



WILLMOTT DIXON

SINCE 1852

Social value

Taking full account of
a company's true impact





Our thanks go to the following for their comments and valued contribution during the development of this document.

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Willmott Dixon has chosen to focus on youth unemployment and inspiring young people, community transformation and social exclusion. In the labour-intensive construction industry, skills are important. Willmott Dixon also understands the potential of well-designed buildings to improve health and wellbeing, and recognises that regeneration can have a big impact on transforming communities.

Social Value Act Review, Cabinet Office, February 2015, led by Lord Young

Doing good is good for business

Rt Hon Hazel Blears

I am delighted to write the foreword for a report which touches upon a subject close to my heart. The idea of social value has huge potential to transform the way businesses operate. And Willmott Dixon, one of our great home-grown businesses, has already earned respect for its work in this important area.

I see this publication as a staging post on a journey already around 30 years in the making which has been given fresh impetus by the 2012 Public Services (Social Value) Act. The Act places a duty upon public sector organisations to consider economic, social and environmental benefits for communities, as well as cost, when awarding contracts. It has secured broad support in the worlds of both politics and business and gives a competitive advantage to those companies which operate responsibly and place the needs of local people at the heart of what they do.

Over the last few years we have seen some fascinating deliberation among public sector procurers. What is social value? How can it be measured? And how do you judge the relative merits of companies' social value offerings? I hope the newly published Review of the Social Value Act, in which I was involved, will help to sharpen the focus of this discussion. This document provides a welcome and thought-provoking addition to the debate and I would like to thank Willmott Dixon for its commitment to this exciting agenda.



I see this publication as a staging post on a journey already around 30 years in the making which has been given fresh impetus by the 2012 Public Services (Social Value) Act.

We are what we do

Rick Willmott, Group Chief Executive, Willmott Dixon

The Public Services (Social Value) Act 2012 requires public authority procurers to take social value into account when awarding contracts for services. Lord Young's recent Review of the Act (2015) found that it is having a positive impact but there is still work to be done to develop its full potential.

Clearly, the debate on the role that private companies play in society has moved on in leaps and bounds since the 'money' culture of the 1980s. Nowadays most people agree that added social value is a good thing in a business. But there is far less consensus on what social value is, and how you measure it. This is a challenge for businesses – but it also makes life interesting for public authority procurers. How to judge one contractor or supplier over another, when each one has a different definition of what social value looks like in practice?

At Willmott Dixon, we are unashamedly proud of our community programmes and the social value they have created for communities. But we are also proud that our core business operations leave a positive legacy in local economies and communities. We believe that it is an inherent part of what makes us unique and helps us remain the contractor of choice for many of our clients. We're not pretending that we have all the answers when it comes to adding social value, but we've learned a lot over the years – and we are still learning.

Social value is an emerging field, and we are often asked to contribute to studies and forums on the subject. This publication pulls together some of those contributions and illustrates our thinking with case studies taken from across our business.

Lord Young's Review asked providers to think how social value can be incorporated into core business. We hope this document contributes to the debate. We hope it provides food for thought for other businesses which are looking to improve their offer in the area of social value, and stimulates those procuring public authority contracts who want to develop a better understanding of what social value looks like.



At Willmott Dixon, we are unashamedly proud of our community programmes and the social value they have created for communities.

Executive summary



As we emerge from the worst recession in living memory, research tells us that the gap between rich and poor is wider than at any point in the last 30 years, and increasing; pension values are decreasing; we have chronic housing shortages; and huge cuts to public funding are straining public services. The challenge for central and local government to deliver critical public services with fewer resources is becoming more acute. Increasing the social value that private sector organisations provide is essential.

The introduction of the Social Value Act in 2012 and its Review in 2015 has changed the game. The legislation, introduced to increase the value that public sector contracts generate for society and local communities, means public sector procurers now have a legal duty to take social value into account when awarding contracts for services.

Definitions of social value exist, but its application will mean different things to different people and organisations depending on their particular challenges and needs.

Although this legislation only strictly applies to public sector organisations when procuring services it has elevated the topic of social value and social investment across the business world and is stimulating much debate about the purpose of a company and what society now expects from a responsible business.

This raises the question of how social value should be measured and how one company might be compared with others. And what methods and metrics can be used to do so. Since need varies from area to area, and because it evolves over time, there isn't a common metric or methodology. Our contention is that, in any case, much of what constitutes social value cannot truly be measured as the impact on individuals and communities is often intangible – how do we know if work experience has increased a young person's aspirations? How do we measure increasing self-confidence? Or an increased sense of community?

So, how can you measure everything that a company contributes to a local community? Social return on investment models aim to measure the cost savings of community programme initiatives, but surely the measure of a company's effectiveness in adding social value is not just what it does as distinct community investment activities but also in the way they operate, the way they treat people and the things they choose to do.

Do they procure goods and services locally? Do they treat their suppliers fairly? Are they committed to supporting and developing their supply chain and their own employees? Do they invest in their industry through research and development, and through involvement in cross-sector groups? And, importantly, when they talk about their community investment work, are they focussing on easy light touch actions or are they prepared to tackle the harder issues, like offering work experience to ex-offenders?

