



Delivering Social Impact from Scottish Public Sector Construction Projects

A Review of Practice 2015 – 2025

March 2026

**SCOTTISH
FUTURES
TRUST**

Contents

Executive Summary	1
1.0 Introduction.....	3
1.1 Scope of the review.....	3
1.2 Key terminology	4
2.0 Social Impact – The Current Position.....	6
2.1 Current policy requirements	6
2.2 Associated Policy Alignment	6
2.3 Background to adoption	6
2.4 Where are we now?	7
2.5 Look ahead.....	7
3.0 Pre-procurement – Defining and scoping social impact.....	8
3.1 Aligning corporate, local and project priorities.....	8
3.2 Social impact definition at project level.....	10
3.3 Partnership working	13
3.4 Role of the social impact champion.....	13
3.5 Summary of pre-procurement learning.....	14
4.0 Procurement stage	15
4.1 Quantification and calibration	15
4.2 Capacity and capability	16
4.3 Tender models	16
4.4 Additionality.....	17
4.5 Tender evaluation.....	18
4.6 Summary of procurement stage learning.....	18
5.0 Monitoring and evaluation of social impact delivery	19
5.1 Platforms for monitoring and evaluation	20
5.2 Indicators	20
5.3 Summary of monitoring and evaluation learning.....	21
6.0 Summary of good practice learning.....	23
6.1 Pre-procurement – Defining and scoping social impact.....	23
6.2 Procurement stage – Tendering and contractor selection	23
6.3 Monitoring and evaluation of social impact delivery	23
7.0 Reflections.....	24

Executive Summary

The Scottish public sector invests billions of pounds each year on infrastructure. This creates a major pipeline of work for Scotland’s construction sector. If used effectively, this investment can support the delivery long-term benefits for communities, the economy, and the environment.

Public bodies aim to maximise these benefits by including community benefit (social impact) requirements in construction contracts. Since [2016](#), regulated [construction contracts](#) have been required to deliver social impact, and this supports public bodies in meeting their sustainable procurement duties.

In 2015 the Scottish Futures Trust (SFT), published the [Community Benefits Toolkit for Construction](#), which helped public bodies and the construction sector better understand how to define, procure, and deliver social impact

Since then, the sector has shown strong commitment to improving social impact delivery.

Over the last five years, in particular, there has been a noticeable improvement in the quality and relevance of initiatives delivered on projects. This progress has been supported by digital platforms and by a shared desire across the sector to build on what works well and to achieve better outcomes.

Prepared primarily to support public bodies procuring regulated contracts which have community benefit /social impact additionality obligations, this review is also relevant to building contractors delivering projects for the public sector and social impact practitioners associated with project delivery.

This review reflects on 10 years of delivering social impact and shares learning from that experience, and recommendations for future delivery. SFT engaged widely with local authorities, contractors, consultants, Scottish Government departments, and construction working groups.

The key areas of learning identified by the review include:

1. Pre-procurement stage

The opportunity to optimise social impact comes before project procurement begins. With the right planning, resources, and engagement, projects can deliver meaningful benefits at scale. Learning points include:

- Public bodies should develop clear social impact plans for regulated projects, linked to wider corporate objectives and their plans for localities
- Early stakeholder engagement and partnership working, including place-based approaches, improves outcomes and helps reach priority and hard-to-reach groups
- Appointing a social impact champion helps connect a public body’s corporate strategy with delivery at project level

2. Procurement stage

A well-designed procurement process helps optimise social impact and encourages innovation. Learning points include:

- Clear and proportionate social impact requirements lead to better outcomes
- Requirements should reflect the capacity and capability of the supply chain, ensuring an equitable approach
- Procurement should permit suppliers to propose innovative ideas and initiatives

3. Monitoring and evaluation

Over the past decade, monitoring and reporting of social impact has improved significantly, supported by new digital tools and methods. Learning points include:

- Social impact portals have improved tracking, reporting, and validation
- Good management and oversight remain essential
- Sharing learning and expertise across public sector organisations can further increase impact

Conclusion and future opportunities

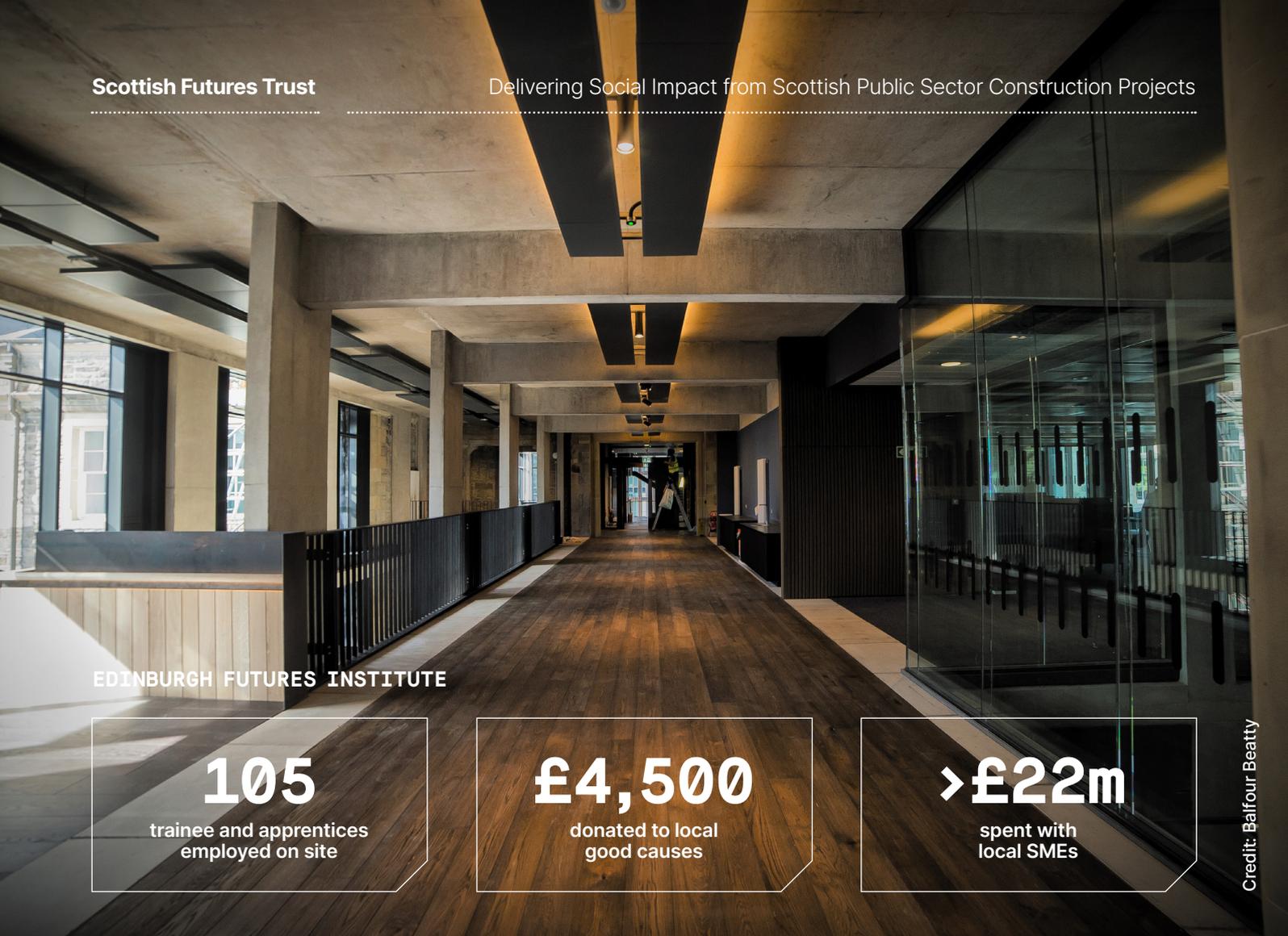
Since Part 2 of the Procurement Reform (Scotland) Act 2014 came into force in 2016, public bodies and the construction industry have made significant progress by working together to deliver social impact.

