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Society First! Maximizing Social Value in the Built Environment

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Learning Objectives

- Discover the transformative industry practice of social value delivery.
- Discuss the social, environmental, and economic outcomes achievable through the built environment.
- Learn about how connecting people, projects, and data can deliver better outcomes for society.
- Learn about using the industry drivers for social value delivery to build a business strategy for change.

Description

The decisions we make when building and maintaining the built environment can create or destroy value. Now, more than ever, there's a greater focus from public policy and project procurement on the delivery of value to the stakeholders that matter most—people and nature. This panel discussion will explore how the prioritization of social value will impact selection of future public investments and projects, as well as the supply chain contributors that can work on them. We'll discuss types of social value achievable in the built and natural environment, along with how organizations can prepare themselves to maximize the social impact that they make on the world and the communities they serve.

Speakers

Location
☀ Seattle, USA

Contact details
✉ amy@palletshelter.com

Industry focus
Architecture, Engineering & Construction (AEC)

Expertise
Amy holds a degree in Psychology and spent most of her career in Healthcare Administration, with a focus on managing large surgical practices, as well as occupational and mental health

Amy King
Owner & CEO

#SocialPurpose #Housing #Engineering

- Owner and CEO of Pallet, a Seattle-based social purpose company working to end unsheltered homelessness and give people a second chance at employment
- Passionate about removing barriers for people actively engaged in recovery and reintegration and seeks to provide an opportunity for more individuals in transition
- Prevents and reduces homelessness, both through the high-quality products we build and the invaluable people who produce them

❝

Creating housing supply and resources, across the spectrum, while offering opportunity and supportive community to individuals engaged in reintegration following incarceration, addiction, and homelessness.

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Follow **Amy** on Linkedin here: https://www.linkedin.com/in/amy-king-5444027a/

Location
☀ London, United Kingdom

Contact details
✉ ann.woulfe@mottmac.com

Industry focus
Civil infrastructure, Transport, Energy, Water

Expertise
Business and people change in the context of data, information and technology.

Ann is a Chartered Civil Engineer in the UK.

Ann Woulfe
Digital Lead, UK & Europe

#data #information #technology #socialoutcomes

- I make sure we deliver the best in digital ways of working to our clients to respond to their challenges. I work across a UK and Europe region through a network of digital leaders in our business.
- My focus is on continuously improving our everyday delivery and on building new services that result in transformational change to parts of our client's business.

❝

I'm in this industry because I know I can contribute in a positive way to society through the projects that we deliver and the outcomes we achieve.

I do this by bringing the best of sector experience together with data, information and technology to help solve the most complex challenges communities are facing.

AUTODESK

Follow **Ann** on Linkedin here: https://www.linkedin.com/in/ann-woulfe-22abb538/

Follow **Roni** on Linkedin here: https://www.linkedin.com/in/ronideitz/

Follow **Chris** on Linkedin here: https://www.linkedin.com/in/chriscrome/

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Primary Questions

- What does social value/impact mean to you and your organization?

- How did you prioritise where to drive impact? And what on?

- What industry drivers have influenced your focus on social value?

- What role does technology and data have in increasing social value?

- How important is it for you to measure impact? And how do you do it?

- What would you recommend to anyone listening that has a desire to increase their social impact?

Define Social Value

There is no single definition of social outcomes and social value. However, a collective understanding is that:

Social Outcomes are the changes that people experience as a result of our actions. When planning, building and maintaining the built and natural environment, whilst we might make decisions based on the best interest of people, it is important to consider that social outcomes can be both positive and negative.

Social Value, as defined by Social Value International, is the quantification of the relative importance that people place on the changes they experience in their lives. Quantifying social value in a financial form is becoming more commonplace in order to place greater emphasis on social impact when considering more traditional investment decisions. Social value in a financial form supports benefit-cost comparisons and driving value for money, where value is considered more broadly across social, environmental and economic pillars.

By better understanding the changes that we want to make in people's lives (outcomes) and how we will measure if we achieve them (value) we can better plan and make decisions to maximize our impact and make a better world, designed and made for all.

In order to maximize social value and the impact that we have on people, we must align on what outcomes are important and achievable within our work. Within the architecture, engineering and construction (AEC) industry we will find some common frameworks to help align around social outcomes.