This document aims to add to the important debate on what social value is and how it can be valued and measured – Willmott Dixon don't claim to have all the answers but as a major construction company for whom giving back to the community has been one of its core values for more than 150 years, we've got much experience to draw on.

The key questions posed within this publication are:

- ▶ Could public sector commissioners gain a better understanding of a company's contribution to society by looking at their total impact, taking into account how they undertake their mainstream activities rather than simply considering its community programmes?
- ▶ How can the less tangible impacts be valued? Can the difference made to communities and individuals be properly valued by translating input into a monetary saving or cost?
- ▶ Is it necessary to consider the lifetime benefits of initiatives and actions in order to properly understand the value?
- ▶ Can we measure everything that a company contributes to society?
- ▶ Do we need to accept that some things can't be measured and the value must be assessed?



For Business in the Community social value means the long term difference that a business creates for the communities in which it operates, through its existing commercial activity, social programmes and through its supply/value chain and we welcome the recognition of that within this report. It also provides a useful contribution to the debate about how this value can and should be recognised and acknowledged.

Stephanie Hagan, Head of Community Investment,
Business in the Community

The challenge for procurers



These are challenging times for procurers, particularly in the public sector, where the pressure is on to make public money go as far as possible.

The Social Value Act requires public authorities “to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes”. According to research conducted over the summer of 2014 by national body Social Enterprise UK¹, 60% of the housing associations and local authorities surveyed were considering social value as part of their contract tender processes. Translating the requirements of the Act into strategies, tender documents and contractual relationships is, however, challenging. Many local authorities are struggling to define exactly what social value is and Social Enterprise UK’s research also showed that only 37% of the 200 local authorities and housing associations that its researchers surveyed had a written policy on social value (although a further 48% said that they were working towards it).

To comply with the Social Value Act, public authority procurers need to define the criteria by which they will judge a company’s proposals for enhancing social and economic wellbeing. However the needs of individual communities vary both within and across authorities – and will change over time.

Willmott Dixon’s own research into procurers’ priorities in summer 2014 showed that, for many authorities, employment and training for local people dominate. This statement, from one leading county council, summarises that view: “We believe that an increase in employment will lead to better living standards, lower crime, increased health, wellbeing, self-belief and motivation. For us it all starts with access to employment.”



TPAS welcomes this report by Willmott Dixon for adding to the debate on social value and providing useful case studies to reflect upon. Social value is an exciting but challenging agenda to deliver on but one that brings huge benefits to communities and individuals if approached in the right way from the outset.

Jenny Osbourne, Chief Executive, TPAS

And then there is the problem of assessing social value. Metrics can be useful in comparing the achievements of different companies, but used in isolation risk missing the bigger picture. For example, although a company might meet a target to recruit a certain number of new staff from the local community, this social benefit is greatly diluted if it then treats those new staff members poorly or offers little in the way of development and training. Or conversely it might add significantly to the impact it makes by recruiting long-term unemployed people or those from a disadvantaged background who might initially need much more support from the company. Neither of these impacts shows in a simple numerical target.

Current measurement approaches only capture part of the picture. Commonly used methods such as Social Return on Investment (SROI) or HACT's Wellbeing Valuation² for the housing association sector, aim to express the financial value of the cost saving to the local authority and society generally of an intervention. However, assessing the impact on the individual is rarely considered, because of the difficulty in measuring it. Neither have current methods been designed to take into account the social impact of a company's mainstream business activities. What does a firm's culture say about the way it will meet its social investment commitments? Will it be a by-the-letter affair, measured by hours, numbers and percentages or will there be a genuine commitment to look for and deliver the best possible value and outcomes for all the stakeholders within a community?

Targets, linked to outcomes, are important; but when it comes to assessing a firm's ability to deliver social value, how much more valuable is it to assess how deeply the motivation to create social value is embedded throughout that company; how that company goes beyond the headline contract and specific community activities to deliver true social value through its culture and the way it conducts its core business.

Key Points

What constitutes social value varies according to area and will change over time. Social value can only be assessed when it has been defined in context.

Those assessing social value on new and existing contracts should seek a holistic approach which considers the non-financial impact of interventions and a company's culture and values.

Creative Funding Solutions

Austerity increases the need for contractors to innovate in order to provide solutions which deliver a range of social benefits.

Willmott Dixon Partnerships' Rotherham branch looks after 10,500 homes for Rotherham Metropolitan Borough Council. It is working with Rotherham council on an innovative way to create more value for the local community.

Rather than simply return the annual savings from its housing repairs and maintenance contract budget, Partnerships offered to take unused land and turn it into something useful. The outcome

will see the construction, on a derelict garage site, of two specially adapted houses for families needing additional support for disabilities.

The scheme adds value on a number of fronts. The council won't be paying for maintenance of a site which is no longer useful, and the new housing will generate income. The demand on social services will be reduced because there is less requirement for caring support. And the families living in the specially adapted homes will have a better quality of life.

¹"Communities Count: the four steps to unlocking social value", Social Enterprise UK,

²"Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach", HACT, March 2014

A culture of social value



Does the way a company conducts itself impact on its ability to deliver social value? We firmly believe that it does. We think that a company's values and culture are key indicators of the extent to which it is motivated and inspired to create social value when delivering projects or services – social value should be a natural extension of a company's values, culture and core business.