New legislation and policies, such as the Community Wealth Building (Scotland) Bill, place even greater emphasis on social impact in capital investment programmes.

Looking ahead, there is a major opportunity to increase impact, and this begins with public sector construction clients developing considered and proportionate social impact plans which:

- Align social impact activity with local and national priorities
- Focus more upon the quality of requirements delivered at a project level
- Clearly demonstrate the value being created
- Adopt standardised metrics and shared reporting to demonstrate impact at scale

This review has demonstrated the significant progress that has been made by the sector in delivering social impact within construction contracts. The opportunity now exists to share the areas of learning and to further support good practice. By continuing to leverage the significant investment being made by the sector and by developing high impact social value requirements, our economy and the communities of Scotland will benefit.



EDINBURGH FUTURES INSTITUTE

105

trainee and apprentices employed on site

£4,500

donated to local good causes

>£22m

spent with local SMEs

Credit: Balfour Beatty

1.0 Introduction

1.1 Scope of the review

The focus of the review is upon the obligations placed on public sector procuring authorities through the Procurement Reform Act and their sustainable procurement duty. These obligations require consideration and incorporation of community benefits and enhanced social impact additionality when procuring regulated contracts.

This review has provided the opportunity to reflect on the 10-year journey of the public sector and the construction industry in Scotland in delivering social impact across construction projects and to share and disseminate observed learning points.

The review was conducted by the [Scottish Futures Trust](#) (SFT) with the objectives of:

- Identifying and sharing the good practice approaches being adopted

- Supporting the development of capabilities across the sector – public bodies, building contractors and consultants
- Identifying areas for future development

The review’s focus is upon the good practice approaches which are being developed and deployed in Scotland. Through the engagement and research undertaken, good practice approaches and areas of further development have been identified. By sharing these findings with social impact practitioners, it is anticipated that further improvement in the delivery of social impact will be enabled.

This review has only been possible with the much-appreciated support of the sector. The engagement process involved Scottish Government, local authorities, large and small building contractors, subcontractors, and consultants via their professional bodies.

The review also considered the continued relevance of the original Community Benefits Toolkit for Construction. This document provided guidance in what was at the time a new initiative to the sector.

Understanding what constitutes social impact good practice is important, as investment in public sector infrastructure for some is a once-in-a-generation event. By adopting good practice approaches public bodies can optimise the social outcomes which directly benefit their communities.

The review will be of benefit to public bodies which are procuring construction projects, the building contractors and supply chains delivering those projects and the practitioners supporting project delivery.

1.2 Key terminology

What are community benefits?

Within public sector contracts, the approach taken to leverage the spend on construction projects and deliver social impact additionality is achieved through the inclusion of community benefit requirements within a project’s contract. This is a requirement of the Procurement Reform (Scotland) Act 2014.

For the purposes of this Act, a community benefit requirement is a contractual requirement imposed by a contracting authority:

- a. relating to
 - i. training and recruitment, or
 - ii. the availability of sub-contracting opportunities, or
- b. which is otherwise intended to improve the economic, social, or environmental wellbeing of the authority’s area in a way additional to the main purpose of the contract in which the requirement is included



Figure (i) illustrating the community benefit/social impact cycle within public sector procurement

The contracting authority must, before carrying out the procurement of a project, consider whether to include community benefit requirements as part of the procurement action.

Requirements must be proportionate and relevant to the contract taking into account contract nature, length, and capital value. The process associated with their delivery is summarised in Figure (i).

What is Social Impact?

Since publication of the Community Benefits Toolkit for Construction, the approach and language which the sector uses have evolved. The term community benefits is enshrined within Scottish Government legislation. However, the sector increasingly uses the term social impact, as opposed to community benefits, to describe the outcomes being delivered at project level.

The term social impact is referenced in Scottish Government’s Guidance Measuring Social Impact in Public Procurement: [SPPN 10/2020](#).

It is described as: *“Social impact is often understood as the effects on people and communities that happen as a result of an action, activity, project, programme, or policy. A common way to think about social impact is to consider it as the change that happens for or to people as a result of an action or activity.”*

Community Benefits v Social Impact

The key distinction between the terms community benefit and social impact is that community benefits are defined requirements, delivered through the design and construction phases of a project. These outputs in turn contribute to the broader social impact outcomes achieved across a projects lifecycle.

For purposes of clarity, the review focuses on the principles and processes of community benefits within public sector construction projects, as summarised in Figure (i).

For consistency, and recognising that community benefits contribute to broader social impact, the term social impact is generally used throughout this document.

What is Social Value?

The term social value originates from the [UK Government’s Public Services \(Social Value\) Act 2012](#). However, use of the term is neither recognised in Scottish Government legislation nor associated guidance.

2.0 Social Impact – The Current Position

2.1 Current policy requirements

The requirement to deliver social impact (community benefit) additionality through construction projects was legislated in the Procurement Reform (Scotland) Act 2014. This is a requirement of Part 2 of the Act which came in to force in April 2016.

- i. The sector readily adopted the Act’s requirement to *“provide community benefits through contracts:*
 - a. relating to:
 - i. *training and recruitment, and*
 - ii. *availability of sub-contracting opportunities”*

As understanding developed, increased focus was placed upon the second limb of the clause which identifies the alternative requirement “to provide community benefits which:

- b. *improve the economic, social, or environmental wellbeing of the authority’s area in a way additional to the main purpose of the contract in which the requirement is included”*

This welcome broadening of focus has been facilitated, in part, by:

- The availability of improved tools¹, which enable procuring authorities to better define their social impact requirements within tender documents
- The supply chain’s increased capability and capacity, enabling the delivery of more meaningful outcomes

2.2 Associated Policy Alignment

The prioritisation of [place](#) and inclusive economic growth by Scottish Government and the sustainable procurement duties of authorities are requirements to which well-considered social impact outcomes directly relate.

The outcomes typically delivered through construction projects align with several of the National Performance Framework’s 11 National Outcomes and the associated National Indicators.

They also align with several other Scottish Government policies. This alignment is summarised in Scottish Government’s employment, skills, and training community [benefit guidance](#).

