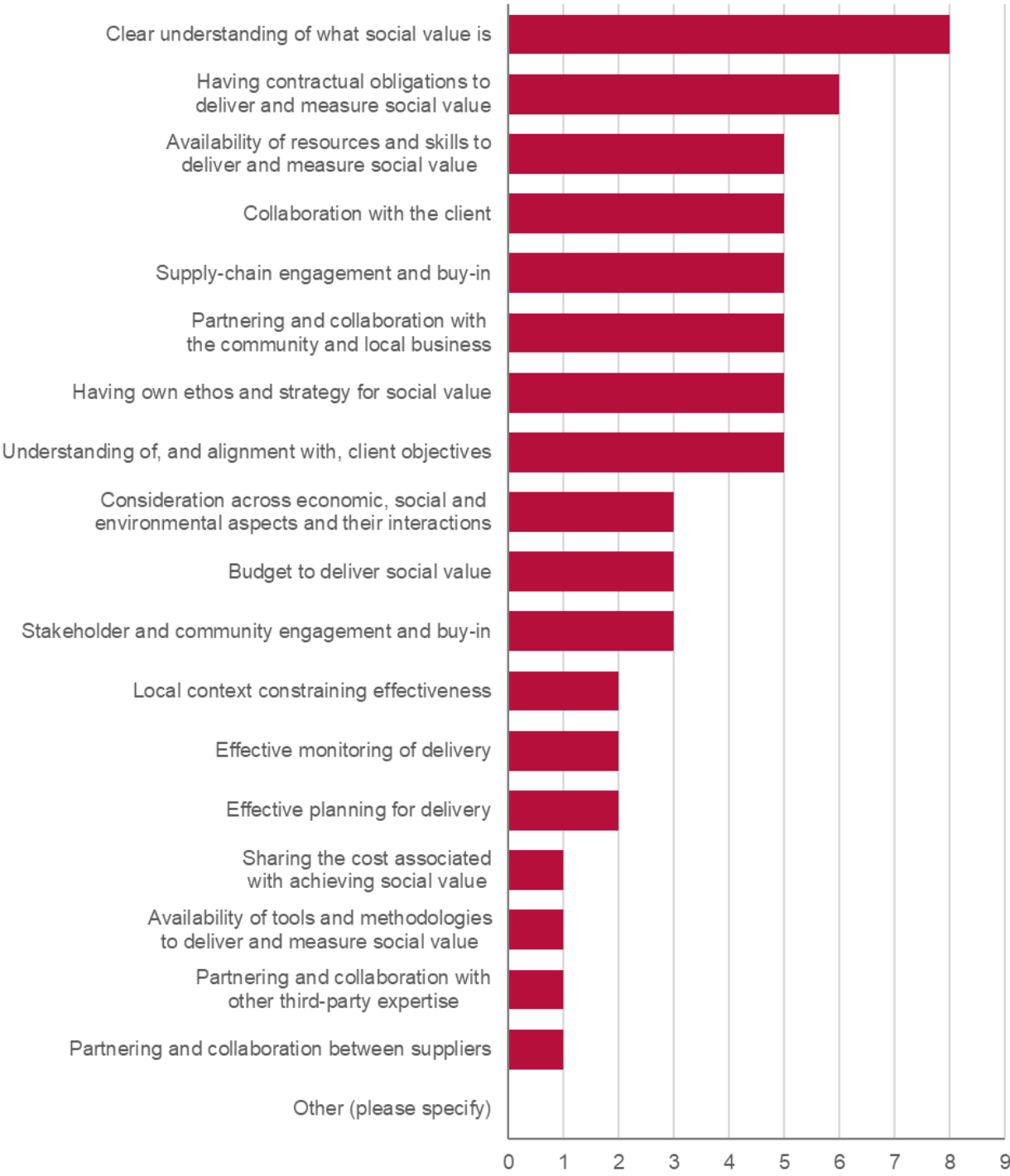


Figure 22 IED Tier 1 and 2 Survey - Factors for Success

What do you think are the critical factors involved in achieving high levels of social value? Please choose the top 3 factors from the list below

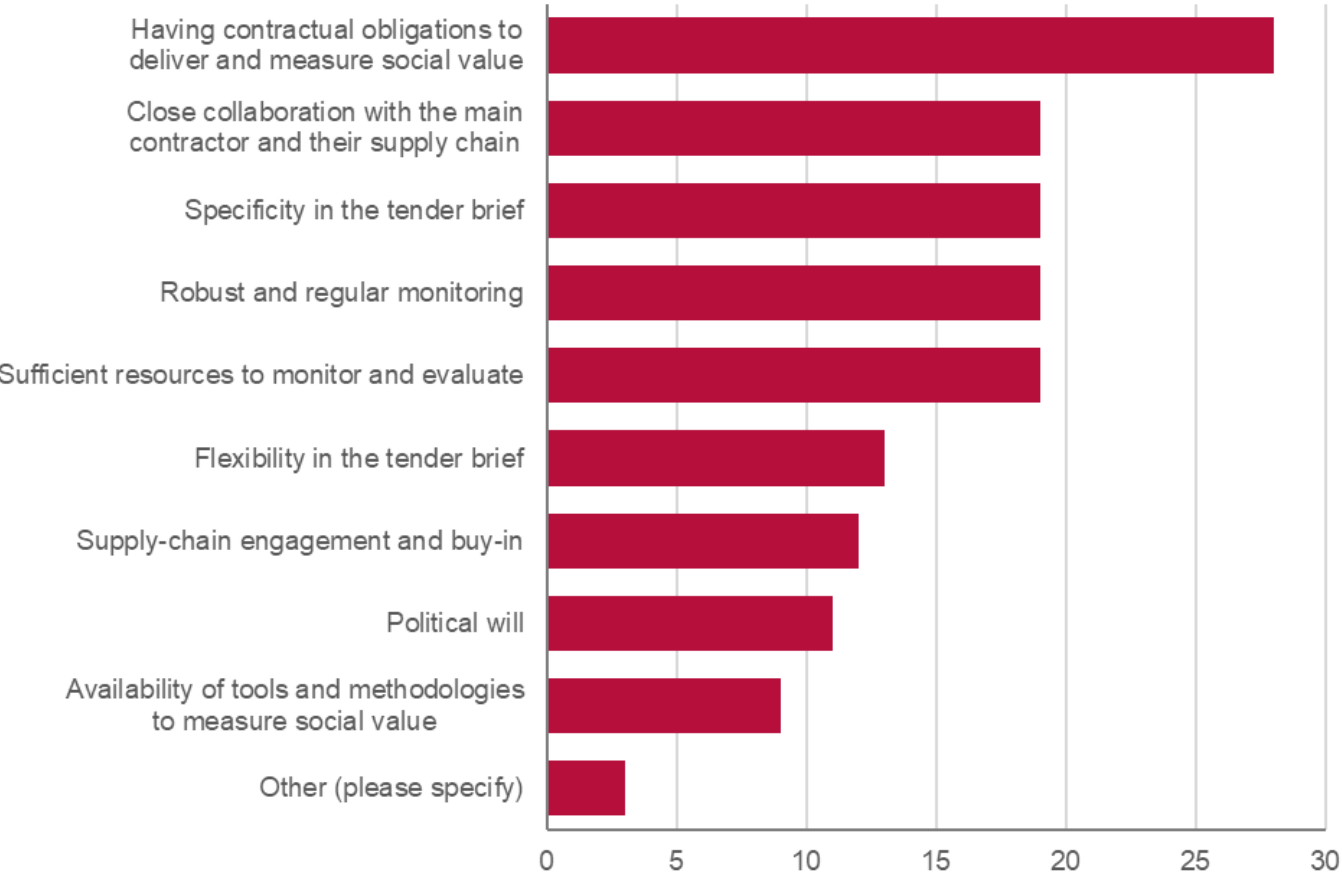


Figure 23 IED Client Public Sector Survey - Factors for Success

Delivering social value

As is explored in later in this section, there is a lack of capacity and understanding for delivery, monitoring and evaluation despite it being identified as a key factor by clients.

The client clearly has a critical role in social value delivery. A 2017 report⁵⁵ on achieving social value through construction frameworks has identified factors for implementation success including the client’s ability to manage the brief effectively, the presence of an organisational commitment towards social value implementation and the qualities of client-side representatives during procurement and project delivery. The use of third-party frameworks such as Scape, STAR, North West Construction Hub (NWCH), and the Crown Commercial Service does potentially create additional challenges for collaboration between suppliers and clients as it creates a point of disconnect. On the other hand, they can also provide much-needed additional capacity and capability around social value.

IED interviews also revealed that one of the success factors was the level of profile and scale of the project. For example, London 2012 had big ambitions and delivered highly and uniquely in social value. The temptation not to deliver, perhaps through a known lack of resources to monitor or through ‘best endeavour’ clauses was not at play here, and when coupled with the additional publicity of delivery, meant that failure was not an option.

Some of the provided case studies have also provided insights on lessons learnt and success factors. These are detailed in Appendix B: Case studies, with some emerging factors including:

- Partnerships with and between on the ground organisations.
- Longer term monitoring for impacts that relate to behavioural and attitude change.
- Interactive and circular feedback with communities on novel projects, which may face early opposition, into the design and operation of the project.

- Use of monitoring tools and measurable objectives to shape delivery and understand refinements.

The IED survey asked clients and suppliers to identify the challenges to successful social value delivery, Figure 24 and Figure 25 represent these answers. It is notable, but not unsurprising that many of the areas identified as key success factors are also the main challenges.

Suppliers identified the lack of understanding as a common challenge in the successful delivery of social value. Budget, leadership and contractual obligations were all identified as being important elements, whilst the second most identified challenge was aligning social value to actual local needs.

The public sector was asked the same question and identified a different composition of challenges, though again the lack of understanding was the most identified challenge.

These challenges are also echoed by the UK Green Building Council which also identified similar barriers around understanding, budget, and inconsistent measuring of social value⁵⁶.

The second most common challenge was “conflicts with other objectives and requirements”. It is unclear what is driving this, and other challenges such as budgets, availability of resources, conflicts with other objectives, and lack of leadership support. Having a social value policy that is widely adopted and used throughout the organisation and the delivery project, clearly championed both by leadership and delivery teams on both sides would help to ensure full alignment on social value. Between clients and suppliers, a shared understanding of what social value is, having contractual obligations, and effective collaboration and communication are also key to reduce conflicts.

A lack of resources to deliver, and, as will be discussed in the “Evaluating social value” section, to monitor and evaluate whether and how much social value activity was actually delivered were also the top challenge for suppliers and a real challenge for clients.

What are the challenges in delivering social value? Please tick all that apply

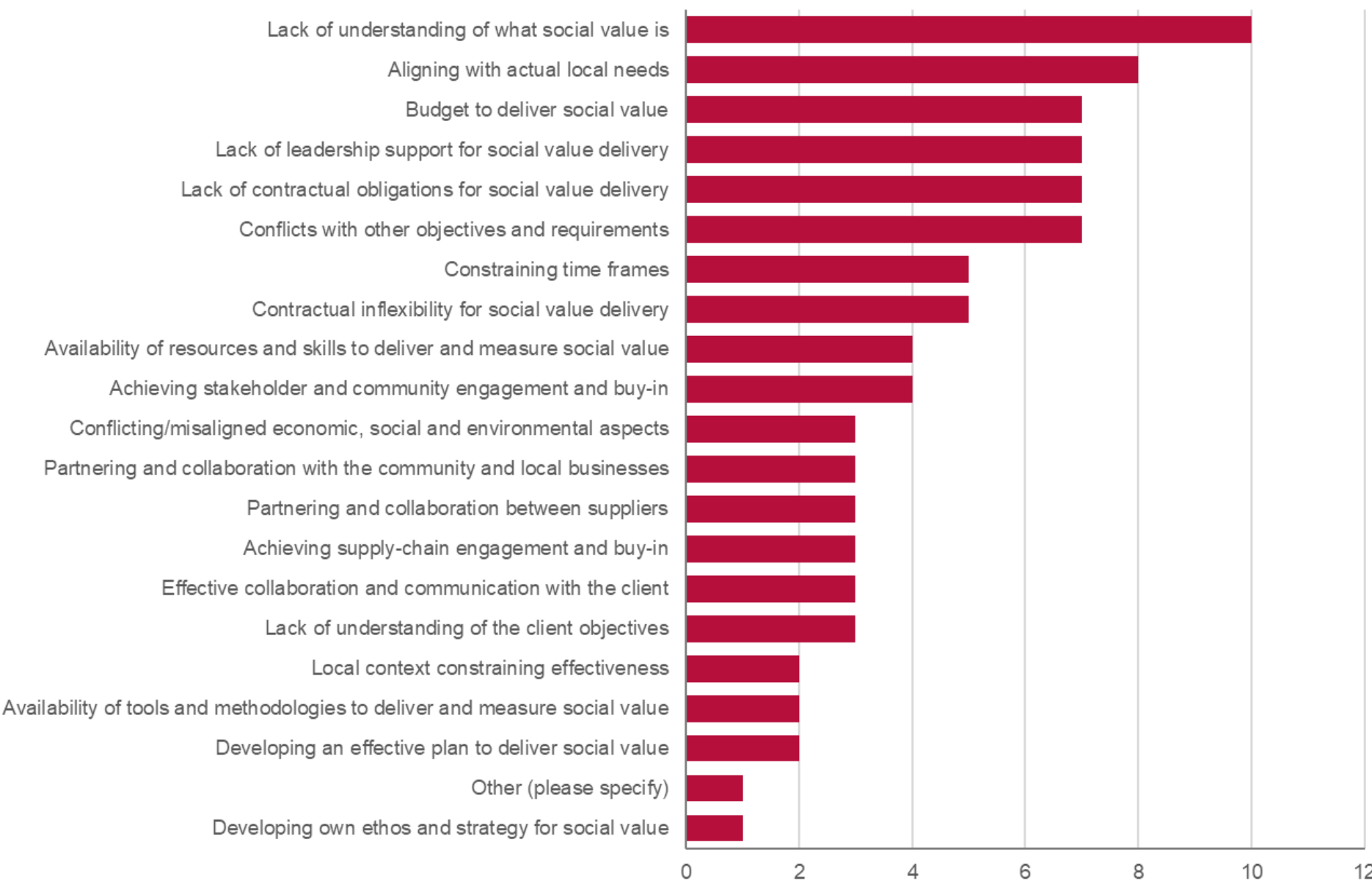


Figure 24 IED Tier 1 and 2 Survey – Challenges to success

“Construction is a fragile market, constrained by market uncertainty and tight profit margins, with high levels of subcontracting and vulnerable payment structures, especially at the lower end.”

Delivering social value

Social value does have a cost in terms of time, resources, monitoring and other expenses. There are tensions between the costs of delivering social value and the benefits delivered.

The pressures of austerity and the need for public services to deliver more for less makes this a very real issue. On the supplier side, cost pressures could drive up the price for clients and result in the cost burden being passed down the supply chain.

ICE also identified deficiencies in ambition, creativity, and inclusion of social value in procurement, and post contract management. If clients are to achieve rigour in social value delivery, they will need increased capacity and capabilities to hold suppliers to account. Otherwise, social value as part of a procurement exercise risks being meaningless. The challenge in finding good examples of social value which resulted in quantifiable improvements in outcomes during this research is further evidence that there is room to improve the capacity and capability of public sector teams who have the responsibility for contractual performance, addressing inequality and improving social wellbeing.

