

SOCIAL VALUE IN CONSTRUCTION

Benchmarking Report 2023



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Part 1

Social value benchmarking

EXECUTIVE SUMMARY

This report provides a snapshot of social value delivery across the UK, which has been delivered through a range of construction, civil engineering and consultancy projects.

This is the third annual report, which draws on project data, industry expertise and insight from Social Value Portal, SCAPE and its delivery partners.

Our benchmarking is not exclusive to the SCAPE frameworks; we invite and include project data supplied by Social Value Portal, from our peers in the National Association of Construction Frameworks and all clients, contracts and investors who value sustainable development and wish to see the relative effectiveness of their projects compared objectively to national trends.

This year, as well as analysing the data, qualitative feedback from SCAPE's framework partners was also collected. The insight from 23 construction companies and consultancies gained through surveys and interviews has shaped this report. It is, first and foremost, a recognition of the wider industry's achievements as they work to enhance social value delivery across the UK.

Our analysis of nearly 500 construction projects, worth over £4.57bn, generated £1.08bn social value return on investment.

This equates to a 23.6% SVA in 2022, compared to 19.5% in 2021.



Local spend and employment measures continue to make up the majority of the social value generated, it is encouraging to see a diverse range of other community benefits being delivered.

Whilst it is harder for smaller contracts to incorporate a wide range of measures, a larger percentage of their labour and supply chain spend remains local. Usage of environmental measures is still relatively low, but largely, companies recognise the importance of the climate emergency, and we expect environmental preservation to play an increasingly important role in the future of social value.

The survey shows that all partners involved have the capacity and capability to deliver social value, and provides an insight into the key challenges during the process of measuring and reporting.

Social value is now embedded within their corporate strategies, giving them a clear starting point on contracts, and the flexibility to respond to client needs and contract circumstances. Tailoring the offer to the places and communities around a project location is crucial, allowing for a contextualised approach with the appropriate focus.

Tailoring the offer to the places and communities around a project location is crucial, allowing for a contextualised approach with the appropriate focus.

Views on reporting social value using the TOM System were varied, depending on the perspective. Largely, respondents consider the TOM System straightforward and user-friendly.

Responses did highlight the opportunity for further support to help less frequent users better understand and apply them.

Social value has become increasingly important in public sector contracts over the last decade, but we are now also seeing this best practice being reflected in some private sector contracts. This indicates that social value is becoming part of the wider economy and is not just a function of public sector tenders. This wider consideration represents a huge increase in the opportunities for communities and places.

As in previous reports, collaboration is a key theme throughout. Respondents emphasised the importance of cross-partner working and the benefits of sharing ideas and resources between regions, contractors and projects.

Further exploration is needed on whether there is still 'hidden' social value going unreported that could be unlocked by tweaking delivery and reporting structures. There is a strong appetite for collaborative discussions and a greater focus on the qualitative aspects of social value, including sharing more real-life stories and community impacts. This is needed to improve the understanding of social value amongst clients and the wider industry.

In summary, industry partners are becoming progressively more mature in the way they consider, apply, measure and report social value. This sets strong foundations that can be built upon to evolve and refine our collective approach.

INTRODUCTION

The construction industry has the power to provide meaningful social value.

Most would now agree that it is important to capture and record social value on projects, but it needs to be done consistently across companies, locations and the sector, to enable progress to be measured, and approaches to be adapted.

To support this, SCAPE and Social Value Portal have been working together for four years to produce an annual Social Value in Construction

Benchmarking Report. This report, the third in the series, draws on data from Social Value Portal, SCAPE and its delivery partners across the UK in 2022, and provides recommendations for improving social value delivery in the coming year.

Despite underlying pressures in construction due to macroeconomic conditions and a levelling off of new orders in 2022 compared with the previous year, the increase in social value added in our sample shows the industry's engagement with social value is on the increase, notwithstanding lower levels of investment.

To capture social value delivered, the projects analysed use the TOM System, which is a nationally recognised social value measurement system. The report examines both the scope and extent of social value delivered. Analysing the social value activities and their variations within projects helps to assess the industry's progress, adding much-needed nuance to our understanding of social value delivery.

To enable direct comparison with data from previous annual reports, the figures included are only from completed projects.

For the first time, the benchmarking analysis is accompanied by a survey of SCAPE's delivery partners to provide a perspective on social value engagement amongst businesses in the sector and of how companies on the front line of delivery are responding to the challenges and opportunities.

SCAPE has a long history of building social value into its frameworks, which long predates the introduction of the Social Value Act in 2013. It takes a proactive and innovative approach, embedding it into every SCAPE project, which is reflected in the findings of this report.

With a long history of building social value into its frameworks, SCAPE's approach was developed as a founder member of the Social Value Task Force, which both predates and has informed the development of, the Social Value Act in 2013.

SCAPE takes a proactive and innovative approach embedding social value into every project delivered through its frameworks, which is reflected in the findings of this report.

Over the last four years, SCAPE has fostered collaborative, cross-partner discussions and has developed three place-based Community Legacy Programmes across the UK, which enable the impact and community benefit from projects to be shared across its client network.

Working in partnership with those on the programme, SCAPE facilitates an environment for collaborative investment in social impact, for sharing knowledge and best practice. These forums are used to drive the co-production and delivery of wider community benefits, which align to the mission statements of the group's members.

The initiatives developed must be designed to be repeatable, highly cost effective and consistently deployable as part of, or alongside, the social value delivery on individual framework projects.

Initiatives delivered through the Community Legacy Programmes have included:

- Joint investment and volunteer hours to support carbon literacy training to Scottish supply chain businesses in partnership with Keep Scotland Beautiful.
- A fully funded secondary level work experience programme during COVID19 lockdowns; delivering an academically accredited week long syllabus that benefited more than 500 young people in partnership with Class Of Your Own. A regionally tailored, hybrid work experience programme in 2021, co-sponsored by Derby City Council, SCAPE, the Department for Education and the D2N2 LEP, supported by volunteer time from SCAPE framework partners.
- An "out of the box" template activity for community engagement or local schools, that converts pallets into planters to connect into the Pollinator Superhighway Biodiversity Programme.

Collective investment in a shared early career stage learning and development programme for on the job education in planning for and delivering social value

SCOPE

This report has two sections.

Part 1
An analysis of social value delivery in construction during 2022

Building upon the analytical framework established in previous annual reports, this section examines the employed measures and variations in delivery, for 500 projects, across a range of contract values and regions.

Part 2
Perceptions of social value within construction

Key insight from SCAPE's 23 framework delivery partners highlights some of the key challenges they experience in measuring and reporting social value, and how the sector can drive continuous improvement and innovation in this space.