2.3 Background to adoption

Early adoption – 2015

The Community Benefits Toolkit for Construction (The Toolkit), published by SFT, provided a comprehensive guide and framework to what was then a new concept, both for authorities procuring projects and the associated project delivery supply chains. The guidance addressed the early barriers to adoption by considering issues relating to specifying, procurement, monitoring, and reporting.

The Toolkit was well received by the sector as it supported the Procurement Reform (Scotland) Act 2014 and the subsequent sustainable procurement duty requirements of Scottish Government. The Toolkit identified an approach for the effective structuring of the procurement and delivery of social impact (community benefits) associated with construction projects. The Toolkit also identified the legislative context for doing so (see Figure (ii)).

Despite being published more than ten years ago, the consultation confirmed that the Toolkit remains an important reference document for practitioners. Whilst some of the language used within the document has changed, the processes detailed remain relevant, their importance being reinforced by the findings of this review.

1 Tools such as management portals and more sophisticated suites of measurements – See Section 5



Figure (ii) illustrating the linkages between social impact/community benefits, regulated contracts and the sustainable procurement duty

2.4 Where are we now?

Some 10 years on and the delivery of social impact, both in Scotland and across the UK, has developed considerably. Whilst the underpinning principles have remained constant, the sector has evolved and developed, with the additionality being created becoming an important facet of successful project delivery.

At authority level, the initiative is recognised as an important strand in supporting their sustainable procurement duty obligations. The benefits, be they in job creation, training or educational support, are regularly reported to elected members and boards, evidencing the delivery of inclusive economic growth and the support of Place related considerations.

Much of the development within the social impact community (the public sector and building contractors/supply chains) is attributable to a public sector which is increasingly experienced and knowledgeable. It now better defines and articulates its social impact requirements within tender documents. This improvement is further enhanced by the use of more sophisticated management tools.

Contractors and supply chains have responded positively to this step change. They have committed resource and energy to delivering social impact requirements. Through a combination of increased understanding, experience, and competitive tension, they have brought increased focus and innovation to the sector.

By working in partnership, and by being ambitious and innovative, procuring authorities and supply chains have significantly increased both the quality and the quantum of social impact which is being delivered at project level.

This change in focus and commitment is demonstrated at project level by the willingness of contractors to shift their originally well received support of main stream educational engagement, training support and work experience to people from priority groups, recognising this is where the greatest need lies.

Importantly, the commitment of all parties working in this area is to do more and to do it better. This central tenet provides a strong foundation for the future of social impact delivery through construction projects.

2.5 Look ahead

The outlook is one of continued momentum and improvement, requiring capacity and capability to meet the needs of both public and private sectors.

Scottish Government has updated [guidance](#) for reporting requirements for public bodies' annual procurement reports. These policy requirements further support adoption, reporting and transparency of social impact requirements within construction projects.

Within the construction firms and consultancy practices, the growth of sustainable reporting requirements such as environmental, social and governance are further raising the importance of delivering social impact.

3.0 Pre-procurement – Defining and scoping social impact

This section outlines areas of learning associated with the pre-procurement stage of projects. An area of ongoing development is that of linking project level social impact to the procuring organisation’s priorities and national economic, social, and environmental outcomes.

3.1 Aligning corporate, local and project priorities

Developing a clear line of sight between corporate priorities and social impact requirements within projects can assist in optimising outcomes across an authority’s area of operation.

Where authorities define, co-ordinate and disseminate a considered strategy for social impact across their portfolio of investments, they create significant impact, drive efficiencies in delivery and enhance the organisation’s social impact outcomes.

As illustrated in Figure (iii), requirements should flow through corporate strategy documents,

corporate social impact plans (see later section), annual procurement strategies, annual procurement reports, and local / community benefits plans.

Corporate strategy

An authority’s corporate strategy typically sets out a five-year vision of its commitments to, and ambitions for, the communities within its jurisdiction. These outcomes being further developed and detailed by individual departments responsible for service delivery.

Corporate social impact plan

A corporate social impact plan, a document which identifies an authority’s overarching social impact priorities, provides the link between the corporate strategy commitments and the associated social impact ambitions/priorities.

By providing a clear statement of corporate social impact priorities, the corporate social impact plan provides a reference point for the individual construction projects which constitute

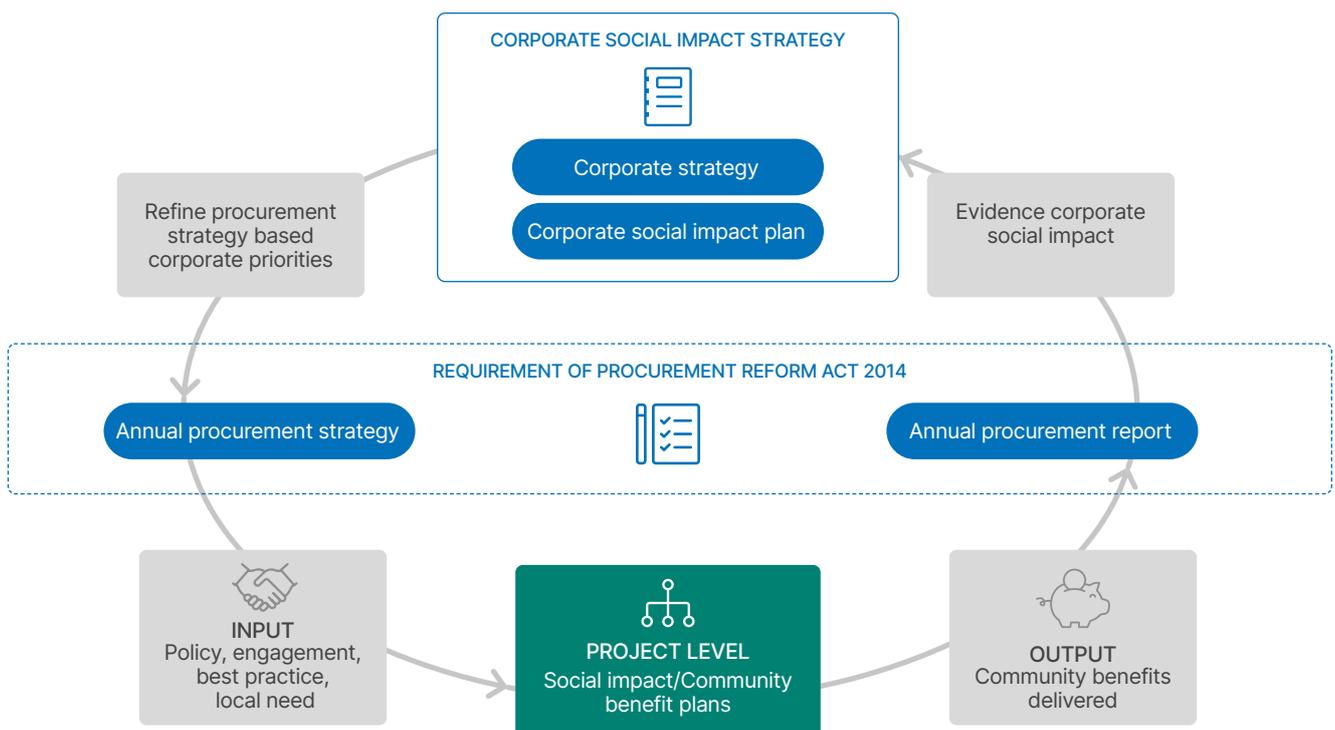


Figure (iii) illustrates the process which authorities are adopting to adhere to policy and legislation as well as ensuring that there is a line of sight between social impact requirements within projects and corporate strategies.

the authority’s programme of projects. By creating a line of sight between the corporate ambition and that of individual projects, the corporate social impact plan enables the delivery of corporate outcomes to be more effectively specified, managed, and monitored.