The transactional nature of construction projects has also been identified by the wider literature as a barrier to address. The outsourcing of technical skills, design and delivery to contractors that are chosen by competitive tender, and on contracts geared towards getting the lowest price, may not deliver best value for clients. Long term relationships and the rebalancing of rewards toward the wider value delivered across the infrastructure investment are identified as potential factors to address these misalignments and barriers.

Interviewees raised the issue that the dedicated project staff are often limited in scale and only there for the contracted work. Following direct delivery, they are moved on. This raises the potential importance of local partners and supply chain to be more permanently involved, where monitoring the actual delivery thereafter is required to ensure any outcomes and legacy are actually achieved. However, there are challenges in capacity and capability in SME and VCS organisations, as well as some ingrained negative perceptions which we explore further in the next section.

What are the challenges in delivering social value? Please tick all that apply

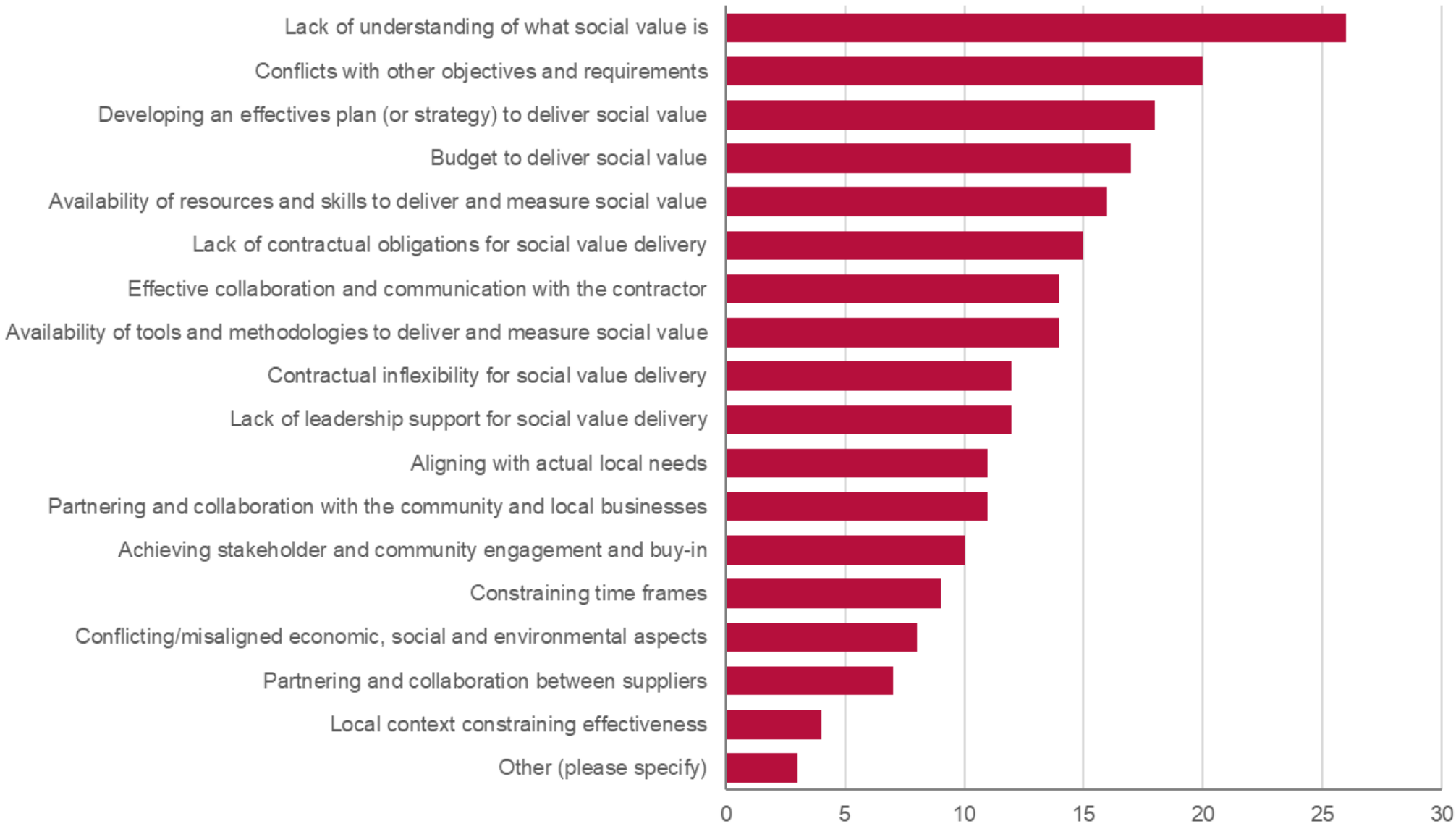


Figure 25 IED Client Public Sector Survey – Challenges to success

“We mostly don’t own our own plant, we subcontract most of the work, staff are transient. And we’ve also got shareholders who influence what’s done (or not done) in social value. They need to get on board with this agenda, or the construction sector will fall behind even further.”

Overall, the factors for successful delivery can be represented as:



Source: IED research team

Figure 26 Factors for success in social value delivery - cross-source

Partnerships

Key findings

- There are a wide variety of external and supply chain partners involved in delivering social value.
- The amount of social value which is passed down the supply chain varies.
- Most Tier 1 and 2 suppliers provide support to their supply chains to help them meet social value obligations, however more support for local businesses is needed.
- Most Tier 1 and 2 suppliers partner with third-party organisations to deliver social value. These often include:
 - Educational institutions
 - Training and employment organisations
 - Charities
 - Local community groups
 - Local councils
 - Social enterprises or businesses
- Third-party organisations are not always paid for their support.
- The benefits to partnering include:
 - Improved social outcomes
 - Improved access to local knowledge and networks
 - Access to the right skills, capabilities and knowledge to delivery social value
- The challenges to partnering include:
 - Commercial and economic challenges
 - Capacity and capability of partners
 - Lack of understanding of their role in delivering social value
- SMEs and VCS organisations face significant barriers and are often at a disadvantage to larger organisations in bidding for contracts. Prompt payment and improving their understanding, capacity, capability, resilience can help address this and ensure that there is a more enduring local legacy.

As so much work in the construction sector is subcontracted, the IED wanted to explore these partnerships in more detail - their extent, how they work, and the benefits and challenges from different kinds of partners involved in delivering projects.

Supply chain social value obligations

Tier 1 and 2 suppliers were first asked to determine how much social value they pass down the supply chain, as presented in Figure 27.

This shows the highly variable responses of the 25 supplier respondents to this question, where the most common reporting was for less than 10% to external partners and the supply chain. This seems very low and may not reflect what happens in practice, and through the IED interviews, Tier 1 suppliers expressed that they indeed pass down a more significant share of the social value obligations through the supply chain, with about 50% being more like the average.

The types of external and supply chain partners identified varied and included the following:

- Other Tier 1 and 2 suppliers
- Tier 3 and 4 suppliers
- Consultants and experts
- Local housing associations
- Residents' groups
- Local community groups
- Social enterprises
- Charities
- Job Centre Plus and DWP
- Schools and colleges
- Academia
- Local councils

What percentage of a contract's social value obligations would you typically pass on to your supply chain or external partners?

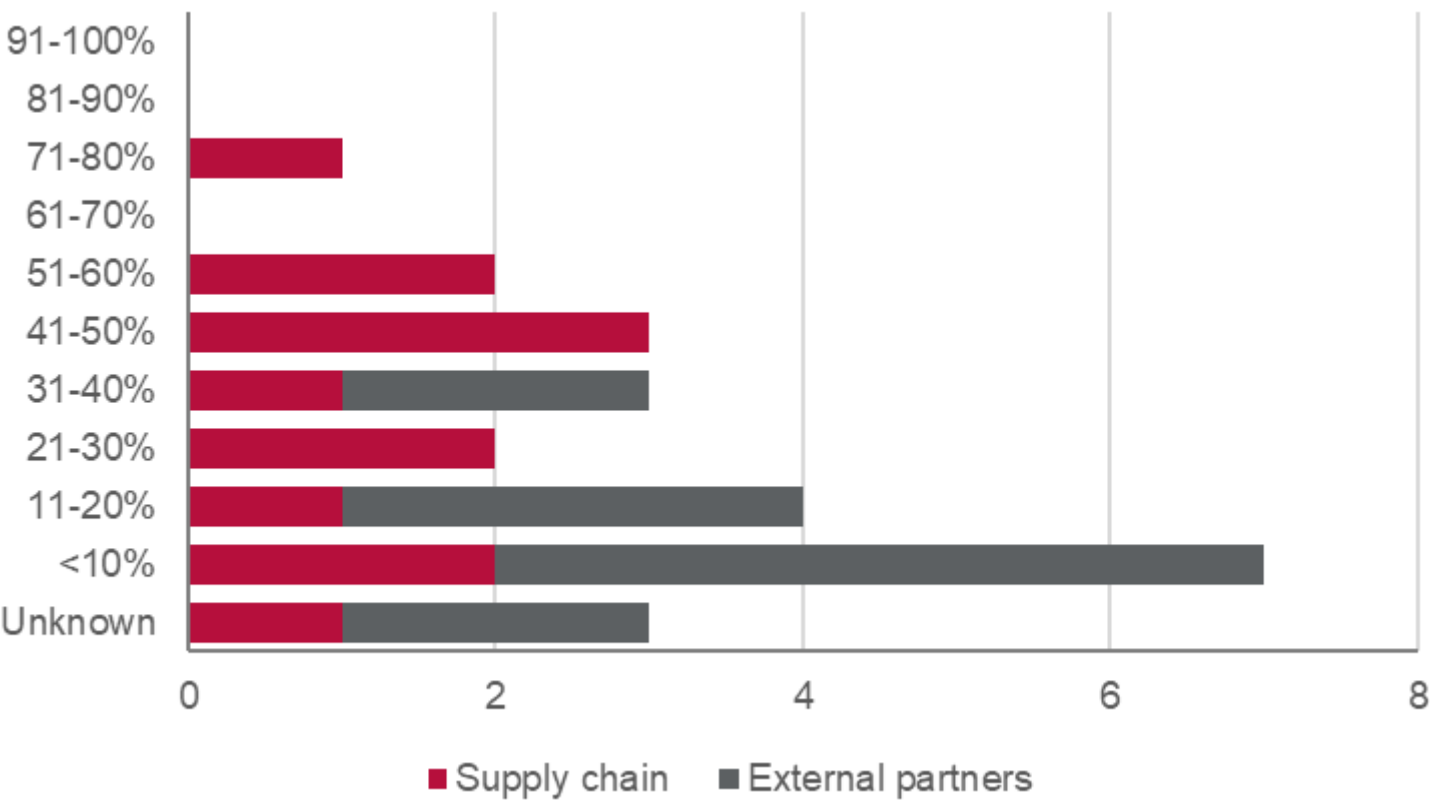


Figure 27 IED Tier 1 and 2 Survey - How much of your social value obligations do you pass on?

Partnerships

Supporting supply chains

The suppliers were then asked whether they provided any support to businesses already in their supply chain to then deliver on these obligations. Most reported that they did and the following sets out the type of support that was identified.

There is a recognition that where Tier 1 and 2 suppliers identify any gaps in the capability or knowledge of their existing supply chain and provide training to this end, that this considered a social value activity. Scope for training looks to be a critical element to the effectiveness of delivery.

On the other hand, it is good business practice and commercial self-interest to have a resilient, highly performing supply chain in all respects. If not, contracts will fail with appropriate penalties and reputational loss. We suggest that this topic also be considered within our recommendation that what is within and without the scope of social value.

The Supply Chain Sustainability School was mentioned by some of the surveyed Tier 1 and 2 suppliers as an organisation that supports their partners in understanding social value, enhancing the conversation and development at the contracting stage with the potential of improving delivery.

No suppliers said that they provided support for local businesses to help them access their supply chains, (other than occasional “Meet the Buyer” activities), nor to the VCS sector.

Key partners

93% of Tier 1 and 2 respondents partnered to deliver social value. Typical third-party partners included educational institutions, training and employment organisations, charities, local community groups, local councils, social enterprises or businesses. Other suppliers were not “often” used as much as other partners, but this may have been because respondents were thinking of them as already part of the supply chain and not as “partners”.

Organisational support	Training	Training
To support their use of the Supply Chain Sustainability School	Training on the project	Help resource data compilation and reports
To support/ introduce up their local engagement and partnerships	Provide mentoring	Use of company policies
	Knowledge sharing	Use of staffing time reporting
	Help and advice	Ensuring clear understanding of obligations

Figure 28 IED Tier 1 and 2 Survey – How do you support your supply chain in social value delivery?

Who are the typical partners you work with on social value?

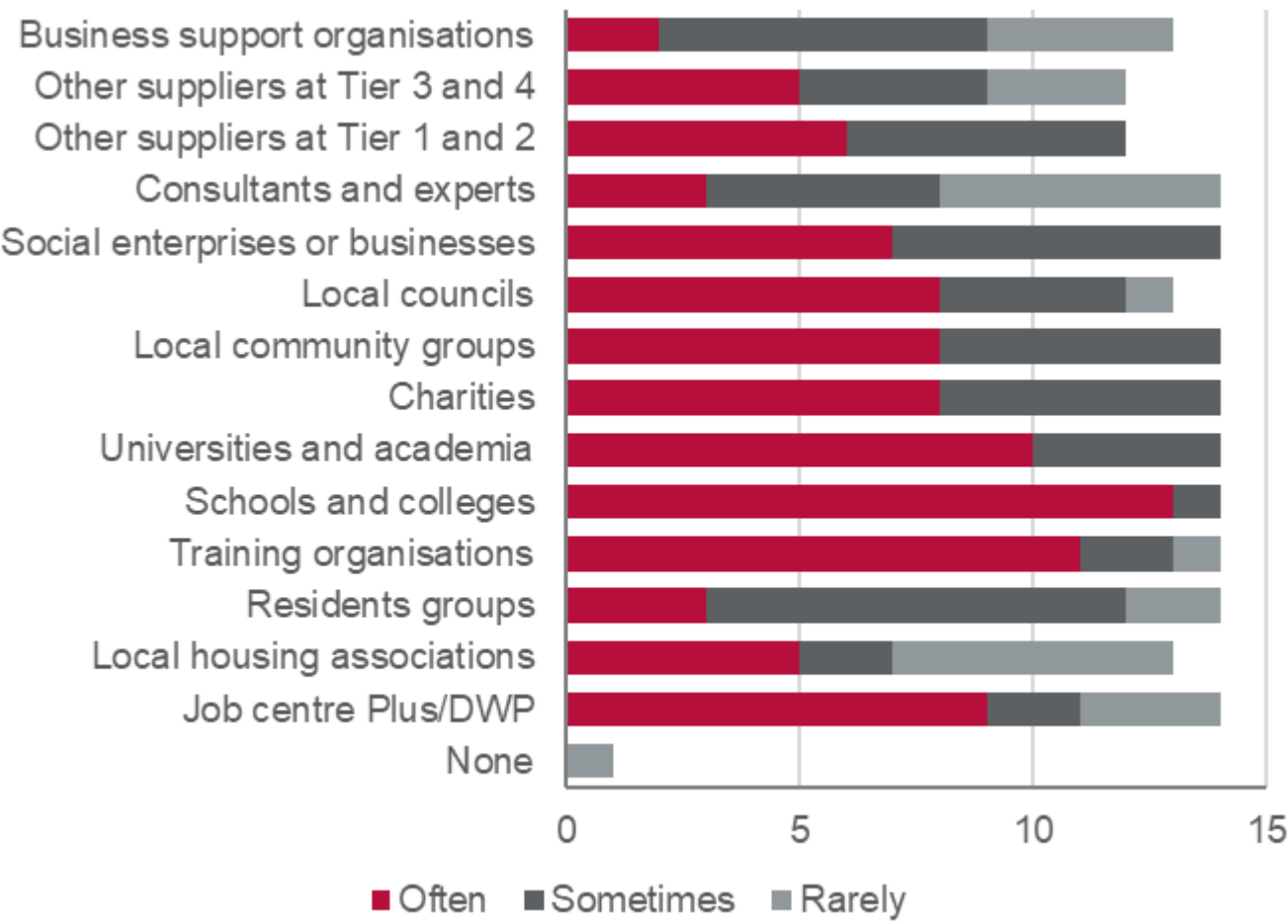


Figure 29 IED Tier 1 and 2 Survey – Typical partners

Partnerships

These partners provide value for Tier 1 and 2 suppliers; however, this value is not always paid for directly by the respondents. In terms of payment, there was a split between those who said they did typically commission and pay external partners for their social value activities, and the reasons for this:

Do pay	Don't pay
<div>For increasing subject or local expertise</div> <div>For expanding capacity to be able to deliver</div> <div>Community engagement contracting</div> <div>Via third party or consultant contracts, and by calculating monetary value of the social value</div>	<div>Need to bring expertise and capability in-house</div> <div>Due to budget constraints</div> <div>Where charities are funded elsewhere</div> <div>Can use effective relationships rather than contractual commitments</div>

Figure 30 IED Tier 1/2 Survey – Do you commission and pay these partners for their social value activities?