KEY FINDINGS



1. This year's report is based on a sample of 499 projects; the number of participant projects in scope continues to grow year on year (up 25% cf. 2021). Project contract values in the sample ranged from below £20k to over £200m. The sample covers a total capital investment of £4.57bn.
2. £1.08bn of Social Value was generated from this investment; with a social value return on investment of 23.6%, up from 19.6% in 2021. The Social Value Added (SVA) % has continued to rise year on year with strong evidence this is delivered on the back of the shared ambitions of both clients and contractors/developers. This was true despite underlying pressures in construction due to macroeconomic conditions and a leveling off of new orders in 2022 compared with the previous year.
3. Smaller contracts typically generate a higher social return on investment than larger projects.
4. Regional variations may be in part explained by this trend, with regions where contract values are higher demonstrating lower social value added levels than regions with lower value projects.
5. The majority of the Social Value created continues to be attributable to the use of local labour and supply chains. In these areas there are relevant constraints for larger projects associated with the availability of a suitable local labour force and the need to ensure project supply chains are both local and resilient.
6. Environmental measures are not extensively used yet, despite increasing awareness of the need to tackle these issues.
7. A wider range of social value measures is being selected from the TOM system across all projects, but notably in larger projects. This trend has the potential to enhance future social impact.
8. Our market engagement work has demonstrated contractors and developers have an appetite to deliver greater social return on investment but there remain some practical barriers to widespread adoption, for a number of reasons.
9. Effective place-based action plans and framework level strategies for commissioning and collaboration can yield significant betterment in social value returns on projects.

HEADLINE FIGURES

£1.08bn
of social value was generated as a direct result of nearly 500 completed construction projects, valued at over **£4.57bn**

The total social value return on investment for completed projects was

23.6%

Headline figures

	2022	2021	2020
Sum of capital invested	£4.57bn	£5.53bn	£5.53bn
Number of projects	499	402	353
Overall social economic value	£1.08bn	£1.08bn	£949m
% social and local economic value added	23.621%	19.55%	17.41%
% local economic value added	23.23%	18.50%	16.69%
% social value added	0.39%	1.05%	0.72%

An interim report for the first half of 2022, produced ahead of MIPIM in March 2023, showed a higher social value return on investment of 30.3%. With the full year sample

now in place, we have seen the year end-data return somewhat lower figures; this is likely to be a simple statistical consequence of a smaller sample size in the interim report.



CASE STUDY



Delamere Forest, Cheshire

Project value: £9m

Social value return on investment (SRI): £1.8m

Apprenticeships: 4

During delivery of a new wooden-framed visitor welcome hub, Willmott Dixon Construction and SCAPE created a 19.7% social return on investment for Forestry England, through:

- **A construction mentoring programme**, delivered to 12 students at South Cheshire College, one then completing a 32-week work experience placement with Willmott Dixon.
- **Creation of a legacy garden on unused land**, with additional works outside the main scope including landscaping, paths, bug hotels, picnic tables and rainwater harvesting.
- **Volunteering on local projects, including helping**
 - Creating a new pathway for Silverdale Park in Salford.
 - Planting 200 trees at Waterdale Park in Prestwich as part of the Tree Charter Volunteering project.
 - Working with pupils at Buttermere Primary School to contribute to the largest survey of England's forest wildlife, which supports the protection of their natural habitats.

[Click to find out more](#)



TRENDS IN SOCIAL VALUE ACROSS CONTRACT VALUE RANGES

How Social Value Return on Investment changes by contract size

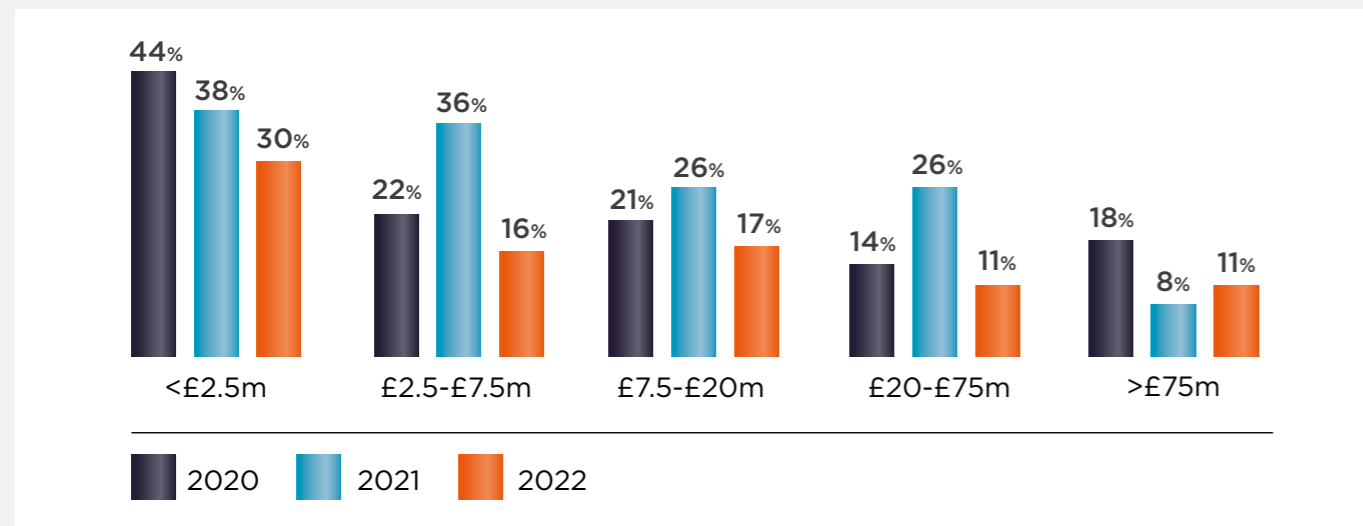


Figure 1: Average social value created per contract value band.

The distribution of the level of social value return on investment (%) by contract size remains broadly the same as in previous years. Smaller contracts deliver more value as a proportion of their contract spend than larger projects.

The larger sample size of projects this year reinforces our confidence in this trend.

In our previous reports, we have noted that because a large proportion of value created derives from the amount of local jobs and local supply chain spend delivered within a contract, there is a natural limitation on how much local delivery can be achieved. As contracts increase in size, the ability to recruit a local labour force becomes very challenging as there is simply not enough relevant skilled labour in the local population; further exacerbated by market conditions and declining numbers of skilled tradespeople in some professions across the UK. Equally, in larger projects, there is often a demand to mitigate the commercial

risks arising from overdependency on any one subcontractor (especially with greater risks of insolvency in the current market). There are rarely multiple subcontractors to serve major projects in a local radius so inevitably the amount of local jobs and supply chain spend will reduce.

