

# NFDC

# BRIEFING NOTE

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## SOCIAL VALUE IN THE DEMOLITION INDUSTRY



National Federation of Demolition Contractors  
**Voice of the Global Demolition Industry**

[www.demolition-nfdc.com](http://www.demolition-nfdc.com)

# Contents

- 3 What is Social Value
- 5 How is Social Value different from Corporate Social Responsibility (CSR)?
- 6 Why is Social Value important for Demolition Contractors?
- 8 What does Social Value mean for Demolition Contractors?
- 9 Sample Social Value tender questions
- 11 Further Reading & Resources

## Acknowledgements

This Briefing Note has been created by NFDC in collaboration with Holly Price, Skills & Communities Director at Keltbray.

This document intends to provide an Overview and should not be treated as an NFDC Guidance Note. As Social Value is open to interpretation and varies considerably between Local Authorities, clients and funders, it is not possible to provide guidance on how demolition contractors should approach, plan or deliver Social Value.

Further Sources utilised to compile this Briefing Note include:

- UK Government Assets
- MACE Social Value Insights Report 2017
- Construction Excellence
- The Social Value Portal
- Propeller Studios Bid Writing Consultants





# What Is Social Value?

Social Value manifests in many different ways and has been used as differentiation by construction companies for over a decade.

NFDC Member Company, Keltbray, breaks Social Value down into 5 core areas:

## 1. Jobs:

### **Promote Local Skills and Employment:**

To promote growth and development opportunities for all within a community and ensure that they have access to opportunities to develop new skills and gain meaningful employment.

## 2. Growth:

### **Supporting Growth of Responsible Regional Business:**

To provide local businesses with the skills to compete and the opportunity to work as part of public sector and big business supply chain.

## 3. Social:

### **Healthier, Safer and more Resilient Communities:**

To build stronger and deeper relationships with the voluntary and social enterprise sectors whilst continuing to engage and empower citizens.

## 4. Environment:

### **Decarbonising and Safeguarding our World:**

To ensure the places where people live and work are cleaner and greener, to promote sustainable procurement and secure the long-term future of our planet.

## 5. Innovation:

### **Promoting Social Innovation:**

To promote new ideas and find innovative solutions to old problems.

Social Value efforts could be very different for NFDC members, depending on both the size of the demolition contractor and the size of the demolition project.



# Why is Social Value important for Demolition Contractors now?

In 2013, the government published the Social Value Act 2012 which states that any construction work has to bring value into the community in which it is going to exist. The demolition sector was formerly excluded from delivering Social Value, as it was previously expected to be planned for, and delivered, within the construction phase only.

Post Brexit, more emphasis has been placed on how to create more local economy and this resulted in the government issuing an amendment to the Social Value Act in October 2019, making any ‘nice to have’ Social Value element a mandatory requirement – and this applies to the demolition phase of any project too.

Whilst the Social Value Act has been in existence for almost a decade, it is now being reinforced more seriously and officially became mandatory in January 2021. Contractors can now face financial penalties for non-performance - or failing to deliver on a Social Value plan.

There are currently virtually zero demolition projects of significant scale which are not government funded. Any demolition project of scale – local authority, rail, interface, highways, major public initiative – is likely funded with government money on a drive to boost the UK economy and will have a mandatory Social Value output against it. Even a major developer project which requires applying for Planning Permission from a Local Authority will be required to comply with Section 106 of the Planning Act.

## Section 106 - Local Authorities must comply!

All Local Authorities planning regulations must comply with Section 106 of the Planning Act – and this can cover anything from environmental aspects and impacts, local employment, local and responsible procurement (for example local purchasing, purchasing from diverse businesses) to general community benefits.

The goals and priorities of each Local Authority, or Council, are based on their demographic and the local issues which require improvement or resolution, influencing their requirements for Social Value efforts. Contractors should base their Social Value Plan or Proposal on localised needs.

For example, in a local authority area with high youth unemployment, they will be looking for a social value plan that creates local employment opportunities to help meet their goals. Another local authority may lack community facilities or green space and would therefore value a plan that incorporates construction of a park, or other open space for the benefit of the local community.

In many cases, Local Authorities will provide prescribed plans, essentially advising a contractor what needs to be done for Social Value to help them to meet their targets – eg: take on an apprentice, give to charity, employ some local people), but it is key to remember that each Local Authority will be different, based on their demographic and targets.

## UN Sustainable Development Goals

The 2030 agenda for Sustainable Development was agreed by world leaders at the UN in 2015, with a focus on the 17 Sustainable Development Goals (SDG's) which the UK has committed to deliver domestically. This means that the UK Government is placing accountability on Local Authorities to proactively support in the achievement of these goals. The importance of this is, in part, evidenced by the serious reinforcement of the Social Value Act, ensuring that Social Value delivery is mandatory across any project commissioned by a Local Authority from January 2021.





# What does Social Value mean for Demolition Contractors?

The importance placed on Social Value today is good news for the demolition industry – it means that the government is pushing for Procurement to evaluate contractors based on the long-term value of a project, not just a competitive price.

