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## Finding Social Value in Your Business

A guide for the construction industry



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## Introduction

The term 'social value' is now well and truly embedded in the construction sector lexicon and if you are reading this guide then you must have decided that there is some benefit to your company to pursue the concept further... but for many organisations there is still confusion around what this term actually means:

- Is it just the new 'on trend' name for Corporate Responsibility?
- Is it an additional compliance requirement for government contracts?

To add to the confusion, there is simply no one definition of social value – it can mean different things to different people, organisations or sectors. However, for business entities social value can be thought of as...

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**All of the value created by your organisation beyond income and profit. It includes economic improvement, environmental benefit, and social wellbeing.**

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Further confusion is added by the fact there are different approaches, methodologies and social value reporting frameworks. However, a great place to start is to look to the UK government's Social Value Model which was released under Procurement Policy Note 06/20 (PPN 06/20). This has been in use since January 2021, providing a standardised framework and explanation of social value which is driving a lot of the requirements seen around social value in procurement.

The Social Value Model advocates capturing and reporting on social value using 52 core metrics which fall under 5 broad themes. While its principal use is in procurement, more and more businesses are now adopting it as a standardised structure for their overall corporate reporting.

**Done well, social value is an opportunity.** It is an opportunity to more comprehensively capture all of the value your organisation is creating and an opportunity to 'tell your story' of social, environmental and economic benefit. The outcomes of this can be improved customer and employee attraction and retention, as well as directly winning more contracts.



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*Social value is being given higher weighting in tenders now, in some cases up to 20%. Thrive gives us the ability to provide more tangible information about the social value activities that we carry out and in our bids, which in turn helps us to win more contracts.*

**Martin Stone**, GROUP BID MANAGER, KINOVO

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The following sections outline where to identify and increase social value within your business, as well as how to capture and report on this.



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## Identify Where You Create Social Value

The themes and metrics of the UK government's Social Value Model are a great place to start for you to understand the breadth of where your organisation creates social value.

There are 52 metrics under the 5 broad themes of:

 **Equal Opportunity**


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 **Well-being**

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 **Tackling Economic Inequality**

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 **Fighting Climate Change**

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 **Covid-19 Recovery**



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## Well-being and Equal Opportunity

For many organisations, their ‘traditional’ corporate responsibility initiatives will broadly fall into the Well-being and Equal Opportunity themes.

Well-being covers the health and well-being of your workforce and the common community investment activities such as volunteering, fundraising and donations.

Equal Opportunities, as you would expect, covers support for disabled workers and those from other under-represented groups, as well as modern slavery.

**A total of 23 core reporting metrics are suggested in the Social Value Model within these 2 themes.**

For example, did you know that you can account for the “number of people-hours spent supporting local community integration, such as volunteering and other community-led initiatives, under the contract”. So if you can apportion some time to get involved with the local community; be it giving your expertise to students at a local college or supporting their already established community campaigns, you can account for that – and the time spent planning it – as social value.



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## Tackling Economic Inequality

The Tackling Economic Inequality theme has the most metrics of all of the 5 themes:

22 metrics across the 2 Policy Outcomes of:

- Create new businesses, new jobs and new skills
- Increase supply chain resilience and capacity

**Even if your organisation is familiar with common social value deliverables such as apprenticeships, training and job creation, the breadth of these metrics can be a real eye opener for many.**

It is possible that much of your supply chain spend can be considered to be delivering social value. Under the Social Value Model any spend on Small and Medium Enterprises (SMEs), start-up businesses and Voluntary, Charity and Social Enterprises (VCSEs) is assisting with the economic diversity and improvement in your local areas and is also included as delivering significant social value.



## Fighting Climate Change

Finally, the Fighting Climate Change theme brings additional opportunity. Most organisations will now have some level of sustainability reporting, whether it's as simple as tracking energy and water consumption or waste generated on projects, or a full assessment of their Scope 1, 2 and 3 environmental emissions.

Instead of reporting these aspects in isolation to your 'social' endeavours, under the Social Value Model, environmental improvement aspects are considered as delivering value to society.

So, like many, if your organisation is on a journey of reducing greenhouse gas emissions, water consumption and waste it sends to landfill, this reduction is inherently considered social value and should be captured in your social value reporting.

