

Social Value in Construction

Benchmarking Report 2024



 Social Value
Portal

 **SCAPE**

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Executive Summary

As the UK emerges from a period of economic recession, the public sector continues to face a complex set of challenges in relation to the procurement of construction and infrastructure projects.

The government has provided some optimism by setting out its commitment to housing, planning and green infrastructure, however there are still concerns that the industry may not have the capacity and skills needed.

The challenges facing the public sector, including ongoing budgetary constraints, mean that there continues to be a laser focus on maximising the value created through investment.

This means it is as important as ever for construction projects to leave a positive and sustainable legacy in local communities. Planning for and effectively measuring social value outcomes is not just vital in demonstrating compliance with public sector procurement regulations, but also in evidencing the contributions made by each project to local policy commitments on social, economic and environmental priorities.

With its implementation later this year, the Procurement Act 2023 will further reinforce the importance of procuring for community impact and positive outcomes, not simply for the lowest price.

Our data shows that £860m of social value was created through 329 projects that completed in 2023, equating to a 27% social value return on investment.

Although only a sub-set of the total number of construction projects completed last year, this demonstrates the positive community impact that can be achieved when social value outcomes are prioritised.

The potential to also use built environment procurement as a route to deliver more apprenticeships represents a significant opportunity to create the jobs, skills and capacity the industry needs to deliver on the government's growth agenda.

Now in its fourth iteration, this annual report highlights national and regional trends in social value delivery across the UK from 2020 to 2023, providing critical insight into the evolution of social value policy priorities, delivery, measurement and reporting.

In line with previous reports, we are still seeing an improvement year-on-year, despite difficult market conditions and inconsistent capital spend.

This year, the data includes recently completed projects that began during the COVID-19 pandemic and which were delivered during times of significant economic turbulence across the sector. It is no surprise to see some regional peaks and troughs in social value output as a result, but an overall upward trend reflects the strength and agility of a sector that operates with a social conscience.

Encouragingly, this suggests the public and private sectors are still committed to social value and are increasingly using their procurement to address place-based challenges — an aspiration that we all share, which SCAPE will continue to actively enable through its approach to framework and performance management.



Mark Robinson
SCAPE Group Chief Executive

A handwritten signature in blue ink, appearing to read 'Mark Robinson', set against a solid blue background.

Introduction

Social value has been at the heart of SCAPE’s approach to framework procurement and management for over a decade.

As a founding member of the Social Value Task Force, which informed the development of the Social Value TOM System™, SCAPE is committed to driving best practice and continuous improvement.

The integrated social and environmental outcomes that have been embedded into its suite of frameworks were also instrumental in their achievement of the Gold Standard verification through Constructing Excellence.

Collectively, we know that measuring social value outcomes accurately and consistently makes it easier to create a responsible and targeted approach to investment, which ultimately leads to outcomes that maximise value for money and community impact for clients.

In line with the **Social Value Act 2012**, the public sector must consider how its procurement will improve the social, economic, and environmental wellbeing of the local community.

This forms a key part of the guidance set out in **the Construction Playbook** and the legal requirements for public sector and utilities organisations within **the Procurement Act 2023**.

The Act will drive a shift in language and approach, from the current Most Economically Advantageous Tender (MEAT) to the Most Advantageous Tender (MAT).

Although subtle, this change is encouraging and will promote a broader definition of value — one not solely based on cost. Consideration and delivery of social value outcomes also aligns with **the National Procurement Policy Statement (NPPS)** and the evolving Environmental, Social and Governance (ESG) requirements for the private sector.

How SCAPE’s frameworks help clients evidence compliance

Through its unique auditing approach SCAPE ensures the highest level of framework and commercial compliance, including delivery against integrated social and environmental KPIs at every stage of a project.

10 things you need to know about the Procurement Act 2023

Familiarise yourself with the legislative changes that the Procurement Act 2023 will bring after its implementation in February 2025.



Scope

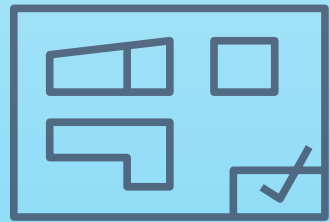
This report is informed by data from 329 construction and civil engineering projects completed across England, Wales and Scotland during 2023. This data is sourced and analysed using the combined expertise and industry reach from Social Value Portal, SCAPE and its industry delivery partners to provide an indication of the industry’s progress with embedding social value.