Benefits of partnering

The most reported benefit of these partnerships however was of improved social outcomes, where many of the suppliers did find there was value to be had in meeting the objectives of social value delivery. This may be because there is a view that local businesses, SME and VCS organisations are closer to the communities that they operate in and can be more flexible due to their smaller size⁵⁷. Social enterprises and VCS organisations are also more likely to have the vision, knowledge and skills to engage with and deliver social value in communities than large Tier 1 and 2 organisations – although as shown in the challenges in Figure 32, this is not always the case. Additionally, social value is already embedded into their organisation. Partnering in itself can also directly deliver social value if it strengthens the local supply chain, increases diversity in the supply chain, builds the capabilities of partners, and delivers local employment. These and other benefits are presented in Figure 31:

An example of successful partnering has been provided for the West of Leeds Alliance and the Hollybank Trust around the TransPennine route, and in Appendix B: Case Studies.

What are the benefits to you of these partnerships? Please tick all that apply

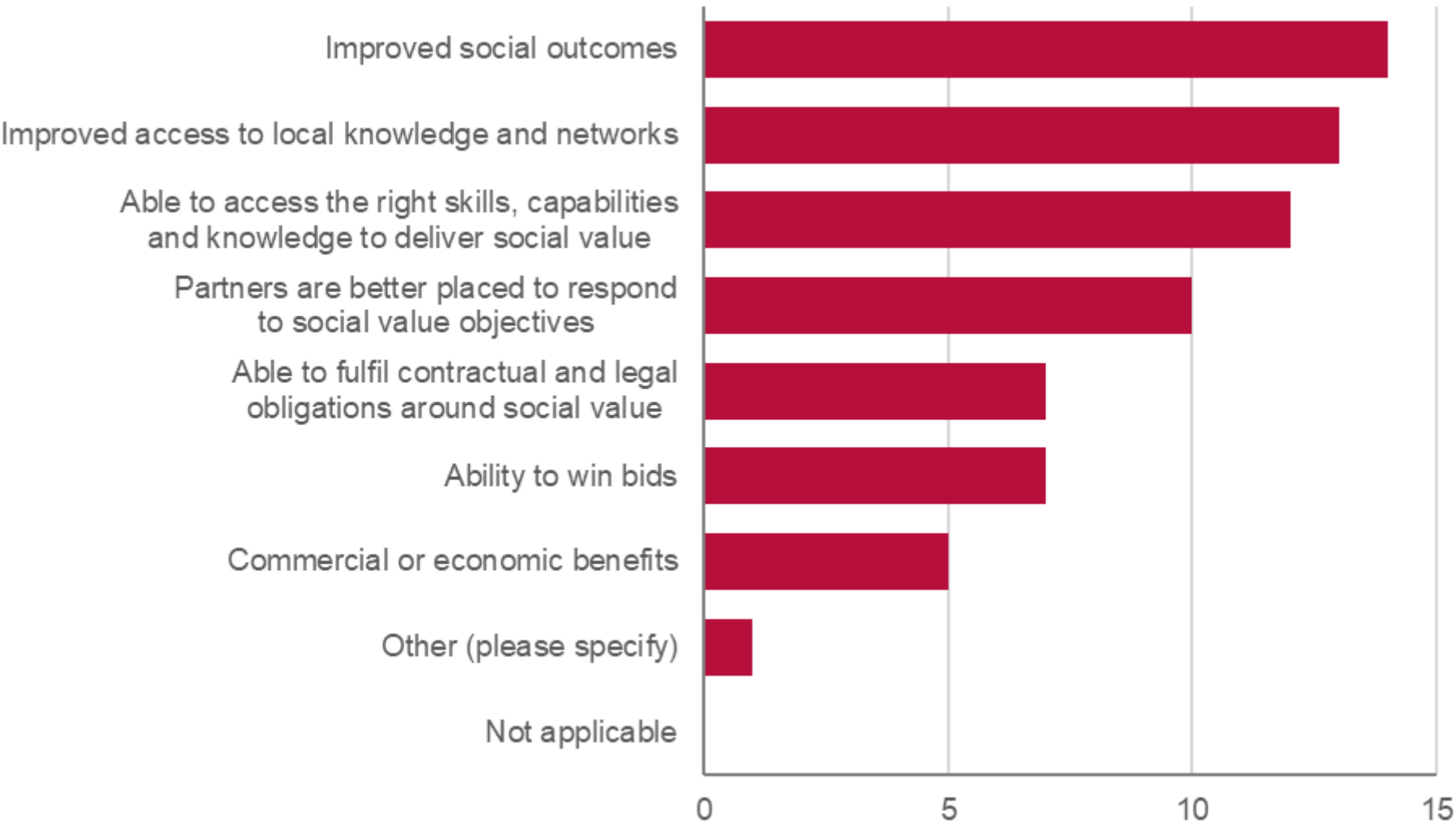


Figure 31 IED Tier 1 and 2 Survey – The benefits of these partnerships

Partnerships

CASE STUDY

Hollybank Trust and volunteering, TransPennine Route, Western Alliance

The TransPennine Route upgrade (TRU) is a multi-million-pound rail improvement programme designed to have a lasting impact on people and communities and economic growth in the North, including the upgrade of four stations, and more track for improving journey times. BAM Nuttall, Amey and Arup formed the West of Leeds Alliance to work on GRIP 3 stage, identifying and appraising the various options for this major infrastructure investment.

Regardless of the size of the geography and the investment, local things are really important, and can change lives. The Alliance chose an amazing charity, the Hollybank Trust as their charity. Hollybank is situated in the centre of the route and shares connections with many mutual stakeholders – strengthening local partnerships is fundamental for the future of TRU. Their sustainability strategy focuses on 3 main areas: the world that sustains us, the communities around us, and the people that make us.

For over 60 years, the Trust has cared for babies, children and adults with profound, complex and life-limiting disabilities. Hollybank provide quality residential care for life, including education and wellbeing programmes which allow the residents and their families to lead a full life. It was recognised that the long term social and economic benefits of this service provision meant that these residents and their families can play an active part in society.

The West of Leeds Alliance delivered a number of volunteering events, one of which included the donation of disused railway sleepers to build raised flower beds. This enables residents to grow their own food, providing educational and social benefits. The team have also made improvements to the grounds, including upgrading recreational spaces in partnership with some of the residents and their carers.

Staff members collaborated with teams from the East of Leeds Alliance, Leeds Central and the TRU Programme Leadership to create a coast-to-coast cycling event covering 90 miles over two days. Over 30 local volunteers joined the Alliance volunteers, including cyclists, a logistics team and support staff, who gave a collective 480 hours of their time.

The £10,000 raised from all activities went towards the ‘Little Pips’ service provision for families who find themselves facing early life needs for babies with profound disabilities. It is the only service of its kind in Kirklees and Calderdale, and the life-changing completely support available includes a fully equipped nursery, early years’ speech and language therapy, and a hydrotherapy pool.

For more information, contact Faye Jenkins at Bam Nuttall.



Partnerships

Challenges of partnering

The suppliers were also asked what they found to be challenging about these partnerships for social value; understanding, capacity and budgets were deemed to be key challenges amongst others presented Figure 32:

What are the challenges of these partnerships? Please tick all that apply



Figure 32 IED Tier 1 and 2 Survey – The challenges of these partnerships

These responses point to challenges at the heart of delivery. It is clearly recognised that local organisations, particularly the third sector, know their communities and their needs well, and indeed, serving those needs is often their primary objective as a business. Yet it is equally well known that small businesses and voluntary organisations frequently lack both the capacity and the capability to become an effective partner, as well as the financial resources and expert knowledge to compete in a formal procurement environment. Some may not be capable of paying the living wage, a common requirement of the contract, and many VCS organisations rely on volunteers.

Research carried out by Dr. Deborah Harrison and Philip Edwards⁵⁸ stressed the need to create a level playing field for these smaller organisations. They report a perception that existing procurement practices are loaded in favour of larger organisations, and that any increased complexity in the bidding process was likely to increase this bias further, by favouring organisations with dedicated resource, expert knowledge and the capacity to monitor and store large amounts of data. In addition, larger organisations were perceived to be more able to absorb the cost of fulfilling work elements into other areas of the business and benefit from the economies of scale. Whilst there were a few ‘pockets of enlightenment’, social value was largely seen as a numbers game in which SMEs are disadvantaged because they can’t offer so much.

As the importance of social value in construction procurement grows, and suppliers take on more social value delivery and the associated costs, clients need to ensure that good social value delivery, further down the supply chain is rewarded with recognition and prompt payment at all levels, not just between Tier 1 and 2. At a small round table discussion, SMEs reported that the biggest barrier to engaging more in social value was the continuing difficulties in obtaining prompt payment for work completed. The commitment and adherence to prompt payment at the top does not flow all the way through and causes significant stress, hardship and cashflow problems at the bottom. This is particularly acute for smaller organisations, whose continued operation may be dependent on a payment.

Social value is currently something those lower down the supply chain feel is imposed upon them as opposed to willingly and proactively delivered. With the rate of suicide in the sector at record highs, three times the national average, already tight margins being squeezed at every successive level of the supply chain, a lack of job security and a culture of late payments throughout the industry, placing responsibilities for delivering social value on the shoulders of those at the bottom of the chain will just add to the burdens.

“Although we get it, it’s hard to get enthusiastic about social value when every day we’re worrying about whether we and our labour will actually get paid on time. It’s all very well for the big boys to talk about prompt payment, but they don’t ensure it actually goes all the way down the chain, it’s so stressful.”

Partnerships

When coupled with the rise in buyers defining ‘local spend’ as social value, the increasing traction being gained under the broader “community wealth building”⁵⁹ approach championed by the National Organisation for Local Economies (CLES) in particular, and the amount of social value activities being passed on down the supply chain, the challenges of partnership outlined earlier becomes a central barrier to achieving high levels of impact, and more innovation than is currently being asked for and delivered. Partly this goes back to the earlier discussion on the need for the public sector to much better understand the most impactful social value for any given community, and partly it speaks to an area of market failure.

Whilst there are many advantages to the ‘local is social’ approach, clearly not least the political perspective, if taxpayer’s money is spent propping up what would otherwise be unsustainable businesses or third sector organisations, or stifling innovation or better value that comes from outside the locale, then building the capacity of local organisations becomes even more vital. Indeed, it could be argued that if local spend is mandated, then this too should come with social value activities included, in order to close the loop on a virtuous circle.

Social value activities that help strengthen local businesses to prepare for, and then compete more effectively for, large contracts, whether it is just for the construction supply chain or for other sectors as well, would leave more of a lasting legacy in the local area. Similarly, aiding third sector bodies to be able to articulate their value proposition, to become more ‘commercial’ without losing their social good, would increase their resilience and ability to partner with, and deliver value to, more organisations. Increasing capacity and capability in this way would provide a longer legacy and impact by enabling the beneficiaries to grow and compete beyond the local level.

There has been an increasing landscape of mixed organisation supply chains and partnering in construction, with the rise of organisations like social enterprises that can support an approach to value creation alongside the balancing of business and community interests. There are some key challenges here, particularly with partnerships between social enterprises and VCS organisations and commercially driven suppliers. As noted by Raiden et al (2019)⁶⁰, ‘there remain many barriers to the successful integration of social enterprises into what is still a highly commercial and incestuous construction industry with strong relationships and path dependencies which are notoriously difficult to break.’

The literature identifies some specific barriers to the integration of third sector organisations into the construction industry. For example, a construction specific report (Loosemore, 2016)⁶¹ included the following:

- Lack of knowledge and skills and experience of managing and integrating the competing institutional objectives and workings of the government, business, third and community sectors in achieving collaborative social outcomes.
- Low competitiveness of third sector organisations due to poor management skills and lack of experience in the construction industry.
- Existing supply chain relationships and informal networks, which create strong path dependencies in procurement decision-making.
- Complex procurement practices and red tape which make it difficult for third sector organisations to tender for construction work.
- The highly regulated nature of construction around issues like safety and the need for certifications which many third sector organisations do not have.
- A lack of evidence that third sector organisations deliver higher social value than existing suppliers, where they lack the resources or skills to report and communicate the social value they create.
- A lack of imagination of how social procurement and third sector organisations can add value in bids by major contractors.”

An example of how local SMEs and the VCS organisations can be made supply ready has been provided by Tower Hamlets, and in Appendix B: Case studies.

“I know of at least two people in different finance departments who are actually goaled on extending payment terms beyond 30 days to 60, 90 or more. That’s their job, NOT to pay us on time.”

Partnerships

CASE STUDY

Building local SME and VCS capacity in the Supply Chain agenda, Tower Hamlets

There nearly 17,000 businesses based in the London Borough of Tower Hamlets. While the borough is home to some of world’s largest financial institutions, 98% of local enterprises are small businesses which employ fewer than 50 people.

LBTH recognises that building the resilience of small businesses, increasing their capability of bidding for larger contracts, and enabling access into supply chains brings a genuine competitive advantage to both larger business customers and smaller suppliers. LBTH commissioned GetSet for Growth to deliver a new service, Supply Ready, in the borough to upskill and educate 1000 local SMEs and VCS organisations in formal procurement over a two year period. This also ensures a greater local legacy and robustness in supply chains.

The GetSet for Growth service provides flexible, high quality, strategic support to help SMEs grow their bottom line, delivering an average 62% turnover increase within 12 months of support. The specialist Supply Ready programme was embedded within it, focusing on upskilling participants in all aspects of getting ‘fit to supply’, from understanding how formal public and commercial procurement works, how to assess tenders, how to articulate strong value propositions and write effective tenders, the various policies and supporting documentation required in different sectors, and how to manage contractual relationships.

Most importantly, participants learned how to manage and deliver a significant new contract win successfully. This included planning and ensuring sufficient cash flow and working capital, having a ready supply of quality labour/ staffing/ equipment, and the skills to manage the growth process itself - being operationally sound and ready, so that over-trading as a result of a good contract win is avoided and sustainable growth achieved.

Via a series of workshops, masterclasses, 1:1 hands on help and expert mentoring interventions, delivered across the borough, Supply Ready also helped small businesses and third sector organisations understand how to partner and work collaboratively to deliver greater value. They were provided with access to GrowSmart, the online learning programme providing the equivalent of a two-week course in all aspects of growing a business underpinned by a library of in-depth resources.

