

**MORGAN  
SINDALL**

CONSTRUCTION  
INFRASTRUCTURE

# Practical implementation of social value – a contractors view

Lyndsay Smith



## Our vision

We will be the best and most sustainable business in the industry through delivering exceptional customer service





# MORGAN SINDALL

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“Construction activity should be the catalyst for a more connected Social Value Chain, that exists well before works are on site, and continues well past its completion”

## About us

- Part of the Morgan Sindall Group
- £2.1bn turnover
- £100k to £1bn+ project portfolio
- Strong reputation for quality delivery
- Education key market sector
  - 55,000 education places delivered in the last 5 years
  - Locally 56 projects
    - 10 Schools and 11 HE in Hampshire - last 5 years
    - 20 Schools and 15 HE in Dorset/Wilts - last 5 years

“ based on local relationships and implementation of SVA in areas we are working”

*Everyone has the right to be*

**100% Safe**

## Definition of Social Value

“ *Social Value is about creating employment, supporting the development of training and skills and buying goods and services from local construction contractors, material manufacturers and service providers. A job, a qualification, an income, a contract; this is what changes a life and has the potential to change the communities in which we live and work* ”



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**Social Value**

# LIVERPOOL SCHOOLS INVESTMENT PROGRAMME

- £140m scheme for Liverpool City Council running from 2013 – 2017
- Refurbishment and new build primary, secondary and special schools
- We've completed 4 projects to date with a value of over £31m



# Liverpool Schools Investment Programme

The economic climate brought about a real shift in the mindset of Local and Central Government, and objectives for public sector procurement began to focus more upon efficiency, standardised design, value for money, localism and regeneration.  
In other words, *“More for Less”*

- Exceeded Liverpool County Councils targets by changing design so materials could be sourced locally.
- Subsequent projects for Alder Hey and Wirral Met College -also achieved 85 % and 90% local labour
- Invited suppliers and SME to join our supply chain and collaborate with ourselves in order to deliver social benefits, whilst providing real confidence to attendees as to the robustness of our future pipeline of work and collaborative approach to procurement.
- Workforce representative of the often culturally and linguistically diverse populations in which we work; 50% Women so representative of gender equality

## Liverpool Schools Investment Programme

- Local Supplier event : “Getting Connected”
- Introduced to Local Timber Frame supplier SticX
- Original design modified from Steel frame to timber this supported localism

“We have often found it difficult to engage with national contractors and get on supply chain lists. In this case we have been fortunate to find a contractor which is following its words and deeds by using local suppliers and crucially involving them from the early stages of the design process”.

**John Maddox**  
**MD SticX**



# Supply Chain Day 2015

Are you a construction subcontractor/  
supplier working in Liverpool?



Do you want to have visibility and a potential share of the Liverpool Pipeline of Work?

Do you want to have the opportunity to grow and develop your business with the support of the LRCG?

Are you committed to localism and social value in Merseyside?

