INTEGRATING SOCIAL VALUE INTO THE PLANNING PROCESS

SOPHIA COX SUSTAINABILITY ADVISOR, UKGBC

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ANNA MCCCHESNEY-GORDON SOCIAL VALUE PORTAL
ANDREW TAYLOR COUNTRYSIDE PROPERTIES PLC
MAURICE DALTON PROLOGIS UK
Integrating Social Value into the Planning Process

Karen Sullivan
Director of Planning and Development
London Borough of Islington

29 January 2020
Why Social Value matters to Islington

- Poverty
- Inequality
- High land values and affordability
- Gentrification and hyper-gentrification – the spatial dimension of inequality?
Towards a Fairer Islington

- Fairness Commission
- Fairness Priority
- Inclusive Economy Strategy
- Draft Local Plan – Building a Fairer Islington
Securing Social Value through Planning in Islington

Social value is NOT:

• Ensuring that a development complies with the council’s planning policies e.g. delivery of affordable housing or affordable workspace; or the mitigation of any adverse impacts from a development through for example s106 agreements; or Community Infrastructure Levy (CIL).

• Corporate Social Responsibility but we hope that delivering social value through planning can help to shape this
Complying with Islington’s Planning Policies – Some Examples

- 50% genuinely affordable homes i.e. 70% homes for social rent and 30% intermediate
- Affordable housing contributions on small sites at £50,000 - £60,000 per home
- Affordable Workspaces
- Carbon-offsetting
- Student Bursaries for disadvantaged local young people
- Employment and training
- Sustainable and accessible transport
- CIL and s106 payments.

These are all policy requirements of the Local Plan/national legislation and should be factored into the price that developers pay for land.
Draft Local Plan. Policy SC4 (Promoting Social Value)

- All development in Islington is encouraged to maximise social value in order to deliver as many public benefits as possible.

- Major development proposals must undertake a social value self – assessment which clearly sets out the specific social value that would be added through the delivery of the proposal.

- Appendix Five – Social Value Self Assessment Form relates to the construction of the development and its operation on completion.

- Supplementary Planning Document to follow.
Appendix Five – Social Value Self Assessment Form

Criteria to be considered include:

• Everyone involved in the development to be paid the London Living Wage;
• Supporting and diversifying local supply chains;
• Skills and employability initiatives for local residents, and provision of work placements;
• Supporting the voluntary and community sector;
• Ethical financial and investment practices;
• Environmental policies and practices;
• Health and well being of employees;
• Diversity and Inclusion;
• Reducing crime and fear of crime; and
• No discrimination against employees or contractors who are involved in Trade Union activities and support for employees engagement.
Leveraging Social Value – Affordable Workspace

- Affordable workspaces secured through negotiation with a developer.
- Council given a lease on the space at a peppercorn rent (usually 10 to 20 years).
- Council commissions an external organisation to operate the space on our behalf through a competitive process.
- Affordable workspace operator is given an underlease on the space at a peppercorn rent and can charge up to 80% of market rent.
- In exchange, the operator must deliver social value with a particular emphasis on delivering real opportunities for disadvantaged local people and supporting micro and small businesses.
- Social value offer is quantified and set out in the workspace provider’s bid to operate the space.
- Social value offer is secured through a concession contract and underlease. The operator can be evicted from the space if they fail to deliver the specified social value. Social value must be at least 1.5 times the value of the concession contract.
- Example (Outlandish). Lease is valued at £6,000 per annum. Value of concession contract is £4,800 per annum (80% of market rent). Social value secured is circa £550,000 per annum.
Karen.Sullivan@islington.gov.uk
Maximising a development’s social value

Anna McChesney-Gordon
29th January 2019
MAXIMISING SOCIAL VALUE

PLANNING

EMBEDDING SOCIAL VALUE INTO PROPOSALS

NEEDS AND PRIORITIES
A measurement solution that reflects the community needs & priorities

SOCIAL VALUE COMMITMENTS IN PLANNING

record

CONSTRUCTION

CO-DELIVERING SOCIAL VALUE WITH THE SUPPLY CHAIN

SUPPLY CHAIN
Optimise Social Value

SOCIAL VALUE CONTRIBUTION FROM CONSTRUCTION

IN-USE

A full lifecycle approach

ENHANCING ASSET VALUE BY CO-DELIVERING SOCIAL VALUE WITH OCCUPIERS

LEGACY
Create a lasting and sustainable legacy for communities

SOCIAL VALUE CONTRIBUTION FROM MANAGEMENT & USE

record

Social Value Portal – Maximising a Development’s Social Value
OUR APPROACH TO PLANNING