The data includes projects procured through the SCAPE frameworks and through a range of other frameworks and procurement routes. According to the ONS, in 2023 the public sector spent £138bn on construction projects, which accounted for 10% of its total spend.* The project data that has informed this report has a combined capital spend of £3.2bn, representing 2% of the UK’s total construction spend.

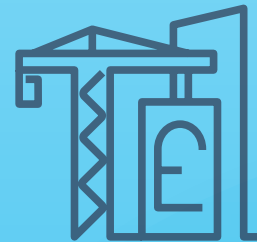
It examines the social impact generated from each project, identifying the type, frequency, and location of measures used, and aggregates this data to produce accurate national and regional analysis, comparison with previous years and our collective recommendations for improvement.

To enable direct comparison, all projects in scope used the Social Value TOM System, a nationally recognised approach that categorises social value activity into the growth, jobs, social, environment and innovation themes. [Find out more](#) ➔

The data does not include projects that are marked as confidential or sensitive in nature, such as defence sector projects.



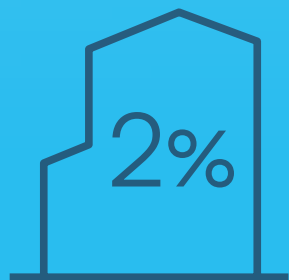
329
construction and
civil engineering
projects completed
in 2023



Worth
£3.2bn

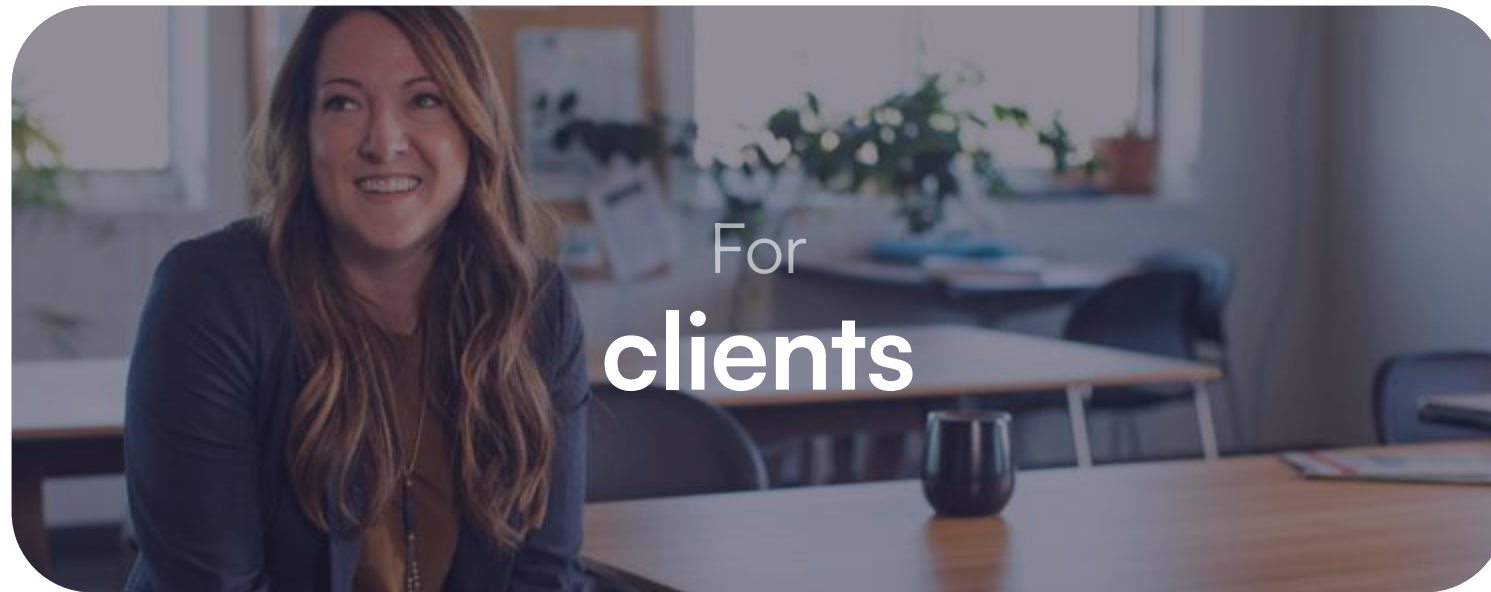


Creating
£860m
of social value



Representing
2%
of all UK construction
projects completed
in 2023

Benefits of benchmarking



- Understand the benefits of effective social value delivery
- Demonstrate how social value return on investment drives positive change in the community
- Understand the importance of setting realistic social value targets
- Identify trends in your region and where improvements could be made



- Explore the latest trends and opportunities within social value delivery
- Understand the bigger picture to support your public sector tenders
- Find out what clients, framework operators and communities expect from contractors



- Gain a deeper understanding of social value
- Understand how built environment projects can support local people and businesses
- See examples of social value in action

CASE STUDY

Amplifying community impact through collaboration

SCAPE’s partnership approach creates collaborative forums that bring together its delivery partners and peers and enable the design and delivery of wider community benefits through place-based Community Legacy Programmes.

