



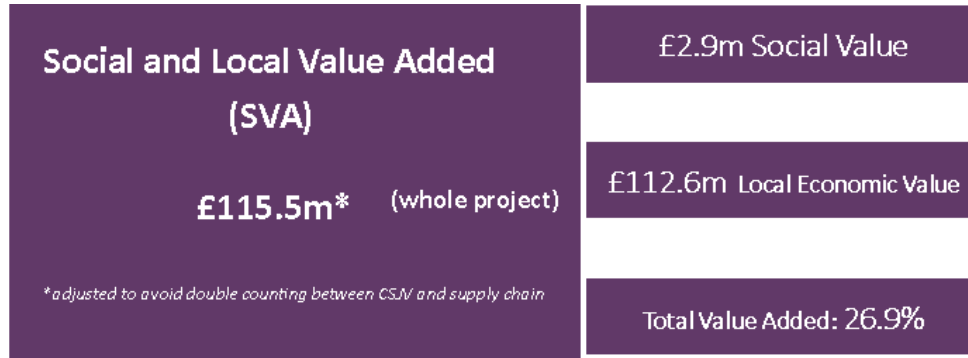
THE
SOCIAL
VALUE
PORTAL

HS2 COSTAIN SKANSKA JOINT
VENTURE ENABLING WORKS
SOCIAL VALUE PORTAL
SUMMARY REPORT

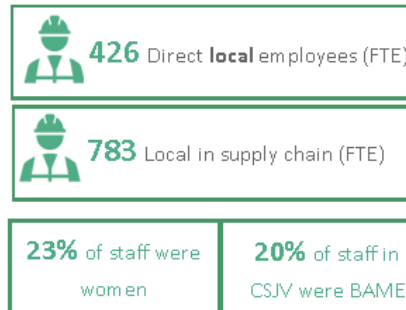
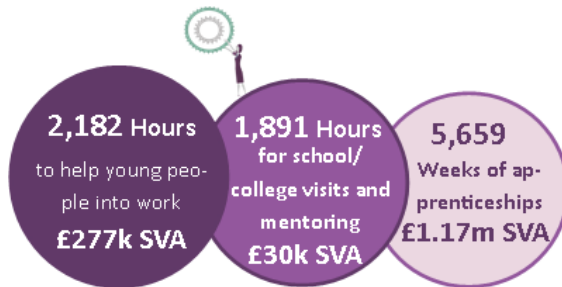


JUNE 2020

CSJV: HS2 Social Value Infographic



Promoting Local Skills & Employment



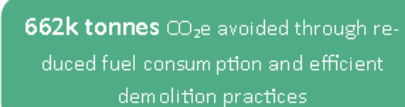
Supporting Economic Growth and Local Jobs



Healthier & Safer Communities



Protecting our Environment



Social Value

Social value is the name given to the activities organisations deliver to support the long-term wellbeing and resilience of individuals, communities and society in general. These activities support local job creation and opportunities for local businesses. Social value activities also promote a healthy and safe community and protect our environment.

Costain Skanska joint venture has worked alongside the communities in our seven boroughs for 3.5 years to ensure we support residents' wellbeing. We have employed over 400 local people; 200 of those were previously out of work. We have also supported work for many local businesses and supply chain. We are working hard with local charities to ensure we support the most vulnerable people into work. The Social Value portal has independently analysed our activities and highlighted in financial terms the result of our successes.

Headline Findings

This short report summarises the results of an evaluation of the HS2 Enabling Works Programme ("EWC"), on behalf of the Costain and Skanska joint venture ("CSJV"), based on the National TOMs framework and undertaken by the Social Value Portal ("SVP"). The data and results of the evaluation are set out in detail in an accompanying Insights Report. The purpose of this report is to summarise the results of the work and the conclusions.

The infographic above provides a Social and Local Value snapshot for EWC. It shows the works have achieved significant impact across a wide range of measures. While measuring social value in construction projects is still at an early stage, it is clear that EWC compares well in terms of overall local and social value delivered. This is in spite of the fact that the client (HS2) did not require a comprehensive social value strategy and EWC's strategy has evolved as the programme progressed.