Participants had already secured nearly £11 million of new contracts before the project ended, with another £3 million in the collective tender pipeline, and 46 new staff had been hired.

For further information, contact **Huw Morgan-Thomas** at **London Borough of Tower Hamlets**.



Evaluating social value

Key findings

- There are significant barriers to effective monitoring and enforcement.
- There can be misalignment between what clients think is delivered compared to what suppliers think they deliver.
- For suppliers, a lack of knowledge of how to monitor and evaluate, and a lack of resources, were most cited as barriers. There are many points of alignment on the barriers.
- Other barriers for suppliers included:
 - Not being contractually obligated to do so.
 - Lack of standardisation, with the proliferation of tools and definitions.
 - Lack of consistency across clients, institutions and industry bodies.
- For clients, other barriers included:
 - Lack of available metrics, benchmarks and tools for evaluation.
 - Lack of knowledge about how to monitor and evaluate social value.
 - The wide variety of approaches to monitoring and evaluation.
 - Difficulty in getting contractors to supply the information required on time.
 - Limited staff capacity to effectively monitor.
 - Differing interpretations of what is important.
- There is a lack of outcome measures, mostly input and output measures for monitoring.
- There is a lack of a collaborative attitude to monitoring, which reflect industry cynicism and weariness following previous attempts at change.
- The lack of contractual obligations and an approach of ‘best endeavours’ toward implementation seems to limit the effectiveness of delivery and its monitoring.
- Suppliers may be incentivised to monitor where there is some element of procurement memory, knowledge and reputational building in the industry for social value delivery.
- The Treasury Green Book may not be fit for purpose for delivering social value. The commercial case could be a key starting point to getting different parties to consider social value delivery earlier.

Challenge of monitoring

Our research indicates that there are improvements to be made in the monitoring and evaluation of social value. To put it simply, it does not often happen, it is not done consistently and rarely are contractual penalties enforced. The issue of monitoring and evaluation has come up in other research, such as ICE’s recent survey⁶² and developing relevant social value monitoring measures was a key recommendation of MACE’s 2017 report on social value⁶³. Clients cited the biggest barrier to monitoring and evaluation was the lack of resources to do so. The survey also indicated that clients are more likely to evaluate in-house as opposed to external evaluation, maybe because they are not familiar with the various tools, or their cost is prohibitive, or there are pressures on internal resourcing and capacity.

For suppliers, a lack of knowledge of how to monitor and evaluate and a lack of resources were also most cited as barriers. There are many points of alignment on these.

Other barriers for suppliers included:

- Not being contractually obligated to do so.
- Lack of standardisation, with the proliferation of tools and definitions.
- Lack of consistency across clients, institutions and industry bodies.

For clients, other barriers included:

- Lack of available metrics, benchmarks and tools for evaluation.
- Lack of knowledge about how to monitor and evaluate social value.
- The wide variety of approaches to monitoring and evaluation.
- Difficulty in getting contractors to supply the information required on time.

- Limited staff capacity to effectively monitor.
- Differing interpretations of what is important.

Timescales were not offered as a response option, but it should be noted that projects that take place over a longer time frame may be more difficult to monitor and evaluate, especially where there are various project stages and suppliers involved. The impact and benefits may accrue after many years, long after a project has been constructed and moved into operation. Ideally, a project should be able to demonstrate that its specific social value activities led to changes in outcomes and that these are lasting. For instance, completed apprenticeships should lead to longer-term employment or higher incomes for participants. Attributing outcomes to specific project social value activities over a long period of time adds to the complexity and may not be easily measured, as a community may experience other changes outside the project that impact on the outcomes.

It is also important to recognise that some of the best social value such as the change in people’s aspirations and how they feel about their community, can be measured but require skills, resources and money to baseline and measure after project completion. This also may require a different approach through better community engagement and qualitative reporting, but they should be at the forefront of social value ambitions. Moving towards an outcomes-based approach will help to ensure that these valuable personal impacts are the main goal of social value delivery, and that any meaningful change is understood and documented.

Further, it is important to note the risk of double counting, for example not all phases of a project or partners can claim the full benefit of a community centre that is ultimately provided. This risk, where it would also undermine the overall process and rationale, would also need to be mitigated with appropriate resources, consistency and guidance.

“There is a real lack of knowledge around monitoring and evaluation social value, a lack of resources, and a wide variety of approaches.”

Evaluating social value

There is not a consistent view nor realisation of the responsibility for social value monitoring, perhaps due to the resource burden and exacerbated by the lack of knowledge, lack of definition and the multiplicity and cost of evaluation tools. When clients were asked how often they monitored and evaluated social value delivery, the responses were mixed between “always”, “often”, “sometimes”, “rarely” and “never”. Overall, responses from clients to the IED survey may be biased to those who have social value policies or are actively engaging with social value in procurement, which may mean that there is even more social value which is not being measured.

Many clients responded that they used an agreed evaluation method with identified metrics, and that these were monitored throughout the project, or that they monitored and enforced basic contractual obligations. A few commented that the contractor takes a lead on recording social value or that there was no formal monitoring and evaluation. It should be reiterated here that the survey respondents were likely those most engaged with social value already. These insights are highlighted in Figure 33.

As picked up in the IED interviews, procurers also face the challenge of not having a standardised approach of assessing monetised value realisation, where this can lower confidence in the overall process.

However, the view of suppliers is different. It appears that the responsibility for monitoring and evaluating is sometimes completely delegated to the supplier, with few suppliers reporting that their clients “Always” monitor their delivery of social value, as highlighted with Figure 34.

How do you measure and record social value?

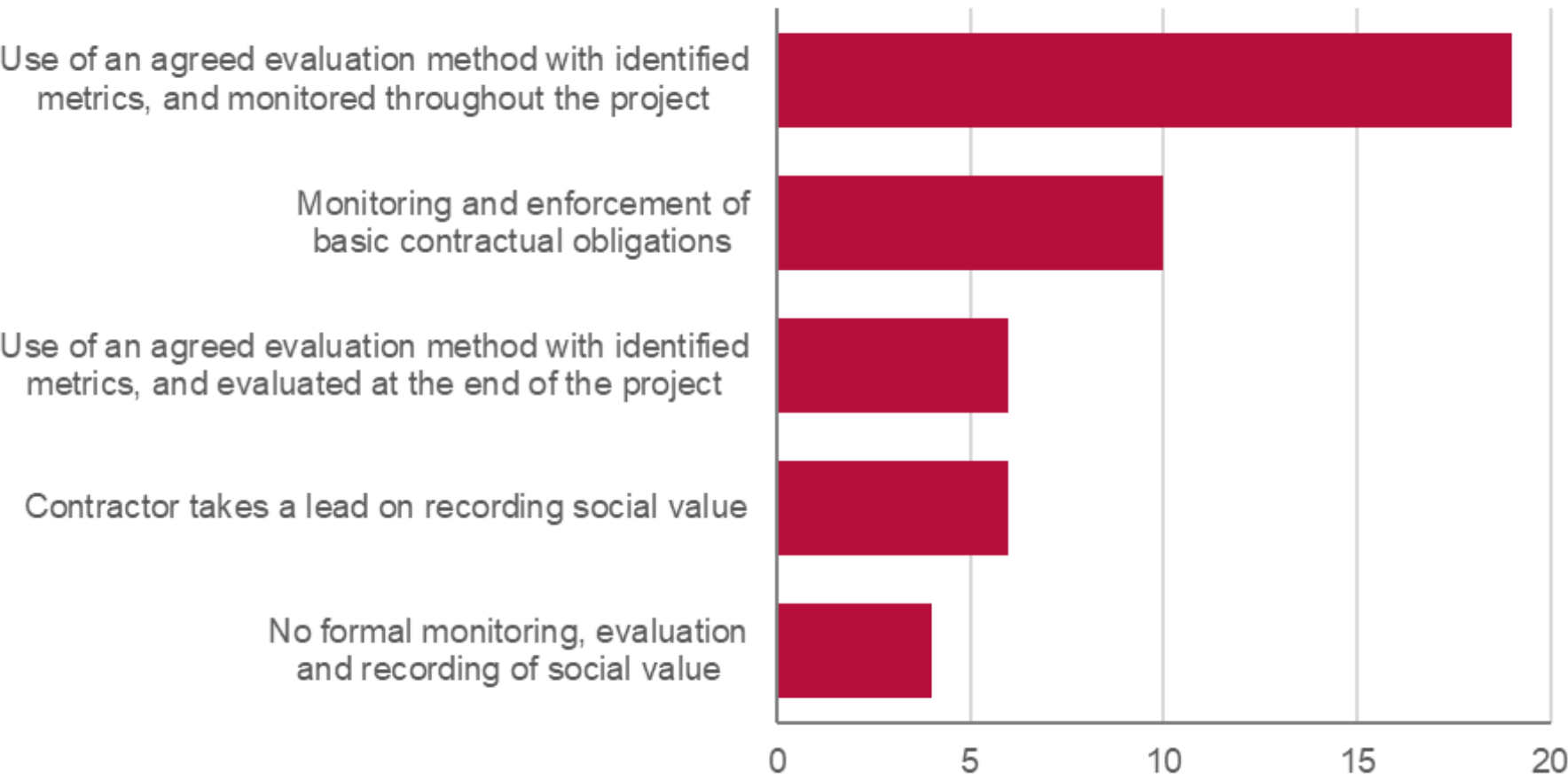


Figure 33 IED Client Public Sector Survey - How do you monitor social value delivery

Do your clients / customers / contractors monitor your delivery of social value?

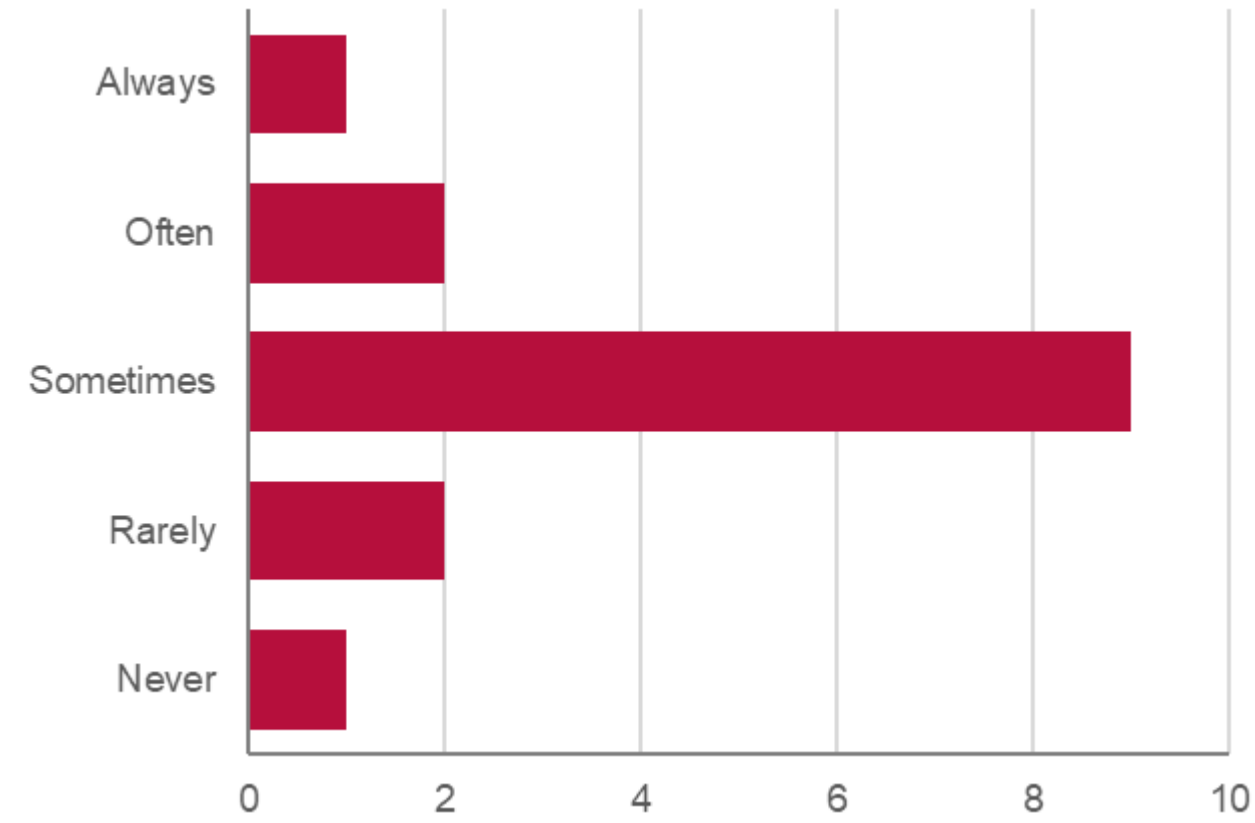


Figure 34 IED Tier 1 and 2 Survey - How often does your client monitor social value delivery

Evaluating social value

Several IED and industry interviewees highlighted that there is a cost for all social value delivery, monitoring and collection of data, and that this is not often acknowledged or accounted for on either the supplier or client side. Some suppliers, especially for those leaders who have embedded it within their organisations from top to bottom, felt social value activities should be treated as any other normal expense of ‘living the values’ of that business. For those who haven’t, the weighting given to social value in any tender can be the crucial points of competitive differentiation and advantage that can result in multi-million-pound contracts. Comments from some Tier 1 and 2 suppliers indicated that even with tight profit margins, the costs of social value are usually relatively marginal and could be seen as a cost of sale. However, getting shareholder engagement to this might be problematical.

Dr. Harrison’s work on procurement practices as a route to fulfilling work⁶⁴ found, as we did, that post-award contract management is currently the least developed (and least well-resourced) aspect of the procurement process and would require substantial investment and development to enable such monitoring to take place. This is particularly true when there are many levels of subcontracting and a range of delivery partners.

It is clear that long-term and outcomes-based social value can require significant skills, resources, time, and budget. Particularly where the costs of monitoring and evaluation are not built into business cases and tenders, there is a decreased likelihood that it will be done well or at all. Without the resources to ensure accountability there is a risk that social value activities become a numbers game in which suppliers over-promise at bid stage knowing they will not be held to account. Our survey clearly shows this area is a key challenge for both suppliers and clients.

However, with European Structural and Investment Funds (ESIF), independent Summative Assessments are required of all projects by central government. Whilst the value of the projects funded by ESIF, which range from infrastructure, capital assets, skills and employment, and business support and innovation, are significantly less than many big construction builds, the principle is the same. Unless something is measured it can’t be managed, monitored or shared.

Mandatory reporting of social value outputs and outcomes by the supplier would increase transparency and accountability. An independent assessor such as our proposed Centre for Excellence would be able to capture performance, lessons learnt, and enable benchmarking to take place. Furthermore, in the IED interviews, some Tier 1 and 2 suppliers expressed a desire for more recognition for suppliers who are successful in delivering the projected social value. This could act as an industry signal that social value is important and incentivise both internal staff as well as external contractors to perform better. Suppliers consistently performing highly could then be given a star rating, which would be of clear value when tendering.

The Future of London’s 2019 Embedding Social Value Conference⁶⁵ proposed that the focus needs to shift from providing and measuring outputs or a specific amount of funding to a more outcomes-based approach. This may lower the cost of providing social value through allowing suppliers to find innovative, lower-cost ways of achieving desired outcomes, whilst maintaining the specificity required in contracting, and reinforcing the need for collaboration between clients, potential suppliers and the community at the earliest stages.

How often does your organisation monitor and evaluate delivery of social value?