Through these forums, efficient, cost-effective and scalable initiatives are delivered as part of, or alongside, the social value outcomes on individual projects to maximise their impact. Some examples include:

- **Developing T-Level and mentoring programmes for individual or collaborative use.** Designed for SCAPE’s partners to deliver to support young peoples’ professional development, knowledge and networking.
- **Working with schools to deliver interactive sessions exploring roles in construction.** Matching young people with industry professionals to gain knowledge including in areas such as sustainability, and support their future development.
- **Collaborative efforts to provide charitable donations to local community and voluntary action groups.** Amplifying the community impact of construction projects and creating a positive legacy.
- **SCAPEing out a world of work; a two-day construction taster day for young people.** Engaging 200 young people across Scotland including within remote and disadvantaged communities to provide an insight into the green and digital roles available within the industry.



Social value outcomes from two-day construction taster:

650+ students engaged	73% “likely” or “very likely” to consider a career in construction as a result	15 organisations including construction, consultancy and civil engineering companies
1,500 hours volunteered	£22,000 invested in the local community	£46,000 social value created

Key findings

1. Measured and reported social impact in construction is increasing
2. The number and variety of social value measures reported is increasing
3. Social value is a consistently applied tool that is being used to drive the creation of skills and employment opportunities across the UK
Adopting best practice more consistently across the UK could further address the skills gap
4. Smaller projects continue to deliver the highest social value return on investment for communities



KEY FINDINGS

1. Measured and reported social impact in construction is increasing



329

projects completed in 2023



£860m

of social value created

Average Social Value Return on Investment (SROI)



17%

SROI in 2020



27%

SROI in 2023



49%*

Potential SROI

Our annual benchmarking reports have demonstrated a year-on-year improvement in SROI, from 17% (2020) to 27% (2023), which shows that local communities are benefitting from increasing levels of reinvestment through construction projects.

*75th percentile from the 2023 dataset representing the potential SROI that could be achieved on construction projects through more consistent best practice.

Why is this?

Incremental increases could be due to one or more of the following reasons:

Efficiency — Greater focus on maximising the value of public sector investment

Awareness — Increasing celebration of social value outcomes across the industry

Ambition — Successive benchmarking reports have demonstrated what outcomes are possible

Familiarity — Increasing familiarity with social value measurement and improved reporting

Planning — Better community engagement and long-term, strategic planning

Accountability — Increasing devolution of responsibility for community outcomes to the regions

This is a positive trajectory that we hope will continue as social value delivery becomes further embedded into public sector procurement and better aligned with the needs of local communities.

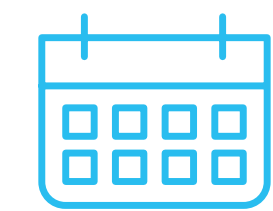
CASE STUDY

Putting community improvement at the heart of social value delivery

Balfour Beatty

Lowestoft Flood Risk Management

Social value outcomes:



Almost
500
apprenticeship
weeks delivered



More than
100,000
car miles saved
through car sharing
and cycle schemes

- Community resilience training delivered in partnership with Groundwork Ltd.
- Donations of shelving given to Re-Utilise, a local re-painting scheme.
- Supported PINK Orange, a community initiative, which provides essential food for struggling people and families whilst teaching children and young people about meal preparation, health and nutrition.

KEY FINDINGS

2. The number and variety of social value measures reported is increasing

This suggests there is a better understanding of the full range of outcomes that the Social Value TOM System can capture and indicates an overall improvement in the delivery, measurement, and reporting of social value across the country.

A greater breadth and depth of measures leads to a wider range of community benefits being delivered.

In line with previous years, growth and jobs measures continued to create the highest total social value and the highest average per project, but there was also an increase in use of social, environmental and innovation measures, including:



Innovation

NT50
Innovative measures to promote skills and employment



Environmental

NT32
Car miles saved on contract as a result of green transport programme or equivalent



Social

NT28
Donations or in-kind contributions to local community projects

An increase in social, environmental and innovation measures suggests that the range of measures applied and reported is increasing and that clients and contractors are becoming less reliant on local spend and employment measures.



