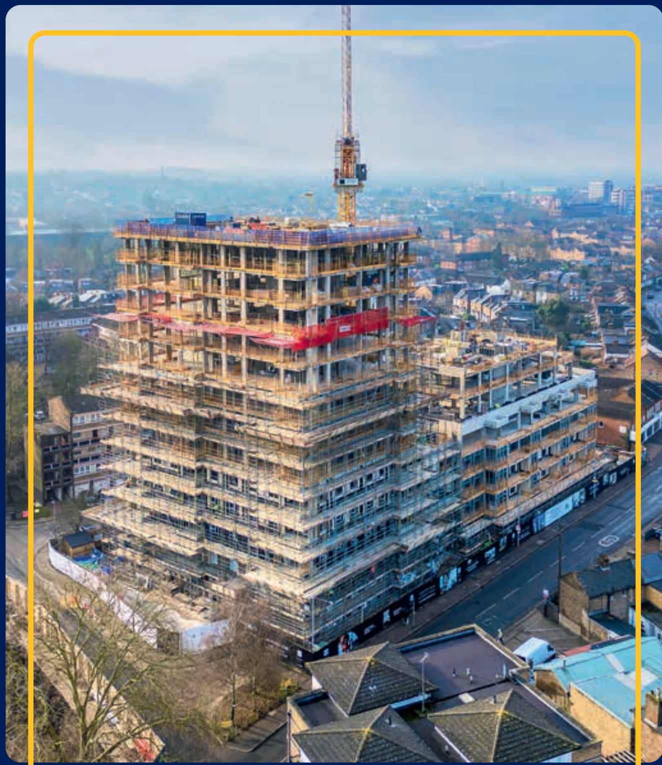
Citizen Gain: Creating social value that lasts.



October 2025

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Foreword.

At Pension Insurance Corporation (PIC) our investment strategy is driven by our purpose, which is to pay the pensions of our policyholders.

This means we need to source, and maintain, the cashflows we need to pay pensions over very many decades. As a consequence, we are absolutely focussed on the social value we create as an outcome of meeting our purpose.

This means we consider the wider good that our investments deliver to the people who live and work in the areas where we invest.

Having spent years investing billions of pounds in UK housing and infrastructure, we have come to believe that our approach can help unlock the current impasse where Britain genuinely doesn't bring forward enough housing and infrastructure development to meet our needs. This both curtails economic growth and erodes quality of life, as the quality of local infrastructure and housing steadily decline over time.

We hope that this report, which proposes a different approach, will allow both the public and private sectors to see development in a new way and support local authorities in quantifying the level of social value created in a particular development, explain the benefits of that development to residents in a clear, accessible way, and hold developers more effectively to account. In our view, focussing more on social value creation can help the country get the economic growth we all need.

Tracy Blackwell CBE
CEO
Pension Insurance Corporation plc

About this report.

This report is based on the insights that PIC has developed from its housing and infrastructure investments across the UK, and from our conversations with many people and organisations involved in this area.

We brought many of those organisations together for a series of roundtables around the UK in the first half of 2025. These meetings were held under the Chatham House rule, meaning that participants could speak freely about their approaches to this issue and the challenges they face to development without their names being attached to their comments – some of our participants are from local and national government organisations.

We are very grateful to the almost 50 organisations who participated in the roundtables whose insight helped make this report possible.

This report is intended for everyone involved in Britain's development challenge – from local and national policymakers to developers, investors, and, crucially, the people whose lives may be shaped – for better or worse – by development (or its absence) in their communities. But because of their vital role in the places that need social value creation, many of the observations and recommendations here are directed towards local authorities. We are particularly grateful for their interest in this report and keen to hear their feedback on it.

Introduction.

The need for a social value approach to development.

Britain doesn't build enough. We don't build enough homes. We don't build enough transport, energy and data infrastructure.

The recognised result of this is an economy that doesn't grow as much as it should. Whilst the macro reasons for this have been well documented, there has been less focus on the outcomes for local communities. Too many people don't see the benefits of development. They don't think their lives and their communities will be made better by having a housing or infrastructure project near them. So they typically object. The systems of government that represent them are incentivised to take their lead from those objections, because public bodies can also struggle to see clearly, or believe the value delivered by development. Planning rules foster a culture where the default is inaction: participants can object or not object; active support carries no weight.

The result is what some have called the BANANA economy, where the approach to development is Build Absolutely Nothing Anywhere Near Anyone.

PIC is a major investor in UK housing and infrastructure. We want to make more long-term investments in the UK, to help us pay the pensions of the hundreds of thousands of policyholders whose pensions we will pay over coming decades. So, we want to help solve the development puzzle, to unpeel the BANANA economy.