We have also previously noted that the amount of resource available to deliver social value is not necessarily commensurate with increasing contract values.

In last year's commentary, we noted that larger contracts can respond with improved returns with a broader, more proactive strategy for delivering social and environmental measures; especially where not connected directly to employment or subcontracting. Within this report, the Perry Bar Regeneration Scheme case study provides an example that defies the trend in Figure 2 entirely and does access a very high number of measures.

How use of social value measures changes by contract size

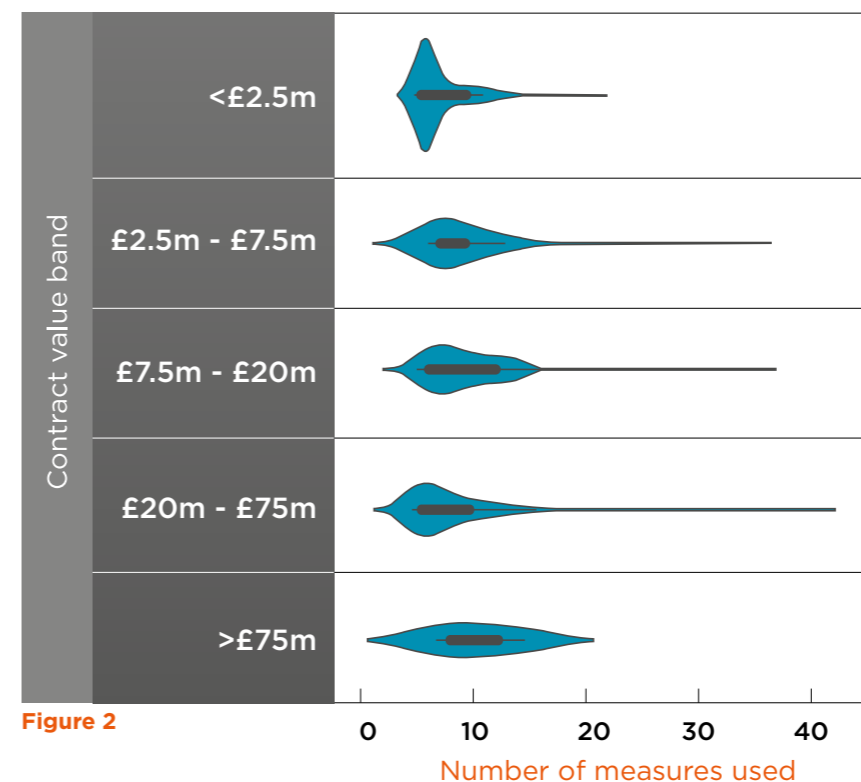
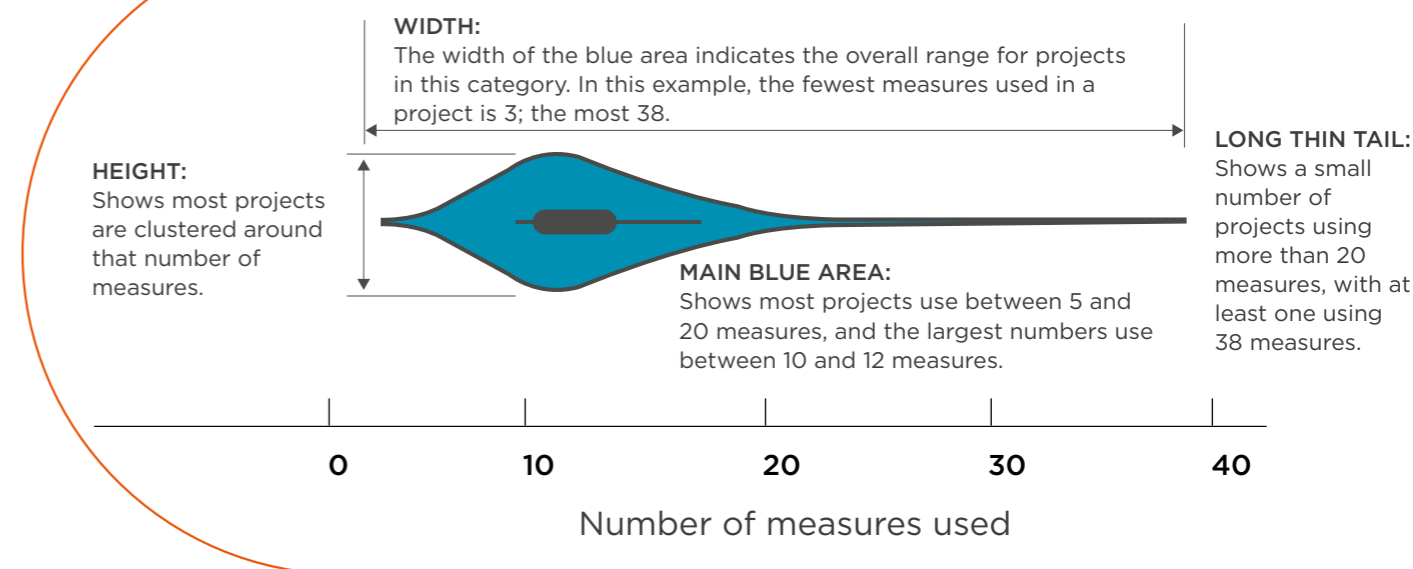


Figure 2

INTERPRETING DATA CHART ABOVE



- A significant majority of projects below £2.5m use between three and five measures.
- As contract values rise, so a greater number of measures are more frequently used.
- Ignoring outliers, for projects above £7.5m in value, between five and ten measures is the most common approach, but it is not uncommon for projects to use more than ten measures.
- For the largest value band, projects above £75m, more than ten measures are regularly used and it is not uncommon for 15 or even twenty measure to be selected.

As in previous years, we continue to see the greatest number of projects, especially at lower value bands, utilising around five measures to report social value. We also continue to see the number of measures rising as project value bands increase. There could be a number of reasons for these trends.

The data from our survey and interviews (see Part 2) shows that delivery partners are generally keen to undertake a broad range of social value activities. It is therefore not surprising to see the long-term trend continue for more measures to be used year on year. The addition of more refined measures in the social value TOMs system to capture social and notably environmental value (to supplement measures for reporting local jobs and spend) have come more recently, including in the 2022 update to the TOMs system; so it is natural that adoption of these measures will become more prevalent as they become more familiar to contractors.