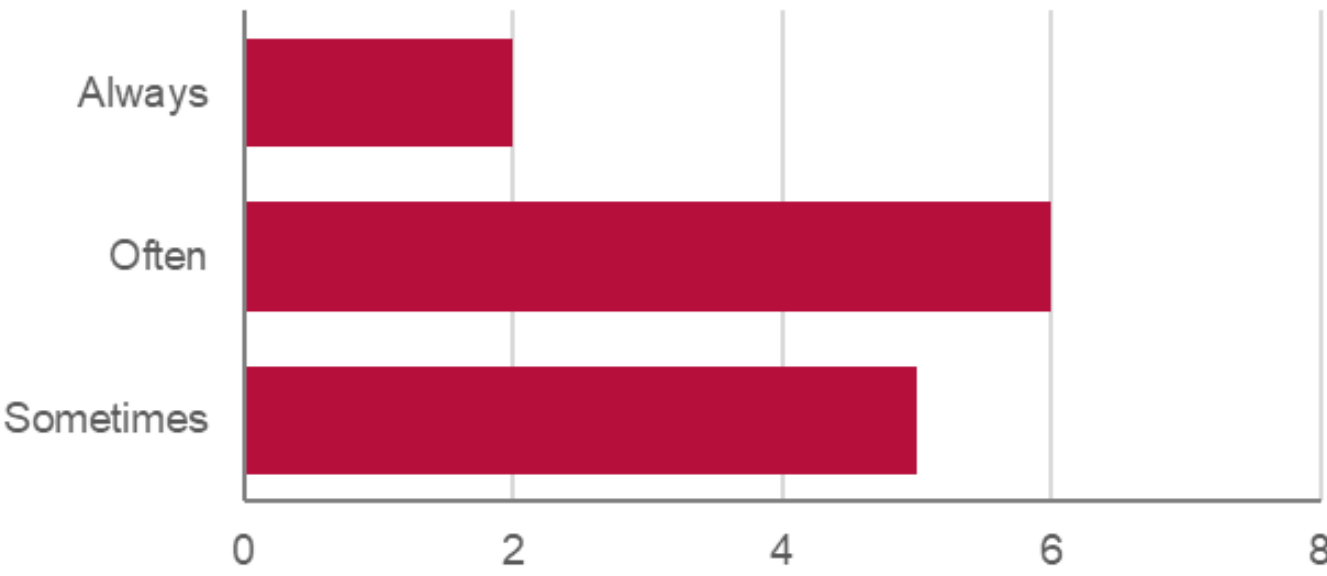


Figure 35 IED Tier 1 and 2 Survey - How often does your organisation monitor social value delivery

“We want to see a “natural home” for everything to do with it [social value], one definition, and much more procurement accountability so that those suppliers who DO deliver what they said in their bid are recognised.”

Evaluating social value

Similarly, local authorities and central government should be required and incentivised to openly report social value, perhaps as part of a triple bottom line annual report, much like many businesses now do, demonstrating how their economic development strategy, investment and social value activities have moved the dial in their localities.. Without data, how can any part of the ecosystem ever know what good looks like in reality, as distinct to what’s specified in contracts? A Centre for Excellence could share and spread best practice for the greater good of UK PLC, to help address all the inequalities mentioned in the introduction, and to improve citizen’s lives.

As Local Enterprise Partnerships (LEPs) develop their Local Industrial Strategies, they should also be encouraged, or even required, to consider social value as an integral part of their strategy, procurement, funding and monitoring. There is also an opportunity for the national LEP Network to play a greater role in sharing best practice and collating central data on the impact of LEP interventions. South East Midlands Local Enterprise Partnership (SEMLEP)⁶⁶ has created a Social Value Strategy looking at creating value across all aspects of strategy, funding and procurement, to tackle disadvantage, involve local people and businesses, further environmental sustainability and promote the micro economy and social enterprise. Lancashire LEP has developed a social value toolkit⁶⁷ which should be shared across the LEP network.

LEP’s will play a key role in supporting not just the economic recovery post Covid-19 but also supporting wider societal changes. Local Industrial Strategies will inevitably evolve to become local recovery plans and it is critical that these plans give due consideration and action to social value and impact.

Suppliers normally ensure that social value is delivered throughout the value chain. They also reported that this was done mainly through use of an agreed evaluation method with identified metrics and monitored throughout the project, as shown in Figure 36.

A discussion of partnering insights has been covered in later in this section, whilst the following discussion delves more deeply into the use of tools by both the public sector and the suppliers.

Tools for monitoring and evaluation

A plethora of tools for social value measurement were reported to be in use by clients and suppliers who do monitor, and few are used consistently. Different tools are available at the national level (i.e. Local Multiplier 3 (LM3)), regional and local level (i.e. Local Authority-specific frameworks and tools), sectoral level (i.e. Housing Associations’ Charitable Trust Social Value Bank and value calculator tools (HACT) and the Common Social Impact Framework for Rail), individual business level (i.e. bespoke in-house tools), and at the procurement framework level (i.e. Scape). The lack of a consistent way of measuring reflects the multitude of definitions of social value, with the mixed understanding and interpretations, as well as the challenge in effectively linking social value objectives to metrics, measures and monetisation. Further, monitoring and post-evaluation are activities that provide challenge across the UK’s projects.

Suppliers do not always use just one tool across all projects, and some have bespoke tools. As highlighted in the figures presented, not all clients nor Tier 1 and 2’s reported that they “always” or “often” monitored social value delivery, whilst there appeared to be a mismatch in the reporting and perception of how often the public sector monitor social value and who bears this obligation. Our research has found little demonstration of where the public sector and suppliers work together with a common monitoring tool. Both parties have also raised key challenges and learning needs in the utilisation of monitoring methods, where the early process of setting up the social value obligations, objectives and delivery proposals has a significant impact on how capable the parties are to undertake monitoring of this.

If you are a Tier 1 or Tier 2 supplier, how do you ensure social value obligations are met in your supply chain?

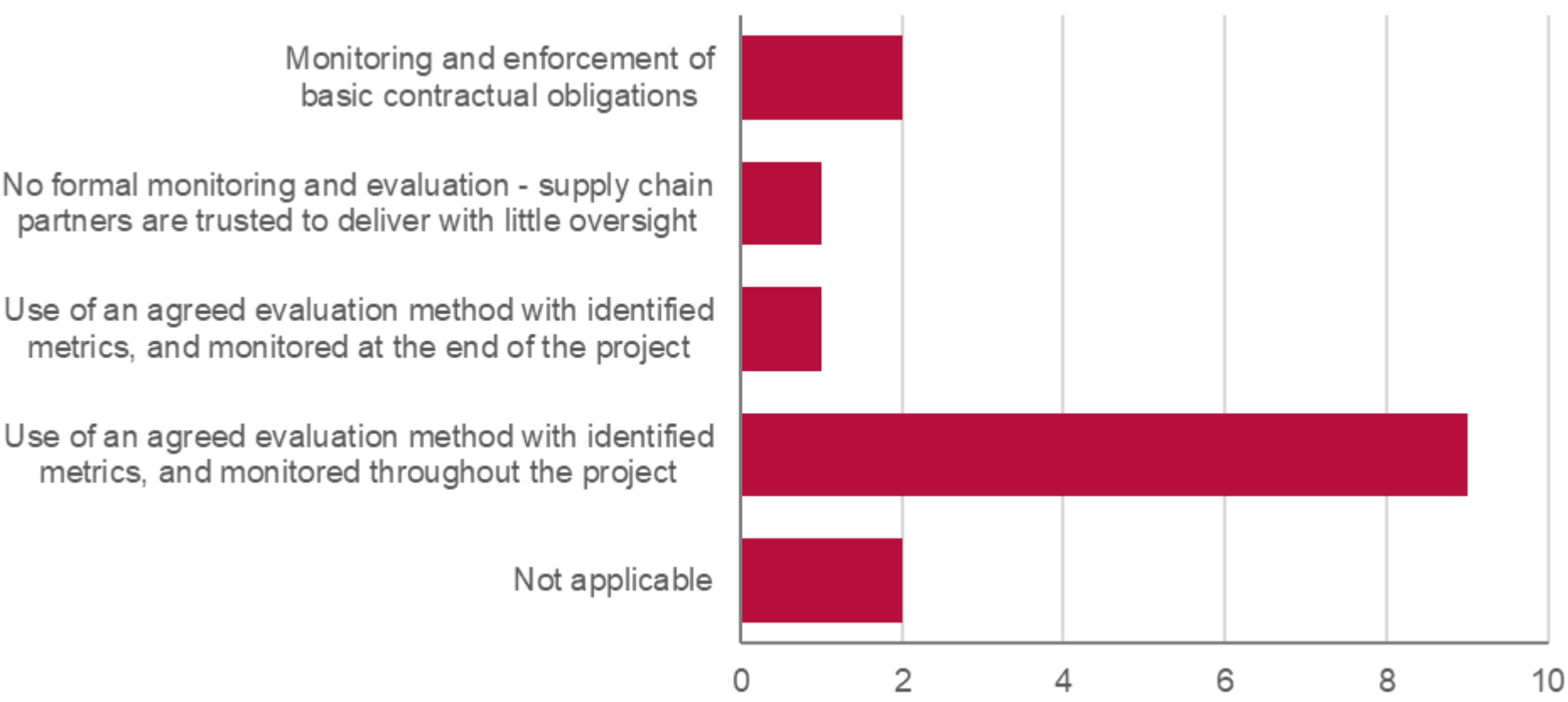


Figure 36 IED Tier 1 and 2 Survey - How do you ensure social value obligations are met?

“Measuring SROI [Social Return on Investment] also relies on data, and we weren’t collecting the right sort of data, so this is part of our own learning journey.”

Evaluating social value

Some interviewees also raised the issue that some common tools were too broad or didn't fit their priorities, which often led them to more bespoke approaches. There are some examples of models that apply or apportion different values to some outputs according to where they are delivered - reflecting that for example, a completing apprentice in Great Yarmouth is worth more locally than one in Surrey – and these tools have been recognised as embedding an important premise that could be used more widely. The HACT tool is one such example of locally determined values being applied to project outcomes. Indeed, there are examples of suppliers using these tools' financial proxies to value their own record of social value activities.

Tools vary in their detail and measure a variety of inputs, outputs and outcomes and do not always make it clear to users which of these are being measured. For instance, the National TOMs (Themes, Outcomes and Measures) Framework simply values the amount spent on homelessness reduction activities (an input), while another tool, such as HACT, provides the monetised value of the outcome of increasing housing security. Better education is needed about what tools are available, what they measure and where they are most appropriate to use, and this function could also sit within the Centre of Excellence as an independent and neutral organisation.

The IED survey asked the public sector and the suppliers on their use of some of the well-established tools in the social value space, finding some alignment in the use of the HACT⁶⁸, a large bank of methodologically consistent and robust social values, and LM3⁶⁹, which calculates the extent to which investment or spend into a defined geographical areas is re-spent there. There is a seeming divergence in the National TOMs framework, developed by the Social Value Portal and endorsed by the Local Government Association, with Tier 1 and 2s reporting higher use of this. The IED survey was keen to identify other important tools in the construction and infrastructure sectors, and a series were indeed identified by both clients and suppliers which are also listed.

How often have you used the following tools?

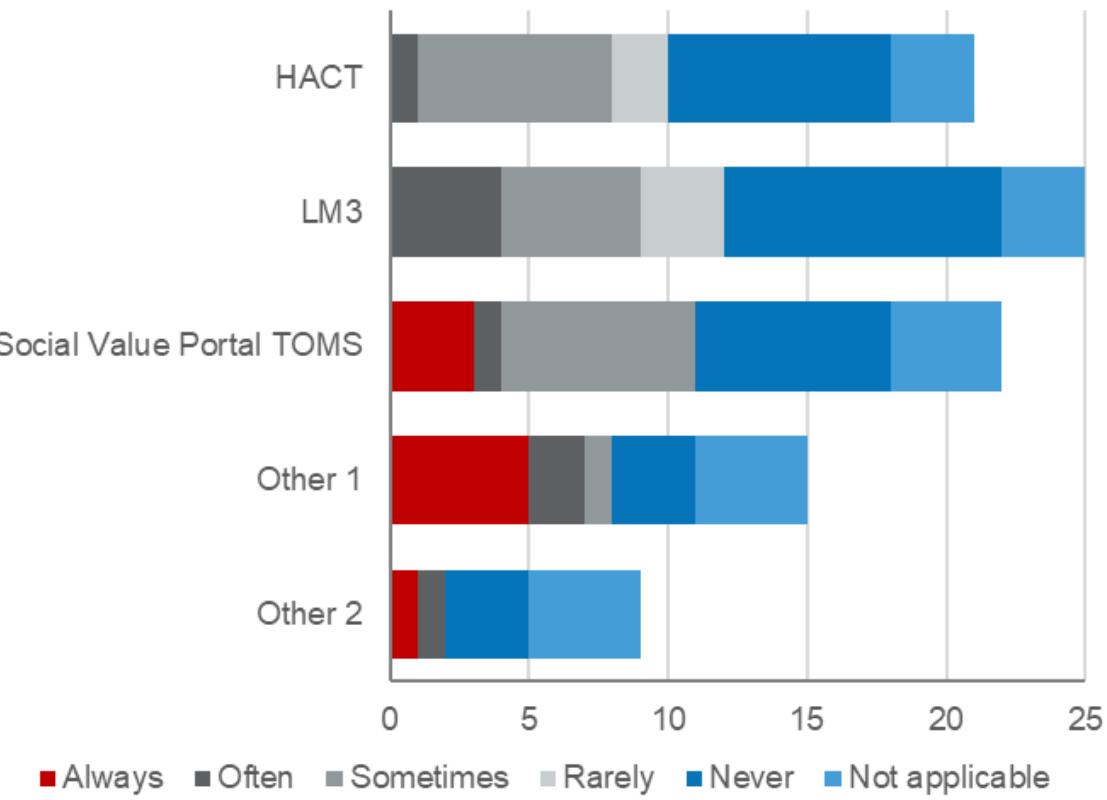
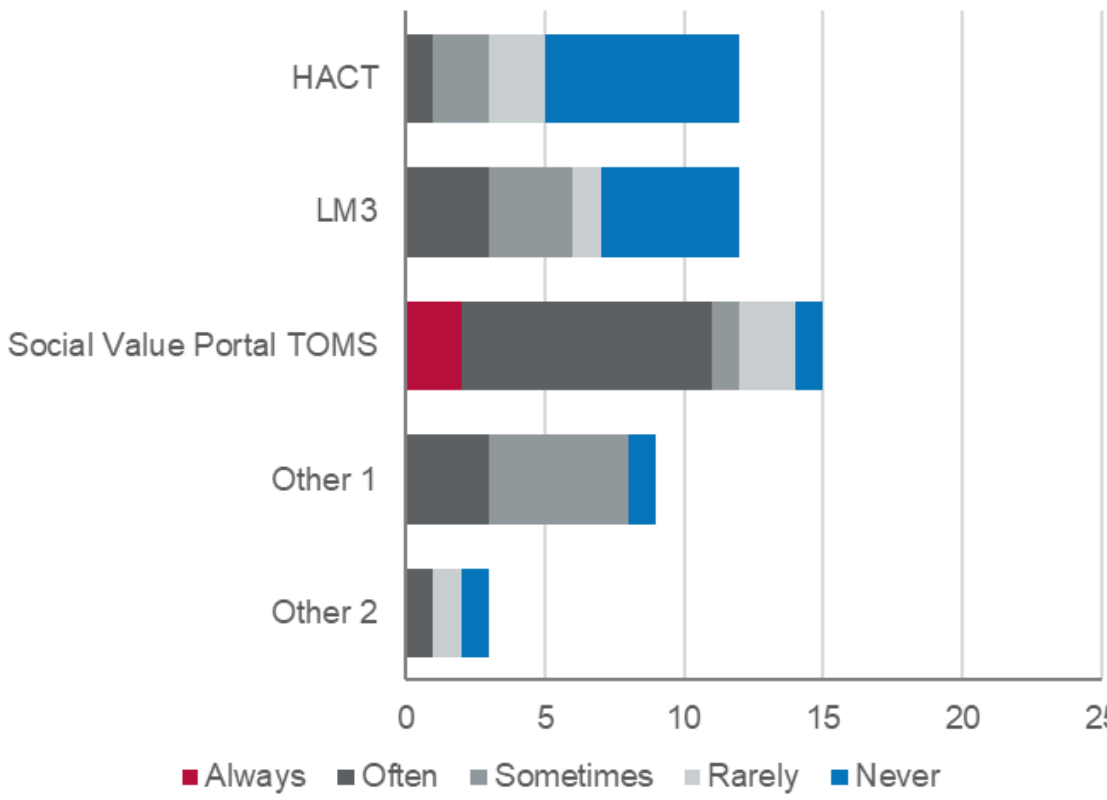


Figure 37 IED Survey Responses - Use of social value tools by clients and suppliers



Other client tools used:

CITB – The National Skills Academy Client Based Approach (x2)
Common Social Impact Framework for Rail (CSIF)
Social Value Engine (x2)
M2i
Own local employment and skills toolkit/charter or internal system (x3)

Other supplier tools used:

Supply Chain Social Value Bank
Social Profit Calculator
Bespoke Simetrica Social Value Framework under development
Common Social Impact Framework for Rail (CSIF)
NHS Social value calculator
Social value IAB
Internal benchmarking systems
Client tools (e Welsh community benefit toolkit) (x3)

Evaluating social value

The understanding of these tools and how they can be used in strategies is a worthwhile activity to support the public sector and suppliers alike, which some organisations in the social value space are already doing.