We believe that the success of a company is partly attributable to the way it creates social value as part of its core business practices. This means looking after and developing employees; treating supply chains fairly; using local people and firms who take a particular pride in what they are doing; and innovating to deliver more value to clients.

Values and culture also manifest themselves in the way that businesses deal with any negative impact they have on communities and environments as a result of their work. For Willmott Dixon, we recognise that construction activity can result in noise, dust and traffic; we aim to mitigate the impact of these on local communities as much as possible, engaging with local people and setting – and monitoring – targets for our projects and people.

From being good neighbours, carrying out activities that invest in the local community is a natural next step and an important part of the picture. By working with local communities, companies can identify ways to help and leave a positive legacy, further adding to the social value that the core business creates. Goals and targets, particularly those focussed on impact, are a clear sign that a company is serious.

Key Points

A business's culture and values are good indicators of its ability to add social value.

A company's mainstream activities also add to the social value it can bring to a contract.

Propagating Company Culture

The importance with which a business takes social value can be measured by the steps it takes to embed it into the next generation of leaders and managers.

Management trainees from across Willmott Dixon take part in an annual competition, as part of their developmental activities. Through the Willmott Dixon Foundation, a trainee from each local company must organise a community day activity or event which will leave a positive legacy in a local community. Each trainee must mobilise colleagues, supply chain members and community volunteers to get the work done.

Projects have included: a makeover of the Chickenshed Theatre in Barnet; help with charity Earthworks' market gardens in St. Albans; supporting people affected by flooding in Somerset; and a new sensory garden for St Luke's Community Centre in Canning Town. Some of the trainees also gave work experience to local young people by involving them in delivering the projects. Natalie Briden, winner of the 2014 challenge from Willmott Dixon Interiors said "This was an amazing opportunity to do something really worthwhile for the community. The whole company was behind it and we also got our subcontractors to help as well. And I can't tell you how much I learnt in the process".

"I've been so impressed by what our young people have achieved," said Alison Symmers, Head of Willmott Dixon Foundation. "As well as creating value for the community, these projects are really good for developing team spirit and for helping the trainees form connections with other colleagues.

"But the most important thing is that, as a Group, we are communicating to our management trainees – the future leaders of our business – that community investment is a valued part of our business."

Partnering Matters

Delivering the best social value possible means working collaboratively.

Willmott Dixon was a pioneer of partnering, quickly taking up the principles laid down in Sir Michael Latham's 1994 report 'Constructing the Team'. The sort of partnering which Latham – and Sir John Egan after him – envisioned involved contractor, client and supply chain. It's an approach which is good for business because it builds strong relationships where people are willing to go the extra mile.

Since partnering promotes improved performance through collaborative relationships, based on value rather than cost, it is also good for social value. Beyond the impact on the local economy of a pound paid and re-spent locally, working in this way with local companies and local people increases the pride they feel in the work. And it creates better understanding of each partner's challenges and a willingness to work together to explore ways to address these. Partnering is also known to improve employee satisfaction and engagement in both organisations, creating workforces willing to give time to community projects.

Creating aspirations



Creating aspirations is key to a thriving and prosperous community. And private sector companies have a part to play.

The Government has renewed its support for the Troubled Families programme which is helping 120,000 families in England turn their lives around. This is premised on the understanding that investment in disadvantaged children pays dividends to both the child and the taxpayer similarly. We have found, over the years, that providing work experience for disadvantaged young people is challenging; some of the young people we support need more than the opportunity of work experience or an apprenticeship. They need help in adjusting to a regime which many of us take for granted – working hours, expected behaviours, appropriate dress. A mentor who is supportive, inspiring and motivational makes a big difference. Getting it right involves strong collaboration with a range of partners – social enterprises, main contractors, client organisations and specialist charities such as Construction Youth Trust.

But how do we gauge the true impact of employing a young person? The traditional answer is to measure the savings made to the public purse from a reduction in the benefits bill. This is an important consequence, but not the whole story.

That young person could come from a home where neither parents nor grandparents have worked. They could have younger siblings who have now gained a positive role model, encouraging them to work harder at school with a view to getting a job when older; and friends may gain hope that they too may be able to find employment.

The role model impacts could spread further. The young person could be working in their own area, in their own estate. Children from other families might notice new clothes, a new car, or a new air of self-confidence, and see that a career in building or maintenance is a good way to support themselves. Not to mention the potential of a role model to break down preconceptions, for example about opportunities for women, disabled people and disadvantaged groups.

We could look even further into the future to when that young person has a family. Their children are being raised to understand ambition and contribution, responsibility and work ethic, and the obvious linkage with recognition and reward.

All these things are possible if a young person has positive early experiences in the workplace.

The culture of a business has a big impact on a young person, new to the workplace. So when considering a company's track record on providing work experience or apprenticeships, it is important to look not just at numbers and hour counts, but also at how far a company is prepared to work with more challenging young people, and the support that they put in place to ensure a positive experience of the workplace.

It is just as important to look at how a company supports and feeds its workforce's aspirations. Does it provide training, and promote from within? Do its employees feel fairly treated? People who feel that their employer cares about them and their careers are far more likely to encourage others to follow in their footsteps.

Key Points

Choosing the route with the greatest positive impact on the individual – rather than the easiest route – optimises social value.