For example, under the reporting metric "Number of green spaces created under the contract" you can look at things like green walls or utilising roof tops for plants and pollinators as part of the project. Basically, any green space in and around buildings in towns and cities is counted as an additional environmental benefit and helps work towards the net zero goal.



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## Covid-19 Recovery

The Covid pandemic has had such an impact on peoples' livelihoods and well-being that, understandably, the Social Value Model has included a specific theme for actions taken to aid recovery.

The good news is that any actions your organisation has taken to assist in the Covid recovery can be included as delivering social value. And this can be wide ranging: from re-employing those made redundant by Covid; to volunteering activities; to actions taken to improve workplace conditions such as enabling remote working and mental health initiatives.





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## Data Capture

**Having identified where your organisation is delivering – or can deliver – social value, the next big challenge for most organisations is capturing that data.**

Inherently, social value is delivered right across an organisation – across a number of projects or sites – and even through your supply chain and partners. This can often create an information ‘black hole’. For many organisations they know the information exists but have no processes or tools to centrally record this. Therefore, they lose the ability to convey the value they deliver.

There are 2 key aspects to addressing this:



Communication

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Software

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## Communication

You should craft your social value message – your organisation’s purpose and values – and ensure this is regularly distributed through your communications channels.

Include messages that convey your overall vision but also how capturing this information is important to each stakeholder group.

At Thrive we can help you with your social value messaging and provide systems to keep in contact with relevant stakeholders throughout your organisation.

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## Software

Using software to support the data collection process can significantly reduce admin overhead, and result in a higher quantity and better quality of information.

Furthermore, using software like Thrive’s [Social Value module](#) would allow you to retain all of your data and evidence in one central location thus making reporting to internal and external audiences easy.

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## Case Study

At VolkerWessels UK they used a mixture of online tools, spreadsheets and emails, to log and track the social value achievements across the business. But due to the size of the business and complexity of the components, some of the work was being under reported, or worse, not captured at all. A lack of a centralised hub for information meant that there was no easy way to capture the great work that was being delivered, making reporting a challenge.

The team at VolkerWessels UK worked with Thrive to address this and as Emma Ward, head of Sustainability at VolkerWessels UK explains;



Emma Ward  
Head of Sustainability



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“Thrive’s software meant we could overcome data collection bottlenecks, by engaging with employees across the whole business. The reporting features have been pivotal in us being able to share our progress, and further drive engagement internally, with our supply chain, and with our clients.”

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## Reporting

Once you have your data in one place, you need to decide how to report on that. Notably, the Social Value Model recommends both quantitative (reporting your data) and qualitative (telling your 'story' around the data) reporting.

This is key to successful social value reporting – presenting figures that can be used for evaluation and comparison, combined with legitimising your data claims through clear evidence.

The other big reporting consideration is whether or not to put a £(financial) value on the social value you are generating using what are referred to as 'proxy values'. Some clients and stakeholders advocate this approach as it enables comparison using the common language of money.

Others dislike this approach citing inaccuracies in the methodologies employed and the inherent concept that social impacts and interventions cannot be valued in the same way as economic.

A number of different frameworks of proxy values exist and currently the one which is most aligned to the Social Value Model is the [Impact Evaluation Standard](#). Ultimately you will need to gauge your own audience and decide which approach is the best fit for your organisation.



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*As a strategic supplier of central government it's really important that we were able to lean into a framework like the Impact Evaluation Standard. We really wanted a robust process that would enable us to report our social value accurately, so that we could be really confident in the data that we were providing.*

**Sue Bailey-Owen**

Social Innovation and Sustainability Manager, Equifax UK

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It is becoming harder and harder to differentiate on elements such as price, experience, health and safety. But, with planning and some investment in better tracking, calculation and reporting, your social value commitments and business values can really make you stand out in a crowded marketplace!

*At Thrive, we exist to maximise organisations positive and sustainable impact on society.*

To learn more about [Thrive](#), the [Impact Evaluation Standard](#) and our [Social Value Consultancy](#) service, or to chat about how we can support, please contact: – [info@thrive-platform.com](mailto:info@thrive-platform.com)

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