



Good Measures:

Improving social value reporting in construction

MSite in partnership
with BAM Construct UK



With special thanks
to Social Value Portal



Helping Maximise Social Value in Construction

Introduction

Social value is a hot topic in the construction industry today. It has become a key aspect of project procurement and operations, yet behind the scenes, there are significant challenges in the effective reporting of social value metrics and indeed ensuring the focus for social value teams is on initiatives to drive benefits and not on the mechanics of measurement and reporting.

Keen to understand the industry-wide position, MSite, in partnership with BAM Construct, hosted the Good Measures workshop in August 2022 where social value specialists from 14 main contractors came together to share insight and best practices on social value reporting in the construction industry. This report details the findings of the session and illuminates the challenges faced industry-wide.

The workshop covered three main topics and was intended to define a baseline to help drive through improvements in this area:

- 1** Where is the industry today and what are the specific challenges being faced with social value reporting?
- 2** How can the industry come together to improve the current situation?
- 3** What can be practically done to make a positive change?



The Challenge of Reporting Social Value in Construction

While the Social Value Act does provide guidance for construction companies to work towards, all attendees confirmed the social value priorities and focus for them are driven by a combination of project-specific, client and contractor-led requirements. These can change throughout the various phases of the build cycle (especially for longer projects) and are in line with cultural drivers – the recent pandemic being a prime example.

However, this has inevitably led to differences in the information captured and reported on a project-by-project basis, requiring multiple measurement tools, data sources and standards to be adopted and adding significant cost and overhead for contractors. In addition, multiple attendees highlighted a “lack of a joined-up approach” and the overarching message from industry professionals is that reporting on social value is a cumbersome task, impacting the focus of social value teams on the value their projects can provide to the community.



A History of Social Value

The Public Services (Social Value) Act came into force on 31 January 2013. It defines social value as a procurement-led exercise to ensure those commissioned to provision public sector contracts can “improve the economic, social and environmental well-being of the relevant area.”

Seen more as an indicator for consideration the Social Value Act was supplemented by the procurement policy note PPN 06/20 in September 2020, which, since January 2021, has been enforced across all public services procurement and requires that providers explicitly evaluate their approach to social value in the provision of services to public sector contracts. Further to this, successful tenders must illustrate a minimum 10% weighting towards social value.

- COVID-19 recovery
- Tackling economic inequality
- Fighting climate change
- Equal opportunity
- Wellbeing

The model offers responses, award criteria and even reporting metrics for each theme, and aims to standardise the reporting of social value data across all UK industries.

More specifically, feedback from the industry specialists highlighted issues with data. More specifically, feedback from industry specialists also highlighted issues with data, in terms of its availability, accuracy, and timeliness (scoring 1.8 and 2.5 out of 5 respectively). Workshop attendees also raised issues of data quality as part of any required audit process for submitted information. This all means a significant manual effort is required in chasing, collating and presenting the information.

Social value reporting is a ‘must have’, not a ‘nice to have’.

4.4

Requirements for reporting are clear and concise.

2.4

Data is readily available and easy to access.

1.8

There is very little manual effort involved.

1.3

There are no challenges in reporting on social value.

1.3

The data we do have is accurate and timely.

2.3

Strongly disagree

Strongly agree

The Challenge of Reporting Social Value in Construction

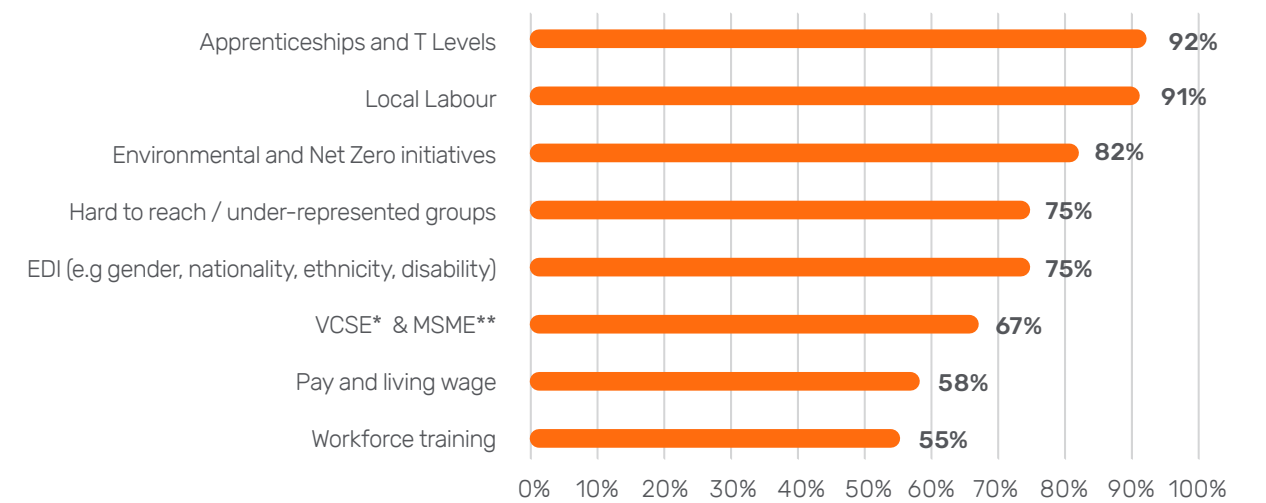
It is clear the industry is at a crossroads; given social value reporting is a "must-have" for the industry, things have to change to remove the inherent challenges, frustration and overhead of the current approach.