A well-structured corporate social impact plan will complement the authority’s corporate strategy and, with regular review, will remain relevant throughout its lifecycle.

The creation of a corporate social impact plan is not a legislated requirement, consequently the level of development of these plans is varied.

The advent of the Community Wealth Building (Scotland) Bill and its requirement for the development of a community wealth building action plan reinforces the case for a corporate social impact plan. It is anticipated that the outcomes identified within the corporate social impact plan will map onto several of the community wealth building pillars.

Annual procurement strategy

In line with legislation, where a contracting authority’s combined spend on regulated projects exceeds £5m, there is a requirement to develop and publish an [annual procurement strategy](#). These documents provide a valuable insight and overview of planned activities as well as strategic

objectives. The corporate social impact plan should support and align with this strategy.

Annual procurement report

A further legislated requirement is for authorities to publish an [annual procurement report](#) across all regulated projects. This includes a summary of social impact / community benefits delivered by the authority within regulated projects. Public bodies continue to innovate in how they publish and share these social impact metrics utilising interactive documents and dashboards.

Project level social impact plans

Whilst organisational structures vary, the procurement team is often responsible for incorporating appropriate social impact requirements into a project’s tender documentation. Reference to the corporate social impact plan assists in identifying and scoping an individual project’s social impact priorities. As referenced in the following section, this information, together with an understanding of the community wellbeing ambitions of other stakeholders, such as health boards and Third Sector Organisations (TSOs), should be reflected within a project’s social impact plan.

The typical cascading of corporate social impact priorities into a portfolio of projects is illustrated in Figure (iv).

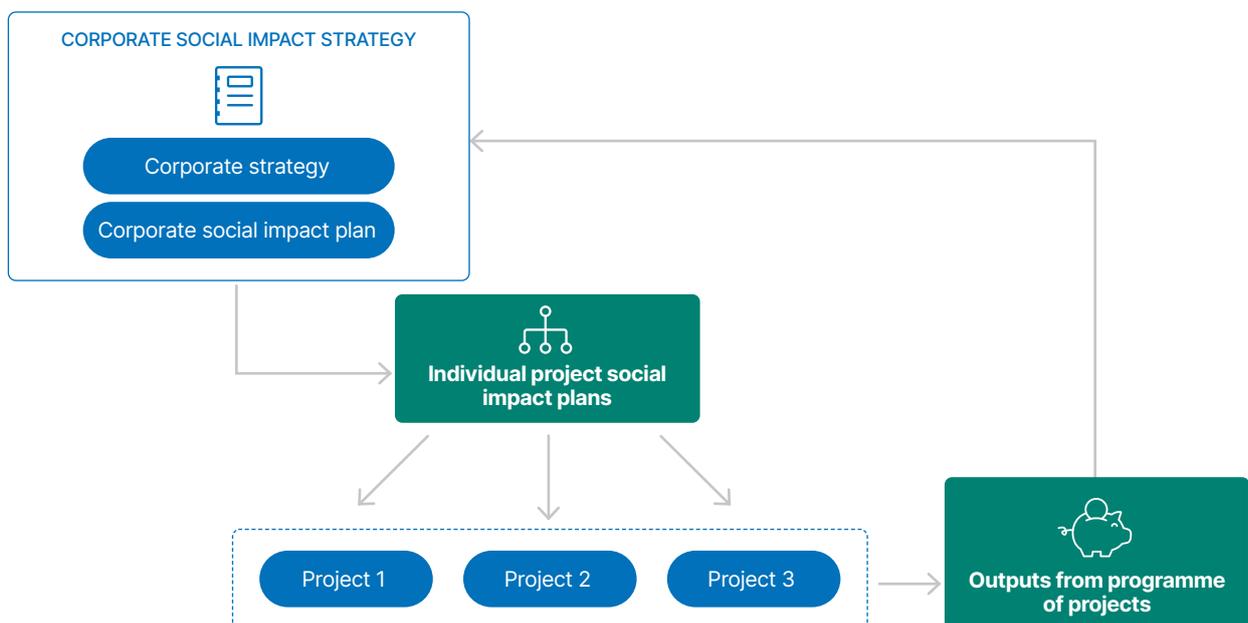


Figure (iv) illustrating the cascade of social impact requirements from corporate strategy into projects.

3.2 Social impact definition at project level

Optimising the social impact delivered through an individual construction project commences by blending the priorities of the authority, its stakeholders, and the local community, into a bespoke social impact plan for the project. A template for a project social impact plan can be found in the Community Benefits Toolkit for Construction (Section 2.0).

This authority led process begins with a clear understanding of the corporate-level social impact priorities. These priorities are then tailored and co-ordinated with the local needs of the community in which the project is being delivered. These needs are often identified within place plans.

As illustrated in Figure (v), the tailoring of requirements supplements corporate priorities with those of other relevant stakeholders, which may include:

- Health Boards and Health and Social Care Partnerships
- Arm’s-length external organisations and supporting TSOs
- Community Planning Partnerships, which coordinate local service delivery
- The Third Sector Interface which provides insight into the focus areas of local TSOs
- The local community

Figure (v) also identifies that interaction is required between stakeholders to develop a project’s social impact plan.