That means helping people – and organisations – understand more clearly the value that good development can bring to local areas. This means providing a framework for local authorities and communities to make sure that those bringing forward projects really are improving the lives of local people, delivering on promises as well as meeting other goals they may have.

What does this look like? Good, well-run projects create significant social value for local areas, both during the construction phase, as well as during the operational phase. This value can include the provision of skilled jobs, apprenticeships, and prisoner rehabilitation schemes. It can mean improved healthcare outcomes, economic inflows into local businesses, better local transport networks and creating more public green spaces.

Defining, describing and displaying this social value is a key tool for developers who want their projects to move through planning more swiftly. It is a key tool for local authorities to hold developers to account, and address local concerns, overcoming the NIMBY tendency. And crucially it is a key tool for existing residents to ensure they are also going to benefit from the proposed project both during construction and the operational phase, rather than having to deal with what economists might term the negative externalities. For example, they won't be forced to compete for already stretched local resources – road capacity, healthcare provision, school places and so on – due to an influx of new residents.

This can unlock more investment and deliver benefits for local people and the wider economy:

- Local residents need more housing and more infrastructure, and the benefits they bring.
- Local authorities need more investment in their areas, to meet economic and social needs.
- The private sector needs more investment opportunities, to deliver returns to savers and pension scheme members.
- We all need economic growth and productivity improvements.

Social value can deliver.

The challenges of documenting and defining social value in housing and infrastructure.

Investors, developers and policymakers trying to ensure that social value is created within housing and infrastructure projects face several challenges. This report aims to help address them.

Defining social value

There is no single definition of social value in housing and infrastructure development. Depending on who one happens to be talking to, definitions range from public procurement to charity initiatives, as well as core outcomes of a company's business model.

PIC's view is that the social value delivered by housing and infrastructure development should be the inescapable outcomes of an entity's core business model. This can encompass everything from job creation and skill development, to improvements to education, health, connectivity, community, and the social fabric of the area around a development. But it should be project and place specific.

Describing social value

If we are better able to articulate the social value to be created by individual projects and developments from the offset, can we generate positive engagement and support from local communities so that we enable more and quicker development?

PIC wants to help address the paradox where there is a clear and urgent need for greater private investment in UK housing and infrastructure and at the same time a shortage in the number of investable projects we are seeing coming through. A key reason for this is the way the planning system works to set current residents against development. This is compounded by the failure to clearly articulate the benefits it should bring, or worse, fail to provide any benefits to current residents.

Quantifying social value

How should we measure social value creation through infrastructure investment? What metrics should we use to understand and demonstrate social value outcomes delivered.

PIC's approach is to provide stewardship through the development cycle, including oversight to ensure our funding benefits the local area and communities. This is quantified through our built environment case study data, see pages 8-11 for examples.

Contextualising and communicating social value

How can interested parties ensure that proposals for housing and infrastructure developments align with the views and needs of local communities? Because social value can be a broad concept, covering multiple policy areas and services, it can mean very different things in different places. What's the best way to ensure that the organisations delivering development in a place are delivering – and demonstrating – the social value contributions that matter most to the people in that place?

PIC is a long-term investor and wants to own and operate assets for decades to come. So local consent is an essential part of our business model – that means demonstrating that our developments work for the existing community over the long term, and not just the people that move in.

1 Organise, harmonise and prioritise.

All stakeholders – national and local government, the private sector, and others – need to agree on and adopt a common definition of social value creation into their documentation, processes and governance structures.

This will help to ensure that social value creation is maximised through the planning process, and that local communities can see and understand the benefit they are getting from specific projects. At the very least this will allow a balanced debate on the merits of the project, and help move away from the default culture of inaction.