However, the feedback also reveals that, for now, organising these activities can be time and resource heavy. It needs consistent effort by informed personnel, and close collaboration with stakeholders. Social value is something everyone has a shared responsibility for, but it is often one of many priorities for the project team to balance, and during delivery, resources are limited in both public and private sector projects. Capturing a smaller number of measures accurately and with a clear focus is a very simple, practical and repeatable approach for project teams to use. Making use of the best understood and time effective methods to capture and report value, especially using local spend and local labour measures is therefore very prevalent.

The focussed use of a small number of measures may in part be a reflection of SCAPE's prescribed project performance management approach which encourages up to five measures from the TOMs system to be selected as contractual priorities (KPIs) by clients, with the full use of the wider TOMs measures advocated to record and report overall project social value impact. This approach is intended to enable the parties to tailor contract-specific measures to prioritise the activities that align to individual client strategies and local priorities. This approach can be seen delivered to great effect in some of our case studies, but may also have the unintended consequence of narrowing the scope of reporting; especially where time is of the essence.

Respondents to our survey felt that sometimes a relatively low contract value or short contract duration restricts the time window for planning. A focus on each specific contract may make it harder for social value initiatives to evolve over time as initiatives can be fragmented rather than part of a wider programme that has continuity within a larger organisational operation, a programme of works or in a collaborative setting with a place-based focus. Clearly, defining local social value needs and incorporating these priorities into contract is an effective catalyst to ensure social value is considered in each investment, but it appears care is needed to avoid the contractual scope being a throttle for social impact.

Smaller projects typically maintain a higher % social value

The discussions with contractors suggested there may be a significant amount of social value that is not being reported. This could be due to:

- Social value being delivered that is not directly attributable to a contract.
- Smaller projects being part of wider maintenance programmes, which prioritise building repair and condition over new build projects or substantial refurbishment.

The companies servicing these contracts generally have less opportunity to focus on social value in their projects due to budget constraints, and limited planning time, and time on site.

However, there are ways of delivering social value in smaller and shorter projects.

The survey clearly shows that contractors come to a project prepared, and that having a pre-set list of social value activities is now a standard approach. In addition, reporting under the TOM System allows for an allocation of corporate social value projects to a particular project, as long as this can be justified.

We should also note that while smaller contracts can struggle to implement a wider range of measures, a larger percentage of their labour and supply chain spend remains local. This is reflected in the data, with smaller projects typically maintaining a higher percentage of social value added than larger contracts.

CASE STUDY



Livingstone Primary School, Bedford

Whilst working on projects in the local area, Ashe Construction partnered with community interest company Food etc, to fund a series of workshops for school children and their parents to promote healthy eating and leave a positive legacy.

The sessions gave people from disadvantaged backgrounds the basic knowledge and skills they need to shop smartly, eat high-quality, nutritious food and cook delicious meals for their family, from scratch.

The social and environmental impact of empowering people to make more conscious food choices will be shown within the health and wellbeing of the community for generations, and the workshops were such a success, that more will be delivered in the future.

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“

From the start, we worked hard to develop a truly collaborative approach to social value. We set up a social value steering group that included all project parties and the wider stakeholder network. That group formed the strong foundations that has supported us to achieve brilliant results for the wider community, including engagement with schools, SME engagement and creating workplace training and employment opportunities for local people.

Our thanks to contributing Tier 1 supply chain partners Willmott Dixon, Vinci Construction, Careys, Munnellys and Kier Construction, and their supply chains, for enabling the successful delivery of these outcomes – and exceeding 98% of the project’s social value KPIs.”

Anna Evans, Project Director – Lendlease

CASE STUDY

Client: 



Perry Barr Residential Scheme, West Midlands
Social value return on investment (SRI): £267m

As part of this key legacy project of the Commonwealth 2022 Games, Lendlease and their supply chain created high volumes of social value and community engagement, including:

Local employment:

- 41,544 work placement days**
- 659 employment opportunities** (77% within 30 miles)
- 97 apprenticeships**
- 1,345 local people being upskilled**

Local spend:

- £923k** spent with Voluntary, Community and Social Enterprises (VCSEs)
- £101k** spent with local Small to Medium Enterprises (SMEs)

Partners in the community:

- 2,500+** volunteering hours
- 10,500 students** engaged through careers talks, jobs fairs and education projects. Supported local schools, charities and groups with community projects – including regeneration through garden works and regular food bank collections.

Skills and training:

- Dedicated Women in Construction Training Programme
- Dedicated Construction Skills Hub

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VALUE DELIVERED BY THEME

The TOM System measures are grouped into **5 broad Themes**, which capture the holistic perspective of social value in the system. These are:



The chart below shows how local supply chain spend, which is the main measure in the Growth Theme, is the most commonly used social value metric across the projects that were reviewed:

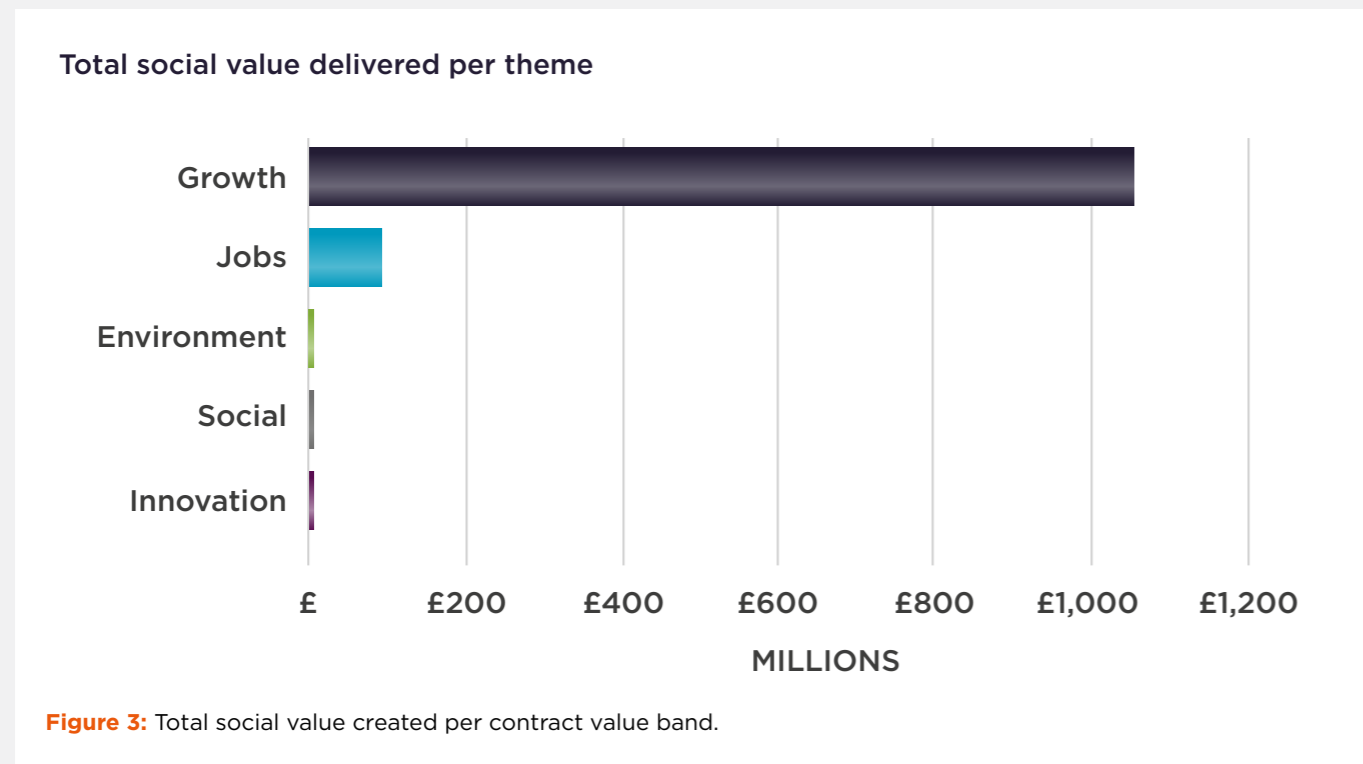


Figure 3: Total social value created per contract value band.

The table below shows the following trends:

1. The disparity between the Growth Theme and the other Themes is less marked when comparing the frequency of use.
2. The Growth Theme is increasing in overall significance and now accounts for more than 50% of the measures used.

Some of this is at the expense of the Jobs Theme, the use of which has fallen in absolute and relative terms. This does not mean fewer jobs are being created, but instead that reporting is becoming more accurate, with supply chain jobs being, correctly, included in the spend figures, rather than in the main jobs measure (NT1).

The Environment Theme accounted for around 7% of the total measures used in 2022, compared to around 9% in 2021. With the global climate emergency, more frequent use of environmental measures would help the sector to play its part, but the data shows there is still plenty of work to do to drive this.

Theme	Datapoints per theme 2022	Datapoints per theme 2021
Growth	422	306
Jobs	207	291
Environment	59	80
Social	97	145
Innovation	15	30
Total	800	852

Figure 4: Measures delivered by Theme.

The **Growth** and **Jobs** Themes remain the most commonly delivered per project, and they make up the majority of the top five measures in each region. Apprenticeships, local supply chain spend, and local employment were the most frequently used measures in all regions. Among the environmental measures, only 10 were used more than five times, with car miles and waste reduction being the most popular.

THE CHALLENGES OF ENVIRONMENTAL REPORTING

Unlike the Growth and Skills Themes, more consistent use of the environmental measures within the TOM System remains limited. There could be several reasons for this, including but not limited to:

- The measurement and reporting of environmental performance is a mature and complex discipline, with a variety of well-established measures and performance indicators (see below for examples).
- Lack of familiarity with the Environment Theme as part of social value reporting.
- Practical difficulties, most importantly, establishing a robust baseline and avoidance of the double handling of data.

Existing environmental reporting measures

As an illustration of the pre-existing measures, SCAPE applies a suite of environmental measures alongside the Social Value TOM System across its construction and civil engineering frameworks, including:

- The delivered level of Construction Waste Intensity for the project (tonnes waste / per 100m² or tonnes waste / £100k invested for civil engineering). This is tracked and measured using the Construction Waste Portal, a dedicated platform for construction waste forecasting and reduction.
- The measurement of whole-life-carbon emissions, which is identified as best practice in sustainability guidance and the second edition of the Construction Playbook (UK Government, 2022).
- The measurement of biodiversity net gain, as required by the Environment Act 2022 and mandatory in the English planning system from late 2023.

However, the responses from SCAPE's delivery partners show an appetite for more reporting against the Environmental Theme, prompted by an increased focus on addressing climate change.



Why is the introduction and adoption of the TOM System in the Environmental Theme worthwhile?

More work is needed to promote carbon and climate literacy amongst clients and contractors, as well as more effective articulation of the social consequences of climate change and the importance of net zero strategies. Considering this, the environmental measures could create:

1. An opportunity to credit the value of carbon savings made during the delivery of projects as part of the overall measurement of non-fiscal value outcomes.
2. A chance to recognise the socioeconomic value and impact of investment made in green skills and jobs, local environmental projects, and promoting climate literacy in local communities.

Both cases would represent a meaningful attempt to incorporate crucial direct and indirect mitigation against the climate crisis, as part of overall value measurement for project delivery. This is important, as a unifying framework for the measurement of non-fiscal performance in projects would make setting contractual targets and measuring impact simpler for all parties.

What are the challenges?

- There are already unifying project sustainability performance schemes, such as BREEAM (for buildings and infrastructure) which have significant credibility and application.
- The TOM System has historically been used for socioeconomic performance, and as such, the introduction of the Environment Theme requires deeper understanding from practitioners.
- Environmental measures have yet to be subject to the same period of in-practice use as the wider social value measures. There will undoubtedly be opportunities to improve them over time, through reviews and refinement.
- Data collection and baselining still present major challenges in this area, but as the measurement of embodied carbon becomes more commonplace, the capture of key environmental data such as passenger and delivery vehicle mileage and construction waste will become essential to calculating emissions.

This trend has the potential to bring quality data to the fore, and smart automation can ensure it is not double counted. Recognising the value of existing environmental measures and not creating new requirements for measurement is essential to ensure this approach is deliverable.

REGIONAL VARIATIONS

Figure 5 shows the distribution of projects included within the scope of this report, with the darker colouring denoting higher amounts of Social Value Added (SVA).

London (9%) and the South East (12%) have the lowest regional levels of Social Value Added (%) in their projects. The rate of return in London has remained broadly consistent over the last three years but the south-east region has suffered a decline from 35% in 2020 to the current level over two years.

By contrast the East Midlands (31%) and the East of England (35%) have the highest regional rates of SVA and both the most markedly improved regions in the last twelve months.

It is notable that the areas where the SVA is lower do reflect the regions with higher value contracts; highlighting considerable opportunity to deliver greater social impact in these regions in the future.

Overall, the average per project in the North continues to remain larger than in the South.