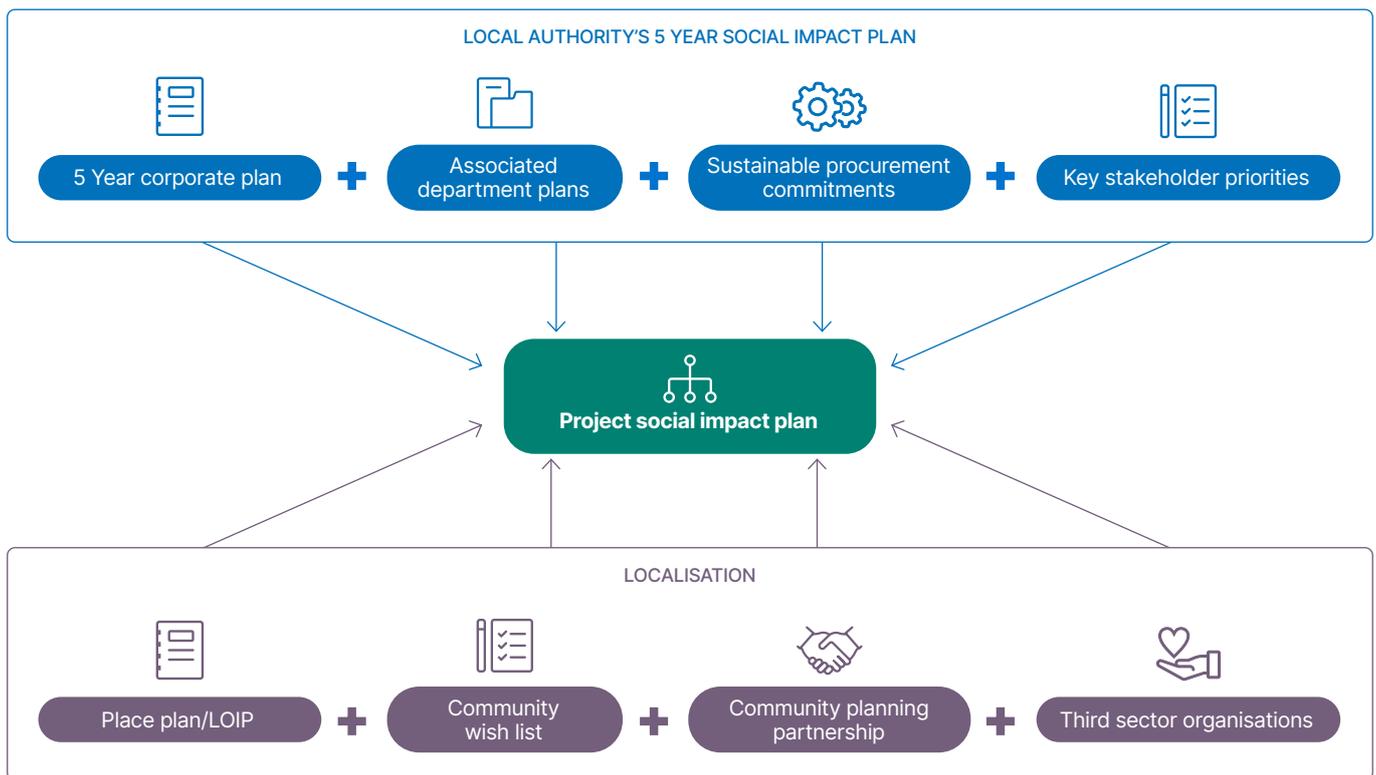


Figure (v) Illustrating the involvement of stakeholders in the development of a project’s social impact plan.

A range of documents can help define the short-to-medium-term social impact requirements of stakeholders operating across an authority’s area. These include:

ORGANISATION	INFORMATION	LINK TO EXAMPLES
Local Authority	Corporate strategy	Council Plan 2022-2027 Dundee City Council
	Sustainable procurement strategy	Tenders and contracts general advice – Sustainable procurement and community benefits – Perth & Kinross Council
	Place plan (local outcomes improvement plan)	Local Place Plan Register Local Place Plans The Highland Council
Community Planning Partnership	Local strategy document	About Community Planning West Dunbartonshire Council
HSCP/Health Board	Local strategy document/priorities	Strategies, Policies and Plans – Inverclyde Council
Arm’s length external organisations	Business plans	Working4U, Work West Dunbartonshire Council
NHS Assure	Community benefit gateway	Access our Community Benefit Gateway National Services Scotland (nhs.scot)
Developing the Young Workforce (DYW)	Local plan	Regional Groups – DYW – Scotland
Community	Wish list	Community benefits wish list – Perth & Kinross Council

By consolidating the ambitions and priorities of these groups, a tailored project-level social impact plan can be developed. This process, summarised in Figure (vi), is most effective when the authority’s lead officer (the social impact champion) works directly with stakeholders (see Section 3.5), leading and coordinating input into the project’s social impact plan.

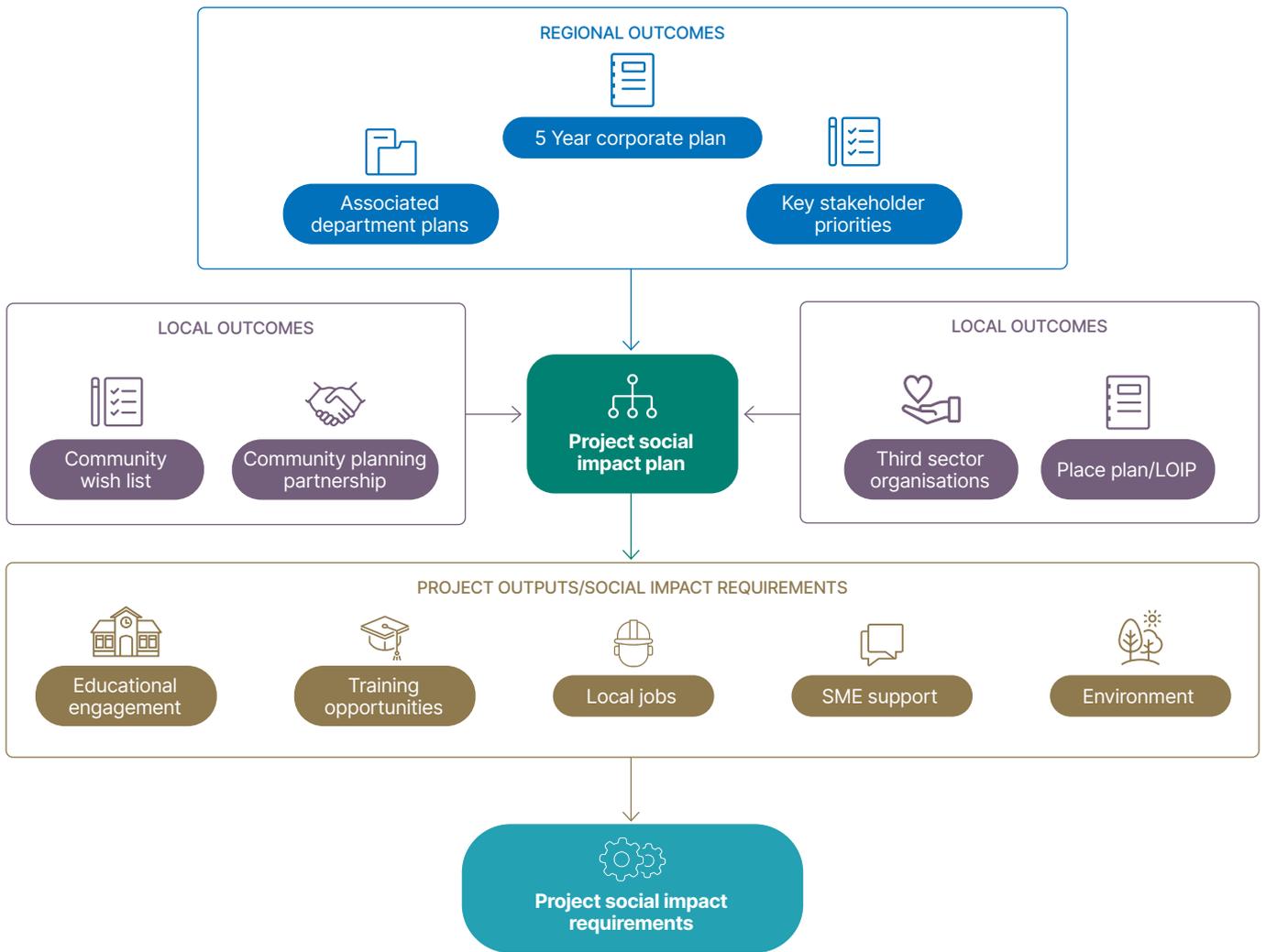


Figure (vi) illustrating the detailed inputs required to establish a project social impact plan and to establish a set of project outputs.