STEP 1: NEEDS & PRIORITIES

STEP 2: PLACE-BASED STRATEGY

STEP 3: MEASURE

STEP 4: MONITOR & IMPROVE

Social Value Portal – Maximising a Development’s Social Value
UNDERSTANDING THE NEEDS

Social Value Portal – Maximising a Development’s Social Value
### PLACE-BASED STRATEGY & MEASUREMENT FRAMEWORK

#### Needs analysis and policy review inform the ‘Measures’ or activities that will benefit the community. They reflect the greatest challenges and needs of the area.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Outcomes</th>
<th>Ref</th>
<th>Measures - Minimum Requirements</th>
<th>Units</th>
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<tr>
<td><strong>Jobs: Promote Local Skills and Employment</strong></td>
<td>More local people in employment</td>
<td>N1</td>
<td>No. of local people (FTE) employed on contract</td>
<td>no. people FTE</td>
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<tr>
<td></td>
<td>% of local people employed on contract (FTE)</td>
<td>N2</td>
<td>%</td>
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<tr>
<td></td>
<td>No. of local people (FTE) employed on long term contracts</td>
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<td>%</td>
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<td>No. of NEETS employed</td>
<td>N4</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of jobs created for people with disabilities</td>
<td>N5</td>
<td>%</td>
<td></td>
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<td></td>
<td>No. of hours providing career mentoring</td>
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<td>%</td>
<td></td>
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<td></td>
<td>Local school and college visits</td>
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<td>%</td>
<td></td>
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<tr>
<td></td>
<td>No. of training opportunities on contract</td>
<td>N8</td>
<td>%</td>
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<td></td>
<td>No. of apprenticeships on the contract</td>
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<td>%</td>
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<tr>
<td></td>
<td>No. of hours dedicated to support young people into work</td>
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<td>%</td>
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<tr>
<td></td>
<td>No. of weeks spent on meaningful work placements</td>
<td>N11</td>
<td>%</td>
<td></td>
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<td></td>
<td>Mean paid work placements that pay Minimum wage</td>
<td>N12</td>
<td>%</td>
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<tr>
<td><strong>Growth: Supporting Growth of Responsible Regional Business</strong></td>
<td>More opportunities for local SMEs and VCSEs</td>
<td>N13</td>
<td>Total amount (£) spent with SMEs within your supply chain</td>
<td>£</td>
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<tr>
<td></td>
<td>Provision of expert business advice to SMEs and VCSEs</td>
<td>N14</td>
<td>no. staff expert hours</td>
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<td></td>
<td>Equipment or resources donated to SMEs</td>
<td>N15</td>
<td>no. volunteering hours</td>
<td></td>
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<td></td>
<td>No. of voluntary hours donated to support VCSEs</td>
<td>N16</td>
<td>%</td>
<td></td>
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<td></td>
<td>No. of contracts including commitments to ethical procurement and anti-slavery</td>
<td>N17</td>
<td>% of contracts</td>
<td></td>
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<td></td>
<td>Social Value in the supply chain</td>
<td>N18</td>
<td>% of contracts</td>
<td></td>
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<tr>
<td><strong>Social: Healthier, Safer and more Resilient Communities</strong></td>
<td>Crime is reduced</td>
<td>N19</td>
<td>%</td>
<td></td>
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<tr>
<td></td>
<td>Initiatives aimed at reducing crime</td>
<td>N20</td>
<td>£ invested &amp; staff time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Creating a healthier community</td>
<td>N21</td>
<td>£ invested &amp; staff time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Voluntary hours spent volunteering time provided to support local community projects</td>
<td>N22</td>
<td>£ value</td>
<td></td>
</tr>
<tr>
<td><strong>Environment: Protecting and Improving Our Environment</strong></td>
<td>Climate impacts are reduced</td>
<td>N23</td>
<td>%</td>
<td></td>
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<tr>
<td></td>
<td>Air pollution is reduced</td>
<td>N24</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Better places to live</td>
<td>N25</td>
<td>%</td>
<td></td>
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<tr>
<td></td>
<td>Sustainable Procurement is promoted</td>
<td>N26</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>
MEASURE, REPORT, IMPROVE - CONSTRUCTION