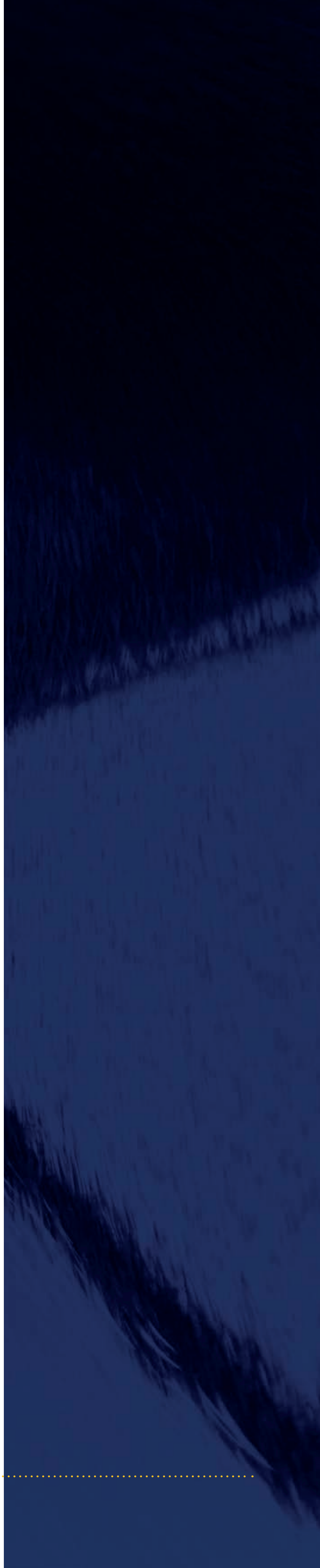
Findings

Across our roundtables and other conversations with stakeholders, we heard repeatedly that part of the social value challenge is the fragmented and uncoordinated approach that organisations have to social value creation, driven by lack of a common definition.

This sometimes reflects the specific regulatory or legal environment around social value in certain areas. For example, some participants said that procurement colleagues mindful of the Social Value Act can use the term "social value" in ways that differ significantly from that of those working in planning and development teams.

Others spoke of social value thinking and practice being confined to organisational "silos", meaning, for example, that planning staff keen to explore the educational benefits of development struggle to get traction with colleagues responsible in skills and training. More positively, there are reports of some councils moving responsibility for social value creation from marketing teams to economic development and growth functions.

> **"Many councils don't have a structure that neatly accommodates a social value approach."**
>
> Local authority participant



Recommendation

The remedy here starts with an organisation's leadership promoting a single, agreed definition of social value creation tied to its intrinsic business model. It should be understood by all that social value is not an optional extra which can be dropped into proposals at a late stage, but rather is a fundamental issue which should be quantified and integrated into the early stages of a proposal.

It flows from this that local authorities should assign a higher priority to evaluating and assessing social value creation and recognising this priority in planning decisions. A common point from the roundtables was that many local authorities simply lack the capacity to maximise the benefits of a social value approach, especially – but not only – in planning teams. Ensuring that social value creation is clearly articulated within proposals will help. But at the same time ensuring local authority officers properly understand what good looks like and have the resources to properly consider social value creation in planning and local outreach, will pay dividends by building local support for development, unlocking construction projects and boosting economic growth and productivity gains.

Private sector organisations coming forward with development proposals – and all their advisers and the wider ecosystem – should therefore apply these considerations too. Investors and developers should make social value creation a business priority – and not just a focus for the corporate affairs team. Leadership is crucial in this regard.

This exercise should be led from the top – by the CEO and at Board level – and be cascaded across the business. Whilst it may create additional work in the short term, successfully embedding the concept of social value creation should lead to shorter – and more successful – planning application processes. Which in turn should mean more profit.

"Left to their own devices, many LAs don't enforce social value in developments. But if investors demand it, it happens."

Property contractor

"A lot of businesses talk about social value but it often belongs to the corporate affairs team, not the investment or delivery teams. To really work it has to have real support from the top."

Local authority participant

2 Defining social value.

Don't standardise, localise.

Local needs – and the preferences of the people who live there – will vary, so developing place-based ideas of social value creation is likely to be more useful than applying rigid national templates

Findings

Participants of all backgrounds recognised the challenges that come from lacking a clear single definition of social value. But there is also strong recognition of the importance of local factors and local experience. This creates a complex, but solvable, challenge: how can we develop a common approach to social value creation – quantifying and measuring it – while also accommodating and recognising local needs and priorities?

There was widespread agreement that relying entirely on standardised mechanisms such as the Local Government Association's Themes, Outcomes and Measures (TOMs) toolkit is unsatisfactory.

"TOMs is meaningless – it doesn't capture local variation."

Senior project manager, private sector development sector

Many participants also stressed the importance of local-level engagement, arguing that community perspectives of an area and its needs should be given weight alongside statistical measures.

Through the course of its investment journey working with dozens of local authorities, developers and partners, PIC has developed a series of templates (see overleaf). These demonstrate that it is possible to highlight the social good provided by the development a local authority might expect to generate for a given amount of investment in a particular project.

This includes local economic spend, jobs created and percent of which is local labour, as well as training and skills development, amongst other metrics.

"Get on the ground. You can't do it all from 10,000ft with data."

Former local authority chief planning officer

However, there was also a desire for empirical data that allow comparison across places and areas.

To help the comparative analysis, PIC has created a social value index, which will be released on an open-source basis. It uses official statistics to measure the relative needs of different areas for social valuable development across a range of metrics, including social and affordable housing, health, and education. This can help both developers and local authorities consider what will provide the maximum amount of social value bang for investment buck. This was strongly supported by many participants at the roundtables.

Once open sourced, these metrics will help support the work of a new Social Value Commission, currently in development, of which, of which PIC will be a founding member.