Word Map > "What words sum up Social Value Reporting in your business" Source: Good Measures Workshop Aug 2022

In terms of what is currently measured, both client requirements and contractor group sustainability targets are themed around industry-wide similar measures, as illustrated by feedback from the Good Measures working group, but variances around specific measures do occur. The group agreed that while there are frameworks in place, including the Social Value Portal TOMS standard ("themes, objectives, measures"), there is a lack of a cross-industry standard. In many cases, contractors measure either to the client-specific requirement or target maximising the total "proxy value" on a project-by-project basis. It is also clear there are significant differences between each contractor, as validated by the social value information currently captured in MSite.

% of contractors who currently measure social value metrics



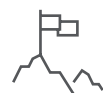
Current Social Value Measures: Source: Good Measures Workshop Aug 2022

The group also discussed the importance of the negotiation process between contractor and client to ensure that the contractual terms provide the most value to the community and not just the highest calculated proxy value. However, with behaviours being driven partially by the prospect of financial penalties for missed social value targets it calls into question whether the focus on proxy fiscal value is detracting from the social impact these initiatives could achieve.

*Voluntary, Community, Social Enterprise
**Micro, Small, Medium Enterprise

Addressing the Key Challenges

While the attendees all shared similar frustrations and challenges with the current approach, there was an eagerness to understand how to drive improvements with the following key outputs:



Challenge	Workshop Recommendations
There is government guidance, but it is limited and not mandated or standardised	Standardised measures across industry (including social value tools and clients)
Reporting challenges are the same industry-wide	Management tool to capture key data and minimise manual and duplicated input
Client requirements can be extensive and inconsistent from project to project, and client to client	Provision of accurate and timely information to social value teams as and when needed
Administrative overhead and limited resources including auditing challenges push the focus on reporting value instead of delivering impact	Integrated / automated workflow between workforce management tools and social value tools

Standardised Measures across Industry

Whilst broad in its potential impact, the attendees recommended a need for an industry best practice standard, in line with the requirements of clients, key frameworks (including Scape), and social value portals, including TOMS. This best practice would intend to ensure focus on the same, high-quality measures on a more consistent basis.

The recent *Building on the Foundations* report from [Scape](#) highlighted that the current focus by measured value is significantly more on "local" measurements (e.g. local jobs and local supply chain) rather than "social" measurements (e.g. training, apprenticeships, environmental or measuring the "hard-to-reach" individuals), in part down to the current high proxy values associated to these. However, workshop attendees agreed that a more balanced (but more consistent) set of measures should be adopted to truly reflect where a positive impact is being made on a project.

The 2022 industry report on social value tools from the [Supply Chain Sustainability School](#) neatly visualises the lifecycle of social value from activities and inputs through to impacts in the community. The key here is to standardise both the activities and input and the outputs by transforming the data collection for direct and indirect workforces so contractors can report accurately and meet both regulatory and client demands. The emphasis can then be more focused on the outcomes and impacts.



Working with GDPR

When considering a standardised set of social value measurements, workshop attendees all agreed the importance of GDPR and data privacy, especially when related to the capture of sensitive information. Any system used must ensure the appropriate secure capture and reporting of such information.

Multiple attendees had pushback from legal teams and in part the push for standardisation for the industry as a whole helps drive a consistent standard for all Data Protection Officers (DPO) to accept. There is still some way to go here but in standardising the measures captured, this needs to be done in line with the required legislation and contractor legal functions.

