

## **Social Value Evidencing Toolkit (SVET): A framework for social delivery on Highways England infrastructure schemes**



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# SOCIAL VALUE EVIDENCING TOOLKIT (SVET)

## 1.1 Introduction

Highways England (HE) has been value led for many years and already engage road users in performance feedback. However, recent legislation, Public Services (Social Value) Act of 2012 moves this beyond immediate customers/road users and requires a wider approach to value delivery. The Act states that: "*All public bodies in England and Wales are required to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area*" (Social Value Act, 2012). This makes it compulsory for HE and its supply chain companies to deliver social value (SV) on its schemes. There are also consequences of not delivery SV, these include; antagonism from the local community leading to disputes and scheme delays and stoppage of the commencement of a scheme among others.

Furthermore, SV has the potential to deliver benefits to the client, the supply chain companies, the local communities and the scheme. However, our study found there is lack of a dedicated and standardised approach to deliver the requirements in the Act among HE Supply Chain (SC). To ensure compliance with the requirements of the SV Act for HE and its SC, the Social Value Evidencing Toolkit (SVET) was developed. The SVET gives an indication of:

- the work that need to be done to satisfy the requirements of the Social Value Act of 2012,
- what the organisation can/would do to deliver the requirements (i.e set local training programme),
- how these can be measured and reviewed and
- how schemes publish the benefits to the community as evidence of compliance of SV Act.

SVET comprises of four interrelated processes as shown in Figure 1 to support the SV delivery process. These include (1) Initiation (2) Implementation (3) Review and evaluate (4) Analysis and communication of impact

## 1.2 What is Social Value Evidencing Toolkit (SVET)?

It is a framework that provides HE and its SC with a structured approach to identify and deliver the requirements of the SV Act on schemes.

## 1.3 What SVET is not?

It is not prescriptive; it is only a guide or roadmap to help create the knowledge required to deliver SV within infrastructure schemes. This implies it is not rigid and should be adapted to different scopes and scenarios.

## 1.4 Why should I use it?

To enable you to make decisions as: client, main contractor, supply chain, and subcontractor on how to deliver social value duties in accordance to the legal requirements.

## 1.5 How should I use it?

The proposed approach as presented in Figure 1 should be used alongside the guidance note provided in section 2.0 for a better and quicker understanding.

