



A 'FORCE FOR GOOD': MAXIMISING SOCIAL VALUE WHEN DELIVERING PUBLIC SECTOR CONTRACTS

In the second Talking Without Limits event, we gathered experts from across the public, third and private sectors to discuss “What does Social Value mean for the built environment professional services industry?”

In spring 2019, the UK government consulted on its proposed approach to help public sector organisations maximise social value effectively through their procurement — as required by The Public Services (Social Value) Act 2012¹.

At a time of squeezed budgets and resources, that focus on delivering social value through contracts is one of the most valuable tools local authorities and other public sector agencies have to help create local jobs and opportunities, boost residents’

access to skills, training and education, and build healthy, thriving and resilient communities.

In response, growing numbers of public sector commissioning bodies have adopted a social-value weighting, typically around 10 per cent or increasingly higher, in their tender evaluation processes. This has challenged organisations of all sizes and sectors to show how they will create additional social value through the delivery of their contract.

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The challenge for built-environment professional service organisations, such as architects, design and engineering consultancies, is to identify how they can best use their expertise to benefit the communities in which they work, when — compared to contractors, operators and maintainers — they don’t typically deliver their project services from within the communities impacted, as well as collaborate meaningfully with local Voluntary, Community and Social Enterprises (VCSEs) more widely. ➔



At AECOM's second Talking Without Limits event (held prior to the coronavirus outbreak), an expert panel — featuring Roy MacPepple, Interim Strategic Housing Regeneration & Sustainability Projects Manager at the London Borough of Tower Hamlets², Michelle Griffin, Programme Assurance Manager at London Luton Airport Ltd³, Nathan Goode, Director at the Social Value Portal⁴, and Richard Beard, CEO of The Jericho Foundation⁵ — alongside a cross-sector audience, came together to discuss this issue, focusing on “What does Social Value mean for the built environment professional services industry?”

Here are some of the key learning points highlighted by the panel.

WHAT WE'RE TRYING TO ACHIEVE

For Roy MacPepple, social value is a combination of the professional and personal: “An architect by profession, I've worked in and around Tower Hamlets for the last thirty years. I'm also a London and South East England mentor, working with the Housing Diversity Network to promote diversity and equality in management. What's exciting about the Social Value Act is that, while there's always been ways in which we can make things more diverse, we now have a mechanism to help us deliver that.”

Michelle Griffin explained how the Social Value Act is reinforcing Luton

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MICHELLE GRIFFIN,
PROGRAMME ASSURANCE
MANAGER, LONDON
LUTON AIRPORT LTD

Airport's socially-focused ownership model: “Luton Borough Council is the sole shareholder of London Luton Airport Ltd, the company that owns the airport. Every penny we earn through our concession agreement goes back into the local community and nearby neighbours. The council's number one priority is to eradicate poverty within the town by 2040. So it's critical to us that the companies we work with can demonstrate their commitment to social value, and we've issued major contracts with a 20 per cent scoring for social value. Our focus is employment, education, the upskilling of local people, secondment opportunities, and building capacity across the public and third sectors, such as board advice and bid writing. We want to ensure that our residents can build a career, get up the ladder and out of poverty, helping their families and tackling health and inequality in Luton.”

In describing his work for third-sector organisation The Jericho Foundation, Richard Beard said: “We're trying to help people in Birmingham break the cycle of ‘you can't get a job, because you've never had a job’. When I joined Jericho, I thought charity was the solution, but I quickly realised that it wasn't the only solution. Neither is it to outsource society's problems to the public sector. I've come to realise that the answer is working cross-sector. Harnessing the energy of business, the third sector and public sector around the social value agenda.”

SOCIAL VALUE IS ABOUT THE LONG GAME

Delivering at the point of a project's impact, contractors and operators have taken a lead on social value through initiatives such as creating apprenticeships and jobs for local communities. For built-environment professional services organisations, the panel argued that the focus should be different.

Social Value Portal's Nathan Goode argued: “From a consultancy perspective, you do need to step out of the project and think about your overarching social-value infrastructures as an organisation. Then you'll be able to respond as and when required during a project. You should be looking at social value in a lifecycle sense. We're on a journey, and looking at social value in an integrated holistic way is relatively new. So it's a bit early to talk about best practice, but I would emphasise that professional services organisations have one big commodity — experts' time. If you think about the long game and how you're building capacity, enabling organisations to stand on their own feet and draw down on the resources that they need to make that happen, you're going to be in a great place.”

Michelle agrees: “There are different elements of social value that everyone can input. If you're willing to use your expertise to put back into the community, that's valuable to us and has a longer-term impact on local businesses and charities. ➔”

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ONE OF THE KEY WORDS FOR ME IS AUTHENTICITY, ENSURING YOU'RE DOING IT AS AN ORGANISATION IN AN AUTHENTIC WAY, NOT JUST TO WIN POINTS.