KEY FINDINGS

3. Social value is a consistently applied tool that is being used to drive the creation of skills and employment opportunities across the UK

Exploring which measures are being used to report social value provides an accurate indication of which themes public sector procurers and contractors are prioritising.

Historically, measures that demonstrate inward investment within the local economy (“local spend”) have been the most used. We are now seeing that measures capturing local employment opportunities and skills development are being used just as widely to measure and report social value outcomes.

With the industry facing a skills gap and an ageing workforce, delivering social value that contributes to providing skills and training for the next generation is critical to safeguarding the future of the sector.

Sharing and adopting best practice consistently across the UK could address the skills gap more efficiently.

It is also encouraging to see environmental measures being more consistently used and reported as creating additional value in the local community.

What social value measures are being used?

% of measures drawn from each of the five National TOM System themes

		2022	2023
	Growth	29%	30%
	Jobs	30%	29%
	Environmental	28%	24%
	Social	8%	11%
	Innovation	5%	6%

SPOTLIGHT

Delivering apprenticeships

The data includes 282 projects against which apprenticeship data was reported using the NT10 measure (number of apprenticeship weeks provided) and its equivalents to measure the number of apprenticeship weeks provided. This information can then be expressed as a comparable benchmark: the number of apprenticeship weeks per £1m of contract value.

This analysis provides an important benchmark for what can be expected in relation to the amount of apprenticeship opportunities that are viable to deliver on a range of project sizes.

Typically, labour accounts for a decreasing proportion of a project’s costs as the contract value increases. At one end of the spectrum are the smaller projects where a single apprentice often accounts for a large percentage of the workforce on site and consequently where the amount of apprenticeship weeks delivered is higher compared to contract spend.

As projects get bigger, it often becomes harder to deliver high numbers of apprenticeships as there may be more automation, offsite construction and other productivity drivers that are encountered, which can restrict the wider labour pool as well as the potential for apprentices. We have also explored variations in the delivery of apprenticeships by region, which are summarised to the right.

Regional trends in delivering apprenticeships

Region	Sum of contract value	Apprenticeship weeks	Apprenticeship weeks per £1m
East Midlands	£166.8m	351	0.7 weeks
East of England	£507.1m	1,215	7.3 weeks
London	£852.6m	3,835	4.5 weeks
North East	£114.8m	784	6.8 weeks
North West	£299.0m	2,128	7.1 weeks
Scotland	£356.0m	2,187	6.1 weeks
South East	£249.2m	1,184	4.8 weeks
South West	£128.4m	507	3.9 weeks
Wales	£58.9m	525	8.9 weeks
West Midlands	£227.1m	2,328	10.3 weeks
Yorkshire and The Humber	£131.7m	626	5.0 weeks

A more consistent, national approach could unlock more apprenticeship opportunities

In total, the projects analysed for this report delivered more than 15,600 weeks of apprenticeship placements on site - the equivalent of around 326 apprenticeships, although the data suggests that delivery varied between regions.

This is expected, as the potential for delivering apprenticeships relies on there being opportunities available on site, alongside proximity to local educational establishments providing relevant vocational training courses.

However, and more importantly, we know that apprenticeship outcomes are influenced by national procurement policy and regional nuances. This is reflected in the disparity between those regions delivering the greatest and the fewest apprenticeship weeks.

There are two regions which are significantly outperforming others at present: the West Midlands and Wales. The data for Wales comes from projects within the Cardiff Capital region in south Wales, with many using Y-Prentis, a regional apprenticeship employment scheme. Welsh public procurement is heavily influenced by the Future Generations Act and by framework operators and clients that make apprenticeship delivery a contractual requirement through KPIs.

Similarly, SCAPE’s own experience working in the West Midlands highlights an appetite for collaborative social value planning, exemplified for example by the integrated planning for social value around the Commonwealth games.

If all regions achieved this level of social value delivery, the projects in scope could have created 13,810 additional apprenticeship weeks, which equates to around 288 additional apprenticeships.