The answer that emerged from our roundtables was that the best social value approaches combine methods.

Built Environment case study • Millers Quay, Wirral

Social value and sustainability headlines at Practical Completion (PC)

Scheme details

Location and cost

Site name/address	Dock Rd, Birkenhead CH41 1BL
Land type	Previously industrial brownfield
Investment type	Long income regenerational lease
Number of homes	500
Floor area	39,902 GIA m²
PIC commitment	£131m
Lease duration	50 years

Technical performance

Final Considerate Constructors Score	45 / 45
Person hours worked	924,265 (in construction)
Energy strategy	**Heating** | Direct electric heaters **Hot water** | Heat pump from Exhaust air (KERS systems) **Cooling** | Not required **Renewables** | None present
EPCS	100% of units with a 'B' rating

Involved parties

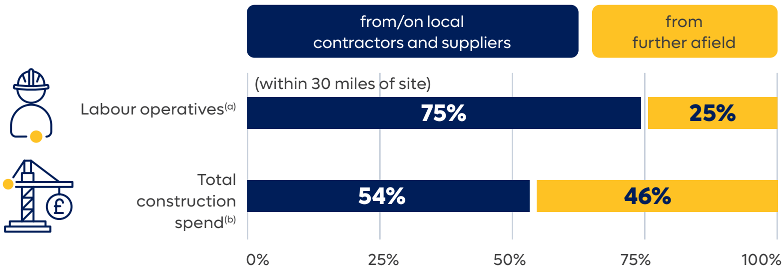
Developer	Peel Waters
Main contractor	Graham Construction
Occupier	Wirral Council
Operational management	Jones Lang Lasalle (JLL)

Social value delivered

Local spend

Local spend from construction activities, as provided by Graham Construction, based on total construction cost.

£44m **of the construction spend in the local area**



Built Environment

Environmental highlights/improvements

99.6% of construction waste, recycled or avoided from landfill

Storm water run off rate managed on site to an equivalent sized **green field**

Dock wall improvement works undertaken to secure long term climate resilience

The asset was rated[c] at due diligence stage using PIC Built Environment's internal ESG framework process in 2023 and achieved a B rating. The rating is based on information provided by Peel at the time, from planning application documents, policy documents and location details.

In line with

by the Built Environment

Key metrics

Key metrics outline value that has been added to the local community either through work opportunities or community assets.

- **2780** Construction jobs created
- **16** Apprentices worked on site
- **444** Students engaged on site
- **100** Affordable homes
- **102** Trees planted
- **4890m²** Public greenspace created

sustainability outcomes

Sustainable transport

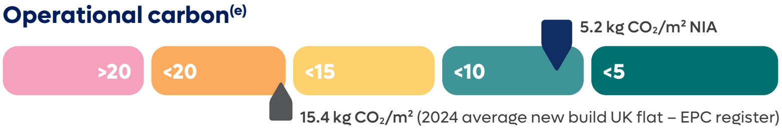
- **30** Site EV charging points
- **420** Resident cycle racks

Energy and carbon

Below provides headline results for operational energy and carbon emissions. Results are based on residential areas. No analysis on embodied carbon was undertaken, so no data has been provided.

Operational energy use[d]

Operational carbon[e]



(a) Based on number of site operatives who live within this radius;
(b) Based on spend to sub-contractors within 30 miles, as a proportion of total construction spend;
(c) Rating is an internal PIC system and not referenced against any third-party certification;
(d) PC SAP Calcs from Building Regulations Part L modelling, including energy for fixed services plus calculated tenant energy use from cooking and appliances. No energy from communal areas accounted for;
(e) Emissions calculated based on Part L DER from Part L model, multiplied by SAP 10.2 electricity emission factors for residential areas only.

Built Environment case study • First street Plot 9A, Manchester

Social value and sustainability headlines at Practical Completion (PC)

Scheme details

Location and cost

Site name/address	14 First St, Manchester M15 4GU
Land type	Brownfield – Car park
Investment type	Long income residual value
Floor area	18,951 GIA m²
	12,161 NIA m²
PIC commitment	£105m
Lease duration	25 years

Technical performance

Final Considerate Constructors Score	45 / 45 (04/2024)
Person hours worked	487,816 (in construction)
Energy Strategy	**Heating and cooling** | From reversible ASHP/Chiller to fan coils units (FCU) centralised Air Handling Units (AHU) **Hot water** | CO_2 Air Source Heat pump **Renewables** | Solar PV (32.8 kW – 23.9 MWh generation)
EPCS	A rated