**RICHARD BEARD,
CEO, THE JERICHO FOUNDATION**

The important thing to mention is that one model does not fit all. When you're going through the procurement stage, it's crucial that you do your research to find the common values that you and your clients share — and to show that.”

Roy also emphasised the need to focus on meaningful, long-term impact: “It's not just about starting the journey, for example, hiring apprentices to work with you for a number of years. It's also about being able to assess the impact beyond the end of your contract, and ensuring you have the right systems in place to do that. That should be part of quality appraisal, such as, ‘What's the take up of those apprentices you appointed within your organisation?’ ‘How many of them have gone on to form their own companies and become your supply chain partners?’ ‘How many of them have stayed and secured promotion?’ ‘What's your failure rate?’”

YOU CAN ALWAYS MAKE A DIFFERENCE

Building on this, Richard set out some practical ways in which built-environment professional services organisations can meaningfully collaborate with VCSEs such as The Jericho Foundation. “I think there are six or seven areas where you can get involved with this agenda. Purchasing — as organisations you all buy stuff, such as printing paper, catering and cleaning services. ➔

The question is where do you buy it? There's a network of a hundred thousand social enterprises in the UK, adding about £40 billion to the economy, and these social enterprises all offer high-quality, value for money, goods and services that are delivering social value at the same time. Social Enterprise UK⁶ is a good place to start."

"Leverage the knowledge economy and pro-bono work. You're engineers, marketers, architects, property managers and accountants, etc. Offer those skills to front-line organisations, such as Jericho, and you can make a massive difference. For example, AECOM⁷ in Birmingham provides our construction social enterprise with pro bono cost management advice and help.

"Share your assets. You have great meeting room facilities in great locations. How valuable would it be for a little charity trying to put on a promo or fundraising event, to be able to use a space like that and engage with your staff to help run it? Even inviting a few people from the third sector to join the training courses you run can help.

"Encourage your staff to get involved at the coal face. It changes people lives. When you meet someone who's been in slavery, or is struggling to recover from trauma, or has been impacted by gangs and knife crime, you will come back to the office a different person with a renewed enthusiasm for social value. Exposure is key.

"Make employment and work experience choices, informed by social value. The reality is that smart people end up in bad situations and need a break too.

"Influence your clients, colleagues and fellow professionals. Become a social value geek. Do it when nobody is looking, and you can have a real impact in changing the way in which the industry thinks about social impact and ensure it's embedded within your design and engineering projects.

"Finally, don't forget good, old-fashioned Corporate Social Responsibility. It still has its place, and we love it when people get behind our organisation and cycle thousands of miles and run up and down mountains, raising money and helping us realise our mission."

MEASUREMENT MATTERS

What's also clear is that organisations need to back up their impact with strong evidence. Elaborating on this, Nathan explained the work of the Social Value Portal, AECOM's strategic partner on social value, to facilitate social value measurement: "The Portal has created a standardised measurement framework for social value combined with a digital platform for reporting. We see the creation of a common way of talking and reporting social value as a driver for change, and embedding this work in organisations, sectors and communities across the country."

Discussing his focus on appraisal, Roy said, "As a Local Authority, we're notifying companies that you need to have transparent processes, policies and procedures in place that allow us to engage with you. We need to know your commitment to social value is not just lip service. What is your data appraisal system and what's your timeframe for measuring impact? It should be three to five years. Not everybody is going to get it right from the start. But it should be part of the learning process and central to quality appraisal. It's also understanding what success is. It means different things to different people."

Collaboration, authenticity and openness

One possible concern is that the growing influence of social value in procurement could make it more difficult for smaller companies to work with public sector clients. But the panel were clear that size shouldn't make a difference.

As Michelle explained: "We weight social value at 20 per cent in our procurement, so we do place a very high emphasis on it. But I don't think it precludes any Small and Medium-sized Enterprises (SMEs) who do their research and find common values with us."

For Roy: "It's about the frameworks you use. If you can set up framework contracts that make it easier for SMEs and third-sector organisations to join, then you can choose those companies



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based on a level playing field. There's a framework contract that I know, which — in terms of expense — is negligible for smaller companies to get on, so I encourage a number of consultants delivering best practice to get on this framework for tenders."

Finally, in terms of promoting social value across the industry, the panel believes it's a team job. Nathan said: "Social value is very much a collaborative effort. You have to bring together not only people from the third, public and private sectors, but also potential competitors. There's value in collaboration."

Richard argued that companies needed to keep it real: "One of the key words for me is authenticity, ensuring you're doing it as an organisation in an authentic way, not just to win points. Embedding it within your culture requires leadership. If it's there, that authenticity will speak for itself. People will see it and it will influence others to do the same." ■