Once the social impact priorities have been identified, the plan evolves from being outcomes-based to being specified in well-defined outputs. An example of this being:

- Outcome (from corporate strategy) – Improve opportunities for priority groups
- Output (in a project’s social impact requirements) – Provide construction skills training for [five] long-term unemployed individuals

This transition from outcomes to outputs, gives the plan definition and, by identifying clear deliverables, makes it suitable for inclusion within the project’s tender documentation. This process of translating (see Figure (vi)) from outcomes to outputs involves mapping the identified priorities onto the suite of social impact measures being used at project level. These measures which

constitute the tender requirements should be fully developed and clearly defined prior to the tender process commencing.

Feedback from the engagement noted that social impact requirements at project tender stage were often:

- Transactional and one-off in nature
- Not aligned with any overarching strategy
- Treated as a low priority by the project delivery team
- Vague or poorly defined
- Lacking clear ownership within the procuring authority
- Unrealistically high in their expectations

These issues can be mitigated by adopting the processes outlined within this section of the review and those identified within Section 4.

3.3 Partnership working

Feedback from stakeholders reinforces the importance of effective partnership working when developing both the corporate and project social impact plans.

There are several ways to engage with stakeholders. One of the most effective, as recommended by the Community Benefits Toolkit for Construction, is to establish a short-life social impact board.

At project level, this approach was successfully implemented on NHS Greater Glasgow and Clyde's [Parkhead project](#). The social impact board:

- Met regularly to define locally focused social impact requirements (including health-related goals)
- Continued to meet during project delivery to monitor progress and adapt requirements as needed
- Assisted in optimising the project's social impact outcomes

Creating a project stakeholder partnership to facilitate ongoing dialogue and review is an effective way to ensure that social impact outcomes are localised, relevant, and achievable. Typically, the authority leads these discussions, engaging with stakeholders either individually or collectively through the project board.

Engaging with and creating opportunities for priority groups is increasingly a social impact requirement. Adopting partnership working at project level significantly improves success in this area, particularly when engaging with priority groups. The consultation identified that whilst Contractors are committed to provide training, work experience and employment opportunities to priority groups, there is a limit to the level of support which they can provide.

Successful engagement with individuals from priority groups often benefits from pastoral care to support the individuals in their introduction to work and training opportunities. This wrap around care is best provided by specialist organisations rather than the building contractor. Greatest success is achieved when an authority's

employability team or a specialist Third Sector organisation provides this pastoral care.

This type of partnership working, which requires careful coordination, can enable exceptional outcomes.

3.4 Role of the social impact champion

The engagement identified that good practice sees public bodies appointing a social impact champion. This is an individual responsible for ensuring the delivery of an authority's corporate social impact priorities at programme and project level.

Typical responsibilities of the social impact champion include:

- Analysing the authority's corporate strategy and related documents to identify key social impact priorities
- Incorporating these priorities into a comprehensive corporate social impact plan
- Engaging with key stakeholders, such as health boards and TSOs, to understand, define and integrate their priorities into the social impact plan
- Supporting the development of project-level social impact plans, ensuring they are localised and aligned with the authority's strategy and stakeholders' priorities
- Briefing project delivery teams on the specific social impact goals relevant to each project
- Assisting in the evaluation of the social impact element of tender submissions
- Managing social impact during the construction phase, a process which can be resource intensive. Some authorities, address this by either supplementing the champion's resources or delegating responsibilities to the project delivery team
- Monitoring the delivery of social impact outcomes across a programme of projects to ensure priority targets are met
- Reconciling delivered social impact outcomes with the corporate strategy

Critical to success is that the social impact champion has explicit authority to provide direction, input and support to the teams which are developing, procuring and managing projects.

3.5 Summary of pre-procurement learning

The greatest opportunity to optimise social impact is during the pre-procurement stage.

With sufficient time, expertise, appropriate resource and engagement, project requirements can be designed to deliver significant value and impact to communities and local organisations, at scale.

What the engagement has shown is that the following are fundamental aspects in optimising social impact during this stage of a project –

- A corporate social impact plan identifies the social impact requirements to which an authority has committed to, within its corporate strategy
- Clarity of these priorities enables project level social impact requirements to be aligned with the corporate ambition, increasing the relevance of the impact being delivered
- Stakeholder involvement and partnership working at project level increases the local relevance of social impact initiatives. It also facilitates more effective engagement with hard to reach and priority groups
- An appropriately empowered social impact champion provides the critical link between an authority’s corporate strategy, the corporate social impact strategy and project level social impact requirements

PARKHEAD HUB

36

weeks delivering Construction Academy for those not in education, employment or training

2x20

week courses – Education programme supporting pupils

1,312

hours spent volunteering



Credit: hdp West

4.0 Procurement stage

This section outlines some of the good practice approaches adopted as a project progresses through the tender and contractor or consultant selection stages. It identifies how the procurement process can be leveraged to optimise social impact outcomes and the importance of clarity in a project’s tender documents and the corresponding bidder’s proposals.

To facilitate high-quality social impact proposals from contractors at tender stage, tenderers must be able to understand, from the project’s tender documentation, the qualitative and quantitative outputs expected by the authority.

Well considered tender documentation optimises the social impact delivered by the project. Definition, quantification, and calibration are central to achieving this.

4.1 Quantification and calibration

Over the past five years, the development of social impact measurement tools (suites of measures and digital portals) has significantly advanced the sector’s ability to define, manage, and deliver targeted initiatives.

With an increasing number of measures being incorporated within a project’s social impact requirements, clear quantification and definition of the expected outputs is essential.

Setting delivery targets which are proportional to the value of the project, and which reflect the capacity and capabilities of the tendering contractors is also an important consideration.

Quantification

Once the relevant social impact measures have been identified, each should be assigned a specific quantity. This ensures that tenderers understand exactly what they are expected to deliver on the project and the quantity required.

Quantification can be a source of confusion due to the lack of standardisation across the sector. Whilst similar terminology is often used across projects, the definitions and units of measurement can vary widely. Figure (vii) provides an example of these inconsistencies in definition.

To avoid ambiguity, tender documents should include access to a set of definitions for all social impact measures required to be delivered by the project.

The engagement noted that confusion and inefficiency can arise when multiple social impact models are required to be used on a single project. This can occur when different delivery routes, or funding bodies, mandate particular social impact reporting frameworks. This not infrequent occurrence results in repetition of effort and, if possible, should be avoided.

Example: Apprenticeships

APPRENTICESHIPS DEFINITIONS		
Definition 1	Definition 2	Definition 3
 1 apprentice unit = A minimum of 6 weeks on site	 1 Apprentice unit = A presence on site and the apprenticeship continues for 12 months	 Measured on an FTE basis i.e. weeks spent on site.