A nurturing and supportive working environment adds significant social value.

Talking to trainees and apprentices will give first-hand evidence of how truly a business lives by its values.

Willing To Work And Adding Value

It takes more time, effort and support to provide work placements for some groups of people, but the benefits to that individual – and to the business and community – can be immense.

Willmott Dixon's repairs and maintenance business is benefitting from a positive push to employ more local people with disabilities. Working with two local groups set up to provide work placements for people with disabilities, one branch managed to find three new employees who are now highly valued members of the workforce.

"People tend to put barriers in front of people with disabilities because they are looking for academic qualifications," says supervisor Mick O'Connor who set up the links with the work placement groups. "What they don't realise is that the right attitude and enthusiasm are even more valuable than a full set of academic qualifications."

Jonathan, 23, who has dyspraxia, joined Willmott Dixon Partnerships two years ago as a labourer, following two work placements. He had been on several work placements with other companies and had worked voluntarily for a number of organisations but none of these had led to a job.

"I feel so much happier now that I have a full-time job," says Jonathan. "And I feel more confident too. All the lads I work with have helped me out and I've learnt that I can do more than I thought I could."

Jonathan is part of a two-man team looking after 16 different common areas around several housing estates, ensuring they are kept clean and tidy and carrying out maintenance and repair works.

"It's really good to know that I am making a difference to the area where I live, making it a bit cleaner and tidier," says Jonathan. "I often see people I know when I am working, and it makes me feel proud of myself and of what I'm doing."

Creating aspirations

Training Through The Tough Times

During tough times, a training budget can be seen as luxury a business cannot afford.

Since the global financial crisis began in 2008, the economic environment has been challenging for many construction firms. Competition for projects has been fierce, margins have been squeezed and budgets cut.

Training and development is often one of the first casualties of a recession. But responsible businesses understand that cutting training is not only bad for the company and individuals involved, it is bad news for the industry and for its clients.

Willmott Dixon continued to invest well over £2m a year in employee training throughout the recession. Now that work is picking up and people are moving between firms, other companies are also benefitting from the technical, management and leadership skills that Willmott Dixon has invested in over the last five years.

"When we train somebody at Willmott Dixon, we are training them for the industry," says Sarah Packman, Group Learning and Development Manager. "We know that people can be mobile in the construction sector, but we believe that even if someone does leave, we have contributed to raising standards across the industry."

Nurturing Talent

If employees really believe in their company and their industry, identifying and developing future talent becomes an unconscious part of day-to-day business.

Five years ago Sam Drew was a charge-hand bricklayer working for a sub-contractor on a Willmott Dixon site. The Willmott Dixon site manager noticed he had potential and encouraged him to apply for the company's management trainee scheme.

"I hadn't thought about it before then and I didn't know whether I would be successful because I was up against lots of people, including graduates," says Sam. "I was just pleased to be put forward. But I think the knowledge of building I had gained through being a tradesman was a positive thing."

Sam joined Willmott Dixon Housing as a trainee and was promoted to Assistant Build Manager in September 2014. Willmott Dixon has supported him through an HNC and HND, and he is now working towards a construction management degree via a day-release course.

"I would encourage anyone at my level, whether a graduate, post-graduate, carpenter or bricklayer to join the business because you could not go anywhere better to develop as a professional," says Sam who, in October, received the 'Above and Beyond' award from his local office.

"With Willmott Dixon, when you put the hard work in, you get recognised," says Sam. "I know from talking to friends at other firms that this isn't always the case."

Sam was recently given the opportunity to present his ideas on how Willmott Dixon could be improved to senior members of staff. "Following on from that, I received an email from one of the directors, thanking me for my points," says Sam. "It's good to know that, as a young person, they are interested in your ideas."

Creating stronger communities



Responsible businesses need to look at more than just their environmental and social impact. They need to build stronger communities through their core business activities and through community investment programmes aligned to local needs. The nature of different businesses' contributions will vary but those companies which adapt their core activities to meet society's changing needs can add real value.

The UK housing crisis represents a severe threat to our communities. Significantly the Lyons Housing Review, published in October 2014, says: "We need a choice of homes to reflect people's ability to pay and the different stages in their lives." Younger people, for example, at the beginning of their careers and often saddled with student debt, are in particular need of decent, affordable rented accommodation. In response, Willmott Dixon's be:here business has come up with an innovative solution to the problem (see box, "Homes for young professionals" page 17).

Building the right kind of accommodation is part of the solution, but not the whole story. Most of the UK's current housing stock is old, cold and draughty and around one in five UK households currently lives in fuel poverty – cold homes are reckoned to cost the NHS £1.3bn and be responsible for around 8,000 deaths every year. The NHS's sustainable development strategy 'Sustainable, Resilient, Healthy People and Places', published in January 2014 recognises the strong link between people's health – or ill-health – and their homes and communities. The decision to launch our Energy Services business in 2012 was a commercial one, but it was also based on the realisation that we could use our low-carbon expertise to bring real value to communities.

The large-scale energy efficiency retrofit programmes that the company is delivering across the country are making a massive impact on local communities. Not only are we delivering quality services, but we are also taking every opportunity to help people with energy saving tips and advice, and encouraging local groups to become involved. The work is also helping to meet local and UK-wide greenhouse gas emission targets – a real challenge for society.