The Social Impact tool developed by Simetrica was mentioned by some respondents and interviewees, recognising its benefit in being aligned to the Green Book. The approach is deemed to be particularly useful as it produces a locally relevant value, with a perceived tailored and nuanced approach that could enable the construction sector to better measure aspects beyond that that has been traditionally derived from the on-site works, local spend and employment.

Furthermore, it considers the negative impacts of work, not just the positives, and provides a net answer. For example, if 500 homes and green space need to be demolished to make way for a new shopping complex or railway station, it calculates whether the negatives of one action are compensated for by the proposed social values of the second and arrives at the net, whether that is positive or negative. This greater transparency is to be commended and could be embedded into other tools.

The learning from other sectors in how to approach the need for more consistency, and monetisation, in the measuring and monitoring of social value can be utilised. The Common Social Impact Framework for Rail (CSIF) as a library of goals, indicators and metrics, provides a rating for these items according to how well they are founded and able to be valued and monetised as outcomes, with values and financial proxies provided. Such a collation, which builds on existing research, can help organisations quality assure their social value and procurement terms, including the quantification of social impacts.

It is suggested that tools could be further developed to be used directly with appraisals and business cases, supporting the investment case of projects as well as the procurement and delivery of social value, across the relevant parties.

The Supply Chain Sustainability School have also released guidance materials that cover how to measure social value activity with specified indicators linked to monitoring techniques, such as staff time reports and recruitment process records. This demonstrates the usefulness in linking measures to specific monitoring techniques/ tools and utilising material that is already produced.

The Cabinet Office's Social Value Act consultation proposed an evaluation model where many elements can be considered to be just good business practices discussed previously. They may not best enable locally relevant and added-value social value. The model included the following themes:

- Diverse supply chains – mostly good business practice.
- Skills and employment – some local relevance.
- Environmental Sustainability – some local relevance.
- Inclusion, staff mental health and wellbeing – mostly good business practice.
- Safe and secure supply chains - mostly good business practice.

Under inclusion, staff mental health and wellbeing, an outcome was ensuring businesses in the supply chain encourage more cohesive communities, with the description of how the suppliers could support local community initiatives. This is an example for how good business practice may be developed toward locally relevant and added value activity, especially where specific communities, initiatives and organisations are presented by the client for supporting and working with.

However, there are other policy elements under the themes that are arguably not social value, including:

- Ensuring supply chains are accessible to all types of businesses, including businesses owned or led by under-represented groups, such as women, BAME groups and people with disabilities.
- Ensuring businesses in the supply chain encourage inclusion and improved staff mental health and wellbeing.
- Modern slavery risks are reduced.

Many suppliers identified that they had their own social value policy (or strategy, charter), and there are examples of companies reporting their own social value with some of the tools discussed. There is a recognition that suppliers have both a) internal practices that can drive social value and b) project delivery that needs to deliver social value to meet their clients and community needs. These may both be used in procurement to respond to scored criteria, where there can be a muddling of this activity. There can be a lack of project focus to the proposed social value, especially where there is not a clear strategy, set of objectives and a measuring approach to frame the procurement responses.

In one interview, a Tier 1 supplier shared their approach to embedding social value across their company and functions. Every employee had a development review target for social value in their annual appraisals, where this could reflect various activities. Companies could utilise this type of approach both for teams' in-work behaviours and incorporating into their local delivery of projects.

Recognising social value delivery and contractual obligations

Every supplier respondent to the IED survey thought that they had delivered social value that was not formally requested by their clients and 76% thought that this was not recognised or valued by their clients. However, most clients thought that only “some” or “most” of the social value that is contracted actually gets delivered. There is clearly a disconnect between what suppliers think they are delivering and what clients think they are getting. This is demonstrated in Figure 38.

Some of this may reflect that not everything suppliers are delivering is measured and monitored, as it was not formally agreed, or that the social value is being delivered in other locations. Further, this may return to the issues discussed in the “Delivering social value” and “Partnerships” sections regarding inconsistent definitions, understanding and targeting, as well as the challenges in driving social value delivery through the supply chain.

“Having contractual obligations to deliver and measure social value was seen as the most critical factor involved in achieving high levels of social value by clients and was high on suppliers’ lists as well. However, the survey found that these were rarely enforced by clients, with only 10% reporting that they had ever undertaken enforcement action regarding the delivery of social value.”

Evaluating social value

When enforcement did occur, the following actions were taken:

- Contractors who failed to deliver social value in any given year, have had expected delivery rolled over to the following year and have been required to deliver it in addition to new annual commitments.
- Review the tender submission and where social value is offered this is built into contract meeting agendas so that it is discussed, monitored and delivered. Where promises could not be delivered, there is a negotiation of a rebate on the contract price as well as securing some of the social value promised will be delivered.

“Public sector/government is not good at monitoring, they don’t have the resources, and anyway, usually there is a clause in contracts that says, “use best endeavours”, so failure is always an option.”

As contractual obligations were also identified as a common challenge to delivering social value for both clients and suppliers, it is clear that improving this aspect of procurement should be a priority and could lead to a meaningful improvement in social value delivery.

“Wording is often included in contracts that suppliers deliver social value to their ‘best endeavours’ which provides a ‘get out of jail free’ card.”

Section 106 agreements are often seen as having more “teeth” in being contractually enforceable. social value needs to be better incorporated into contracts with suppliers and throughout the supply chain to help ensure delivery and monitoring takes place. If social value was accounted for appropriately in contractual obligations, it would provide a clear business motivation for suppliers to deliver and give clients a mechanism to ensure social value is achieved or compensated for in the case of non-delivery. It also helps to clarify expectations between both parties. More guidance to procurement teams and for suppliers on best practice in this area is likely to be required.

IED interviews with Tier 1 suppliers has raised the issue that there is still not enough benchmarking data for comparison. This limits the understanding of best practice and what good looks like across the sector and different project types. Whilst there are varied case studies available, with some discussed in Appendix B: Case studies, there is also no home for such data and case studies. The proposed Centre for Excellence could be a natural repository for such data.

In your view, on average how much of the social value contracted actually gets delivered?

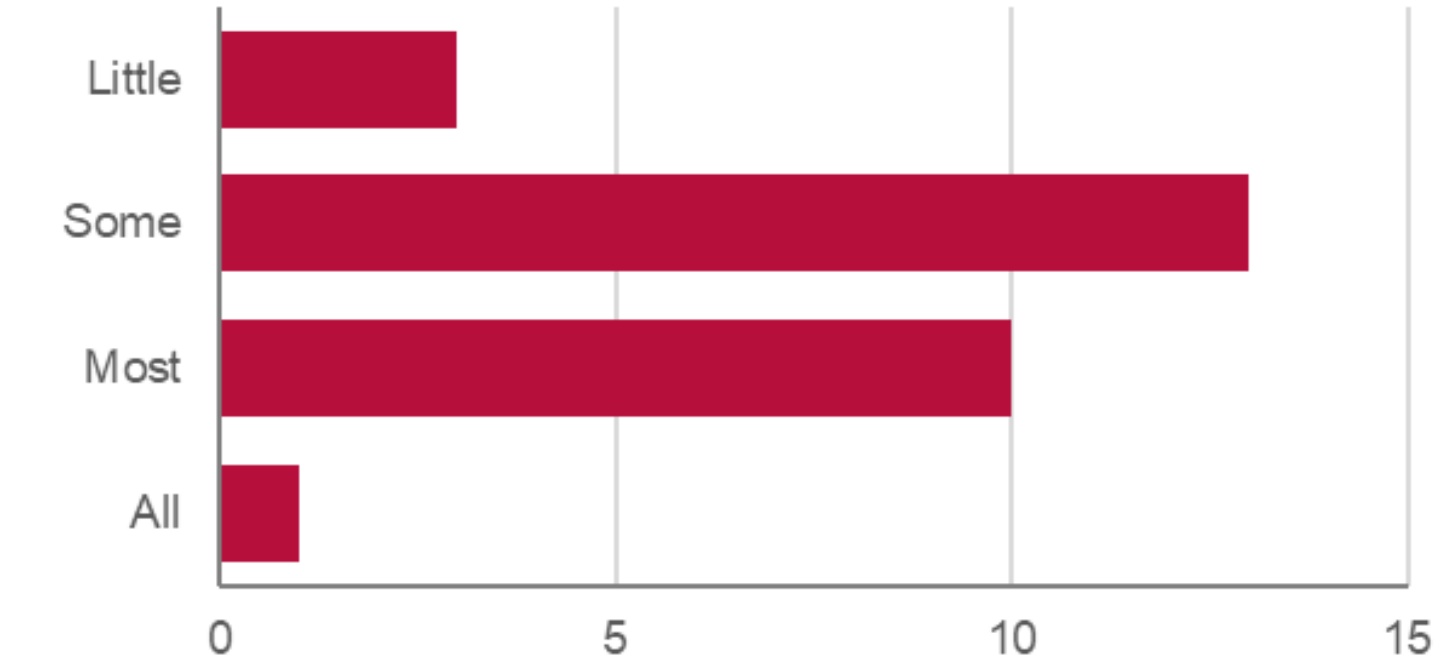


Figure 38 IED Client Public Sector Survey – How much of the contracted social value gets delivered

“Wording is often included in contracts that suppliers deliver social value to their ‘best endeavours’ which provides a ‘get out of jail free’ card.”

Appendices

Appendix A: List of Contributors

Appendix B: Case studies

Appendix C: Key Documents

Appendix A: List of contributors

Allerdale Council	Cushman Wakefield	Hughes Mechanical and Electrical Ltd	Oxford Council	Strathleven Council
Apex Scaffolding	Dar	Hyde Housing	CHC	Supply Chain Sustainability School
Arup	Darlington Council	Joseph Rowntree Foundation	Peabody Group	Supply Change
Atkins	Denbighshire Council	Keir Bam	Places for People	Sweet Construct
Balfour Beatty	Durham Council	Knowsley Council	Portsmouth University	Tempo Housing
Bam Nuttall	East Riding Council	Leeds Council	PPS Maintenance	Torbay Development Agency
Basildon Council	Enfield Council	Lendlease	Premier Traffic Ltd	Torus
Blackpool Council	ERS Ltd	Lincolnshire Council	Robertson	Transport for London
Bouygues UK	Fife Council	Mace Dragados	Fire Watch Ltd	Useful Projects Ltd
Building People	Future Projects Ltd	Mickledore Ltd	Saul Humprey	VolkerRail
CECA NorthWest	Grosvenor	Morgan Sindall	Scape Procure	Wakefield Council
Cheetham Hill	Harborough Council	Multiplex	Scotland Excel	Wates
CH-Y Consulting	Hardisty Jones	Network Rail	SJD Electrical Ltd	West Dunbarton Council
CITB	High Peak Council	North Yorks Council	Somerset Council	West of England Combined Authority
Coast to Capital LEP	House Builders Federation	Norwich Council	South and Vale Council	Willmott Dixon
Commonplace	Hughes Electrical Installations Ltd	Nuclear Decommissioning Agency	South Lakeland Council	YTKO Ltd
Costain			Southend Council	

Appendix B: Case studies

CASE STUDY

Connswater Community Greenway, Belfast

The multi-award winning, multi-partner Connswater Community Greenway was a £40 million investment that has transformed the quality, safety and vibrancy of a large underprivileged area in East Belfast, where more than 40% of children live in poverty, life expectancy is low, and the sedentary proportion of the population is high.

The project, combining improvements to flood protection with new, high-quality public and green spaces linked by a network of pedestrian-cycle paths, initially faced strong opposition due to concerns about anti-social behaviour, but this was overcome with a significant consistent, skilled and sincere public engagement effort using traditional and online channels. The number of schools, colleges, community groups and volunteers engaged greatly exceeded the project target.

Today, Connswater is a 9km linear park boasting a network of pedestrian-cycle routes and a civic square for outdoor events, supported by a busy visitor centre-café and a Sustrans active travel hub. The project’s civil engineering interventions improved flood protection for 1,700 homes and 5km of restored watercourses. Works also included the removal of unnecessary fencing, seven new and five restored bridges, and two refurbished play parks and MUGA pitches.

A core goal of Connswater Community Greenway is to encourage healthier and more active people and communities and to improve the public health of residents. Whilst the project delivered significant environmental and

economic benefits, including improved flood protection for 1700 homes, 5km of restored watercourses, training and employment of 325 people, and a doubling of visitor numbers to the area, the desired health improvements have not yet been realised. The PARC ‘before and after’ study on the activity, health and wellbeing objectives showed that these in particular were ambitious. In 3 health-related indicators (self-reported general health, meeting physical activity target and use of ‘active’ transport), the project-end measures were lower than the starting measures. The research was completed in the context of worsening inequality indicators for the area and austerity measures which may have had negative impacts on the health and wellbeing of the population which the project could not counter-balance.

A 2019 evaluation concluded that ongoing work to promote the use of the park and encourage physical activity are critical to success and achieving health outcomes. It recommended great care is needed when setting objective and timescales in areas of changing behaviours and attitudes as these are challenging and take a long time; monitoring also therefore needs to take a long-term timeframe.