Involved parties

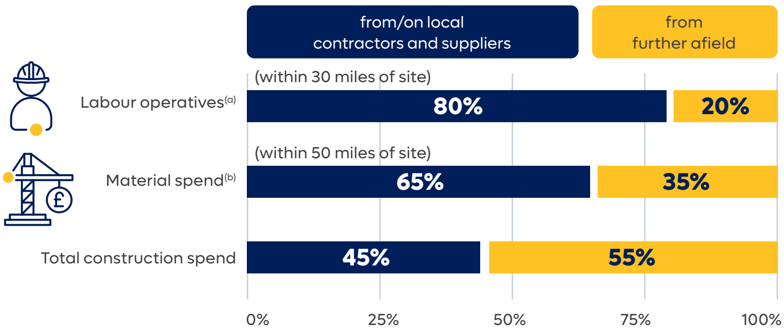
Developer	Ask (First Street Development Limited)
Main contractor	BAM Construction
Occupier	Government Property Agency
Operational management	GPA in house management

Social value delivered

Local spend

Local spend from construction activities, as provided by BAM Construction, based on total construction cost.

£35m **of the construction spend in the local area**



Built Environment

Environmental highlights/improvements

NABERS 5.5 Stars & BREEAM Excellent
NC 2018 Shell and Core Certified

Climate change resilient building
In low risk flood zone; heat wave resilient until 2040; & capable of managing increased rainfall on-site

Transforming a contaminated **car park**, with a **Biodiversity net gain of >240%** (adding 2½ times the value of nature to the site)

A

The asset was rated[c] at due diligence stage with updates from Practical Completion using PIC Built Environment's internal ESG framework process in 2024/25 and achieved an A rating. Rating based on information from Ask, the design team and BAM Construction at the time.

In line with

D	C	B	A	A+
Building Regulations backstops or Legislation	Typical UK planning policy	Above standard practice	Industry best practice	Pioneering practice

by the Built Environment

Key metrics

Key metrics outline value that has been added to the local community either through work opportunities or community assets.

146	Construction jobs created
72	New jobs for Manchester residents
21	Students & careers events
25	Apprentices worked on site
16	Trees planted
288m²	Public greenspace created

sustainability outcomes

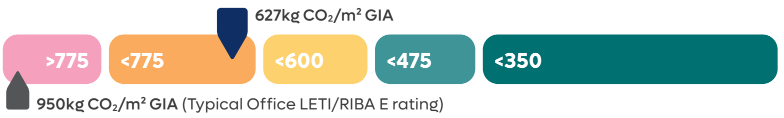
Sustainable transport

7	Site EV charging points
138	Resident cycle racks

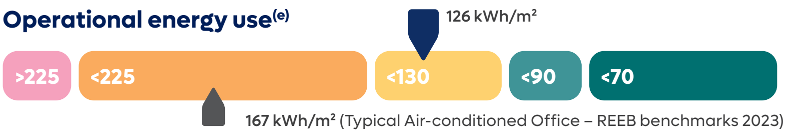
Energy and Carbon

Below provides headline results for embodied carbon and operational energy use. Results are based on data available, as built embodied analysis to follow.

Embodied carbon of construction[d]



Operational energy use[e]



(a) Based on labour hours from site operatives;
(b) Based on spend on materials spend to local subcontractors;
(c) Rating is an internal PIC system and not referenced against any third-party certification;
(d) Embodied results in line with RICS Modules A1-A5, from the RIBA Stage 3 WLCA Report by Cundall;
(e) From Cundall RIBA Stage 3 Design for Performance (DFP) analysis for the whole Building including Landlord + Tenant energy.

Defining social value: Don't standardise, localise continued

Recommendation

Local understanding of social value need should be based on a combination of empirical data and place-based qualitative evidence. Qualitative data describes experiences and characteristics rather than quantities, often based on people's subjective accounts of something and obtained via interviews, focus groups or other personal interactions. Qualitative approaches can capture depth and nuance – and immediacy – that are sometimes not clear from statistics.

Structured conversations with local residents and other actors should be a central part of understanding what aspects of social value matter most in each place.

> **"The planning debate is often all about numbers, not quality – social value needs both."**
>
> Senior leader, higher education

Several participants who backed the use of qualitative methods noted that they still need to be methodologically "robust" and allow comparison and assessment of findings. That comparison should be possible not just between areas but also over time in one area.

It was widely agreed here that a proliferation of social value indices creates confusion and hampers comparisons. Several private sector participants said that a lack of consistency between authorities can complicate delivery and measurement, making it harder for developers to align with local priorities without duplicating effort.

One useful suggestion from our sessions was the development of a "menu of language" instead of rigid metrics, to give stakeholders the flexibility to express impact in locally relevant ways that are also directly comparable with views expressed in other places.