International Frameworks

Image 1: 17 UN SDG's

The United Nations Sustainable Development Goals (*Image 1*), were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

National Frameworks
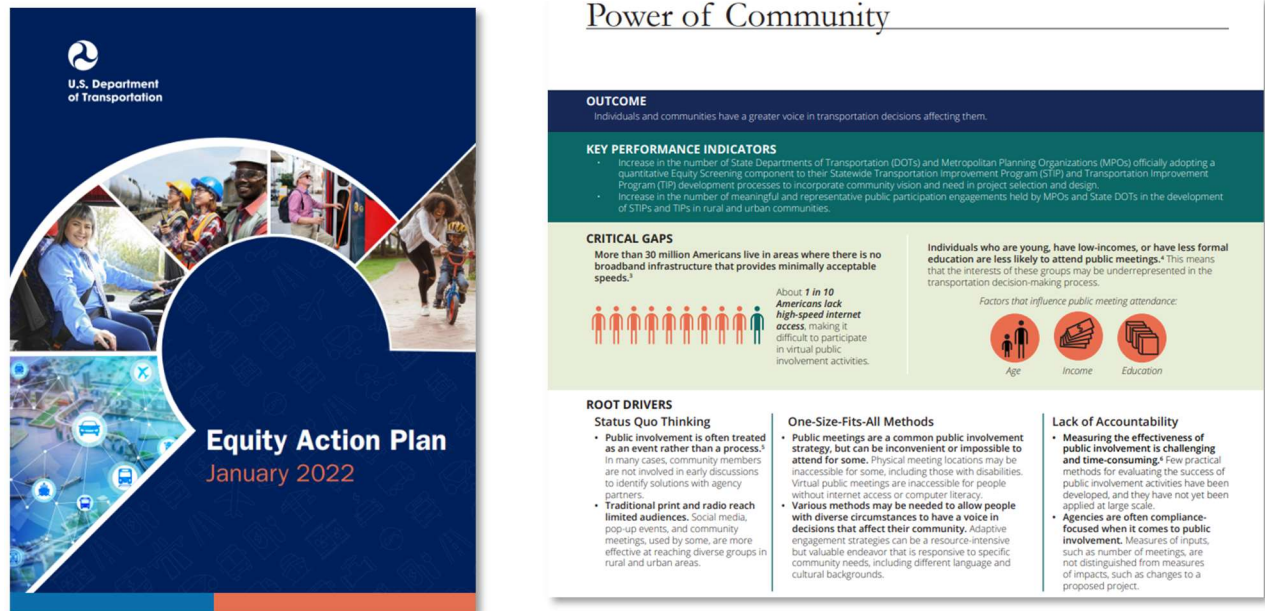
Image 2: U.S Department of Transportation Equity Plan

As a national example, the US DOT released the Equity Action Plan (*Image 2*) in January 2022. The Equity Action Plan highlights key actions that USDOT will undertake to expand access and opportunity to all communities while focusing on underserved, overburdened, and disadvantaged communities. The actions described here fall under four focus areas:

- Wealth creation
- Power of community
- Interventions
- Expanding access

Each focus area has a measurable outcome with key performance indicators and an action plan to deliver.

Industry Frameworks

Image 3: Value Toolkit

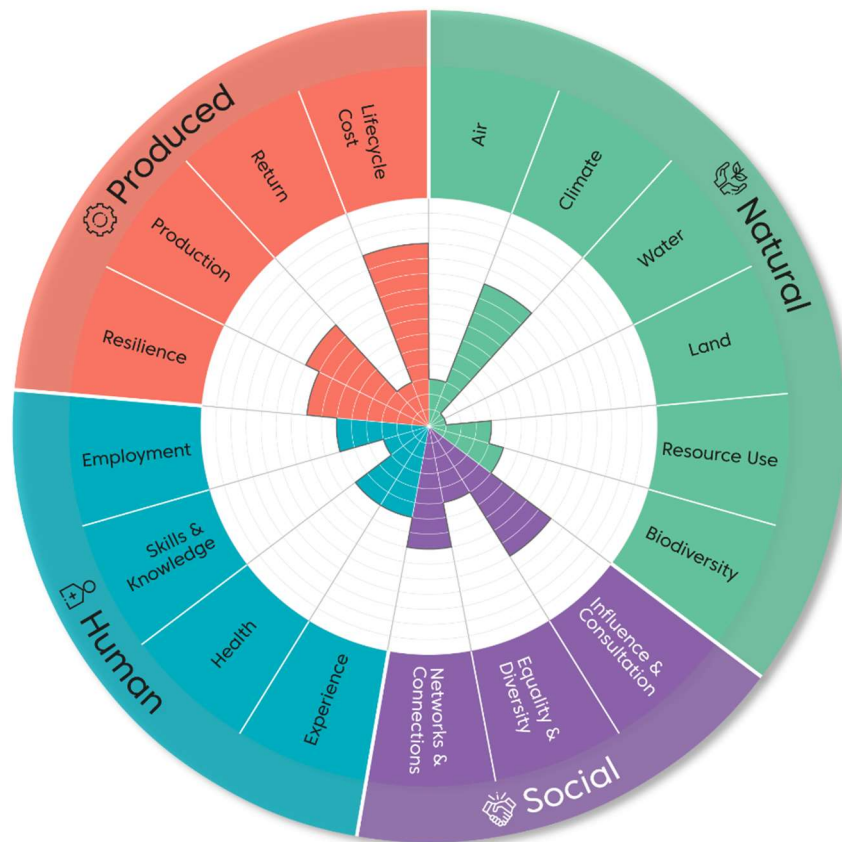We are even seeing social value frameworks developed at industry and organizational level. The Value Toolkit (*Image 3*), has been developed by the Construction Innovation Hub and is a UK government backed initiative designed to change the way the construction industry thinks about and measures value. The Four Capitals Model used in the Value Toolkit has been developed by the Capitals Coalition and defines a capital as any resource or asset that stores or provides value to people.