For more information contact Michele Bryans at the East Side Partnership: michele@eastsidepartnership.com

Partners: EastSide Partnership, Belfast City Council, Northern Ireland Department for Infrastructure Rivers Agency, Northern Ireland Department for Communities, Connswater Community Greenway Trust, Big Lottery. BSG Civil Engineering, McAdam Design, AECOM, Jacobs, Arup, Farrans, Paul Hogarth Company



Photos © Chris Hill Photographic

Appendix B: Case studies

CASE STUDY

Changing minds, changing places, ‘Mini Holland’, Waltham Forest

The London Borough of Waltham Forest secured £27 million in 2014 to create a greener, healthier and more sustainable borough - reducing polluted and congested residential streets, increasing cycling facilities with secure parking, and improving walking and green public spaces. Their vision was to join cycle routes into a connected network, attract growth into the area, and reach 10% of journeys by cycle by 2020. The scheme, dubbed “Mini Holland”, met with strong opposition from many in the local community, including demonstrations and an application for a judicial review.

Delivering the scale of engagement required to overcome these barriers on a borough-wide basis could not have been achieved using traditional communication methods. Waltham Forest recognised that a digital platform would enable them to deliver the quality, intensity and consistency of engagement at scale and provide evidence of local needs to inform the design process. They wanted to understand the perceptions right at the beginning of each of the 33 local schemes.

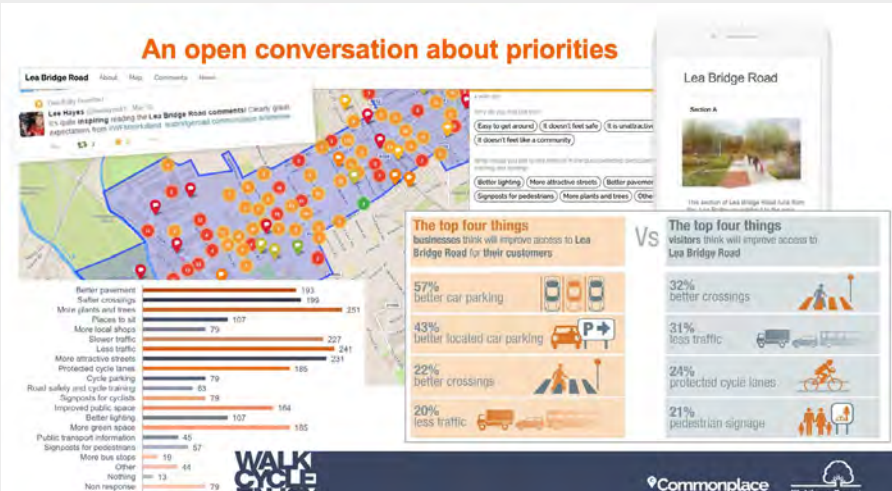
They chose Commonplace as their digital engagement platform because of its highly interactive and intuitive interface, and success in getting people to talk about their local needs, aspirations and challenges. The openness of the platform increases trust - people can see that other residents are participating, and what comments they have made: a ‘social proof’ that it’s not made up.

This encourages more people to take part and reduces challenges.

The Waltham Forest team used the granular evidence to play back to the community what was being said by different groups, such as businesses and visitors, as well as demographic segments. It was fed into the design proposals, which were then presented back to the community in a virtuous circle. Over 50,000 people engaged, and 15,000 actively responded across the 15 local areas.

Across the borough, there was twice as much positivity from the public in response to proposals for change compared to how they initially felt about their neighbourhood during the perception survey. More importantly, the first year of a longitudinal follow-up study led by University of Westminster found that people were already both walking and cycling more, and including a new uptake of cycling, not just existing ones riding more. A study from King College London found that people living in the borough will live longer because of the air quality improvements from these improvements. These changes were consistent across demographic and socio-economic groups, not just the perceived beneficiaries of the white middle class.

For more information, contact enjoy@walthamforest.gov.uk



Appendix B: Case studies

CASE STUDY

Hollybank Trust and volunteering, TransPennine Route, Western Alliance

The TransPennine Route upgrade (TRU) is a multi-million-pound rail improvement programme designed to have a lasting impact on people and communities and economic growth in the North, including the upgrade of four stations, and more track for improving journey times. BAM Nuttall, Amey and Arup formed the West of Leeds Alliance to work on GRIP 3 stage, identifying and appraising the various options for this major infrastructure investment.

Regardless of the size of the geography and the investment, local things are really important, and can change lives. The Alliance chose an amazing charity, the Hollybank Trust as their charity. Hollybank is situated in the centre of the route and shares connections with many mutual stakeholders – strengthening local partnerships is fundamental for the future of TRU. Their sustainability strategy focuses on 3 main areas: the world that sustains us, the communities around us, and the people that make us.

For over 60 years, the Trust has cared for babies, children and adults with profound, complex and life-limiting disabilities. Hollybank provide quality residential care for life, including education and wellbeing programmes which allow the residents and their families to lead a full life. It was recognised that the long term social and economic benefits of this service provision meant that these residents and their families can play an active part in society.

The West of Leeds Alliance delivered a number of volunteering events, one of which included the donation of disused railway sleepers to build raised flower beds. This enables residents to grow their own food, providing educational and social benefits. The team have also made improvements to the grounds, including upgrading recreational spaces in partnership with some of the residents and their carers.

Staff members collaborated with teams from the East of Leeds Alliance, Leeds Central and the TRU Programme Leadership to create a coast-to-coast cycling event covering 90 miles over two days. Over 30 local volunteers joined the Alliance volunteers, including cyclists, a logistics team and support staff, who gave a collective 480 hours of their time.

The £10,000 raised from all activities went towards the ‘Little Pips’ service provision for families who find themselves facing early life needs for babies with profound disabilities. It is the only service of its kind in Kirklees and Calderdale, and the life-changing completely support available includes a fully equipped nursery, early years’ speech and language therapy, and a hydrotherapy pool.

For more information, contact Faye Jenkins at Bam Nuttall.



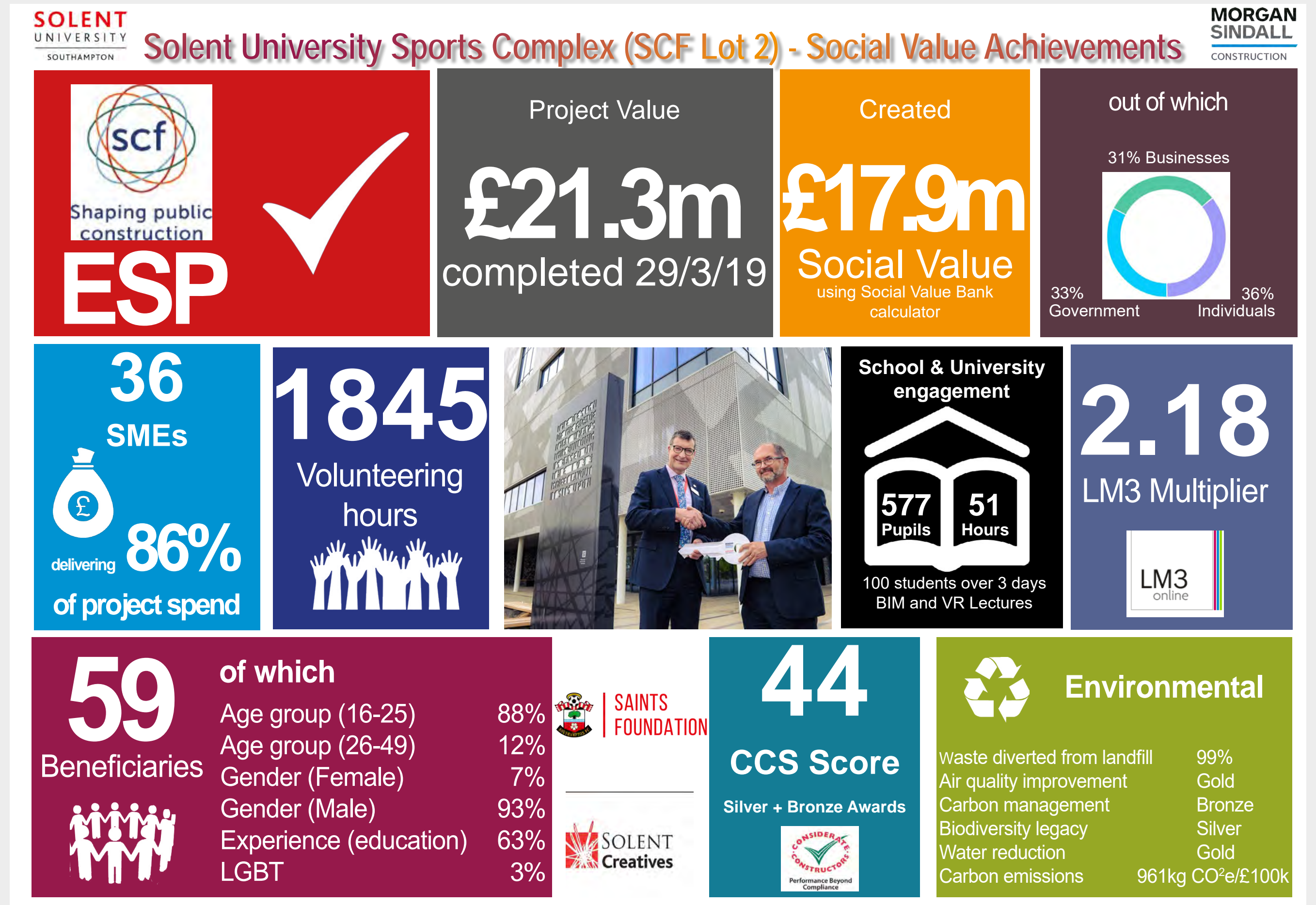
Appendix B: Case studies

CASE STUDY

Solent University Sports Complex

The following two case studies show how a range of social value has been captured in two new build projects. Situated in the heart of the city, the Solent Sports Complex is based at the University's main East Park Terrace campus and is the latest addition to a wider £100 million estates development plan.

For further information, contact **Louise Townsend** at **Morgan Sindall**



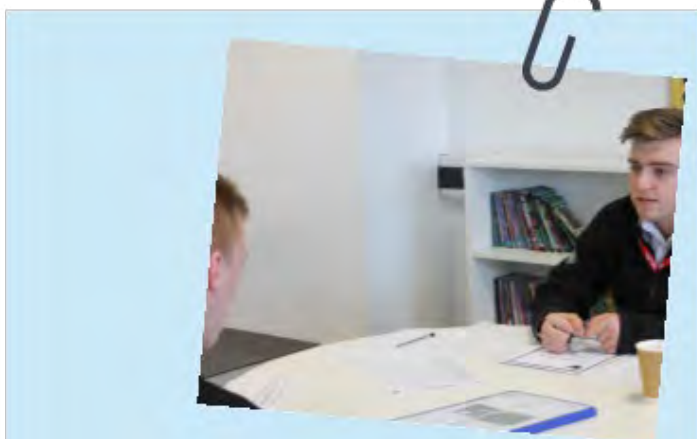
Appendix B: Case studies

CASE STUDY

Harborough Grow on Centre and exceeding SROI targets

The Harborough Grow on Centre at Compass Point in Market Harborough was built to provide grow-on space for local businesses, at a cost of £6.6 million, co-financed by ERDF, the District Council and the Leicester LEP. Completed in 2019, the BREEAM Excellent building is expected to enable the creation of 230 jobs and £20 million into the local economy, and the project has already significantly exceeded its targets for social value as set out below.

For further information, contact Mark Beddow, Major Projects Manager at Harborough District Council.



Mock Interviews

Nathan, Terry, Connor and Zoe from the site team took part in mock interviews across the region in various schools and colleges. In total 350 students were interviewed as part of the initiative. The Students had to complete an application form prior to the interview. A member to the team talked through the applications with the Students, practiced interview techniques with them and gave them constructive feedback. The sessions received positive feedback from the students for increasing their confidence and skills in interview situations. It was also felt that it was excellent preparation for their forthcoming college or apprenticeship interviews.

TELLING THE STORY



We spent the whole day, in three locations, with the local council, delivering IT support to elderly people in the community. We also visited three community centres and had also arranged chair yoga and bowls competitions.

63%
SPEND
WITHIN

20
MILES

1,020
hours supporting
unemployed
people into work

from sites

147

Payments made
in line with
government
fair pay
charter (19 days)
Industry average of 47 days

23

No of new
posts
created

SOCIAL RETURN ON
INVESTMENT TO DATE
£1,132,062.51



10,241
hours supporting
young people into
work.

99.57%
SME
SPEND



Appendix B: Case studies

CASE STUDY

Building local SME and VCS capacity in the Supply Chain agenda, Tower Hamlets

There nearly 17,000 businesses based in the London Borough of Tower Hamlets. While the borough is home to some of world’s largest financial institutions, 98% of local enterprises are small businesses which employ fewer than 50 people.

LBTH recognises that building the resilience of small businesses, increasing their capability of bidding for larger contracts, and enabling access into supply chains brings a genuine competitive advantage to both larger business customers and smaller suppliers. LBTH commissioned GetSet for Growth to deliver a new service, Supply Ready, in the borough to upskill and educate 1000 local SMEs and VCS organisations in formal procurement over a two year period. This also ensures a greater local legacy and robustness in supply chains.

The GetSet for Growth service provides flexible, high quality, strategic support to help SMEs grow their bottom line, delivering an average 62% turnover increase within 12 months of support. The specialist Supply Ready programme was embedded within it, focusing on upskilling participants in all aspects of getting ‘fit to supply’, from understanding how formal public and commercial procurement works, how to assess tenders, how to articulate strong value propositions and write effective tenders, the various policies and supporting documentation required in different sectors, and how to manage contractual relationships.

Most importantly, participants learned how to manage and deliver a significant new contract win successfully. This included planning and ensuring sufficient cash flow and working capital, having a ready supply of quality labour/ staffing/ equipment, and the skills to manage the growth process itself - being operationally sound and ready, so that over-trading as a result of a good contract win is avoided and sustainable growth achieved.

Via a series of workshops, masterclasses, 1:1 hands on help and expert mentoring interventions, delivered across the borough, Supply Ready also helped small businesses and third sector organisations understand how to partner and work collaboratively to deliver greater value. They were provided with access to GrowSmart, the online learning programme providing the equivalent of a two-week course in all aspects of growing a business underpinned by a library of in-depth resources.

Participants had already secured nearly £11 million of new contracts before the project ended, with another £3 million in the collective tender pipeline, and 46 new staff had been hired.

For further information, contact **Huw Morgan-Thomas** at **London Borough of Tower Hamlets**.



Appendix B: Case studies

CASE STUDY

Social value activity with young people, Bouygues

Whilst Bouygues carries out a wide range of people-focused social value activities in the UK, one of their particular areas of focus is working with children. This small photogallery shows some of their activities to inspire, educate and get young people more involved in STEM, their environment and construction.

“Single use plastic not so fantastic!” - An initiative with primary schools across the North and Midlands. Here, using single use plastic waste from Salford Quays, Yr4 students learned about the impact of waste plastic on the environment whilst they had fun creating marine sculptures.

“Wonderwall” - The Greenfields Children’s Building Collective was formed at the Children’s Centre in the heart of the vast regeneration area of Southall, following studies about walls including the Great Wall of China, Berlin and Wailing walls, and how they were built.

The collective launched a project to build an actual wall, starting with building a scale model by making their own bricks from garden clay. Then with the help of Bouygues site team and Catalyst housing, turning it into a Wonderwall that could be walked around, and decorated with children’s artwork in a spirit of hope and optimism for the future.

“Future Cities Challenge 2019” - In association with Minecraft, students from across the UK created a virtual building 100 years in the future on the theme of air pollution and plastic free. As well as producing the Minecraft design, entrants had to produce a scale model of their building, with extra points awarded for models with recycled material and moving parts! They also had to create a vlog about their learning journey and the unique attributes of their city, and make a 12 minute presentation to the judges followed by a short Q&A session.

The teams showed amazing creativity and dedication, and one of the regional winners now going on to the national finals, TBAP Academy in Cambridge, beat some very tough competition!