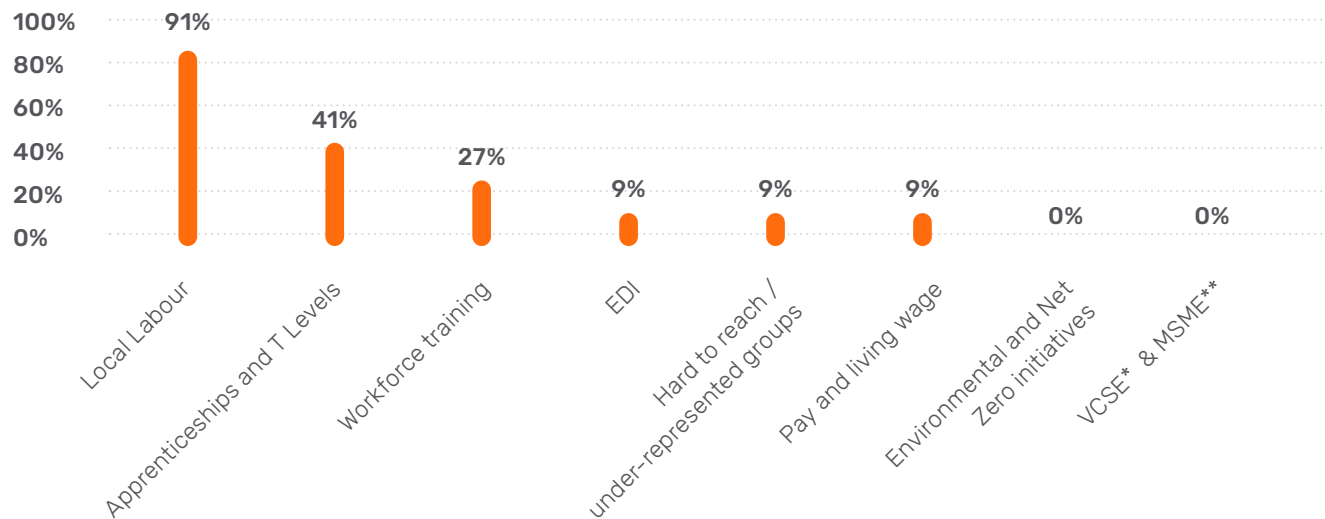
Activities & Input	Outputs	Outcomes	Impacts
Number of volunteer hours provided to young people for career and interview support	Number of young people experiencing career and interview support	Change of levels of confidence of individual young people	Change of educational and career paths of young people

Use of MSite / Workforce Management Tools

Even though all the workshop attendees use MSite as their workforce management tool, all use it inconsistently as a source of social value measurement information. The advantage of a system like MSite is the fact it provides a profile of all live or historic workers (both direct and indirect labour) across all sites. Not only does it accurately provide who was on site and when but enables key social value parameters to be incorporated into each worker profile, whether the postcode for measuring local labour eligibility or EDI responses to understand those who were previously long term unemployed or returning to work after an absence.

Some areas of social value reporting are already being managed solely through MSite; for example, 91% of our working group currently report on their local labour via the platform. However, there are other areas such as apprenticeships, workforce training, and diversity and inclusion which are still only collecting a partial data set. Those data items not currently collected systematically are either manually pulled together (taking time and making it difficult to audit) or are simply not calculated. Indeed the *Building on the Foundations* report indicated most projects use only 3-4 measures across projects, with the focus predominantly being on local labour measures.

% contractors who currently measure data in MSite



Current Social Value Measures: Source: Good Measures Workshop Aug 2022

In line with a standardised set of defined measurements, MSite will partner with our contractors to translate the standard into MSite as a best practice configuration, making the capture and management of such information significantly easier and taking advantage of the information that can be stored against a worker profile.

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Provision of Accurate and Timely Data

While the capture of the key metrics against a worker is important to support social value measurement, it is critical then that the social value teams, whether centrally or on-site, have access to this information promptly and with confidence that information is accurate. Therefore to enable this, a full suite of social value reporting is required, in line with accurate information on who was working on site.