Why Social Value is important in the built environment

Development that takes place within the built and natural environment has an incredible opportunity to drive social impact. It is well understood that public and private investment in construction and infrastructure yields economic advancements for local communities and nations, as jobs are created and productivity within the area advances. Investment in social and economic infrastructure can also increase health, wellbeing, accessibility and belonging, as access to green space, health services, education, transport and security improves.

There are, however, well publicized challenges with construction and infrastructure. Construction is reportedly responsible for approximately 40% of global carbon emissions. In addition, social and environmental outcomes, which are promised to secure funding and approvals during planning, may never materialize due to the transactional structure of construction contracts that focus more on managing cost than realizing the collective outcomes for our people and the planet. There is also contention with mega projects like large infrastructure schemes, where they can quite literally divide communities, disrupt wildlife and quality of living, as well as under-serving the most vulnerable in communities.

In order for social outcomes to be realized and maximized, we need a vision for the built environment that prioritizes them in all aspects of project procurement and delivery.
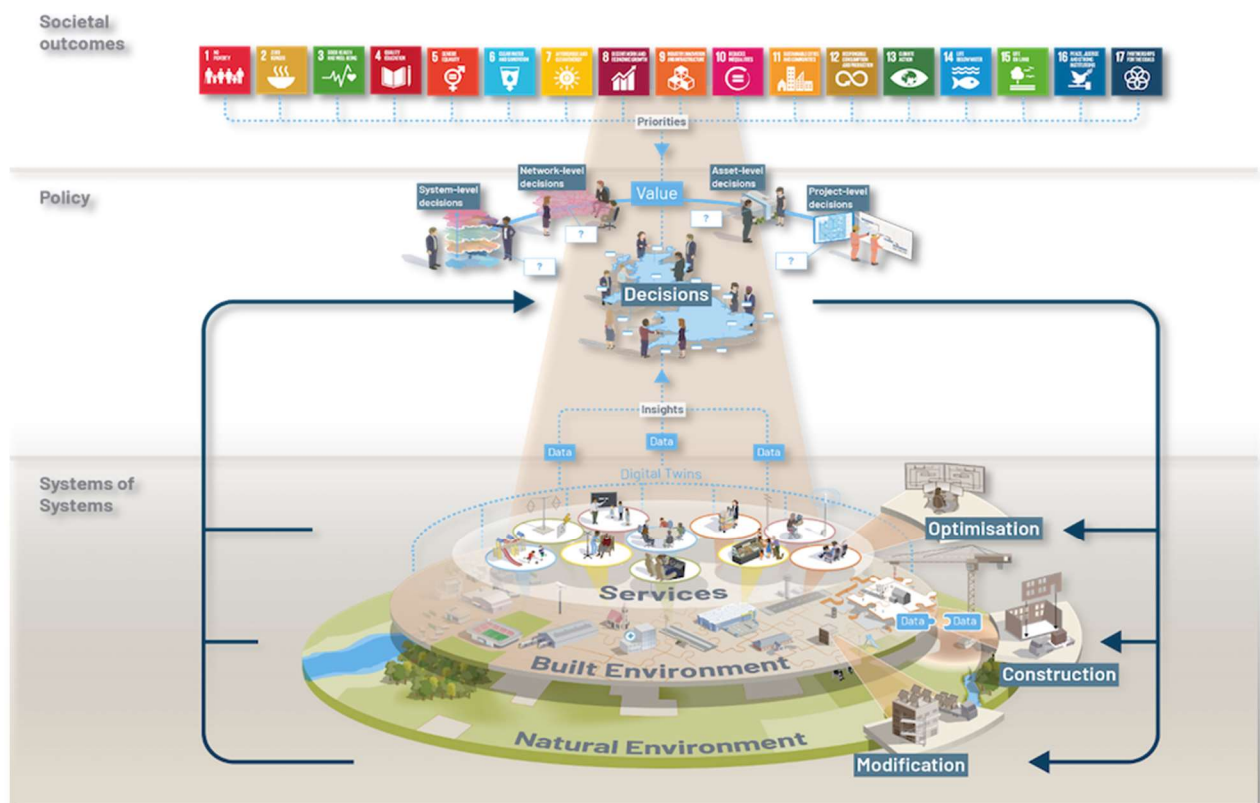