Case Study: 245 Hammersmith Road
Social Value Delivery Report

Project stats:
- Client: Legal & General
- Gross Internal Area: 333,300 sq ft
- Construction cost: £150m
- Build duration: 2 years
- Main contractor: Lendlease
- Use: Commercial office
- Location: London Borough of Hammersmith & Fulham

Total Social Value delivered: £28.2m
Total Social Value Add (SVA) to the contract value: 28.2%
Social Value delivered against target: 211%

Project highlights:
- £2.4m Environmental Value
- £26.1m Local Economic Value
- 51.4% Local Employment
- 714 weeks of training

Local skills & employment
- 153 local people employed
- 2 NEETs employed
- 14 weeks work placements
- 708 weeks training opportunities

Local contributions
- £1.46m S106 contributions to cycle hire, economic development and highways
- £585k CIL contributions

Local supply chain spend
- £21.4m Social Value add

Local people employed
- £4.7m Social Value add

Apprenticeships and work placements
- £42.5k Social Value add

Protecting & improving our environment
- 26,654t waste diverted from landfill
- 148t carbon emission savings

Stronger, healthier communities
- 440 hours community volunteering
- £600 donations to local community projects
MEASURE, REPORT, IMPROVE – IN USE
Corporate Social Value

Andrew Taylor – Head of Planning and Group Social Value lead
Culture

- FTSE 250, Top 10 housebuilder
- Specialising in placemaking and urban regeneration
- £1.42 billion turnover in FY19
- High delivery rates achieved through mixed-use, mixed tenure and commercial development
- Strong relationships with Central and Local Government
- Over 370 awards for design and sustainability

Across the group, we delivered 5,733 homes during 2019 (financial year), across a broad range of tenures.

5,733 homes

- Private - 38%
- Affordable - 38%
- PRS - 24%

Good design using existing features at St Luke’s Park, Runwell, Chelmsford
Value-added approach

Delivering enduring value and creating **Places People Love** by:

- Using a landscape-led approach
- Applying the principles of placemaking
- Delivering valuable infrastructure
- Working in partnership with landowners, LPAs and other key stakeholders
- Building quality new homes
- Creating highly integrated new communities
Active Sites

49,000 plots
Landbank as at end of September 2019
Why Social Value - Benefits to business

- Carrying out business in a responsible manner
- Positioning brand of the business
- Improving client relations
- Assisting in winning new business
- Attracting investors
- Attracting and keeping the best staff
Social Value Journey so far…

• Social Value Manager
• Social Value and Sustainability Committee
• Social Value, Volunteer and Charitable and Community Donation Policies adopted
• Social Value Vision and Implementation Plan
• Social Value Portal - recording across Group on all sites
• Social Value reports to board meetings and annual report
• Social Value Comms Campaign
Elements of Social Value

• **Environment**
  Environmental and social impact reporting - reducing emissions, preserving biodiversity and natural resources and designing products to minimise waste

• **Market Place**
  Ethical investments, supporting local labour, apprenticeships, local procurement, partnerships

• **Workplace**
  Employee health and safety, attracting and retaining staff, diversity and inclusion, work-life balance

• **Society / Community**
  Volunteering, charitable donation, sponsorship, fundraising, match giving, partnerships with local community stakeholders and organisations
Is Social Value really a planning thing?
How should Social Value be secured?

- Regulating the use of land
- “Where, in making any determination under the Planning Acts regard is to be had to the Development Plan, the determination shall be made in accordance with the Plan unless material considerations indicate otherwise.”
- S106 compliant?
Social Value and planning

Key benefits

• Increase local spend - rewarding local organisations or those with a local supply chain, especially SMEs
• Local labour - opportunities for disadvantaged people and promotes social mobility
• Responsible supply chain
• Sustainable energy
• Youth training
• A growing area of discussion with planning authorities
National Social Value Conference – Time to Act

Maurice Dalton – Prologis UK
29th January 2020
Prologis Global Overview

Prologis is the global leader in logistics real estate

PROLOGIS PLATFORM

$111B
AUM

74
MSQM

19
countries on 4 continents

3,793
buildings

1,675
employees

5,100
customers

$1.5 TRILLION
Is the economic value of goods flowing through our distributions centers each year, representing

2.8%
of GDP for the 19 countries where we do business and

2.0%
Of the world’s GDP

1. AUM is fair value of real estate plus investment capacity
Sustainability

2018 HIGHLIGHTS

• Planet Mark 2018 Awards: Supply Chain Engagement
• BREEAM Awards 2018: Regional Award, Western Europe, DC2 Prologis Park Dunstable.

