



# DRIVING SOCIAL VALUE IN NEW DEVELOPMENT: OPTIONS FOR LOCAL AUTHORITIES

## Executive summary

UKGBC's latest guidance is intended to help local authorities create and implement a strategy that enables new development to deliver greater social value, thereby improving the impact of new development on communities and the wider area or city. The guidance provides a detailed exploration of the policy mechanisms that can be used by local authorities to specify and ensure social value outcomes.



## Background

In March 2018, UKGBC published introductory guidance for local authorities and development teams on social value in new development. In that guide we set out some initial opportunities for local authorities to drive social value, both as a landowner and a planning authority.

This resource builds on that work, investigating when and how local authorities can use social value requirements across procurement, planning and land disposal. It is intended as a live resource, which can be updated with new evidence and new case studies.

The primary audience for this resource is local authority officers, who may be working in the procurement, planning, sustainability, regeneration or property teams. It will be especially applicable to officers with dedicated responsibility for embedding social value across local authority practices.

One way in which local authorities can drive better outcomes for communities from new development is by setting social value requirements. Currently, most of these requirements that relate to new development are set during procurement, but increasingly there is innovative use of social value requirements in planning and land disposal.

## Recommendations for setting social value requirements

- 1 Where the local authority is the landowner or client, it may set social value requirements on contracts that relate to new development through the process of procurement. These contracts can relate to developers, contractors or any other built environment service provider.
- 2 For most development, local authorities may set social value requirements in planning mechanisms such as Section 106 or within planning conditions. These can be strengthened by setting out social value policy requirements in Local Plans, with further guidance on implementation provided in a Supplementary Planning Document.
- 3 Local authorities may set social value requirements when selling land or transferring assets to local communities. They can also use social value measurements to calculate discounts on those transactions.
- 4 Relevant local authority teams should work together to ensure a joined-up strategic approach for setting social value requirements in relation to new development. That approach should be set out in the local authority's Social Value Policy, which will include the approach to broader social value requirements.

# Overarching recommendations

- 1 To ensure that all opportunities for unlocking social value are recognised and the expectations of both parties are set, it is important to set out the ambition for delivering social value as soon as possible in the development process. In most cases this opportunity will come in the pre-planning discussions, but where possible expectations can be laid out at land disposal.
- 2 As much as possible, social value should be delivered through direct interventions rather than providing a financial contribution. This is because financial contributions are more likely to divert investment or contributions from elsewhere.
- 3 Development will only maximise the opportunities for social value creation if the community are engaged and empowered throughout the development process and all parties have a thorough understanding of local needs and the wider needs of the area.
- 4 Setting social value requirements in legal mechanisms, such as planning obligations and conditions of sale, will mean that the supplier will be able to be held accountable for the delivery of their commitments. However, they may not always be the right mechanism, as they can be constrictive for both parties.
- 5 As the purpose of setting social value requirements is to drive better practices, any social value should be provided in addition to the existing product or service. More work to develop benchmarks for “business as usual” needs to be done to support this practice.
- 6 As public sector resources to develop and implement social value strategies for development are limited, local authorities should seek private sector support and think strategically about the most effective use of resources across the development process.
- 7 To ensure effectiveness of social value requirements, and to hold all parties accountable for the delivery of agreed strategies, it is important, where possible, for local authorities to require the private sector to provide ongoing monitoring and reporting of outcomes.



**The guidance is available to download in both PowerPoint and PDF formats [HERE](#).**

**For more information about this resource, or to contribute a case study, please contact [Sophia Cox](#)**