Image 4: Vision for the Built Environment

The Vision for the Built Environment (*image 4*), was created by a group of industry bodies and professionals to describe the future that we want from the built environment.

In order for our vision to be realized, intervention is needed and the way in which we select and reward our supply chains needs to be reformed. In the United Kingdom, the UK Government mandated in The Construction Playbook that all public contracts would place a 10% weighting

on the delivery of social value when assessing tender returns from suppliers. This means that the delivery of social value will now be a requirement, and a competitive differentiator, when trying to win public work in the UK. Those social value commitments must be executed upon during the life of the contract.

In parallel to the social value mandate during tenders, the structure of construction contracts are being challenged. Project 13 claims that:

> *"…the transactional model for delivering major infrastructure projects and programmes is broken. It prevents efficient delivery, prohibits innovation and therefore fails to provide the high-performing infrastructure networks that businesses and the public require"*

Project 13 promotes moving from transactional business models for construction, to enterprises.

> *"An enterprise brings together owners, partners, advisers and suppliers, working in more integrated and collaborative arrangements, underpinned by long term relationships. Participating organizations are **incentivized to deliver better outcomes**"*

Measuring Social Value

If you can't measure social value, then how do you know if you are achieving it? And how can you learn and improve? An essential part of social value delivery is understanding how you will measure and track the outcomes that you want to deliver.

A specific method used for accounting for value is Social Return on Investment (SROI). SROI is a process used by Social Value International, who bring together practitioners, organizations and changemakers from around the world with a shared mission to change the way the world accounts for value. SROI provides a clear framework for anyone interested in measuring, managing and accounting for social value or social impact.

There is clear guidance on undertaking an SROI which can be found on the Social Value International website. The guidance relies on eight clear principles, which can be seen in the following image.

Image 5: 8 Principles of SROI

In addition to SROI, the Social Value Portal helps organizations to procure, measure, manage and report social value. The Social Value Portal developed the respected National Themes, Outcomes and Measures (TOMS) framework. The framework is designed for organizations that want to embed social value into their procurement or measurement activities, and it provides practical ways to unlock more social value for communities.

Image 6: Extract from National TOMS

Call to Action

To borrow a quote from [The Vision for the Built Environment](#):

*"It is only when we shift our focus from creating the built environment to the **outcomes enabled by it** that people and nature can thrive together for the generations to come."*

In order to maximise the social value that we deliver to people through the built environment, we need to ensure that we are prioritizing it during project selection, procurement, design, construction and operation of built assets. AEC organizations should be incentivized on delivering outcomes to people and nature, which means every organization having a culture of social impact, along with a strategy on what outcomes they will drive and how they will measure them. This greater emphasis on social outcomes will ensure that the AEC industry remains an attractive industry to work in, where projects delivered enrich the lives of others, and creates an environment that allows both people and nature to prosper together.

Resources

Social Outcome Frameworks

[United Nations Sustainable Development Goals](#)
[US Department of Transportation Equity Action Plan](#)
[UK Government Social Value Model](#)
[Infrastructure Australia - Delivering Outcomes](#)
[Mott Macdonald Outcome Framework](#)

Social Outcomes Enablers

[Vision for the Built Environment](#)
[The Construction Playbook](#)
[Project 13](#)

Social Value Measurement

[The Value Toolkit](#)
[A Guide to Social Return on Investment (SROI)](#)
[National TOMS](#)