A further 13,810 apprenticeship weeks 288 apprenticeships could have been created by applying best practice consistently	This would represent an 88% increase in the number of apprenticeship weeks delivered
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KEY FINDINGS

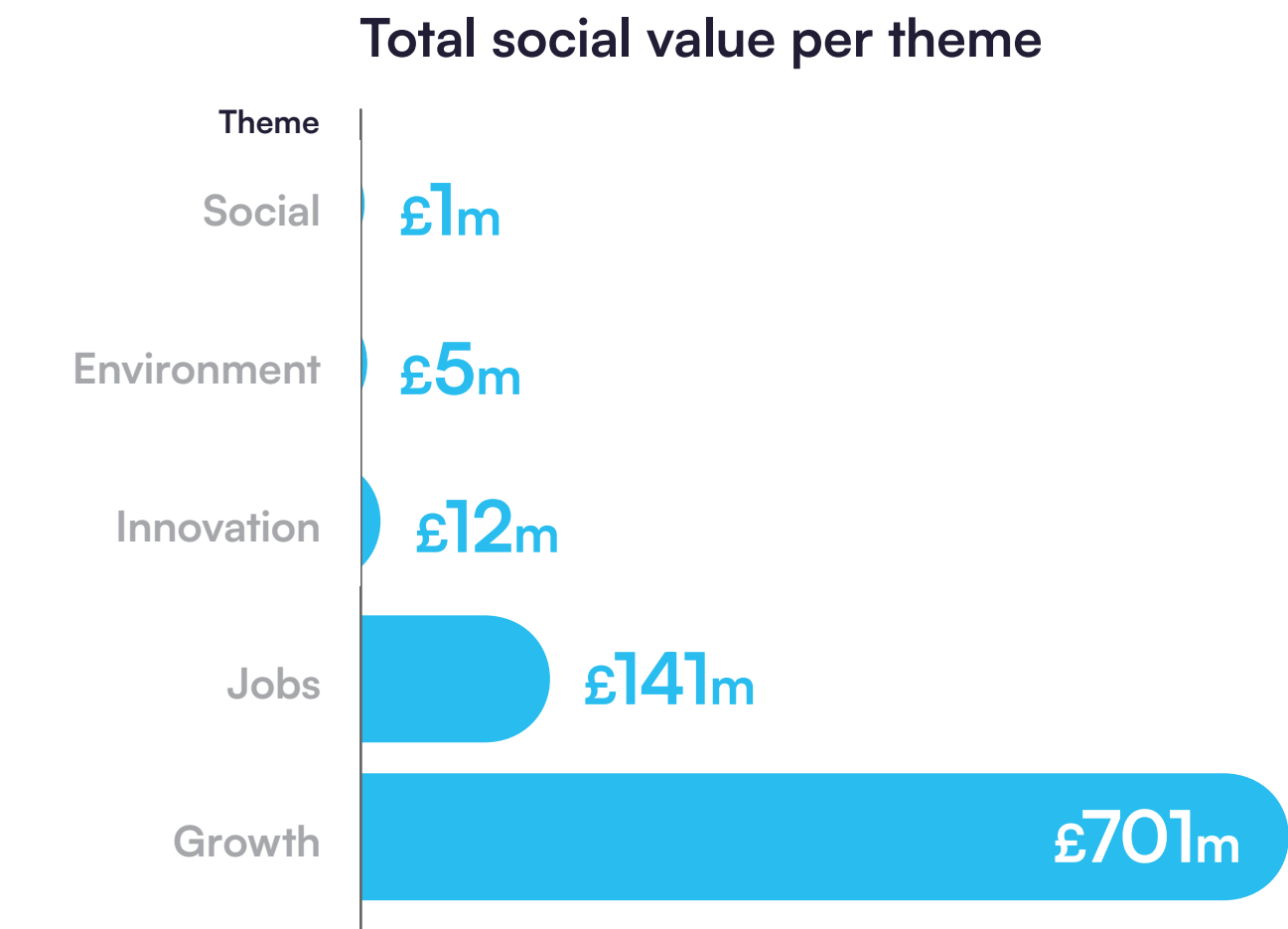
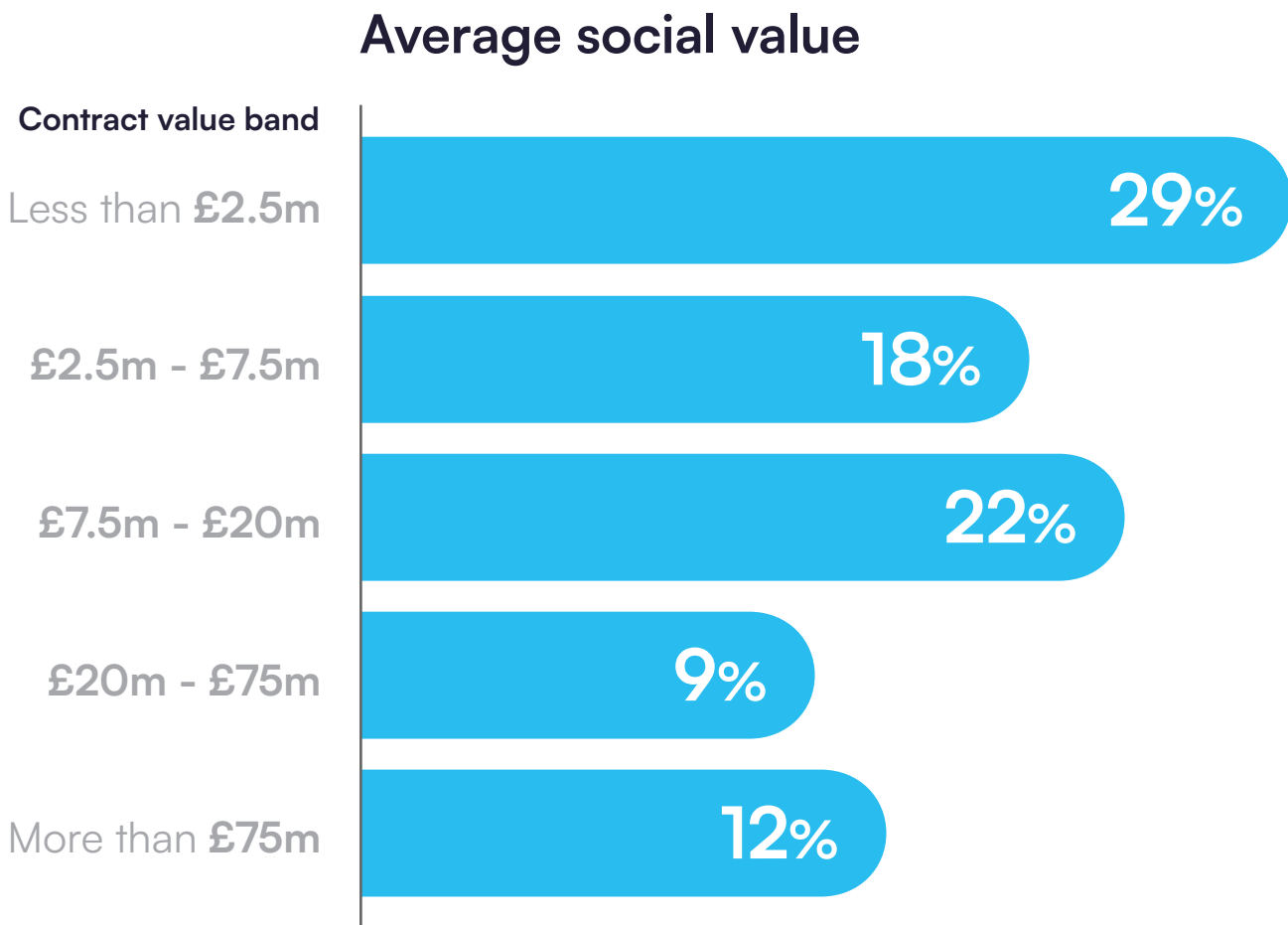
4. Smaller projects continue to deliver the highest social value return on investment for communities