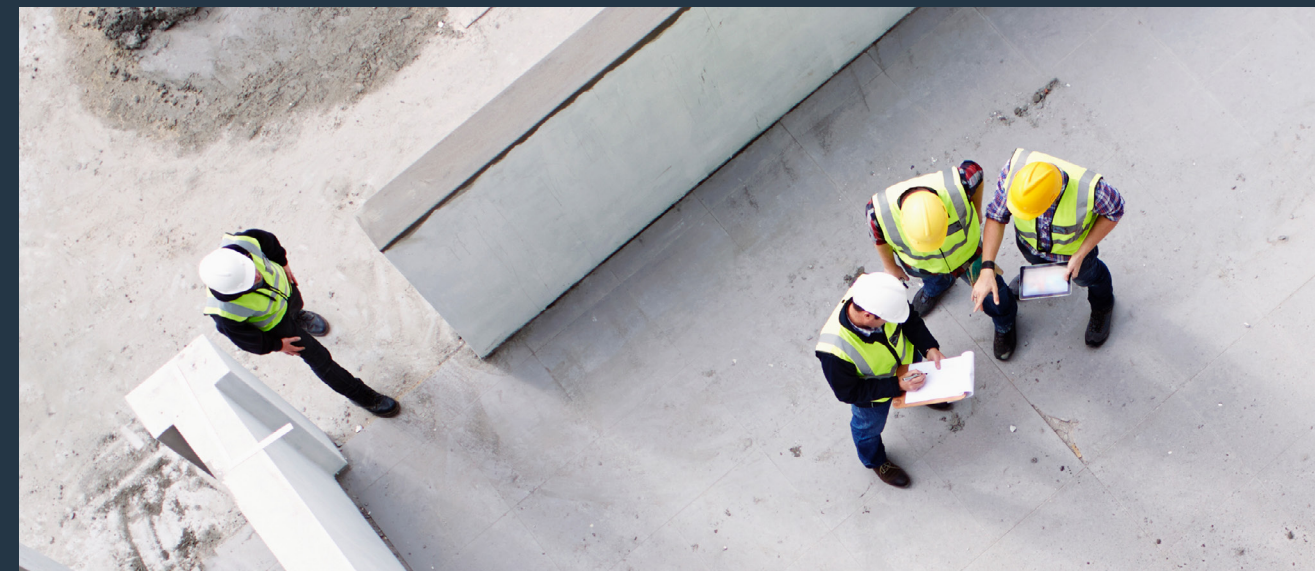
There were two key principles agreed upon within the workshop:

- Data should be granular enough so that it can be aggregated in many different ways to suit the end reporting requirement.
- The provision of GDPR including access to sensitive information should be paramount.

Integrated / Automated Workflow

Many digital tools on the market aim to make social value reporting easier including the commonly used [Social Value Portal](#). These offer a comprehensive set of themes, objectives and measures (TOMs) that aligns with the guidelines laid out in the PPN 06/20.

That said, the value of the TOMs – and any social value reporting tool – is the quality of the data going in. Therefore as an industry, there needs to be more work in the alignment of workforce management tools and these portals via automated interfaces to completely remove the manual effort and duplication currently required.



Working with our industry partners

The workshop highlighted the lack of alignment within the industry and the need to collectively change to ensure contractors can continue to make a positive contribution to social value on sites. The current ways of working are creating barriers to achieving this but collectively there is a resounding desire to work together for the good of the industry.

The insights collected for this paper were kindly given by our Good Measures working group which represents many of the top main contractors in the UK construction market. At MSite we focus heavily on customer feedback and insight that mutually benefits all parties, this enables us to build products that our customers (and their clients) want and need. We will continue working with the working group in implementing the recommendations.



Here's what some of the attendees had to say about the session.



It was great experience for me collaborating with others in the industry for the first time; hearing that we are all experiencing the same struggles in terms of social value data and working together to solve our shared data issues. Any improvements made as a result would have a positive impact on not only our own social value delivery but that of our industry. I'm very much looking forward to the next event.

Emma Brown

Social Value Advisor
Balfour Beatty



The opportunities presented by MSite to collaborate with industry peers is unique. From their recent social value in construction event, it is clear that the well-structured framework of social value and EDI data collected in the system can create consistency in reporting and analysis for our business and the other businesses in the room who face the same industry-wide challenges.

Kevin Hutchinson

Social Value Manager
Sisk



BAM approached MSite to arrange a collaborative industry event to help us collectively influence the direction of social value reporting through an agreed, clear and consistent message; that standardisation and data automation are the key to unlocking impact. MSite and other workforce measurement tools provide a fantastic opportunity for increasing quality and quantity of data flows, whilst enabling the industry to better understand insights and trends in social value. This ultimately ensures we are able to better respond to the needs of clients and communities.

Danielle Aberg

Head of Social Impact
BAM Construct UK





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