The ideal outcome of social value creation to a place will be based on a combination of empirical data (such as the PIC Index and templates), and more subjective qualitative evidence. It will also take account of the type of development – for instance, tall buildings or low-rise housing; brownfield or urban regeneration; types of infrastructure.

3. The more voices the better.

Find novel ways to listen.

The most effective approaches to social value will make use of multiple channels to understand and express local needs and views.

The more such channels – especially innovative methods targeting hard-to-reach groups – that can be employed, the better the understanding of social value is likely to be. This, in turn, is likely to generate more robust support for development.

Findings

The most compelling examples of a social value approach supporting beneficial investment presented at our roundtables all included a significant element of local consultation and dialogue with people whose lives and communities could be affected by development.

It was widely agreed that the more such conversations that can be convened, the better, since that allows officials, investors and developers to have the best possible understanding of an area's needs and preferences.

Notably, there was enthusiastic support for this approach from private sector participants. Far from fearing that consulting residents could raise objections, private sector participants took the view that the greatest possible diversity of voices on social value and development is positive from the perspective of developers and investors, since it is likely to mean more robust and durable local support for projects. That means projects face less uncertainty, potentially reducing investment risk and costs of capital.

> **"You have to have multiple conversations to see what local people think and want. The more you do, the more confident you can be."**
>
> Property developer

Recommendation

Social value partners – local authorities, developers, investors – should make use of the broadest possible range of opinion research and consultation tools to explore local views on social value needs.

i. Opinion polling

Innovations in opinion polling techniques –

'MRP' polling ("Multi-level Regression") with post-stratification – a way of producing estimates of opinion for specific defined geographic areas – can offer significant insight into local-level opinions. Such polls have been used by groups such as Persuasion to explore local attitudes to housebuilding – a 2024 poll by Persuasion and Focaldata shows that opposition to the idea of more housing being built in the area local to respondents to be a minority position in every constituency in Britain.

Another recent MRP poll commissioned from YouGov by Labour Together showed a majority of two thirds (66%) of the public were supportive of greater housebuilding in "some circumstances," whereas only 17% were opposed to housebuilding in their area "in nearly all circumstances." This suggests that most people are open to more housebuilding in their area, but are perhaps also considering the implications this may have on local infrastructure and services. What they don't want to end up doing is competing for the resources they already have with an influx of newcomers. It is critical for developers to ensure that local resources scale with new development. To put it mildly, this hasn't always happened, so it can be no surprise that the most commonly associated word with our planning system is "NIMBY".

> **"An acute focus from all stakeholders on social value during the development lifecycle allows for a wide spectrum of tangible and intangible benefits to be realised from community place making to providing comfortable and safe homes during the whole life span of the development."**
>
> Tanmay Desai, Head of Built Environment, PIC

ii. Qualitative methods

Focus groups and consultative meetings with residents were widely cited as an important element of a good social value approach to development. Participants said that such conversations can reveal local needs and help unblock objections to key projects.

One example cited involved the Lower Thames Crossing, where community consultation revealed a significant local problem with poor mobile phone signals. Work by Vodafone to improve signal strength in the local area in tandem with the project development was said to have helped secure considerable local support for construction, despite the additional level of traffic.

Several participants raised the need to hear from "hard to reach" groups and avoid the risk of conversations only with groups who might be described as "the usual suspects" – highly motivated residents with high social capital and with the luxury of time who are able to make their (often objecting) voices sound loudly through conventional consultations.

One example cited was the shift in local opinion from opposing a development to broad support when the developer amended the part of their plan which would have placed several of the proposed houses exactly on a popular footpath to the local wood.

Other participants spoke of consulting members of a male voice choir on a south Wales housing estate to engage people who would not normally be part of traditional consultations.

We also heard proposals to consult residents by age group – one commercial property developer suggested that social value exercises should consider the views of teenagers who use local open spaces differently to older people, for example.

"I've never, ever in my whole life, since I've started working in construction, been asked, how is this going to benefit the kids between 13 and 17 years old in my community?"

Developer

Another suggestion made by participants was to use facilities such as retirement homes and GP surgeries as touchpoints for consultation and participation in conversations about social value creation.

iii. Novel data collection methods

Technology can also be deployed to develop deep understanding of local habits and needs.

One example given was Beat the Street, funded by Sport England. This is a tech-driven attempt to gamefiy public health data collection. Participants are given smart cards that are logged by "smart" lampposts, allowing their journeys and activities to be counted (anonymously) and collated. The resulting data on transport habits and needs – especially with regard to travelling for employment – was described by some participants as superior to even Census data for understanding local habits and needs.

"The best data can come from unexpected sources at times and there's a real appetite for it to then inform the decision-making process."

Former local authority planning office

4 Build networks.

Including "anchor" institutions – and shape social value through partnerships.