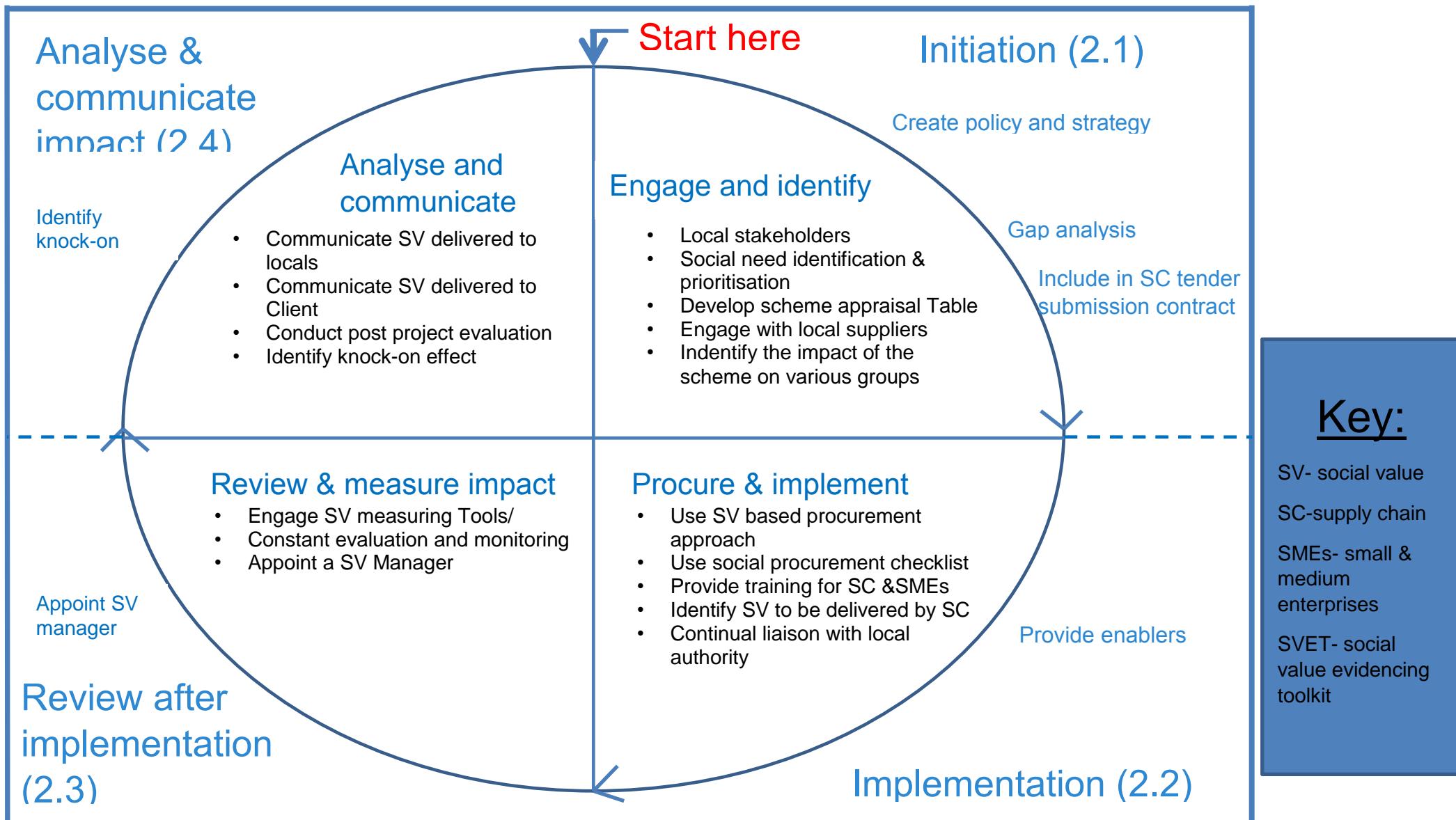


Figure 1: Social Value Evidencing Toolkit (SVET)

## **2.0 Delivery of Social Value Process (Guidance/explanatory notes)**

### **2.1 Initiation**

The focus at this point is to review the scheme's location so as to identify the likely social value to be impacted. The key goal is to identify, review and engage with the local community surrounding the scheme. The engagement should commence from the public inquiry stage. The step actions required are described below.

#### **2.1.1 Step Action # 1: Create Strategy and Policy to support Social Value Delivery**

Clear strategy and policy to support and evidence social value within the scheme is important. This includes both the client and the supply chain companies. It entails:

- having a clear company policy statement in terms of how the scheme activities would improve the quality of life of the people in the local communities affected by the scheme.
- a clear ethos and vision statement in relation to SV delivery, which should influence practice.
- the strategy and policy statement should be cascaded to the SC.

#### **2.1.2 Step Action # 2: Inclusion of Social Value Practice in Contract Clause**

It is recommended that SV consideration should be included in the contract clauses with the HE supply chain. In addition to this, specific Key Performance Indicators (KPIs) with regard to SV delivery should be used. For example:

- the number of apprentices to be engaged,
- use of social enterprises, use of SME's,
- engaging of workers from the local community and
- consideration for the environment
- others as appropriate to the scheme

#### **2.1.3 Step Action #3: Identify and Engage with Local Stakeholders**

It is critical to identify the various stakeholders the scheme would directly or indirectly affect. These stakeholders could include: the local authority, the parish councils, local business groups, clubs, societies, local charities, social enterprises among others. Identifying with them early would provide information on key issues affecting the community. The scheme team should engage with them to identify the needs from their perspective. This is to ensure what is delivered is not just what you want the SC thinks, but what the community needs.

#### **2.1.4 Step Action #4: Gap Analysis**

Gap analysis is a review to identify the specific social needs of the local community around the scheme. Practically, it entails a number of factors such as: looking at the number of people not in education, employment or training (NEET) in the community, the number of unemployed, apprenticeship needs, recreation and health facilities required, environmental concerns of the community among others. The value of doing a gap analysis is to establish the status quo and find opportunities. These vary with location and type of scheme. Schemes in the North of England will require different approaches to those in the South of England. Each scheme should carry out its own gap analysis.

### **2.1.5 Step Action #5: Identify and Prioritise Social, Economic and Environmental needs**

The main issue to be addressed here are;

- what are the prime social, economic and environmental needs of the local community?
- how could they be best delivered?

In prioritising the social value to be delivered and on how best to deliver them, the local communities should be given the first voice. The consequence of not using the bottom up approach is that what is delivered may not meet the aspiration of the people. This would probably result in antagonism from the local community leading to disputes and scheme delays.

### **2.1.6 Step Action #6: Develop Appraisal Summary Table**

Appraisal Summary Table (AST) may be used to incorporate SV practice on schemes. The AST analyses and identifies the impact of schemes in terms of social, economic, environmental and public accountability. This should be done at the scheme planning stage. The AST can work as a guidance/checklist which has all the elements the scheme should focus on to deliver SV to local communities. This should be continually reviewed as the scheme develops.

### **2.1.7 Step Action # 7: Identify and Engage with Local Supplier**

Local suppliers operating within the geographical location of the scheme should be identified to access their capabilities and capacities at the commencement of a scheme. These would enable the scheme to identify the materials and services that are available locally and those that need to be sourced externally.

## **2.2 Implementation**

### **2.2.1 Step Action #1: Adopt Social Value Procurement Approach**

The procurement process should reflect a commitment to social value practice whenever possible. This means the supply chain companies should be selected based on criteria that shows their commitment to social value. This includes Highways England and its main contractors. It entails the following.

- Pre-qualification of supply chain using social value weighting
- Clear identification of the number of social values to be delivered/impacted
- Selection of supply chain based on evidence of a previous commitment to social value delivery
- Selection of design that considers how best to deliver best social value
- Consideration given to the supply chain companies' commitment to social value track record
- Specific weighting allocated to social value in the selection process

### **2.2.2 Step Action #2: Provide training**

Main contractors should consider providing training opportunities on SV for SC and in particular SMEs on how to identify and deliver social value. The SVET should be used in such training. The essence of the training is to promote SV practice among the SC companies. The main client and tier one contractors are encouraged to actively commit resources to this.