Figure (vii) illustrating the potential differing definitions of apprenticeship requirements which are included within project tender documentation.

Calibration

Calibrating the quantity of each measure to be delivered is essential to ensure that targets are balanced; being ambitious yet achievable. The key objectives of calibration are to:

- Optimise the impact of each of the required outputs
- Prioritise measures relative to one another
- Ensure realism of expectations based upon market capacity and capability

Setting targets at too high a level, risks non-delivery and potential legal challenge, it also risks attracting a cost premium to projects i.e. contractors may add additional costs to their tender to cover the resource associated with delivering the social impact requirements. Set at too low a level and the opportunity to optimise outcomes is missed.

Good practice in establishing a balanced level of social impact requirement within tender documents, involves benchmarking against similar projects. In some Scottish City Region areas, which deliver programmes of projects, data sharing across member authorities enables this approach.

Where benchmarking data is unavailable, the [Construction Industry Training Board's National Skills Academy for Construction Toolkit](#) offers a useful framework for setting targets in areas such as jobs, training, green skills, and educational engagement.

Adopting a benchmarking approach to calibrate the quantity of outputs included within the tender documents, addresses the observation from the consultation, that social impact targets are often disproportionately high, relative to a project's capital value.

4.2 Capacity and capability

Social impact requirements included within a project's tender documentation should reflect the capacity and capabilities of the tenderers (contractors and, as is increasingly the case, consultants).

Smaller contracting organisations lack the resources of their larger counterparts but are no less committed to contributing to a project's social impact initiatives. When dealing with smaller organisations, a pragmatic approach of limiting the project's social impact requirements to a reduced set of core measures can be effective. Alternatively, if the authority has a wider programme of ongoing initiatives, these could become the focus of the required commitment.

Consultants² can also contribute meaningful social impact, though their level of input differs from that of contractors. Consultants generally lack dedicated social impact teams, and their fees are relatively modest when compared to those of a project's contractor. Their social impact contributions should be calibrated to reflect these limitations.

Through the consultation process, consultants promoted the benefits of being involved in joint initiatives with the project's contractor. In these instances, their professional skills can be used to positive effect, an example being the approach adopted on the [NHS Greater Glasgow and Clyde Parkhead project](#).

4.3 Tender models

[Well defined social impact requirements](#) assist both the tendering and evaluation processes. They also increase the probability of receiving well considered tender proposals.

There are two models currently being used within the sector, each having advantages, as noted in Figure (viii) overleaf.

2 Observed area for improvement – There may be benefit in developing a common set of social impact measures specifically for consultants set. This could be accompanied by a scale indicating reasonable levels of commitment.

MENU/POINTS MODEL	FULLY DEFINED MODEL
A menu of multiple social impact measures is provided	A schedule of measures is issued
Each measure is allocated a number of points	The measures expected to be delivered are identified
A minimum overall points target is set for the project	The number of units of each measure to be delivered are identified
This approach enables tenderers to select which of the measures within the menu they wish to deliver as a means of meeting the (minimum) project target	This approach minimises tenderer resource researching authorities' priorities/existing initiatives
Tenderers can offer to deliver additional items	Tenderers can offer to deliver additional items
ADVANTAGES	ADVANTAGES
Provides flexibility to accommodate individual tenderers' social impact capabilities	Delivers the agreed social impact requirements
Good option for smaller contractors	Certainty of scope will assist in meeting corporate outcomes
DISADVANTAGES	DISADVANTAGES
Less certainty of delivering the authority's corporate social impact outcomes	Less accommodating of individual tenderers SI capabilities
Needs careful points calibration/allocation to deliver high priority outputs	Requires more input from the social impact champion to define the requirements
	Requires careful selection of measures and calibration when tenderers are smaller organisations

Figure (viii) comparing the menu-based model with the fully defined model.

Regardless of the model adopted, a key recommendation of the Community Benefits Toolkit that measures should be clearly categorised as being either [specified](#) or [supplementary](#) remains valid. This categorisation provides tenderers with a clear understanding of the contractual obligations attached to the measures.

4.4 Additionality

Through the engagement process, contractors advocated the benefits of introducing innovative proposals within their tenders for projects. The benefit being that by facilitating innovation, contractors could deliver added value to the project.

If this additionality is incorporated within the tender approach:

- The social impact plan should define a minimum baseline of required outputs
- Tenderers should be instructed to clearly identify any outputs proposed in addition to the baseline requirements

To be of value, any additionality should be relevant and of benefit to the project stakeholders. Authorities should establish a transparent evaluation framework to assess the quality and impact of proposed additional outputs.

This approach, as noted and detailed within the Community Benefits Toolkit for Construction, recognises that social impact innovation often originates from within the contractor community.

4.5 Tender evaluation

Observed current practice is that social impact proposals are being evaluated as part of the qualitative component of a tender return. Evaluation typically focusses upon:

- The tenderer's experience
- Their method statements for delivering the social impact outputs identified within the project's tender documentation

In some instances, the quantitative component, particularly where additionality is proposed, is also considered.

Weighting of social impact in tender evaluation

Engagement with consultees indicates that the weighting assigned to the social impact tender component varies across authorities, typically ranging between 10% - 20% of the qualitative score.

To deliver the intended impact and encourage innovation, the procurer should consider and appropriately calibrate the apportionment of social impact requirements within their tender evaluation process.

Evaluation considerations

Given the potential influence of social impact scoring on the overall tender outcome, evaluators carry a significant responsibility. It is particularly important when evaluating tenders (as noted within the [Community Benefits Toolkit for Construction](#)) that it is the qualitative method statements which support the proposed activities which are considered, rather than the proposed quantity of the outputs.

Consequently, those evaluating tenders must have experience in what constitutes good and realistic qualitative proposals and how the approach will support the delivery of the required outputs.

The potential issue of overly ambitious delivery commitments at tender stage highlights the importance of the pre-tender calibration of social impact measures, and of experience in assessing social impact tender proposals.

4.6 Summary of procurement stage learning

- Social impact requirements should be clearly stated and fully defined within tender documents
- Well calibrated social impact requirements will result in optimised outcomes
- Social impact requirements should be proportionate to project value, contractor/consultant capacity, and capability. This equitable approach demonstrates market understanding and fairness on behalf of the authority procuring the project
- Benchmarking assists in setting realistic social impact levels in tender documents
- Evaluation of the social impact component of tender returns should focus upon the qualitative proposal/method statement, which in turn supports the proposed level of outputs
- Clarity and understanding of the tenderer's delivery methodology and their team's expertise in delivering social impact initiatives is essential

PERTH HIGH SCHOOL

143

local full-time employees

170

hours of Construction Skills Academy Training in partnership with HMP Perth

44

weeks of work experience



5.0 Monitoring and evaluation of social impact delivery

This section of the review considers the management of the delivery of the social impact commitments during a project's construction phase. As well as the management and reporting systems which are being used, it also considers the importance of reliable data and associated reporting approaches.