Region	2022	2021	2020
Wales	21%	26%	20%
North East	13%	12%	47%
East Midlands	31%	6%	14%
South West	14%	11%	37%
East of England	35%	9%	2%
Yorkshire and The Humber	17%	9%	22%
West Midlands	16%	16%	15%
South East	12%	10%	35%
North West	15%	26%	6%
Scotland	14%	30%	47%
London	9%	11%	7%

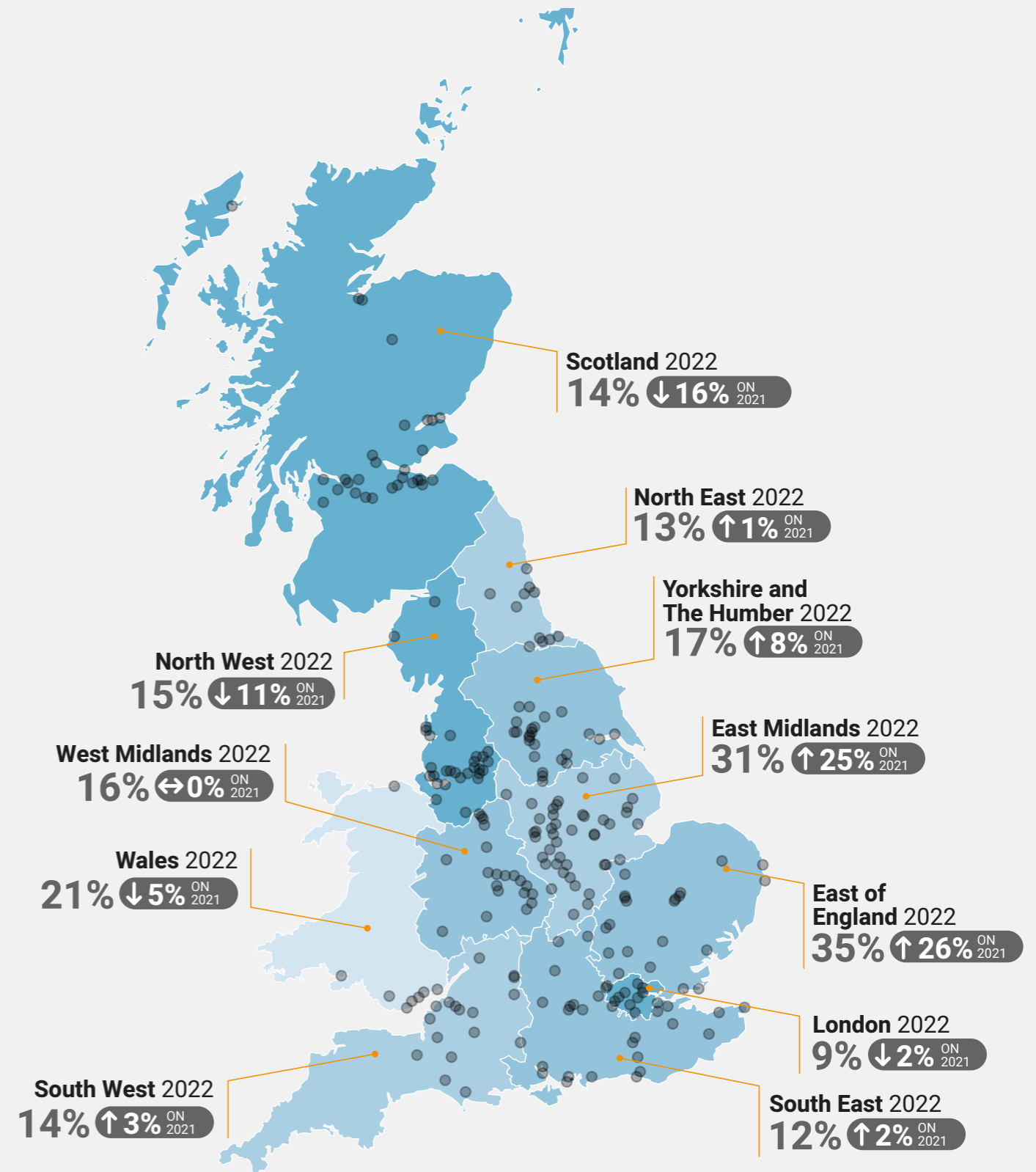


Figure 5: Average social value added through construction projects.

LONDON

High values in the capital are partly caused by high local economic spend multipliers.

Social Value Portal will be changing the proxy value for the relevant the measure (NT18) during 2023, which will increase the social component of the measure and reduce the disparity between London spend multipliers and those elsewhere in the country. As a result, from 2024, the distribution of reported social value against this measure will change.

REGIONAL VARIATIONS IN SOCIAL VALUE MEASUREMENT

There are different policy approaches to social value across the UK.

SCOTLAND

Use of monetary gauges to value social impact is not endorsed by the Scottish Government, which instead promotes it as part of a wider sustainable procurement and growth strategy. The upcoming Community Wealth Building Bill seeks to bring about a transformation of local economies in Scotland to make them greener, fairer, and more prosperous.

Here the TOM System is not as widely recognised as in England, and the survey illustrates that more work can be undertaken with clients to understand the benefits of using it to set social value targets.

WALES

In Wales, social value is covered by the Wellbeing of Future Generations Act, which requires every public body to work towards enhancing the economic, social, environmental, and cultural wellbeing of Wales. There is a Welsh version of the TOM System framework, so adoption of this is more widespread.

SUMMARY

The data shows consistently strong delivery of social value across the construction sector.

Encouragingly, the data and survey responses highlight that the appetite for delivering social value remains high.

It also highlights the opportunity to further investigate the role of supply chains, which play a key role in delivering social value. This can be done, in part, by helping local businesses understand and apply the guiding principles of social value delivery and the TOM System.

Part 2

Social value survey

INTRODUCTION

In order to get a true and accurate picture of the social value landscape, the industry needs qualitative and quantitative data. This year, as well as doing the benchmarking analysis, a survey was completed, to “**take the temperature**” of social value in the construction sector.

The survey consisted of five multiple choice questions, and two free form questions. Respondents were allowed to provide more than one answer to the multiple choice questions, and all responses were anonymous.

Utilising insight from SCAPE’s historic and current delivery partners, the survey provides insight from a broad cross-section of construction companies, and consultants.

As SCAPE partners, high levels of enthusiasm and engagement with social value were expected. However, it was clear too that social value is not only fully embraced and embedded, but that there is a desire to do more and move on to the next stage of the social value journey.

Social value is a key criterion in SCAPE’s process of appointing delivery partners to a framework. At this point, the principles of how social value applies to contracts under its framework are established and embedded in the working and reporting processes for delivery.

The Social Value TOM System is used as a standardised social value reporting tool within SCAPE projects and they support conversations with clients to agree specific social value targets.

