# Social value: Why it matters to the UK and why it matters to us





# Social value has become something that no organisation delivering publicly funded contracts can ignore.

Here, we explore why it's important for the nation, almost certain to become even more significant, and what it means to us as a contractor in the infrastructure sector.

We also look at the factors that make social value meaningful and much more than a box ticking exercise.



# Why social value matters to the UK

When public finances are constrained it makes sense to leverage as much value as possible from the £300+ bn spent each year on public sector procurement. A relatively small percentage of that sum directed to delivering social value alongside project outcomes can go a long way to expanding opportunities, making society more inclusive and improving the environment.

Even when public finances are in better shape it still makes sense for social value to be a priority. If there's the opportunity to do it, why wouldn't you always ensure that organisations that benefit from public sector contracts are committed to giving back to society?

The Social Value Act 2013 set the expectation that social value would be a consideration when awarding public sector contracts. For organisations like ours that had always embraced the idea and sought to give something back through every project, this was a welcome development.

Expectations have been strengthened over the years through procurement notices and other guidance. The 2018 Civil Society Strategy required that all major procurements explicitly evaluate social value, where appropriate, rather than just consider it.

Helping communities and the economy to bounce back from the effects of the Covid-19 pandemic adds another dimension and level of urgency to social value delivery.



## Why social value matters to us

Octavius is an organisation dedicated to improving transport infrastructure so that it works better for individuals, communities and the nation. Delivering exceptional value through integrating our processes, governance and systems through the whole value chain is one of our four key pillars. So you could say that social value is inherent in everything we do.

But that isn't enough, as the Government's Social Value Model makes clear. The way we deliver projects, engage with communities and work with our supply chain partners enables us to deliver outcomes that go beyond the immediate benefits of the project. Social value is an active commitment rather than a passive counting exercise.

Octavius is committed to growing the social value we generate from 20% of turnover in 2022/23 to 30% by the end of 2024/25.





### What does social value look like?

Social value has to be meaningful and make a noticeable difference. It has to be quantified, tracked and reported from pre-procurement and right through the life-cycle. Paying lip service to it shouldn't be an option.

# Our approach to social value has three broad goals:

- To create jobs and help people to access them (particularly those from underrepresented or disadvantaged groups.
- To improve communities, including fully engaging those communities to shape how projects are designed and delivered.
- To spend more with local SME businesses and help them grow their capabilities to access larger opportunities.

#### **Engagement**

Who decides what will add most value? That's not a task we can undertake alone. While we want to make sure all of our people and supply chain partners are fully engaged in delivering social value, we also ensure that local communities and stakeholders help to shape the vision and tell us exactly what interventions and support will add the most value.

'Many things are generators of social value.
Engage with communities and you'll find
countless local services and facilities that need
help. You won't find the answers in your social
value policy statement. The value that people
notice comes when you move from the general
to the highly specific.' Cat Cliffe, Octavius
Infrastructure Director of Sustainability

#### Sustainable impact

Above all, we're looking for a sustainable impact from social value interventions. We want our legacy to include communities that are more vibrant, prosperous and resilient so that the benefits last way beyond the timeframe of the project.

Social value is also linked to the delivery of strategic goals including net zero, waste reduction and enhancing the natural environment.

It also has to be considered alongside initiatives such as **Project Speed** that seeks to fast-track projects and deliver them at lower cost. Ensuring that these goals are achieved while still maximising the social value delivered means we have to maintain a sense of focus and urgency that matches the approach to accelerated project delivery.

Our overall aim is to ensure we're delivering long-term social value throughout every project phase and beyond.



## Social value in infrastructure projects

Infrastructure projects offer many opportunities for meaningful social value delivery. As well as job creation we offer work placements and engage with local schools and colleges to support learning activities and promote careers in the industry and STEM careers in general.

Volunteering in the community and with local sustainability and environmental projects is something that routinely happens across all of our projects and business activities.

These are things we've always done as part of our business culture and recently we've started to formally measure and report on these activities.



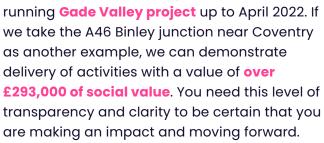
### How do we measure social value?

Measurement has historically been one of the trickiest aspects of social value. To be meaningful, measurement has to be consistent across projects and suppliers and it must be objective. This matters even more if procurement teams want to compare different potential suppliers on a fair basis and ensure that contract winners deliver on their promises.

Measuring our social value is important to us how else will we know when we hit the ambitious targets in our business plan? So we adopted the **Thrive** tool that gives us an easy way to record and report on the social value each project delivers. We also ensure that project managers are both empowered and accountable.



Thrive enables us, for example, to report with confidence that we delivered over £14.3m of social value on our long



While Thrive makes it easy to monitor the numbers, we never lose sight of the impact on individuals and communities, which is what ultimately matters more than anything.

'As a company we have to put our commitments and actions to the test. We might think we're doing a great job, but what do our supply chain partners and the communities we work in think? That's the real test, and it's one we're happy to apply to ourselves.' Cat Cliffe, Octavius Infrastructure Director of Sustainability



To learn more about our approach to project delivery visit our Transport Infrastructure Resource Centre or contact us by email at hello@octaviusinfrastructure.co.uk