

REALISING THE POTENTIAL OF PROPERTY AND LAND THROUGH SOCIAL VALUE

WHY IS SOCIAL VALUE IMPORTANT FOR LAND AND PROPERTY?

This briefing note provides insights into why social value is important, how to quantify it and how to improve social value across rural and commercial property.

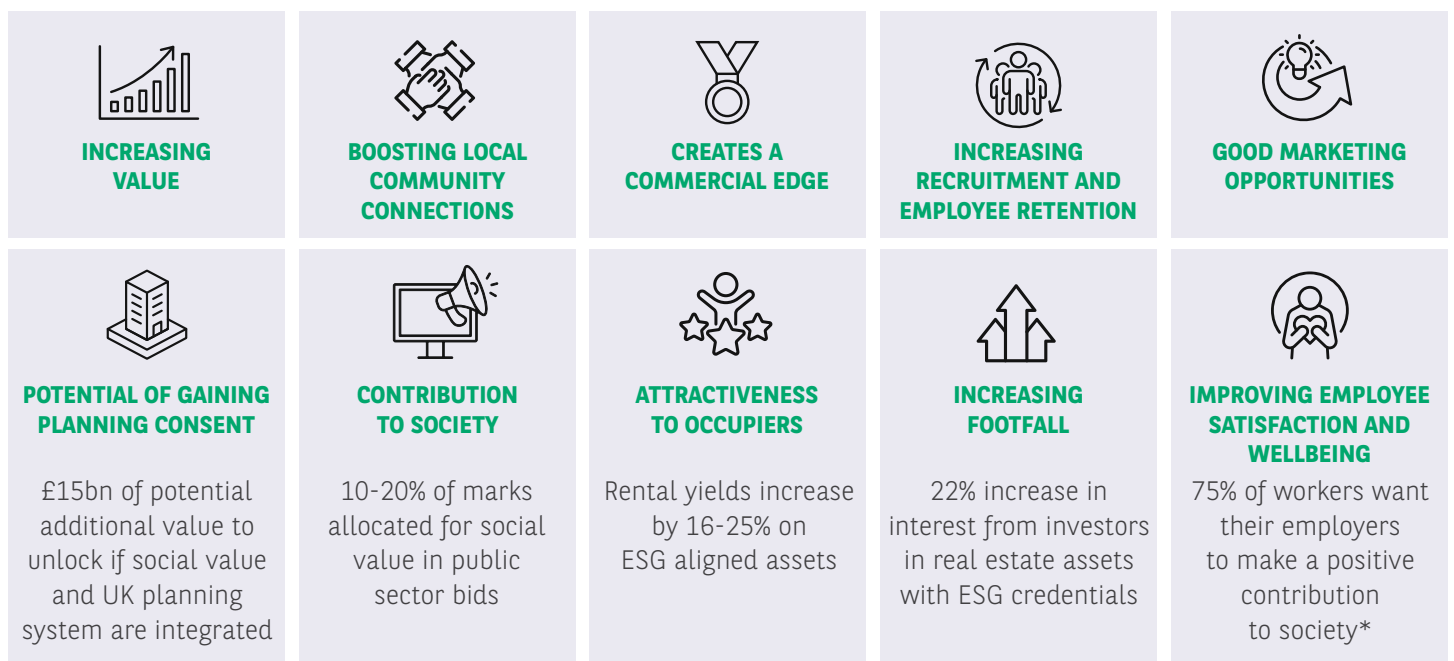
For all investors and land and property owners, defining social value is imperative. The UK Government has introduced legislation which requires social value to be evaluated as part of the tender process when outsourcing all contracts over £100k. When scoring bids, under the Public Services (Social Value) Act 2012, the Government will award up to 20% of marks for social value.

In addition to this, there is an increasing demand for sustainable finance-related social investments, such as social bonds (to finance social housing, create jobs for target groups and healthcare) and the introduction of the EU Social Taxonomy.

SOCIAL VALUE is created when buildings, places and infrastructure support environmental, economic and social wellbeing, and in doing so, improve the quality of life for people. The value created contributes directly to the UN Sustainable Development Goals (SDGs).

HOW IMPROVING SOCIAL VALUE CAN BENEFIT YOUR BUSINESS

Figure 1.