Regeneration is also about creating community spirit, as well as the physical rebuilding process. On Dee Park in Reading, where Willmott Dixon's Prime Place company is working in partnership with Catalyst Housing Group, funding for a new community cafe, a new youth club, after school clubs, community events and a local newspaper have begun this process. All these initiatives offer opportunities for local people to volunteer and develop new skills which can be transferrable to employment.

In other areas where we are working, we can also help develop local facilities – for example, creating allotments, re-claiming derelict spaces, and refurbishing shops for community use. Through community projects like these we've provided opportunities for local apprentices and unemployed people to work alongside our skilled tradespeople, helping them learn new skills and giving them a sense of pride that they have helped to create a facility that will be used by the community in which they live.

Creating stronger communities

In the current climate of austerity, cost is often a barrier when it comes to new facilities – but it needn't be. Working together, innovative solutions can be achieved – for example, our Regen company is pioneering funding solutions which are enabling local authorities to provide, update or replace much-needed facilities at no up-front cost – facilities and amenities that might otherwise have been lost. Working with Westminster City Council, we are using the proceeds from the development of 156 homes on council-owned land to fund the creation of a new £19m leisure centre which will house two new swimming pools, a large sports hall and gym – not only giving the community a central focus, but also helping to improve the health of the whole community.

Key Points

Companies should look at how they can capitalise on their strengths to develop their core business in new areas that can also bring social value.

Creating stronger communities comes from strong public/private/third sector partnerships.

Blueprint For Regeneration

Rebuilding communities requires public and private sector partners to have shared goals and visions.

The regeneration of the Aberfeldy Estate in Poplar, East London, is seen by many as a blueprint for tackling ageing estates around the capital and the UK. It demonstrates how the public and private sectors can work together to deliver more homes, improve residents' lives and create employment and training for local people.

The local community suffers one of the highest levels of deprivation in the UK, with overcrowding and poor health. A six-phase project will see the creation of around 1,200 homes by 2024, replacing the run-down, low-density housing currently occupying the estate. But facilities are also important and, when complete, the development will feature a new central street with retail facilities, a multi-use community centre, healthcare facilities as well as open space and landscaped green areas with public art – all of which will help to give it a unique community identity.

Poplar HARCA selected Willmott Dixon's development arm Prime Place as its partner because it offered the housing association a true 50:50 joint venture delivery model, and showed that it could commit to the goals of the scheme. The scheme is being delivered by Willmott Dixon Housing.

"Willmott Dixon showed a better understanding of our needs, and more of a willingness to get involved in the regeneration benefits that such a scheme brings," says Poplar HARCA's Project Director Malcolm Ward. "They brought committed and talented people who were able to bring flexibility and a willingness to compromise."

During the first phase of construction, Willmott Dixon Housing has consistently exceeded the target of 20% of the workforce coming from within the borough. However, finding and keeping committed apprentices has been challenging, requiring collaboration between client, developer, contractor, supply chain and social enterprise, Building Lives. "Because developer and builder are part of the same Group and we are all signed up to the same principles, we kept trying different routes until finally we got the apprentices we needed." says Peter Lackey, Development Director of Prime Place.

Raising The Bar For Retrofit

A focus on innovation brings benefits to communities as well as business.

In Mid and North Wales, Willmott Dixon Energy Services is working on the Welsh Government's innovative Arbed 2 project, upgrading around 2,400 energy-inefficient, privately-owned homes. With new gas central heating systems – rather than expensive oil-fuelled heating or traditional coal fires – as well as double glazing, residents' comfort levels and family budgets have benefited.

Willmott Dixon is using Arbed 2 to drive technical improvements. "It is very important to us that we do the best and most appropriate job we can," says Project Director Phil Young. "We want to raise the bar, so we have spent a lot of time researching systems and details." One detail which has made a significant difference is that they have found a way to install external wall insulation below the damp proof course, significantly improving a home's insulation properties.

"We know it's the right thing to do because it is making peoples' homes warmer," says Phil. "We have raised the standard, and the aim is that the new technique will become the way things are done in the future."

Homes For Young Professionals

be:here, a Willmott Dixon subsidiary provides a bespoke offer developed through a proper understanding of tenant needs.

These days, with the average age of first-time buyers at 39, young professionals struggle to find suitable accommodation. They may be living with parents, sharing with others in rented houses, perhaps commuting long distances to get to work.

be:here carried out extensive research to determine what young professionals wanted from rented properties. As a result, be:here apartments have large equal-sized bedrooms, all with en-suite bathrooms, to suit sharers, lots of storage and good sound insulation. Plain English contracts, clear and transparent rents and charges and an on-site team to quickly take care of any issues also come as standard.

be:here's approach is different to that of other developers, in that it maintains a long-term interest in the buildings, staying on site to run and manage them. "As well as looking after the physical aspects of the building, we look at how we build and maintain a sense of community. We can do this as we have a long term stewardship role in all of the developments," says Operations Director Simon Chatfield.

As long-term property managers, be:here will be looking after tenants as well as buildings, connecting them through social media and running community events. "We want to create a sense of belonging that renters don't often get," says Simon.

Creating prosperity



Local employment and local spend has always been an important consideration for authorities, housing associations and other public sector organisations, but the current political and economic climate means that it is more vital than ever. Private sector clients too are starting to recognise its importance, as a way to gain support during the planning and delivery phases.