For further information, contact **Jeff Joseph at Bouygues**.

For further information, contact **Huw Morgan-Thomas at London Borough of Tower Hamlets**.



Appendix B: Case studies

CASE STUDY

Embedding social value in site employment and training, Mace

Mace offer the delivery of employment and training on our sites, specifically aimed at those people who are long term unemployed and hard to reach, and have experienced barriers to work. We have a successful legacy of working with those socioeconomic and hard to reach groups, utilising a sector-based model for construction, which focuses on the provision of employability and skills. The model is built around Service Level Agreements with a range of social partners including Jobcentre Plus, Crisis Skylight, Women into Construction, and Evolve (a part of CITB), all of whom are not for profit organisations.

We reinforce our expectations through our procurement and commercial teams to ensure contracts with our supply chain reflect our values and to support our suppliers to actively engage. We implement contractual obligations in our contract documentation so that all companies who are awarded the packages are also aware of their expected contribution to the socioeconomic benefits which will be gained on the project.

In terms of social value delivery:

- Apprenticeships: 30 apprentices are employed every year in Mace's business units, with roles ranging from quantity surveyors through to construction managers. We also identify vacancies through the supply chain which averages 90 further new apprentices on sites per year.
- Workless job starts: local labour is an important consideration on all our sites and in order to satisfy our commitment to employing local people, we broker opportunities with local Jobcentre Plus offices and local

council-led brokerages as a matter of course. In London alone, we sit on the Hackney Council Construction Forum, Kings Cross Construction Centre Board in Camden and Westminster Construction Forum. Almost 80 people who worked on a Mace site in London have come through these arrangements.

- Ex-offenders: Mace launched a scheme in partnership with the probation service and Crisis, the charity which combats homelessness issues, to provide employment opportunities for offenders being currently released from prison. In partnership, we have supported 20 ex-offenders with securing temporary accommodation on release from prison and a job opportunity.
- Local procurement: Mace integrates its local procurement strategy as part of our employment, skills and procurement plans, which include the following:
 - Identifying and putting forward suitable local suppliers/subcontractors for appropriate works packages;
 - Identifying the subcontracts that could be most suitable for SMEs;
 - Simplify the Pre-Qualification process; and
 - Organising a Meet the Suppliers day whereby Tier 1 subcontractors meet with suppliers in trades they need to procure.

Through this approach we have managed to achieve local spend of up to 13% of overall contract value and have a total supply chain made up of 40% SMEs.

For more information, contact **Sue Hardy at Mace**
Sue.hardy@macegroup.com



Appendix B: Case studies

CASE STUDY

Lendlease - BeOnsite initiative for sustainable careers for disadvantaged people

Lendlease is an international property and infrastructure group with core expertise in shaping cities and creating strong and connected communities. It has a long history of prioritizing environmental, social, and economic outcomes to support people. And that means everyone, including society’s most marginalized groups. Lendlease has worked with serving prisoners and ex-offenders on their construction projects in the UK for over 20 years and in 2008 established a not-for-profit organisation, BeOnsite, to further focus activities. BeOnsite works alongside the business’s property and infrastructure projects to support less advantaged people, from all walks of life, into sustainable careers. Its work serves to ensure that regeneration does not simply change the physical built environment but delivers on the opportunity to transform lives.

The key to BeOnsite’s work is employing individuals directly as a Living Wage employer. 87% of BeOnsite employees have at least one, and often multiple indices of deprivation as measured by the Government, which can result in them facing, complex and overlapping practical issues – any one of which can, without appropriate support, be enough to overwhelm their efforts to access and sustain employment.

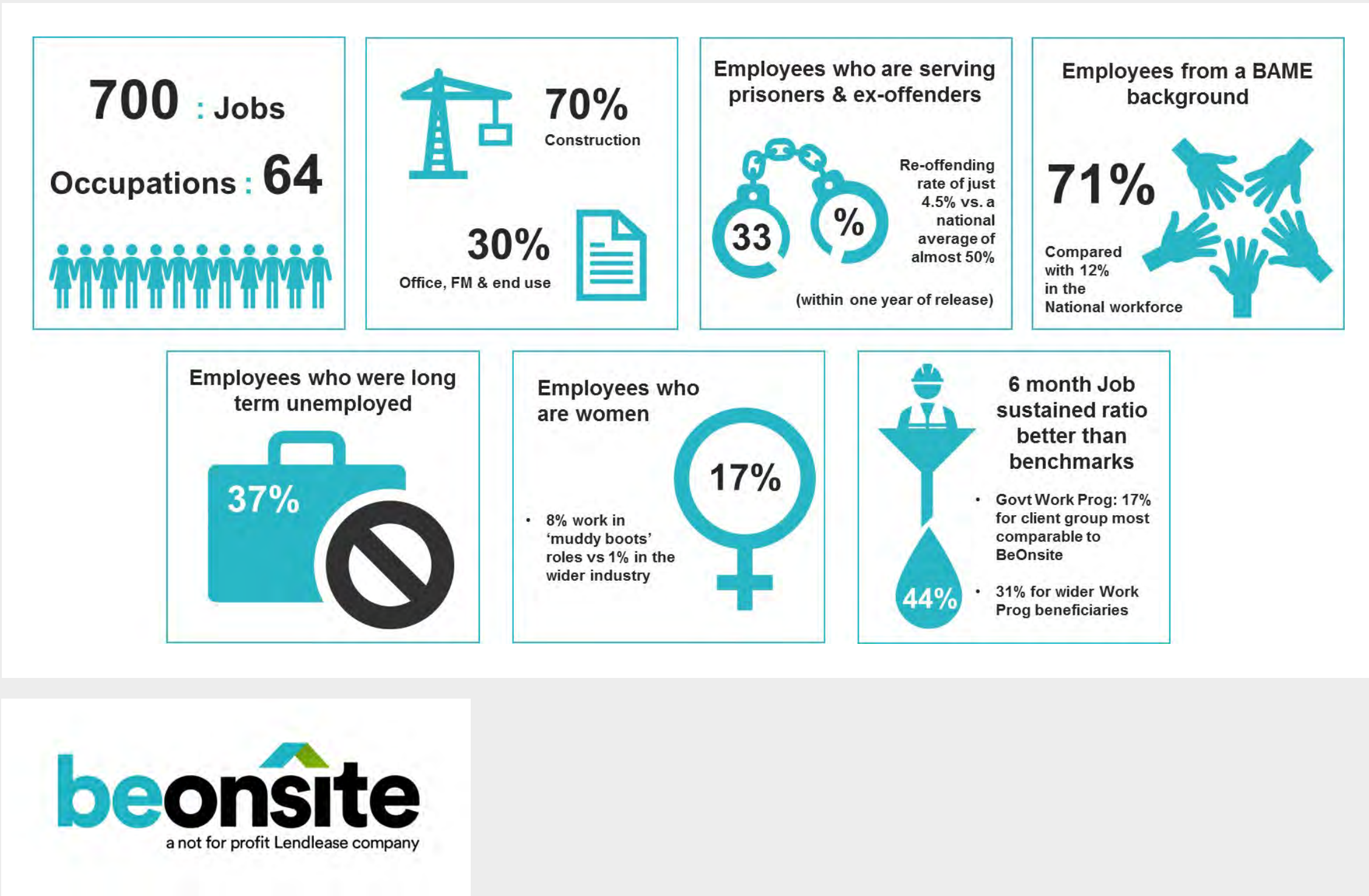
Self-employment, or employment through complex umbrella arrangements or traditional agencies, for inexperienced new starters can be precarious and risks individuals sinking into rent arrears and financial hardship.

Direct employment, on living wages mitigates these risks and is fundamental in providing the foundation upon which employees can build a successful career. BeOnsite employees are hosted out to the Lendlease supply chain with both employee and contractor supported by a dedicated recruitment and retention team, thus allowing the employee to concentrate on their work, their personal development and their team.

As well as a strong focus on improving diversity, (71% of employees are from an ethnic minority), the BeOnsite team are equally as passionate about continuing to improve life chances for those with criminal convictions. With one in three males between 18 and 52 having a criminal record, they form a significant proportion of the groups excluded from the job market. With this demographic in mind, BeOnsite developed Mind the Gap, a specialist programme funded by the CITB. Mind the Gap is delivering 60 sustainable employment opportunities through delivering long-term training and support for 400 businesses, and offering sustainable employment opportunities to 120 serving prisoners and ex-offenders.

Working with project partners A Fairer Chance, Bounce Back, Dominic Headley Associates and Nacro, the programme has already supported over 350 businesses, employed 134 people, and helped 55 individuals sustain their budding construction careers.

For more information, contact **Jessica Mellor-Clark** at **BeOnsite**



Appendix B: Case studies

CASE STUDY

Social value through environmental future proofing at Hampstead Heath

Atkins were commissioned to design and secure consent for a scheme that virtually eliminated risk of dam failure in extreme storms. The proposals included raising and restoring dams, a new flood storage dam, spillways, pond enlargement and associated landscaping, habitat creation and desilting.

The Heath is a sensitive site of significant historical, recreational and ecological value. This Project set a new benchmark in landscape-led holistic design, protecting and enhancing the landscape character of Hampstead Heath and ensuring the protection of downstream communities from flooding. It included mitigation to protect trees and wildlife during the work and to restore areas after engineering works. Sustainable alternatives to concrete, including turfed bioengineered spillways, were used and silt was re-used to create wetland planting. Nature-based solutions improved water quality and biodiversity and over a thousand wild flower bulbs and plants, 40 trees and 140 shrubs were planted.

In addition to Future Proofing the Heath against climate change and enhancing the natural environment, the Project has improved accessibility around the Heath and provided a new, accessible changing facility at Ladies' Bathing Pond.

It also engaged and gave a voice to local people who helped to inform the Project, forging close and ongoing relationships between different resident, user and amenity groups, and the Heath management team. While many local people were in favour of the scheme, the proposals were controversial and received extensive media coverage. Collaborative working between City of London, Atkins engineers, planners and environmental specialists, BAM the contractor and the Project Stakeholder Group alongside an effective communication strategy was key in educating stakeholders, securing buy-in and ensuring the successful delivery of the project. Communication included: site information boards, guided walks, a website, social media, mailshots, a poster campaign and a successful education programme engaging over 3,000 pupils. Early contractor involvement, with proactive involvement in consultation, was critical in ensuring effective delivery. The consultation format is now being used by the planning authority on future similar sized projects in the borough.

Awards: ICE London Community Benefit, CIRIA Big Biodiversity Award.

Contact: Jo Farrar, joanne.farrar@atkinsglobal.com



Appendix B: Case studies

CASE STUDY

STAR framework

STAR is a public sector shared procurement service, established in 2014. STAR have moved from a three to a six-partner organisation and works collaboratively with Councils, Clinical Commissioning Groups, Housing Trusts and the Greater Manchester Combined Authority to name a few.

STAR’s ambition. beyond their own sustainable growth and delivering increased savings is to improve economic growth by increasing the local spend within our partners’ Boroughs and Greater Manchester with a particular focus on local businesses, SMEs and VCSE organisations.

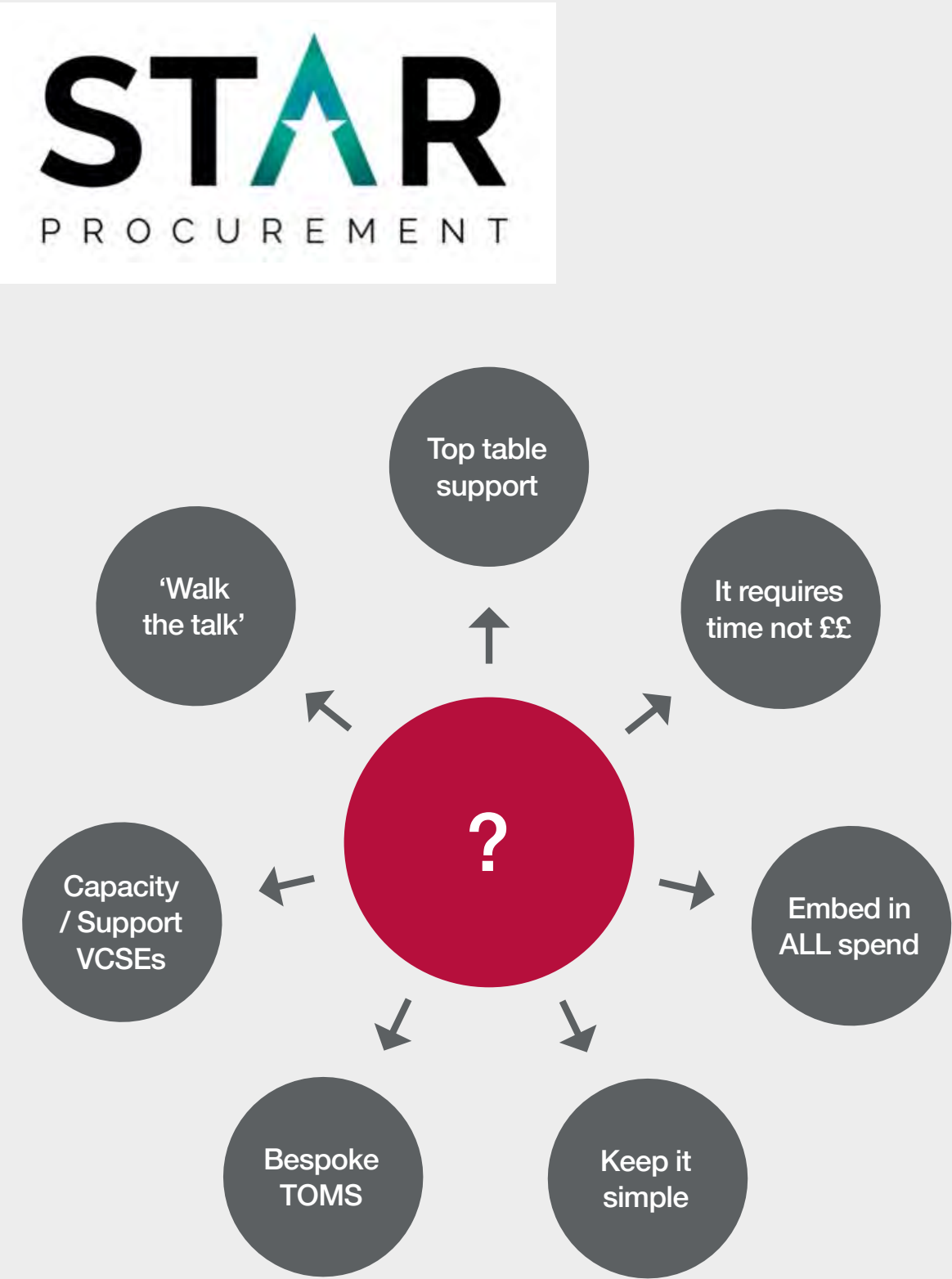
With a clear vision and targeted, multi-pronged approach, STAR have improved local spend, improved compliance and more recently, demonstrable social value outcomes. All these work streams are interdependent and have enabled improvements at a considerable pace with the support of leaders, members, chief officers and commissioners.

With proactive stakeholder engagement, the outcomes have far exceeded expectations:

- 55% of tenders awarded have been to Greater Manchester businesses
- Of the £78 million contract values through the Portal, £21.6 million of committed social value has been secured, a return of 28%
- 37% of bidders are local to Greater Manchester

STAR is not standing still and is continuing to drive forward this agenda within our region. We’re happy to share the key lessons that have been learnt along the way.

For more information and case studies, contact **Lorraine Cox** at **STAR**.



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