Sources: UKGBC, GRESB Research, Social Value Portal, Deepki Research, European Union Platform on Sustainable Finance, JLL Research

* PwC's Global Workforce Hopes and Fears Survey, 2022

DISCOVERING SOCIAL VALUE OPTIONS FOR A PROJECT OR PROPERTY

1. Identify stakeholders, such as the local community, occupiers, workforce, supply chain producers
2. Map the needs of those stakeholders, such as community and employee social spaces or fundraising
3. Create a set of target outcomes
4. Develop a strategy and reporting framework to achieve and publicise those outcomes

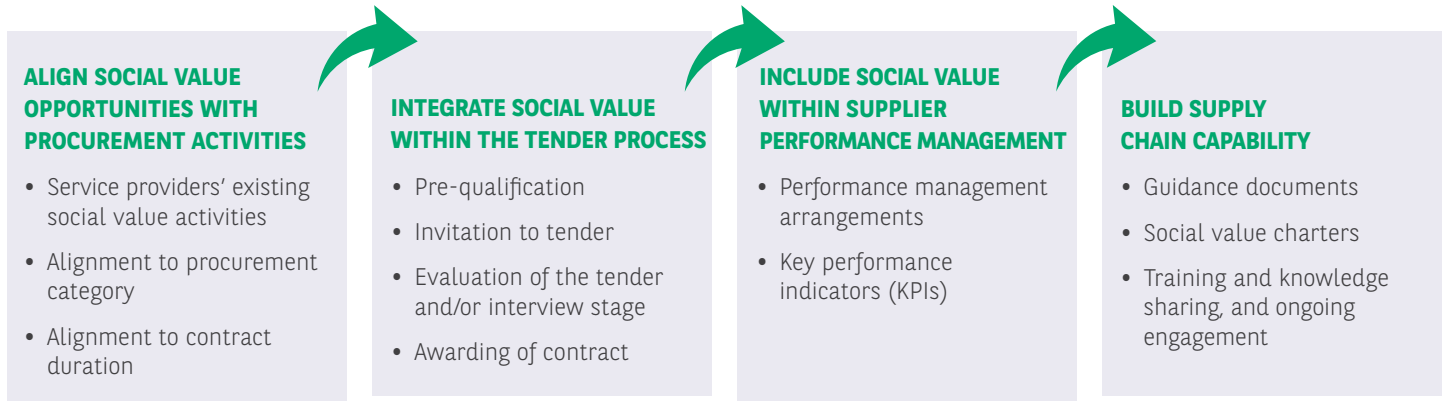
An example of this can be illustrated through using the **UKGBC Stakeholder Mapping Framework**, building upon the community to include the supply chain. By using this framework, you are able to build up the layers of stakeholders involved in a project and have the ability to embed social, economic and environmental value into every aspect of it.

Figure 2



Source: UKGBC

INCORPORATING SOCIAL VALUE IN THE SUPPLY CHAIN



Source: Better Building Partnership

HOW TO QUANTIFY SOCIAL VALUE

There are several methods of social value quantification. We recommend using the Social Value Portal, which with the UK Government has developed **The National TOMs (Theme, Outcomes and Measures) Framework** as a means to measure and report on social value. It groups social value outcomes into five themes, all of which are indicated in the adjacent diagram (figure 3.). These themes are supported by 18 outcomes and 38 specific measures. The tool assigns proxy financial values to enable organisations to quantify their social value more accurately.

Specific to real estate, the Social Value Portal has developed the 'Real Estate Social Value Index' (RESVI), a tool which measures, reports and provides recommendations on how to improve the social value approach of a real estate asset which is currently in use.

Social value can be evidenced through the use of a tool such as RESVI or TOMs as they provide quantitative data regarding a project or property's social value. These figures can then be used to benchmark future projects and/or to refer back to and measure progress against.

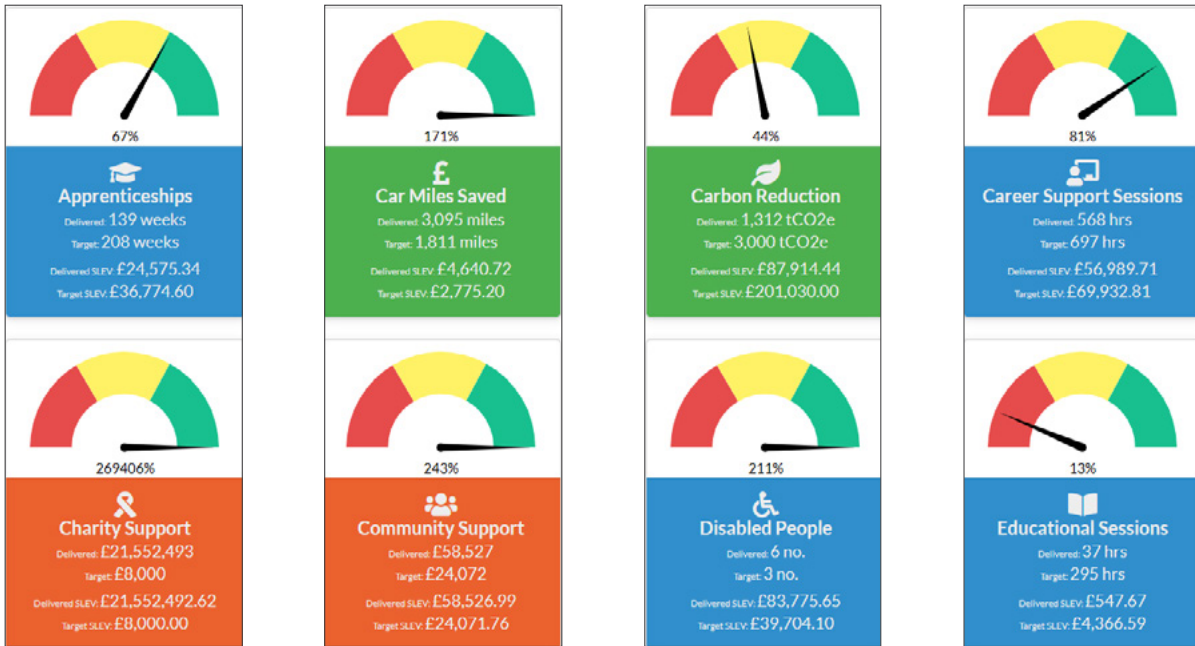
Figure 3.