One social landlord told us when we were conducting our research: "As we come out of a recession, a lot of our residents are out of work and can benefit from training and support. Anything that keeps the benefit local from the construction work and the spin-offs, such as the site canteen or security, are important to us." Looking at the bigger picture we know that it also supports economic growth.

One way to boost spending locally is to have a long pipeline of work. Local supply chains cannot be set up overnight. They require time, support and relationship building. Systems and skills need to be in place to develop and nurture local supply chains – for example, they may need to offer training or flexibility in terms of alternative procurement and payment routes to support firms with cash-flow challenges.

Frameworks allow companies to plan ahead, and to invest in training and research. For example, Scape, a local authority-owned company, set up a national framework for building projects of over £2m. As well as delivering cost and time savings, this route has produced impressive figures in terms of local spend: between 2010 and 2014, 51% of project budgets were spent within a 20 mile radius of site and 75% within 40 miles.

Nurturing suppliers and sub-contractors makes sound business sense; now that activity in the UK is picking up, there is increasing competition for specialist subcontractors. While price is a driver, many small firms are now making decisions on who they work with based on how well they are treated and how promptly they are paid. Working with small local companies and social enterprises to help them develop makes sense for contractors and at the same time supports growth in local communities. Initiatives such as the Supply Chain Sustainability School, of which Willmott Dixon is one of the founding members, also helps develop small businesses for the industry as a whole.

Leading on best practice and innovation can have very direct impacts at a local level. For example, through a Joint Venture with Scape, Willmott Dixon Construction developed standardised designs for public buildings which are quicker to build and save money for the local authority as they are 30% cheaper than bespoke designs. In Keynsham we are delivering a new office building for the council with a contract which commits to a certain energy performance in use, rather than as designed, a first for the industry. A combination of research, experience and lessons learned from other projects can make a big difference. Companies which are learning organisations, add value.

Key Points

Relationships with existing supply chains matter; a loyal supplier adds more value.

A company's commitment to research and innovation is worth assessing – a learning organisation impacts at local level.

Helping small local businesses to grow creates social value in the community.

Horizontal Success

Fair treatment of the supply chain, particularly around payment, leads to loyalty, quality and ultimately better outcomes for suppliers, their employees and the people who will use the building.

Jonathan Bown, Managing Director of flooring specialist Horizontal, has been working with Willmott Dixon for 22 years, initially as an employee of another flooring firm and for the last 13 years through his own business.

“Since I started working for the Willmott Dixon Construction Hitchin office, their turnover has grown massively, but it still feels like you are trading with a family-run business,” says Jonathan. “If there’s a problem, you can phone up a director and they will give you advice or give you an answer.”

Over the years, Willmott Dixon has helped Horizontal secure Government grants for apprentices, and insisted that its senior fitters be trained as health and safety supervisors. “Other contractors want that now too, but because of Willmott Dixon we are already set up for it,” says Jonathan.

When Jonathan started up on his own, Willmott Dixon paid him early to help get his business going. And one of the reasons why Horizontal’s relationship with Willmott Dixon remains so strong today is simply – but crucially – that they pay on time. “We never have to chase,” he says.

The last 12 months have seen Horizontal add a new service which Willmott Dixon needed for its Bedford schools projects: hygienic wall coverings. Jonathan had always shied away from diversifying, fearing it could impact on quality, but he agreed to train his team to carry out the small areas required for the schools which would have been expensive to deliver as a unique package.

“We discovered that the techniques were identical to the ones we used for fitting vinyl,” says Jonathan. “And it has made us more efficient on site because we can use the down-time when we are waiting for floors to work on the walls.” Horizontal already has enquiries from other customers who require the hygienic wall coverings to be fitted.

Lessons Learnt

A learning organisation provides better value for money.

An area which Willmott Dixon has been investigating for seven years is the gap between the energy that the designers thought a building would use and what it actually does use when occupied. "We go back to a building after it has been completed and handed over, look at how much the building is costing to run, and then compare that to what was expected," explains Alasdair Donn, Principal Energy Solutions Engineer at Willmott Dixon. "This enables us to work with the building's users to fine tune heating and ventilation systems, and the information gathered can be used to inform future designs."

A good example is that of Oakfield Primary School in Rugby – the first of Willmott Dixon's 'Sunesis' schools range to be built. Ongoing studies showed that it had done better than targeted during its first 12 months of operation, but there were still improvements that could be made. Following various adjustments the building is now 17% more energy efficient than predicted, making a big difference to energy bills.

Lessons learned at Oakfield have been incorporated into the Sunesis range, ensuring lower energy bills for future clients.

Grown In Britain

Giving employees time and resources to work for industry organisations and bodies helps move the industry and the UK forward, and gives businesses a platform from which to affect real social change.

Grown in Britain is a not-for-profit company which seeks to increase the supply and use of British timber. Its purpose is to create a more sustainable future for our woodlands and forests and to re-build the British timber industry, which has been in decline for the past 50 years. The company emerged out of the report of the Independent Panel on Forestry, which was set up after the failed attempt to sell off the Public Forest Estate.