Comparables

General:-

Against a general industry sample, EWC generally performs significantly better than average as follows:

- EWC's total Social and Local Value Added ("SLVA") % of 26.9% is broadly comparable with the average figure for the industry sample.
- EWC is significantly better in terms of % SLVA compared with other contracts over £100m. The total value added for EWC is significantly higher than the average for this segment, which is less than 20%.

Specific:-

We also examined a sample of larger construction projects in various locations across a range of sectors to see how EWC compares. The results are shown in the table below.

	Sector	Location	Contract value	SLVA £	SLVA %
EWC	Rail Infra	London	£429,300,867	£ 115,489,664	26.9%
Project A	Commercial	West Midlands	£98,000,000	£ 24,716,021	25.2%
Project B	Roads maintenance	South East	£45,000,000	£ 20,430,166	45.4%
Project C	Motorway	West Midlands	£214,000,000	£ 4,221,416	2.0%
Project D	Motorway	South East	£848,000,000	£ 23,518,918	2.8%
Project E	Regeneration	London	£41,500,000	£ 3,211,899	7.7%
Project F	Leisure	Scotland	£18,150,000	£ 5,799,206	32.0%
Project G	Regeneration	London	£98,000,000	£ 9,330,230	9.5%
Project H	Education	Scotland	£58,000,000	£ 12,974,383	22.4%
Project I	Health	Scotland	£69,000,000	£ 17,582,201	25.5%
Project J	Residential	London	£33,000,000	£ 1,249,355	3.8%
Project K	Regeneration	London	£52,000,000	£ 3,927,514	7.6%
Project L	Residential	London	£173,000,000	£ 11,563,659	6.7%

This shows three “clusters”:

1. A group where SLVA as a percentage is in single figures;
2. A group in the middle which, like EWC generates an SLVA percentage between 20% - 30%;
3. A pair of projects with higher SLVA percentages of 32% and 45%.

It is worth noting that all the London projects are showing SLVA percentages in single figures. This may be because of challenges in sourcing local labour and letting contracts to local businesses. It also shows that EWC is performing well against its regional comparators.

This analysis places EWC in the upper segment compared with its peers.

Local spend

A large amount of supply chain spend is in London boroughs with relatively high numbers of areas of multiple deprivation. This indicates that economic spend is going to areas that need it within London.

The proportion of local spend for this project is also much higher than the benchmarked average for larger contracts in the general sample.

Social Value

The community engagement and skills development programmes is a coherent and well-structured programme. This shows in the higher than average percentage of social value added (excluding local spend) of 2.5%, compared with 0.77% for the general benchmarked sample.

Apprenticeship weeks as a proportion of the contract value were also relatively high, representing just over 1% of contract value compared with 0.60% in the benchmarked sample. This reflects the success of EWC in its apprenticeship programme.

Environmental

EWC's environmental initiatives showed evidence of clear planning, targeting business processes to reduce CO₂ emissions. It is not possible, based on the evidence currently available, to assess how EWC's figure of 662 tonnes of CO₂e saved compares against other projects. Further research would be required to ensure there was genuine comparability in the figures reported between projects.

Recommendations and Conclusions

There is no doubt EWC has achieved a good result on social value delivery. This is shown in the comparable analysis above. There are also areas of potential improvement in the data collection and reporting of social value. We recommend the development of a consistent reporting framework from the outset and a clear strategic context.

There was evidence of good collaboration with the supply chain, which was one of the strengths of EWC's social value delivery.

We didn't identify any major gaps in social value delivery, which covered all the main areas of social value in the National TOMs. We also found a broader range of measures against which social value could be reported than is generally seen in the construction sector.

The gap, if there is one, is in the development of a coherent, integrated social value strategy and being able to use this as a reference point for delivery. There is also a need to develop the qualitative side of social value reporting to capture the "stories" of social value that bring the numbers to life. But the EWC programme represents a sound platform on which to build future social value strategies.