Source: Social Value Portal

Figure 4.

Example of a **Social Value Portal** summary dashboard, showing the measured breakdown in social value provided.



Source: Social Value Portal

CASE STUDY: 245 HAMMERSMITH ROAD, LONDON

A 330,000 sq ft office development, 245 Hammersmith Road, was built as part of the Hammersmith and Fulham regeneration project. Containing restaurants and retail space, it also features a secluded public park and plaza.



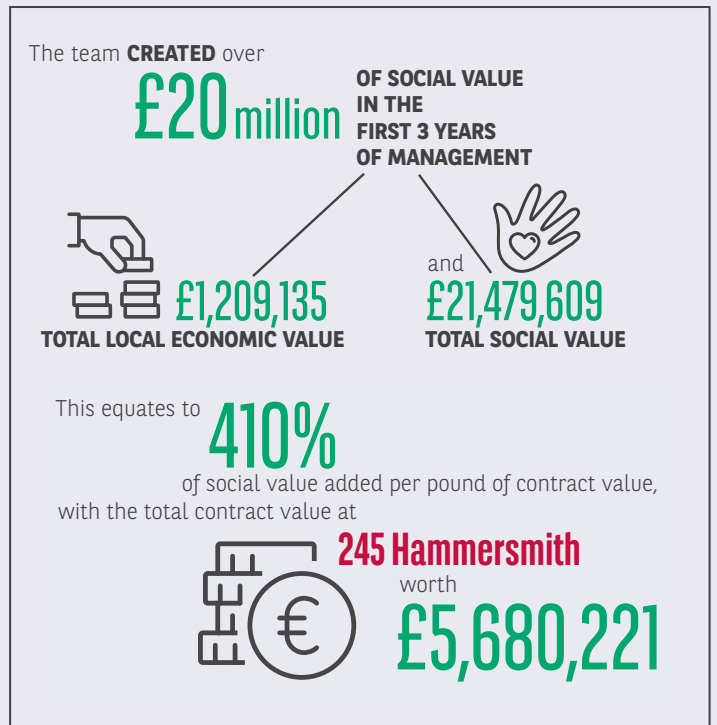
The framework was localised and therefore able to embed local council principles and reflect their specific social needs in its reach.

The Social Value Portal was commissioned to quantify the social value of the building with our Property Management Team instructed by Legal & General (LGIM Real Assets) and Mitsubishi Estate London. This involved embedding social value in the contract procurement process and ensuring all contractors used were aligned with the Social Value Network's TOMs framework. The scheme, completed in 2019, focused on various activities, supporting those self-isolating due to Covid-19 with grocery shopping, providing haircuts for the homeless, offering space to host local social groups and implementing social initiatives.

More information on measuring social value from the Social Value Portal

Some initiatives included:

- 200+** hours supporting people into work
- 107** weeks of apprenticeships, work experience and training opportunities
- 199** hours of improving staff wellbeing.



CASE STUDY: RURAL ESTATES CONTRIBUTING TO THE 'WELLBEING ECONOMY' IN SCOTLAND

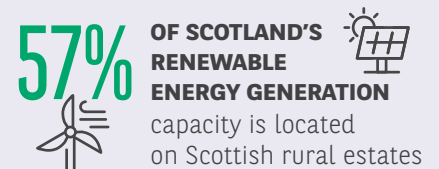
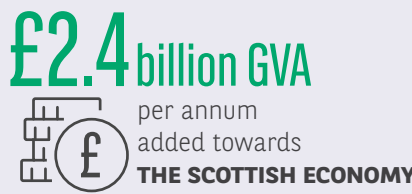


A recent study undertaken by BiGGAR Economics on behalf of Scottish Land & Estates has highlighted the strong social contribution being made by Scottish landowners.