Steve Cook, Principal Sustainable Development Manager for Willmott Dixon, chairs a task group looking at how to encourage the construction sector to procure more home grown timber, and promote the visibility of the home grown market.

"Nationally this is going to make a huge difference," says Steve. "By 2050, global demand for timber is expected to triple; we are currently the third largest importer of timber behind China and Japan. Having more and better managed forests will be better for our industry and society." As one of the founding partners of Grown in Britain, Willmott Dixon encouraged fellow members of the UK Contractors Group to sign up to the organisation's aims to put the economic engine behind UK forestry. And it is using its connections with the Government to push the message there too.

As well as providing a greater future resource of timber and fuel, more woodland will increase biodiversity, sequester carbon emissions and present significant recreational and employment benefits for local communities.

"We have to create a stronger woodland culture in our society," says Steve. "We need to raise public awareness and show people what forests do for them, and explain that harvesting trees is not a negative thing – as long as they are sustainably managed."

Assessing social value



So how do public authority procurers take all of these different impacts into account when assessing which bid will deliver best value?

They need to find the right mix of ways to articulate what social value means in their area, and the impact they want to achieve, which will suit not only their geographic location, but also the size and needs of their different communities, and the nature of the contract being let. This will then allow contractors to address what is really important.

Methodologies to help local authorities make judgements are still developing – both BitC and the Social Value Portal are piloting toolkits which look to offer a more consistent approach for public procurers who have defined their social value strategies – and the Social Value Act Review charged Inspiring Impact with developing a way to assess additional social value by the end of 2015. Many public bodies employ simple methods such as requiring a certain number of apprenticeships to be created, or defining the proportion of spend within a certain radius. Others are turning to the growing number of specialist social value consultancies to create bespoke systems. All these methods mean a less than consistent approach. Few of the current standard approaches take into account the impact on individuals or the community and none take into account a company's wider activities and culture; its intrinsic social value.

At the very first stage, procurers need to make their priorities clear in terms of social value, with both outcome and impact expectations that are linked to the contract. They should allow for innovation from bidders in terms of proposed ways of delivering the impact required, as well as measuring achievement and progress.

Any tender evaluation assessment system must allow those involved to demonstrate improvement; identify where more work needs to be done; and shine a light on best practice and share it. Assessment also needs to focus as much as possible on the impact of activities. A balanced scorecard, or holistic reporting methodology, may be the best solution here. Willmott Dixon is currently developing such an approach which aims to find ways to demonstrate the value of the less tangible and those for which financial measures are not appropriate, as well as those for which financial cost-saving calculations can be made.

It is also important to consider a company's wider network of relationships and stakeholders. Aspects of a company's day-to-day operations – the development of employees, treatment of subcontractors, working with social enterprises, and systems for encouraging innovation – are all good indicators of whether a business is truly "walking the talk" – and as such, these elements should be given a weighting as part of any social value assessment (external accreditations, such as Business in the Community's CommunityMark or Investors in People, are a good indicator of a business' commitment to supporting and developing its workforce and local communities). This is something that Forum for the Future is starting to research as 'value networks'.

Assessing social value

Procurers should look closely at the track record of a bidder: are they going for the easy option, or really making a difference to people's lives? The bidder's track record may also include things that they are doing on a national scale – these may not be directly relevant, but are a valid method of assessing their commitment overall. By only valuing local impacts, public authorities may run the risk of losing the added social benefits that national companies bring through their programmes which may, in time, be extendable.

Finally, any tender process should take into account the ability of the bidder to work collaboratively with many different types of organisation. Creating social value is a complicated and many-faceted affair. Really understanding local issues, making connections with local organisations of all shapes and sizes takes experience, commitment and the right attitude.

Key Points

Defining social value requirements in terms of impact are key to achievement.

Testing the truth in what a company is claiming about its relationships and practices will provide a better picture.

Current methods of measuring social value only capture part of the picture.

New Ways To Measure

Research by Willmott Dixon aims to understand the impact on individuals of our different programmes.

Willmott Dixon's Opening Doors programme provides work experience for local people, working with organisations such as Job Centre Plus, homeless action groups and local schools. In June 2014 Willmott Dixon investigated the impact of the programme on its participants.

The research asked 50 work experience participants, before their placements, to score themselves between one and five in the following areas: aspiration, optimism, confidence, happiness, work skills, experience and life skills. After their placements – mainly of between two and eight weeks – they completed the questionnaire again.

The results showed that the Opening Doors programme had a positive impact on how the participants viewed their skills and experience, and that their levels of aspiration, optimism and confidence improved. One group who completed the questionnaire had finished their programme six months earlier.

"Participants scored higher for 'knowing what they wanted to do in the future' after completing Opening Doors, and higher still six months later," says researcher Greg Watts. "This shows that the social value from such interventions can take a while to accrue."

The work continues as Willmott Dixon develops a toolkit to measure the impact on individuals of their various community investment programmes across the business. This will help to improve the programmes and identify those which have the greatest impact.

The company also supported Construction Youth Trust's research work into the social return on investment of their programmes for young people. By providing both financial and practical support – including an in-depth assessment of work experience for a particular group of young people on one of its programmes – Willmott Dixon is helping them to assess the impact that their work is having.

Together the results from these pieces of research will give further insight into what has the greatest beneficial impact on individuals.