During the construction phase the contractor leads in the delivery of the social impact outputs, generally working in partnership with their supply chain. The authority's role being that of monitoring and managing progress.

It is important for contractors to provide the authority with regular progress updates,

during the project delivery period. Given the broad range of social impact measures being delivered and the requirement for evidence of their delivery, the use of efficient data management systems is essential.

5.1 Platforms for monitoring and evaluation

The introduction of social impact portals and reporting software has significantly enhanced the management of output delivery information, particularly during the construction phase of a project. These platforms provide authorities with a performance tracking tool and offer contractors an efficient means of reporting progress and submitting supporting evidence.

Key portal functions

A well-structured portal enables:

- Real-time monitoring of project performance
- Real time reporting through dashboards and performance summaries
- Comparative analysis across projects and programmes
- A secure environment for the storage of delivery evidence
- Validation of delivery evidence to ensure accuracy of reporting
- The collection of data to facilitate benchmarking and calibration on future projects

Management and oversight

For portals to function effectively and to provide meaningful outputs, active data management is required. To facilitate this:

- Contractors must ensure timely uploads of appropriately detailed and evidenced outputs
- Robust data validation mechanisms should be implemented at project level to evidence certainty of reporting
- Data from the portal must be robust as Authorities rely upon the information and associated reports to brief and report to senior officers, elected representatives, and Scottish Government

High quality data enables all project team members to understand performance and progress. Social impact champions, similarly, rely upon the project/programme information to enable them to review programmes of projects and reconcile performance against overarching targets.

5.2 Indicators

Visibility of social impact delivery at individual project and a programme level is important, both in terms of monitoring a project's progress and enabling accurate reporting. To provide visibility of progress and performance several reporting tools are being deployed.

Dashboards for performance and progress reporting

Portals may provide summary dashboards, if not, project data can be linked to independent dashboards³. Dashboards assist in summarising what are often complex data sets, providing clear, concise reports, assisting in communicating performance with stakeholders.

Case studies to illustrate benefits

While dashboards effectively present delivery performance, they are unable to capture the human impact of social initiatives. Good practice indicates that to address this, [project case studies](#) should be developed that highlight a project's success stories – transforming unseen efforts into compelling narratives.

Understanding and reporting social impact

Understanding the social impact which is being delivered by project and programmes is of fundamental importance. A sector wide, standardised measurement and reporting approach would enable social impact performance to be compared across projects.

Currently comparisons across projects are made in a relatively simple manner by comparing reported outcomes. Whilst this level of comparison can be undertaken within an authority, if common metrics are not widely adopted (see Section 4.1) cross authority comparison cannot be meaningfully be made,

3 Examples of [programme dashboard](#) and [project dashboard](#)

neither can national reporting be provided on a consistent basis. This inconsistency in measures and metrics also makes it challenging for the construction industry to report with confidence upon its collective outcomes.

5.3 Summary of monitoring and evaluation learning

- Social impact portals greatly enhance performance tracking, reporting, and validation in the construction sector
 - Effective management, oversight, and streamlined processes remain critical.
- Dashboards are effective tools to convey the headline outcomes at project and programme levels
 - Case studies are a powerful means of conveying the social impact being delivered by projects
 - Standardised metrics will support consistent and comparable reporting, identifying the contributions which projects, programmes, and the collective construction industry are making to both local and national economies



CRAIGHILL HOUSING DEVELOPMENT, ABERDEEN CITY COUNCIL

160

hours of
volunteering support

15

work experience
placements

4

higher and further education
engagement sessions

6.0 Summary of good practice learning

Investment in public sector infrastructure is often a once-in-a-generation opportunity. By adopting the good practice approaches identified within this review, authorities can optimise the social impact additionality which is being generated through the projects in which they are investing.

The learning which the consultation has identified is:

6.1 Pre-procurement – Defining and scoping social impact

- A corporate social impact plan identifies the social impact requirements and priorities which an authority has committed to within its corporate strategy
- Clarity of these priorities enables project level social impact requirements to be aligned with the corporate ambition, increasing the relevance of the impact being delivered
- Stakeholder involvement and partnership working at project level increases the local relevance of social impact initiatives and facilitates more effective engagement with hard to reach and priority groups
- An appropriately empowered social impact champion provides the critical link between an authority’s corporate strategy, the corporate social impact strategy and project level social impact requirements

6.2 Procurement stage – Tendering and contractor selection

- Social impact requirements should be clearly stated and fully defined within tender documents
- Well calibrated social impact requirements will result in optimised outcomes

- Social impact requirements should be proportionate to project value, contractor/consultant capacity, and capability
- Benchmarking assists in setting realistic social impact requirements in tender documents
- Evaluation of the social impact component of tender returns needs to ensure that unrealistic levels of commitment are recognised and addressed and that any proposed additionality is relevant
- Evaluation of the social impact component of tender returns should focus upon the qualitative proposal/method statement, which in turn supports the proposed level of outputs

6.3 Monitoring and evaluation of social impact delivery

- Social impact portals greatly enhance performance tracking, reporting, and validation of social impact outputs at project level
- Effective management, oversight, and streamlined processes remain critical
- Dashboards are effective tools to convey the headline outcomes at project and programme levels
- Case studies are a powerful means of conveying the personal impact of initiatives being delivered by projects
- Standardised metrics will support consistent and comparable reporting, identifying the contributions which projects, programmes, and the collective construction industry are making to both local and national economies

Adopting the good practice learning identified from the consultation supports sustainable procurement reporting, inclusive economic growth initiatives, the delivery of Place initiatives and several of the Community Wealth Building (Scotland) Bill pillars.

7.0 Reflections

Delivering social impact has gained significant profile within the construction sector. All involved parties are committing energy and enthusiasm to the initiative. However, the sector needs to maintain its momentum. It is by sharing the experience and knowledge of practitioners that this important facet of construction projects will continue to evolve and develop.

Increasing the quality of initiatives, enhanced focus upon authorities' priorities and developing and adopting approaches which deliver enduring benefit represent the natural progression for the sector.

Quality of initiatives and their delivery links to:

- The type of engagement being undertaken
- The individuals and organisations involved in delivery
- The products and approaches being adopted

Learning continues to develop in these areas at an organisational level but may not be widely shared.

The Action Plans required by the Community Wealth Building (Scotland) Act may further support the case for developing an authority corporate social impact plan. With local authorities having already engaged with community wealth building, there appears to be an opportunity for the sector to work collectively to link community wealth building priorities with construction project's social impact requirements.

At a technical level, there is a case for:

- Rationalising procurement approaches
- Aligning/standardising project output measures
- Improving the consistency of reporting both at project and industry levels

Whilst delivering social impact is now considered to be business as usual, there does not appear to be a national forum to support practitioners. Such a forum could enable the effective sharing of knowledge, provide a direction of travel, and ultimately improve performance across the sector, further enhancing the social impact being delivered by construction projects.

SCOTTISH
FUTURES
TRUST

scottishfuturestrust.org.uk

Scottish Futures Trust
Thistle House, Fourth Floor
91 Haymarket Terrace
Edinburgh, EH12 5HE