The report details that Scotland's 1,125 rural estates contribute to seven out of the 11 Scottish Government 'National Outcomes' put in place as part of its vision to create a 'wellbeing economy'. Rural estates are vital in their provision of social value to support some of the most vulnerable communities. They add value through the provision of rural housing, make land available for rural enterprises, look after rural village infrastructure, provide access to the countryside for people to enjoy and often continue to provide low-cost housing for employees and their families long past retirement.

From the perspective of adding value to the wider society, rural estates are important for carbon sequestration, nature-based tourism and increasing the UK's renewable energy capacity.

Benefits provided by Scottish estates:



WHAT ARE THE LEGAL REQUIREMENTS FOR SOCIAL VALUE (CURRENT AND LIKELY)

Region	Current	Likely
ENGLAND AND WALES	The Public Services (Social Value) Act requires businesses and organisations which commission public services to assess and evaluate how they can achieve social, environmental and economic benefits	This regulation will also likely be integrated into private sector contracts as interest in social impact from investors increases
WALES	The Well-being of Future Generations (Wales) Act sets out seven well-being goals for all local and national governments and other public bodies to consider	As these goals are advocated as best practice they are likely to be integrated into private sector policy in the future
SCOTLAND	The Procurement Reform (Scotland) Act states that the well-being of a local authority's area must be considered by all contracting authorities	Current Scottish Government discourse on the Fourth Sector and Social Return on Investment methodologies indicates an interest in mainstreaming social value policy and introducing it to the private sector
EUROPE	In February 2022 the EU Platform on Sustainable Finance proposed a structure for a 'Social Taxonomy', to sit within the current European legislation on Sustainable Finance and Governance	It is expected that the UK will follow suit with it's own variation of a social taxonomy, as with the proposed 'UK Green Taxonomy' framework, which largely replicates the 'EU Taxonomy' and sustainable finance disclosure regulations in Europe

HOW TO IMPROVE SOCIAL VALUE IN LAND AND REAL ESTATE

Being able to understand the social value of your property or land and how to quantify and improve it are vital for future-proofing assets, winning more bids, increasing occupier satisfaction and complying with UK and EU legislation.

Our Property Management and ESG and sustainability teams can help you to realise the full potential and value of your assets. Utilising our expertise and the Social Value Portal tool, we can develop an asset specific social value framework and implementation strategy to ensure you maximise the value of assets and your ESG credentials.

RURAL

- Increasing access to public rights of way for local communities across private land.
- Open estate days for locals to encourage a positive relationship between landlords, tenants and communities.
- Being transparent with the local community surrounding estate developments and strategic goals.
- Farming cooperatives which focus employment on vulnerable and disadvantaged groups.
- Develop high quality facilities for workforce (WCs, social areas, lunch facilities, showers, etc)

DEVELOPMENT

- Ensuring new developments align with local plans and community needs e.g. amenities.
- Incorporate social value measures at the planning application stage.
- Large developments should expand their 'Planning and Sustainability Statements' to deliver long term social value improvements such as employment and local upskilling plans or apprenticeships.
- Ensure social value monitoring measures are in place throughout the lifecycle of the development.

OFFICE

- Paid volunteering days for employees.
- Ensure the building is designed to promote wellbeing including built-in areas for reflection, the inclusion, of biophilic design, access to natural light in the office with open break out areas.
- Promotion from top down of local community initiatives and charities the business is supporting.
- Provision of meeting facilities for local community leaders and charities

OCCUPIERS

- Mentoring programmes; either internally with graduates and apprentices or externally through local schools or colleges.
- Local or socially led procurement.
- Provision of activities within an office building e.g. yoga classes, social areas.
- Mental health provisions and creation of mental health first aiders.
- Asking occupiers to join together to raise money for a 'charity of the year'.

INDUSTRIAL

- Volunteering days.
- Apprenticeships and graduate schemes, especially focusing on providing opportunities to increase diversity.
- Large logistic facilities can engage with local communities to host local events such as car boot sales at weekends in empty carparks or spaces.

USEFUL LINKS

[UK Green Building Council – Framework for Defining Social Value Portal](#)

[Social Value Portal – The National Themes, Outcomes and Measures \(TOMs\)](#)

[Better Buildings Partnership – Social Value](#)

FIND OUT MORE FROM THE ESG & SUSTAINABILITY TEAM



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