Each delivery partner is required to report social value delivery regularly, and their data recording and reporting processes are periodically audited by SCAPE, supported by Social Value Portal, to ensure it is being carried out to the appropriate standard and in accordance with the TOM System’s evidence requirements.

CASE STUDY



Drill Hall refurbishment, Lincoln and IASTI Workshop, Newark

Combined project value: £1.6m

Social value outcomes:

- 50%+ SVA including local employment and spend
- 23 apprenticeship weeks • 137 volunteer hours • £2,500 in donations

As part of the delivery of two projects for Lincoln College through the SCAPE Regional Construction framework, Lindum Group funded and helped to facilitate a Platinum Jubilee celebration for older people in the community, in partnership with the college and Age UK. More than 40 guests from Derek Miller Court in Lincoln enjoyed a Royal-themed meal (including coronation chicken sandwiches and Jubilee pudding) and live music and dance performances from the Coronation era, all delivered by the college’s care, catering, and performing arts students.

Lindum staff also dropped off afternoon tea boxes to care home residents who were unable to attend. The event had a profound impact on the elderly residents and helped reduce loneliness through shared connection and celebration, whilst enabling students to apply their skills through real-life work experience.



THE INDUSTRY'S APPROACH TO SOCIAL VALUE

Top survey responses



When we consider how to address a client's social value requirements, we....

...apply our company's corporate social value strategy [alone] or with a defined list of social value activities that we know our company can deliver.”

45%

...prefer to keep an open mind about the client's social value requirements and respond accordingly.”

43%

The first question explored how SCAPE's delivery partners engage with clients to develop the social value proposal for a project, and whether they bring ready-formed ideas and social value proposals to the discussion, or if they wait to see what the client is looking for.

This is an important question to ask. In order for social value delivery to be effective, there needs to be a clear overlap between client needs and the contractor's ability to deliver.

The survey responses broadly fell into two categories:

1. Delivery partners have a company social value strategy and, in most cases, a list of social value activities to propose. (45%)
2. Delivery partners keep an open mind about client needs and respond accordingly. (43%)

During further discussion, it became clear that there isn't such a clear-cut divide.

For almost all respondents, their corporate social value strategy was a factor in determining their approach, however it was more a question of emphasis depending on project circumstances, which meant the approach needed to be adapted accordingly.

Although the general sense was that the process of developing a social value proposal with a client was straightforward, a notable minority of delivery partners said that they had experienced barriers to fully engaging clients. Several reasons were suggested for this:

- It might be difficult to identify the right person within the client's organisation to discuss social value with.
- The client might not fully understand the purpose of the social value offer.
- The client might be primarily focused on the project delivery/outcome and less aware of social value or why it is important.

It was felt that maintaining an open dialogue with a client is important, whilst being honest and realistic. There was also a consensus that it with increased knowledge and understanding of social value, clients might engage with it more.

Only one respondent was unaware of their corporate social value strategy.



CASE STUDY



Stevenage Bus Interchange

Project value: £8.1m

SVA (SRI): £114k

As part of this project, Willmott Dixon Construction delivered employability training at Barclay School for the second year running and provided 38 hours of careers support for Barclay Academy's Year 10-13 students. This involved mock interviews and support with personal branding, CV writing, goal setting, identifying skills and interview preparation.

The sessions supported the academy's careers provision and their measurement against The Gatsby Benchmarks, specifically number 5, which is "encounter with employers, part of the Government's Careers Strategy and provide a clear way to support students in preparing them for their careers."

[Click to find out more](#)

USING THE TOM SYSTEM

Top survey responses



When selecting measures, we....

apply as broad a range of measures as possible to the project.”

33%

concentrate on high value measures such as local jobs and supply chain spend.”

24%

aim to report against one or more additional measure on top of local jobs and supply chain spend.”

17%

concentrate on delivery of a maximum of 5 measures.”

13%

This question was about how measures in the TOM System are used as part of social value proposals. It is well known that some have particularly high proxies and will tend to predominate in social value calculations – notably local jobs and local supply chain spend.

It is important to understand the extent to which this influences social value proposals and what range of measures is considered. The data indicates that the average number of measures used in projects is quite low, although it does increase for larger projects.

Typically, under the SCAPE framework, a maximum of 5 measures are agreed between the client and the delivery partner. These are set as KPIs for the contract at the outset, but all social value created is measured, whether this is a project specific KPI or not.

The results of the survey were somewhat unexpected, given these factors, as there was more openness about broadening the range of measures used than anticipated.

The most popular response (33%) was that contractors aim to apply as wide a range of measures as possible to a project. The follow-up interviews also revealed more of an appetite to use a wider range of measures than is suggested by the social value data or the survey.

The other frequent responses were more aligned with a focused set of measures: concentrating on either:

- High value measures only - local jobs and local supply chain (24%),
- High value measures, and one or two additional measures (17%), or
- A maximum of 5 measures (13%).

The feedback showed that the best approach to agreeing social value outcomes with a client is very much to make the social value offer **relevant** to the places and communities in which the project is being delivered. This could be applying a broad range of measures, or focusing on a specific set.

The discussion to agree the measures for a project is typically assisted by a 'discovery phase' - questionnaires, menus or lists of options, etc., which can then be mapped against the TOM System.

Even though the second most popular response was concentrating on high value measures, some respondents explained that it was not the only answer they selected, as they believe value should be about more than just the high value measures.

For consultants, these measures are often not possible because of their business models, but there were mixed views as to whether clients still expected them to deliver the higher measures.

As the measures are selected through choice, engagement between the client and the delivery partner is as key to supporting the project team's decision-making process and realising the client's vision.

Popular measures included:

- Local employment/labour
- Apprenticeships
- Supply chains
- Environment
- Local spend
- Community projects
- Schools
- Volunteering
- Engaging with VSCEs and local enterprises.

THE SOCIAL VALUE JOURNEY

Top survey responses



When we look at the construction sector in general, we think

65%

... there is a wide variance in the sector, with some parts showing innovation and leadership, and others still at an early stage of social value implementation. ”

19%

... the sector has made great progress in the last decade across the board, and continues to innovate in social value delivery. ”

14%

... the sector has made great progress in the last decade across the board, but the level of innovation has slowed recently. ”

It is commonly believed that the construction sector is at the forefront of social value delivery. This analysis looks at whether that view is shared by delivery partners.

The idea that construction is leading and innovating in the social value arena was reinforced. Where opinion differed was when it sat elsewhere in the team - with clients or supply chain partners.

For instance, social value may be well-established in Tier 1 contractors, but less so further down the supply chain, particularly where SMEs are involved. Some respondents also noted that clients may not be as far along their social value journey as others.