Enforcing a Social Value contribution also makes an impact to raising the profile, reputation, role and responsibility of the demolition industry in society, by ensuring demolition projects, alongside construction projects, give back to communities, improve the environment and encourage collaboration within the supply chain and communities. Social Value requirements will be included in tenders with varying weightings affecting the overall bid score.

There are many examples within the NFDC membership where projects have been won based on the strength of a Social Value plan, despite the overall project price being significantly higher than competing bids.

Larger demolition contractors may already employ a Social Value/Community Engagement Manager who is able to produce and deliver on detailed plans, including liaising with stakeholders etc. Even with dedicated personnel handling Social Value within projects, Contractors will inevitably be required to ‘do more work’ with a mandatory social value element to most, if not all, projects.

SME companies are likely to receive a list within tender documentation specifying what the demolition contractor is expected to answer regarding Social Value. Responses are likely to require submission via a portal.

It is important to emphasise that Contractors of all sizes, will now face financial penalties for non-performance - or failing to deliver on a Social Value plan.



# Sample Social Value Tender Questions

## TIPS:

Your response to social value questions should be tailored to the needs and priorities for the local authority – avoid giving standard or blanket Social Value answers across all projects and localities.

Read the scope of the contract carefully as expectations will differ. Also check the contract for details of penalties for non-performance or failing to deliver on Social Value commitments.

Take time to find out and understand the local Social Value priorities.



## Economic examples:

**Q:** How will you support local people to gain access to the employment opportunities that your contract will produce?

**Q:** How will you create jobs through the growth of business and investment in the local area?

**Q:** What work experience will you provide and how will this be achieved?

**Q:** What training opportunities will you offer and to whom?

**Q:** What education engagement will you offer?

*Your economic responses may include detailed descriptions of commitments and outcomes for: creating jobs for local people, supporting young people into apprenticeships or providing other training, buying locally, buying from SME's or diverse businesses or supporting a local supply chain within the project, promoting opportunities to work with local voluntary or community organisations, or engaging with local schools and colleges.*



## Social examples:

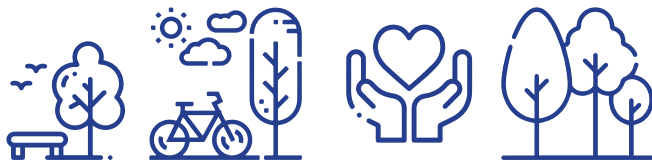
**Q:** How will your organisation work to help others?

**Q:** How will your supply chain ensure ethical considerations?

**Q:** How will you provide opportunities for all, including the most vulnerable, to make a valuable contribution and promote social integration?

**Q:** How will you consider equality and diversity in the provision and operation of services?

*Your social responses may include detailed descriptions of commitments and outcomes for: helping local charities and/or community groups, actively promoting and advocating for ethical supply, ensuring the workforce is representative of the communities served, offering work opportunities for disadvantaged people as part of the project, involving stakeholders – such as local residents through community engagement activities, safeguarding children and vulnerable people in the local area, or supporting local culture.*



## Environmental examples:

**Q:** How will you reduce energy and fuel consumption in the provision of the contract?

**Q:** How will you promote initiatives which retain, protect, enhance and/or promote the character of the local natural environment for the benefit of local people and wildlife?

**Q:** What are the main environmental impacts associated with delivering the contract and how do you propose to mitigate them?

**Q:** How will you consider equality and diversity in the provision and operation of services?

*Your environmental responses may include detailed descriptions of commitments and outcomes for: minimising waste through re-use and recycling and using environmentally friendly products and practices to reduce environmental impacts, saving energy throughout the project and organising initiatives to engage stakeholders in preserving the local environment.*

# Further Reading & Resources

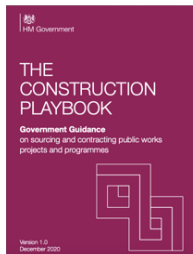
This document, the further information links and the NFDC recorded webinar (28.04.21) aims to support members who do not already have dedicated personnel handling Social Value within their company.



## Procurement Policy Notice (PPN) September 2020

*Taking Account of Social Value in the Award of Central Government Contracts*

Link: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/921437/PPN-06\\_20-Taking-Account-of-Social-Value-in-the-Award-of-Central-Government-Contracts.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921437/PPN-06_20-Taking-Account-of-Social-Value-in-the-Award-of-Central-Government-Contracts.pdf)



## Construction Playbook

*A detailed document that stipulates how contractors in construction should behave and operate.*

Link: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/941536/The\\_Construction\\_Playbook.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/941536/The_Construction_Playbook.pdf)



## The National TOMS (Themes, Outcomes & Measures) Framework 2020

*The aim of the National TOMs Framework is to provide a minimum reporting standard for measuring social value. For those organisations (private and public) just starting out on their journey to embed social value into their procurement and management processes, it provides an easy-to-use solution that is immediately available, and may be applied to any project. For those organisations that are already well advanced, the hope is that they will integrate these standards into their measurement approach as a minimum and add any Measures that they presently do not have in their own toolkit.*

Link: <https://socialvalueportal.com/national-toms/>

(NOTE – A short survey must be completed before you are able to download the National TOMS framework Excel Document)

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