As previously noted, the opportunities for social value delivery vary depending on the size of the contract. For smaller projects, although it is harder to apply a wide range of measures, it is easier to keep more of their labour and spend local, meaning that in most cases, it is easier to deliver against growth and jobs measures.

As contracts increase in size, it typically becomes harder to find enough local people with the right skills, which makes local employment and spend targets more challenging, particularly in areas where several projects are drawing on the same pool of resources. A broad, proactive social value strategy and outcomes that directly address local needs and leverage increased time on site can all improve SROI on larger projects.

Encouragingly, the data shows an increase in the amount of social value created through measures reported against the Jobs theme — from 17% in 2020 to 26% in 2023.

	2023	2022	2021	2020
Social value created	£860m	£1.08bn	£1.08bn	£949m
Number of projects	329	499	402	353
Sum of capital investment	£3.2bn	£4.57bn	£5.53bn	£5.45bn
Social value created (% of capital investment)	27%	24%	20%	17%



CASE STUDY

Supporting the local community in Inverness

**MORGAN
SINDALL**

Inverness Fire Station

Social value outcomes:

£759,000 social value created including £670,000 spent with the local supply chain and £773,000 with local MSMEs

10 apprentice weeks delivered and 3 apprentices employed

£1,670 donations or in-kind contributions to local community projects

46.3% Social Value Return on Investment

14 STEM hours spent engaging with local schools

£230 raised for Highland Hospice through Wear Yellow to Work Day

Providing 24 pints of blood to support Give Blood and NHS Scotland



Regional delivery

Average social value created (% of capital investment)

Region	2023	Change since 2022	2022	2021	2020
East Midlands	42%	+11%	31%	6%	14%
East of England	4%	-31%	35%	9%	2%
London	8%	-1%	9%	11%	7%
North East	24%	+11%	13%	12%	47%
North West	20%	+15%	15%	26%	6%
South East	32%	+20%	12%	10%	35%
Scotland	16%	+2%	14%	30%	47%
South West	3%	-11%	14%	11%	37%
Wales	6%	-15%	21%	26%	20%
West Midlands	27%	+11%	16%	16%	15%
Yorkshire and the Humber	13%	-4%	17%	9%	22%

The data has been collated by SCAPE and Social Value Portal and includes projects which have been procured through a variety of public procurement routes.

Key findings

- Social value delivery in most regions has improved year-on-year since 2020
- Regional use of thematic measures reflects the national trends we have identified
- A broader range of measures is being applied across most regions — A broad range of measures, more than 10, is being applied across most regions.
- Compared to the national upward trend in SROI, social value delivery at a regional level is more volatile
- In some areas, there are consistent patterns emerging over time — Since 2020, London and the East of England, with 9% and 13% average SROI respectively, present consistently lower average SROI when compared against other regions and the national average.

Looking ahead



Looking ahead

1.

SROI has significant potential for growth

Since 2020, the data shows that national SROI has increased steadily by 3-4% each year. If this trajectory continues and if social value outcomes are measured, reported and delivered correctly, it could be as high as 30% in 2024.

Given the ongoing constraints on public sector spending, the importance of maximising the potential from social value continues to remain vital for supporting and enriching communities.

Analysis shows that across most regions social value delivery increased between 10-15%, and although some showed a modest decline, there will always be fluctuations from year to year. It also shows that when compared against the best practice benchmarks identified in this report, there is scope for every region in the UK to improve its delivery of social value outcomes.

2.

Local labour and local spend will remain a key focus

These will continue to be the bedrock of delivery best practice, but we also expect to see further diversification of measures, particularly at a regional level, as Central Government continues to devolve powers and funding through Combined Authorities, which are responsible for community benefits and growing the local economy.

Recognising that using local labour is a key driver in reducing a project's carbon footprint (by reducing the transport emissions to and from site) will help to further reinforce the value of the local supply chain and its role in delivering cleaner, greener and more sustainable outcomes.

3.

Environmental measures will become increasingly important

Built environment projects play a key role in accelerating the UK's green recovery and in protecting our communities, homes, and businesses.

As the urgency to reduce emissions across all industries increases, we anticipate that more projects will seek to capture and recognise the outcomes delivered against environmental measures, particularly in regions seeking to achieve net zero in the next 10-15 years.

How can the pace of change be accelerated?

Through procurement

Social value needs to be further embedded within public sector procurement and consistently delivered across the industry to allow for a more comprehensive analysis of national and regional trends and opportunities. The implementation of the Procurement Act and the Gold Standard will support this by advocating for more effective use of frameworks that facilitate high quality social and environmental outcomes.

More collaborative forms of procurement also facilitate Early Contractor Involvement (ECI) which creates more time for planning and delivery, as well as greater scope for collaboration on social value outcomes.

Through project outcomes and shared learning

Improving clients’ understanding of the full range of social value measures and themes available - and how they can be applied to individual projects or programmes of work - will form a key part of our collective approach. Equally important will be continued celebration of the community impact that has been achieved, particularly over the medium-long term.