A distinction was drawn between public and private sector contracts, with social value being considered less established in the private sector. Although some respondents thought this was changing, with social value beginning to appear in private sector contracts as well.

The remainder of the responses were mostly split between the belief that:

- The sector has made great overall progress and was continuing to innovate or
- The sector has made overall great progress, but that innovation had slowed recently.

The appetite to continue to innovate was consistent throughout which clearly puts the need for continued innovation at the heart of the social value discussion.

This was considered to be critical in addressing the following challenges:

- The skills gap
- The ageing profile of the UK's workforce
- Increased focus on sustainability
- Environmental reporting

CASE STUDY



The Halls, Wolverhampton

Project value: £38m

Social Value Return on Investment (SRI): £31,000

As part of the refurbishment of the Grade II-listed Civic and Wulfrun Halls, procured through SCAPE, Willmott Dixon Interiors delivered a virtual work experience programme to students, giving them an insight into careers in construction.

90% said they felt more prepared for work



100% said they would recommend the programme



Willmott Dixon also hosted virtual 'Mentoring Circles' in collaboration with the Department for Work and Pensions, which provided unemployed people in Birmingham and the Black Country with essential career and life skills guidance, achieving a social return on investment of more than £31,000.

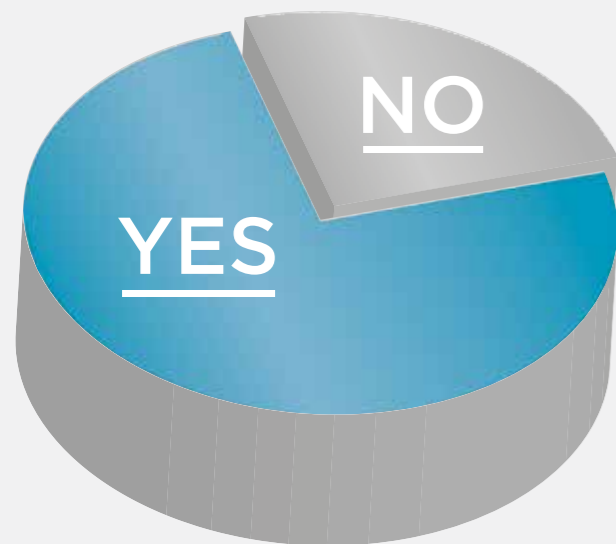
[Click to find out more](#)

TRAINING

Top survey responses



Do you think you and your colleagues would benefit from additional training on the TOM System and social value?



75%

25%

75% of respondents felt more training on social value would be useful. In discussions, the overall feedback was that there can never be enough training – not just on the TOM System but also on social value in general.

Those who said no further training was needed felt that they already knew about and were confident with using the TOM System. However, it was suggested that training may be beneficial for people outside their teams who encounter social value less regularly. This would include other internal teams or clients.

Many said they would welcome more collaboration, assistance, and guidance on the TOM System in order to share this with their teams, clients and other project stakeholders.

To do this, it is crucial to offer the appropriate type of educational resources. Social Value Portal and SCAPE can offer support in any format required, such as workshops, expert user training, practical application of training, webinars and relevant materials.



CHALLENGES AND OPPORTUNITIES

When asked what challenges and opportunities exist in relation to social value, there was a wide range of responses.

In the feedback from respondents there were several suggestions about education and training – emphasising the need for more widespread and consistent engagement.

A key theme across all the responses was the importance of collaboration. The discussions reinforced the idea of cross-partner groups and sharing ideas and resources between regions and across projects. To address this opportunity, SCAPE has already created Community Legacy Programmes, as mentioned earlier in this report and is committed to driving continuous improvement through its partnerships.



CONCLUSIONS

Research findings suggest that the industry is committed to further embedding and evolving its approach to social value delivery.

It is clear that SCAPE’s delivery partners, regardless of size, understand how critical social value is to the delivery of successful projects and to enhancing communities.

The collaborative discussions and sharing of knowledge across delivery partners were noted to be of continuing importance, as was increased sharing of real-life stories and community impact, to help clients and the wider industry understand the tangible benefits. Also central to the discussions was the environmental impact of construction, which is high on everyone’s agenda.

The TOM System has established itself as the social value measurement standard in the UK and continues to evolve as social value develops and matures.

The industry continues to make significant progress in its approach to social value, this report’s insights suggest that moving this forward at pace can and should be done, in order to maximise the potential of social value and meet the changing needs of our communities.

SCAPE DELIVERY PARTNERS

Survey participation

The social value data and feedback received through the survey and interviews that informed the findings in this report were supplied by:

Arcadis	Graham	Morgan Sindall
Arup	Jeakins Weir	Pick Everard
Ashe Group	Kier	R G Carter Construction
Balfour Beatty	Lendlease	Sisk
Clegg Group	Lindum Group	Stepnell
Conamar Building Services	Mace Group - CONSULT	Sweco
Faithful+Gould	Mace Group - CONSTRUCT	Willmott Dixon
G F Tomlinson Group	McLaughlin & Harvey	



SCAPE is one of the UK's leading public sector procurement authorities, dedicated to creating spaces, places and experiences that leave a sustainable legacy within the community.

Since 2006, SCAPE has accelerated over 12,000 projects across the UK with their direct award frameworks, property services and innovative architectural designs. Working with SCAPE is all about partnership, bringing together the brightest talent from the construction industry and the local economy. SCAPE projects are collaborative, compliant and fully performance managed to ensure delivery efficiency, taxpayer value, targeted local economic enrichment and offer a direct response to the climate emergency.

SCAPE operates with a buying power of £18bn and is actively performance managing over 1,800 live projects. SCAPE is a member of the National Association of Construction Frameworks (NACF) and in 2020, was named as one of the top 100 'Best Not-For-Profit Organisations to work for' in the UK.

For more information visit: scape.co.uk

[scape](https://www.linkedin.com/company/scape)

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Since 2017 Social Value Portal has been at the forefront of the Social Value movement. As creators of the endorsed Social Value TOM System, hosts of the annual Social Value Conference and founding members of the independent National Social Value Taskforce - they set industry standards and lead the business agenda.

Their unique mix of consultancy, cloud platform and programmes offers organisations the complete solution to accurately measure, manage and report Social Value - and create lasting impact. In 2022, Social Value Portal achieved B Corp status, scoring above average in all assessed sections and an overall score of 114 out of 200. The company's aim is to promote better business and community wellbeing through the integration of social value into day-to-day business across all sectors.

For more information visit: socialvalueportal.com

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SOCIAL VALUE IN
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