AWARDS

10 YEAR MILESTONES

• 10 years of partnership with The Planet Mark and Cool Earth.
• 10,000 acres of rainforest protected.
• Over 10 million square foot of buildings certified.
• 6,855 sustainability workshops delivered to school children.

ENVIRONMENT

A YEAR OF FIRSTS

• Prologis became the first property company in the UK to require its entire supply chain to commit to a social value charter.
• First Tesla Powerwall battery storage unit installed in DC115 at Prologis DIRFT.
• First sustainability events for private investors hosted by Prologis in London and Amsterdam.
• First electric bus trial at The Bridge development in Dartford.
• Prologis European Logistics Fund (PELF) issues first Green Bond.

For details of our global year of firsts, read our Global ESG Impact Report www.prologis.com/esg-report2018
Maximising Social Value

80% Occupation (Business & Residents)

10% Construction

10% Building Management

% Social Value

2 Years

20 Years
Social Value Policy & Supply Chain Social Value Charter
Case Study – Birmingham Interchange

BIRMINGHAM INTERCHANGE Social Value Report

Social value measurement framework
The measurement framework used by PROLOGIS has been built around the National Social Value Toolkit (NSVT) framework. A toolkit comprising both public and private sector organisations. The toolkit was the result of extensive consultation across its members, including the Office of Civil Society, and Crown Commercial Services.

PROLOGIS’ toolkit is built around 5 key themes, supported by 18 outcomes and 38 specific measures (the Toolkit matrix) that identify, measure, and value the benefits of a project.

Measuring Social Value at Birmingham Interchange
Using PROLOGIS’ toolkit, the social value generated at Birmingham Interchange has been calculated by calculating data from Benniman and their supply chain. This report highlights the project’s key achievements in both financial and non-financial terms.

Birmingham Interchange Social Value added:

- 150 hours volunteering with local VCSEs
- 200 hours volunteering to support local community projects
- 5% savings in carbon emissions across the project
- £43k donations or in-kind contributions to local community projects
- 11,692 miles saved across the project

Birmingham Interchange Supply Chain Social Value Highlights

Local employment
92 Local people employed
10 NEETs employed
2 Long-term unemployed taken on

65% Local employment

116 wks of apprenticeships (level 2,3, 4+)
124 wks of training opportunities
54 wks spent on work placements

120 hrs invested in Local Schools and college visits

Community support

Protecting our environment

Supply Chain - Total Social Value Added per Measure

<table>
<thead>
<tr>
<th>Ref. Measure</th>
<th>Actual No. delivered</th>
<th>Social Value added</th>
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<tbody>
<tr>
<td>TV1</td>
<td>90 people (FTI)</td>
<td>£2,290,054</td>
</tr>
<tr>
<td>TV2</td>
<td>455</td>
<td></td>
</tr>
<tr>
<td>TV3</td>
<td>2 people (FTI)</td>
<td>£59,453</td>
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<tr>
<td>TV4</td>
<td>2 people (FTI)</td>
<td>£84,409</td>
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<td>TV5</td>
<td>5 people (FTI)</td>
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<td>TV6</td>
<td>130 hours</td>
<td>£1,792</td>
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<td>TV7</td>
<td>134.5 hours</td>
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<td>TV8</td>
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<td>TV30</td>
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</tbody>
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Prologis PARKlife

Creating spaces and places where our customer’s businesses can thrive and where their employees enjoy coming to work
Park Services

Leveraging our strategic competitive advantage

In the UK we’ve been offering a range of Park services to our customers for the past twenty years and over the years these services have grown in response to changing customer needs. Over that period, we have created over twenty Prologis Parks where, as the long-term owner of the environments we create, we seek to build long-standing and trusted relationships with our customers through our dedicated in-house property management team.

These services form the foundations of our Parklife offering – which seeks to build on these services and help us address customer pain points such as: attracting and retaining employees; managing the external environment and connecting with the local community.
Social Value & Planning
PANEL DISCUSSION:
INTEGRATING SOCIAL VALUE INTO THE PLANNING PROCESS

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Visit sli.do. #TimetoAct Impressive 1 #NSVC20