Through materials and resources

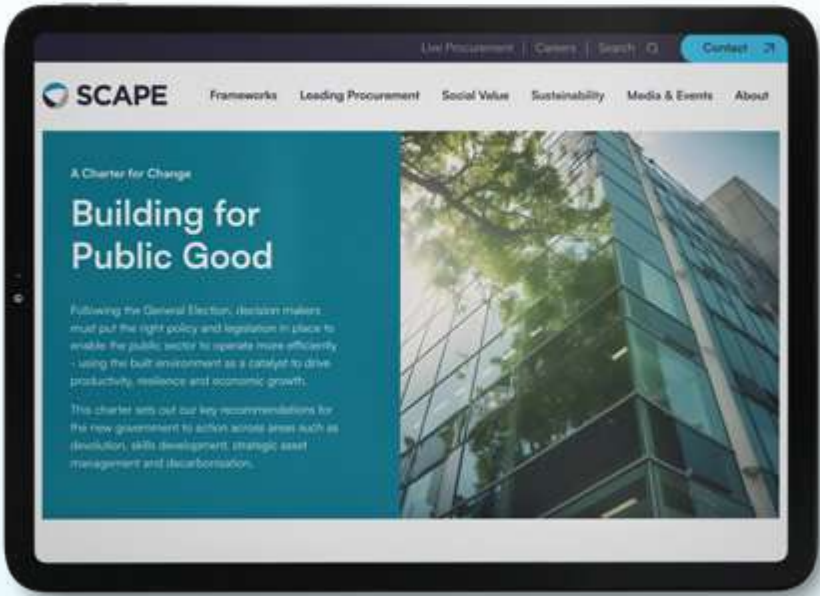
Providing greater support to clients wanting to understand how to embed social value, sustainability and environmental measures into their projects will be critical. In its Recommended Project Standards, SCAPE has set out environmental best practice, which clients can use to inform their decisions, specifications, KPIs and delivery outcomes.

[Download Recommended Project Environmental Standards](#)

Through transparency and collaboration

Improving visibility of pipelines and programmes of work will enable local SMEs and businesses to get more involved with a greater number of projects and will increase the potential community impact. This will also support longer-term planning to ensure they manage and deliver the necessary resources, technologies and innovation they need to enhance project outcomes.

As illustrated by the collective achievements through SCAPE’s Community Legacy Programmes, collaboration between businesses operating in the same region can create truly transformative results for local communities.



Building for Public Good: a Charter for Change

In its latest report, SCAPE recommends that policymakers allow a regionalised approach to social value that enables delivery to address place-based challenges and directly meet the needs of local communities — and creates regional commissioners with accountability for this.

SCAPE also calls for further decarbonisation funding initiatives and thresholds for construction waste to keep sustainability on the agenda at a local level and embed environmental best practice into procurement.

[Download Building for Public Good: A Charter for Change](#)

The Social Value TOM System™

At Social Value Portal (SVP), our vision is a better world where organisations prioritise people and the planet alongside profit. To achieve this, we have developed a robust measurement system to ensure that social value not only counts, but is also considered in businesses and communities worldwide.

The Social Value TOM System™ is an objective, evidence-based measurement framework, based on thorough research which uses robust and official data sources.

The 2024 update is informed by extensive analysis and reinforces the highest standards for social value measurement. It remains the most effective way to measure, report and manage social value and is the most widely utilised measurement framework in the UK.

The latest iteration of the TOM System aligns with the new Procurement Act 2023, which requires greater levels of transparency and accountability in public sector procurement — core principles that also underpin the TOM System.

Key benefits

The new TOM System reaffirms our commitment to leaving ‘no black boxes’. By sharing the rationale behind our methodology, TOM System users can have confidence in the integrity of its financial values. It is the only Social Value measurement framework that offers total transparency around how its financial values are derived, offering Social Value reporting with the highest-level of credibility.

Another major enhancement is a greater emphasis on Social Value maturity, enabling users to capture a broader scope of social impact. Our proxy and measure development reflects the evolving sophistication of social value measurement as our customers progress on their social value journey.

The two most utilised measures (local job creation and local supply chain spend) will also incorporate dimensions that encompass the wider social benefits of these activities.

Ensuring users have the best experience has always been our focus and to further improve this, the new TOM System has had its most ambitious update to measure text, evidence guidelines and guidance documentation since its inception — giving users the best, most comprehensive support, insight and guidance on how to get the most out of the TOM System.

Why SCAPE frameworks use the Social Value TOM System

The TOM System provides a robust and comprehensive framework for measuring and maximising social value. It enhances transparency, accountability, and helps clients with decision making, which ultimately helps to deliver greater economic, social, and environmental benefits to the community.

As one of the most widely used methods for measuring social value, the TOM System is mandated by SCAPE on its frameworks and endorsed by many local authorities and public bodies due to its alignment with public policy.

By adopting the TOM System, SCAPE demonstrates its commitment to creating meaningful and measurable positive impacts through its frameworks.

“The TOM System is an established and widely understood methodology which enables SCAPE to consistently and objectively report and measure the social value outcomes. Its allows KPIs to be embedded into contracts in line with the needs of the local community and provides a mechanism for quantifying the wider value to society beyond just the economic impact.”



Alison Ramsey
Social Value and
Performance Manager,
SCAPE