There can be a lack of agreement between developers and authorities over local plans and expectations around social value delivery.

Networks can answer the social value question much better than one organisation, even a strong authority, so local authorities should explore options for building networks with local "anchor" institutions in their area.

Findings

Almost inevitably, different organisations can approach the same issue in the same place in different ways. Some local authority participants reported "a disconnect" between private sector social value measurements and local government goals. That can make it harder to reach agreement on the likely benefits of a project, hampering attempts to explain those benefits to local residents and communities.

"We've got one set of people doing something over here, and we're doing something else over here, and actually both trying to bridge that gap, but we don't always get it right. I need help to understand what investors and businesses want and what they can do on social value."

Local authority participant

Local authorities creating formal, standing partnerships with major private and public sector organisations can help to develop their approaches to social value. Such partnerships can draw on the expertise and reach of multiple organisations able to access the needs and perspectives of multiple communities and stakeholders.

Partnership with "anchor institutions" can create an understanding of and approach to social value that delivers greater impact than where authorities act alone.

One example our roundtables explored was from Plymouth, where the local authority has worked in partnership with the local NHS trust and Babcock, the city's biggest private-sector employer, to develop a shared understanding of where the area's greatest social value needs lay.

A similar example is offered by the Leeds Business Anchors group, established by the local authority in 2023 to bring together some of the city's large private sector organisations to "increase their collective contribution" to Leeds. The group offers the private sector a clear framework for local impact in Leeds, helping them to understand how to maximise their contribution to the city. While the network does not use the term "social value" its "impact" work embodies the concept and demonstrates the positive difference that can be made by institutional collaboration.

"We found that we got more from looking at our 'sticky metrics' – the trends that have been stubbornly unchanged for decades, rather than comparisons to other areas. We have since used this evidence base in our Economic Strategy which has 10-year aspirations and we have used these as the basis for proposing prioritised social value metrics."

Local authority participant

Recommendation

Local authorities should explore establishing "anchor networks" of their major local employers, private sector actors, and the third sector to develop and promote durable understandings of local social value needs. Such networks can help to bridge gaps between the public and private sectors on social value.

5 Think – and plan – for the long term.

Development projects – real estate and infrastructure – have very long lifespans, but social value conversations often focus on the construction phase.

Local authorities and private sector organisations should take a longer-term view of social value, calculating and planning for the benefits projects will deliver over decades, not years.

Findings

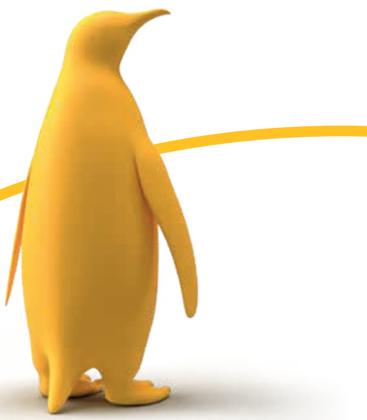
Real estate and physical infrastructure is, by definition, a long-term project. The buildings and facilities that are constructed today are likely to stand for decades and potentially longer. Social value creation should be considered across this whole lifespan.

However, several participants at the roundtables noted that the bulk of attention and thinking on the social value of development goes towards the construction phase.

While that phase is very important and can indeed be a major driver of social value – especially, for example, via the local labour market – it is only a small part of the overall picture.

Participants noted that a key challenge is continuing the narrative around social value after the construction phase ends and the development moves into the operational phase. In housing, mixed tenure types can add complexity to this: who takes the baton to maintain momentum, for example by creating community cohesion, and deliver social value when construction is complete?

> **"The construction element is a tiny part of the overall life cycle of a building that will be around for 70, 80, 100 years. The construction element is two, three years at best, depending on the complexity."**
>
> Real estate investor



Recommendation

The first change required is one of mindset. Everyone involved in the development process should recognise the importance of social value creation over multi-decades, given the potential to deliver positive change to the lives of residents for decades to come.

Practical steps should focus on building and supporting durable communities in and around developments. There is a financial dimension to this. Participants suggested that developers, investors and authorities should consider the creation of "community investment funds", which could be managed or influenced by residents' associations and local groups (e.g., sports clubs) to support community-building projects or meet other local needs over the long lifetime of the project.

Section 106 payments and the Community Infrastructure Levy (CIL) clearly have a role here. Several participants argued that the allocation of CIL money should consider the long-term social value that can be delivered, rather than simply seeking quick, visible wins.

An example is provided by Lightmoor Village development in Telford. It has an Estate Management Committee which enables residents to have a meaningful say in the evolution of the community and management of assets and services. According to analysis by the Town and Country Planning Association, this was critical to the successful delivery of the new community.