It's The Impact That Counts

Setting challenging targets around impact adds more social value than box-ticking.

Believing that the impact of community investment is the most important measure, Willmott Dixon has set a three-year target of 'enhancing the life chances of 3,000 young people by the end of 2015'. This means bringing about a positive change in behaviour or attitude that helps young people to improve their lives, or providing them with new or improved skills which improve their personal effectiveness, health or happiness. Every part of the business has a piece of the target, from the largest operational unit to the smallest head office function.

In setting this target, the company realised that there are degrees by which opportunities impact on different people. Some interventions – such as providing an apprenticeship to someone previously unemployed – will transform lives. Others – for example, delivering mock interviews or providing work experience – may simply improve their chances.

In a bid to express this difference, Willmott Dixon introduced a simple methodology that makes a truly life-transforming intervention count as 'one life transformed' and a lesser intervention, that improves life chances or contributes towards a change, count for one-third of that. In doing this, the hope is that the business units will strive to deliver these more difficult to achieve, but more valuable, interventions.

Social Enterprise Makes Sense

Sometimes all it takes to add social value is willingness to try something new.

Willmott Dixon's collaboration with social enterprise National Community Wood Recycling Project (NCWRP) began in 2010. This partnership between the private and third sector is adding value on both sides. NCWRP collects waste timber from construction sites and re-uses it in the community for DIY and building products, where possible, or recycles it. Government figures show 50% of waste wood currently ends up in landfill; with NCWP, that figure is zero.

Equally important to Willmott Dixon are NCWRP's aims to provide training and volunteering opportunities to people who are struggling to get into employment. By working with NCWRP, Willmott Dixon is supporting them to provide life-changing jobs and training for local people.

Wood recycling activities are very labour-intensive and this lower-skilled but this highly worthwhile work provides people from all walks of life with the opportunity to develop their confidence and self-esteem and learn a range of useful transferable skills in a highly supportive but disciplined and financially sustainable social enterprise.



This is a stimulating piece of work in keeping with Willmott Dixon's leadership position within the UK construction sector.

Martin Hunt, Forum for the Future

Suggestions for further debate



Social value is about looking beyond the headline price of goods and services, to the associated community and social benefits that contracts can bring. It's something that some public sector procurers have been doing informally for many years, but the approach was brought into focus by the 2012 Public Services (Social Value) Act 2012, and Lord Young's subsequent 2015 Review.

Although this legislation only strictly applies to public sector organisations when procuring services, it has elevated the topic of social value and social investment across the business world and is stimulating much discussion and debate.

Such debate includes questions such as: what is social value? How can it be measured? And how can different social value offerings be compared and judged?

We believe it is imperative that these debates continue – a social value approach has the potential to help society and communities to thrive and transform the way businesses operate.

And we therefore pose the following questions for further discussion:

- ▶ Could public sector commissioners gain a better understanding of a company's contribution to society by looking at their total impact, taking into account how they undertake their mainstream activities rather than simply considering its community programmes?
- ▶ How can the less tangible impacts be valued? Can the difference made to communities and individuals be properly valued by translating input into a monetary saving or cost?
- ▶ Is it necessary to consider the lifetime benefits of initiatives and actions in order to properly understand the value?
- ▶ Can we measure everything that a company contributes to society?
- ▶ Do we need to accept that some things can't be measured and the value must be assessed?

Willmott Dixon Commitments

At Willmott Dixon, we want to maximise the social value we can add. We continue to seek a better understanding of how to increase the positive impact of our core work and the way we carry out that work – as well as our community investment activities and programmes. And we continue to explore ways to assess this. We are committed to:

Working with clients to help them, where appropriate, to define better ways of assessing the impact of they want to achieve.

Collaborating with other stakeholders in further developing a balanced scorecard approach for articulating social value.

Contributing to work being carried out by academics and other organisations in this arena to help define what good social value is and how it can be assessed.



Think about how you can incorporate social value into your core business or make it a natural adjunct to your core business rather than an unrelated add-on.

Social Value Act Review, Cabinet Office, February 2015, led by Lord Young





I have been working with Willmott Dixon over the last 12 months on social value and it has demonstrated a real commitment to developing its social value agenda. It is committed to sustainable investment, wants to understand the difference between outputs and impact, and has invested in understanding how to measure social return on investment and what works in communities.

Put in a nutshell, Willmott Dixon is measuring what makes a real difference to the lives of those that it has committed to helping. It wants to put money back into the local economies where it is contracted to work which is reflected in its commitment to fair treatment of its supply chain.

Carol Wildman, Corporate Director, Walsall Housing Group

Willmott Dixon is one of the UK's largest privately-owned construction, housing and property groups.

Founded in 1852, it has a distinguished track record in adding value to the communities in which it works. Its approach is not about donating money (though the company does this too) but about donating the time, skills, knowledge and enthusiasm of its employees.

In 2012 it established The Willmott Dixon Foundation. Chaired by Group Chief Executive, Rick Willmott, the role of the Foundation is to set a strategic direction for its community investment and so maximise the impact of its social value.

Willmott Dixon is the proud recipient of Business in the Community's CommunityMark, the UK's only national standard that publically recognises leadership and excellence in community investment, and a Queen's Award for Enterprise in the Sustainable Development category.



WILLMOTT DIXON

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