### **2.2.3 Step Action #3: Use a social Value procurement criteria checklist**

It is recommended that the social value procurement checklist should be used to evaluate each supply chain company in the scheme on the maturity of SV practice. A sample of a checklist is provided in Table 1. The supply chain companies should be asked to complete the table. The table will provide a good guidance on the organisation's strategy to comply with the requirements of the SV Act.

**Table 4. 1: Social value procurement criteria checklist**

Criteria (C)	Social value delivery checklist (Name company.....)	1 (No evidence)	2	3	4	5 (High evidence)
C1	List community and/ or social benefits to be delivered on this scheme <i>For example: employment for disadvantaged groups, apprenticeship place, services that of benefit to the wider community, community involvement etc</i>					
C2	List the contribution to the local economy from this scheme? <i>For example: use of local suppliers, use of local services or local labour, training opportunities etc.</i>					
C3	State how your approach to delivering this scheme will contribute to the wider local and national government strategy above what has been stated in your contract					
C4	State the measures you intend to put in place to minimise the negative impact of your operations on the local community and the environment					
C5	Describe how you intend to source material that will be used by your organisation on this project? For example: use of local suppliers, locally produced materials, sustainable sourcing etc.					

## **2.3 Review and Evaluate Impact**

Reviewing the SV created and its impact as the scheme progresses is essential. The step actions required include the following.

### **2.3.1 Step Action #1: Use Social Value Measuring Tools/Approaches.**

Various tools are available for measuring social, these include Local Multiplier 3 commonly known as LM3, use of a social value and sustainability portal and local employment statistics among others. However, the LM3 is the most common SV measuring tool and focuses on measuring the economic impact of the supply chain on the local community and economy. It identifies:

- the number of apprentices engaged,

- the number of NEET engaged, and
- the number of local suppliers used among others.

It is worth noting that, there is no single accepted approach for measuring SV. Hence, different approaches could be used.

### **2.3.2 Step Action #2: Communication and Measurement**

There is no rigid and standard approach to measuring social value, however, it is important the SV created is measured. This is important as there could be possibilities of drifting away and engaging in other activities that may not be of priority for the local community and the economy or new opportunities could be identified as the scheme progresses.

### **2.3.3 Step Action # 3: Constant Evaluation and Monitoring**

There is no rigid and standard approach to measuring social value, however, it is important the SV created is measured. This is important as there could be possibilities of drifting away and engaging in other activities that may not be of priority for the local community to prevent value loss. It also allows for the identification of new opportunities as the scheme progresses. Additionally, reporting mechanism should put in place to support the SC in delivering the SV requirements. The SV requirements could be tied to SC financial milestones on the scheme. While these seem good from a commercial perspective, it may not manage behaviours.

### **2.3.4 Step Action #4: Appoint a Social Value Manager**

Our survey indicates that there is reluctance in measuring SV compliance due to absence of process and dedicated staff. Schemes should appoint a social manager to implement and monitor the social value delivery process throughout the scheme life time. The community liaison manager and CSR manager could easily embrace such a role.

## **2.4 Analyse and Communicate the Impact of Social Value Delivered**

It is not enough to only measure the social value created, it should also be communicated to the stakeholders involved in the delivery process. The following step actions should be taken.

### **2.4.1 Step Action #1: Communicate Social Value Delivered to the Local Communities**

The social value created should be made public in the local communities where the scheme is executed. This could be through scheme newsletter, community notice board created by the scheme, and publications in local newspapers among others. This would certainly keep everyone in the local community informed about the social value created by the scheme. The obvious benefits that could arise from such actions, will be less disturbance and disputes with the local community as the project progress from one stage to another. Also, publicly demonstrates compliance with the law.

### **2.4.2 Step Action #2: Supply Chain Companies Should Communicate SV Delivered to the Client**

Tier 2 suppliers and subcontractors should communicate SV delivered to the tier one contractors and the tier one contractors should also communicate same to the client. This is to ensure the SV created is well documented, so it can be used to support the development of a future business case by both the client and the supply chain companies. Such documentation should include the specific benefits to the local community, the economy, the environment and the scheme.

### **2.4.3 Step Action #3: Conduct Post Scheme Evaluation**

It is important to conduct a post scheme evaluation to re-assess the social value delivered against what was promised in the scheme appraisal table. The scheme should be examined to identify how it has improved the quality of life of the people in the community. This could be done through:

- Resident survey,
- User survey,
- Business survey,

This helps to know how the local community values the scheme, and if it met their expectations etc. The parishes around the project should be contacted to identify the impact of the scheme on the community. The report of the post scheme evaluation should be published and made accessible to the public for transparency. The purpose of doing this is to allow learning and improvement so as to keep delivering high impact social value on future scheme.

For further information on SVET read the full research report that led to the development of SVET through this link. [Realising social value final report](#)

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