Another example comes in Chilmington Green, in Kent. Here a community management approach to the operation of community assets has been adopted, via community ownership of Chilmington Management Organisation. With a diverse income base, including an endowment of commercial property and a 10-year developer grant, this organisation has a range of roles from the operation and management of community assets to community development and engagement.

Such long-term aims can be complex and ambitious, but should still be considered in scope for social value delivery.

"When we spoke to parents and grandparents, their best outcome was, "we want to see our grandchild have a job here, because a lot of young people have left this area.""

Real estate investor

Education

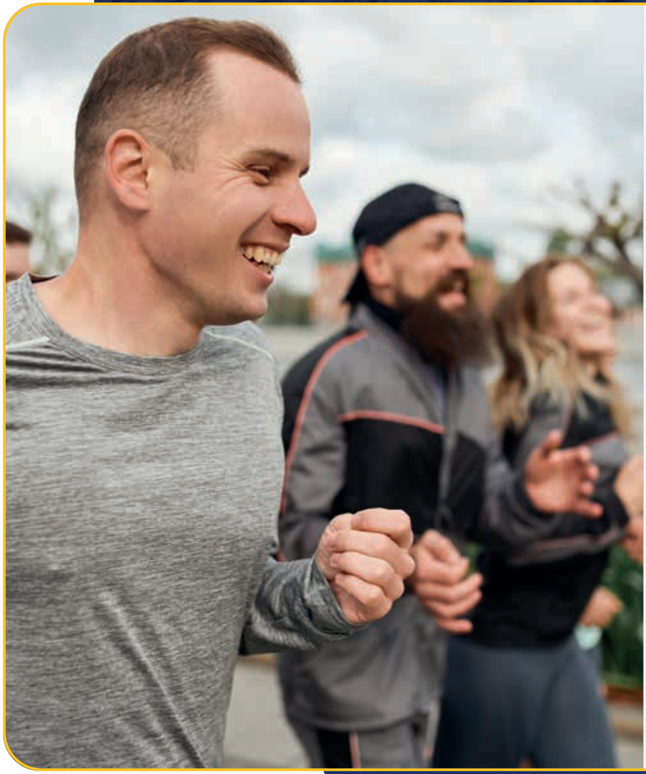
The traditional approach to social value and education is to emphasise the immediate opportunities for employment and training arising from the construction phase of a development.

It's common to see a focus on the number of jobs and apprenticeships created and supported by construction.

This can be a real and important contribution to social value, but our participants also offered examples that took a broader and longer-term approach to education.

One participant who had been involved in major energy projects on the Suffolk coast and in South Wales stated that:

"In both locations, community engagement identified a strong local interest in the local labour market and the educational offer to young people. That led to the private sector backer of the projects sponsoring T-level qualifications in engineering at local schools and colleges, to support local communities' long-term ability to win employment in their local energy sector sites."



Health

Community health was identified by several of our participants as an aspect of social value that deserves more attention from both public and private sectors.

Not least because of the mounting evidence that poor public health is exerting a growing toll on the UK economy, there was a strong feeling that developments can and should tell a better story of how they support local people in getting and staying healthy.

Knight Dragon is the lead developer of the 17,000-home regeneration project on Greenwich Peninsula in London. The company has developed the "Thrive" initiative of regular community health festivals, workshops and other projects. These have proved highly effective in identifying and supporting community needs.

As well as demonstrating the importance of health in a social value setting, the Thrive initiative also illustrates the power of qualitative measures when discussing social value.

New Towns

The building of new towns provides huge opportunities – and needs – for an effective, responsive and comprehensive social value approach to development.

Research supported by PIC has found evidence that public support for development can be enhanced by:

- Integrating essential services and adding tangible benefits
- Fostering meaningful community engagement
- Having transparent planning processes.

A recent Cambridge University paper has collated such learnings in the context of previous new towns and suggested ways of building acceptance for future ones:

- Commit to sustained funding for infrastructure development, including social infrastructure.
- Implement a model of "universal basic infrastructure" that encompasses transport, water, energy, healthcare, education, community centres and green spaces.
- Conduct meaningful consultations with both existing and future residents before planning permission is granted and throughout the construction process.
- Design multi-purpose community spaces that can evolve according to the changing needs of residents.

Some existing new town projects offer examples of good social value approaches.

Sherford, a new town under construction outside Plymouth illustrates the importance of a long-term view. Sherford is planned to have 5,500 homes and a population of over 12,000. Councils and housebuilders involved in the development established Sherford Community Land Trust with an endowment of one million pounds through a Section 106 agreement with developers. This will enable the local community to take on public assets, such as a medical centre and town hall, once constructed. The agreement also earmarked funding to build community capacity to ensure local residents have the knowledge and skills necessary to own and maintain such assets in the long-term.

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