If so, come and see us at our Supply Chain Engagement Event

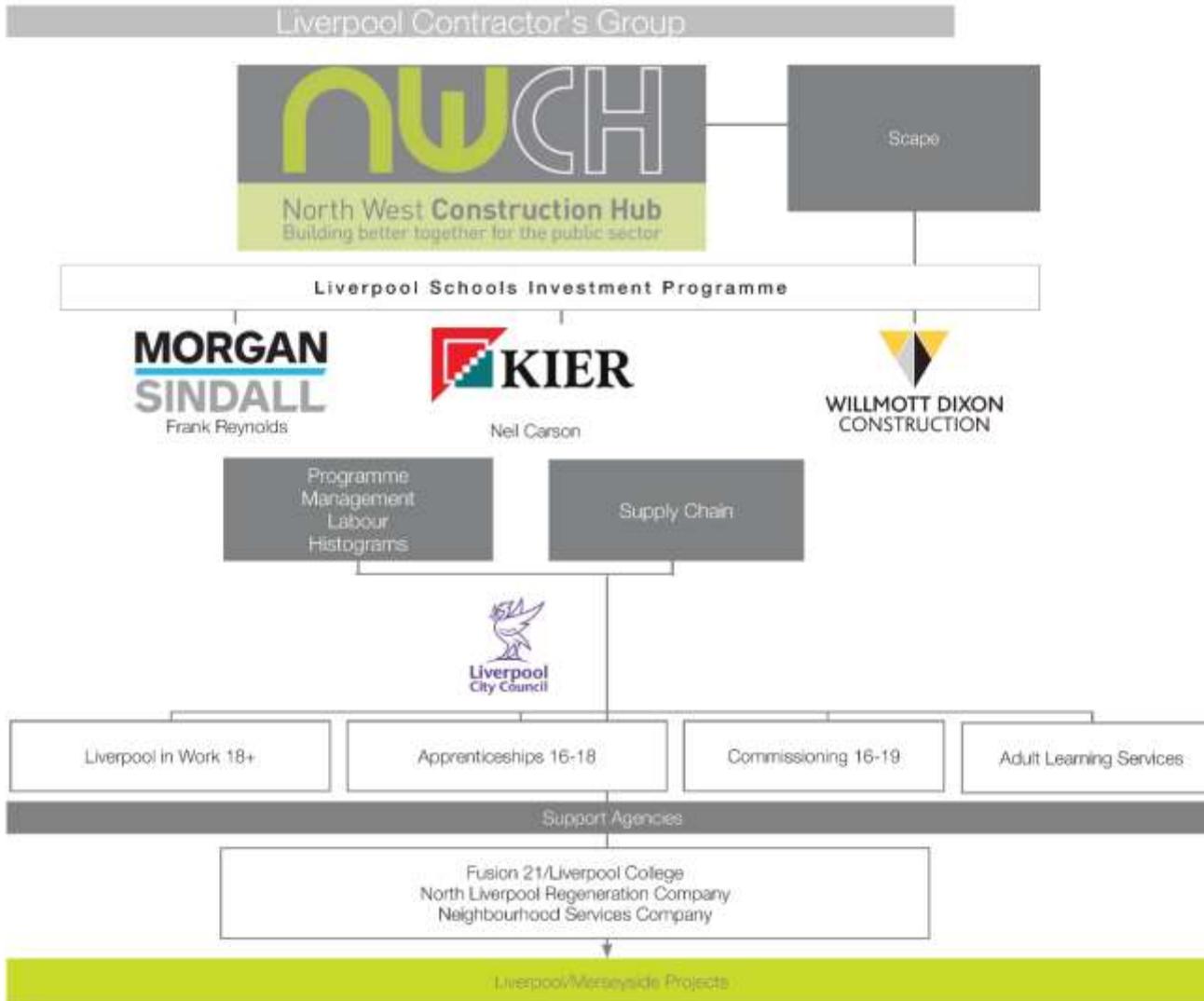
On: 24th September 2015 At: Liverpool Town Hall, High Street, Liverpool L2 3SW

To book your time slot (pre-arranged appointment only), please contact: Lynne Debbazi on 0151-233-4036

Sponsored by:



# Liverpool Regeneration Contractors Group (LRCG)



# Headline Successes from the LCRG

## Apprenticeships

**191 apprenticeships created and sustained to end June 2015**, across the **Liverpool area** on major construction sites which include Building schools for the future and Alder Hey.

## Routeway Into Construction Results – 6 week

**29 received training**, passed their CSCS test and have their card

**18 gained employment** as apprentices

**8 have progressed to Diploma** in Construction with NLRC

## Upskilling Construction Programme Results – Training

**24+**

**23 attended 10 week training programme**

**16 passed CSCS test** and have card

**10 gained employment**

## Liverpool Schools Investment Programme

*“It has been a pleasure working with Morgan Sindall from start to finish on both Primary School Projects. I believe both projects have been successful to date due to the close working relationships we have forged over the past few years, and the mutual trust built up as a result of this. The Tier 1 and 2 local labour targets have been achieved with an impressive 95% on both schemes which has been particularly pleasing.”*

**Bob Turner (LSIP Project Manager  
Liverpool City Council**

## Local £

Social return on investment (SROI) is a principles-based method for measuring extra-financial value (i.e., environmental and social value not currently reflected in conventional financial accounts)

Local procurement, locally sourced labour, materials, SME's, etc. SVA needs to be a partnership with a basket of localised measures.

We need to be able to evidence use of the local supply chain which allows the percentage spend of local suppliers to be calculated; there needs to be a genuine approach with real positive benefits to local communities and a need to be seen contributing positively

Diversity in the workplace represented by the diverse communities in which we deliver

Bridge the gap between service user and service provider

## LM3 Model

LM3 measures the multiplier effect of income into a local economy over three 'rounds' of spending. The tool takes into account:

Round 1- Any organisation's turnover or project cost including procurement and employee wages and other forms of cost.

Round 2- Where and with whom the company spends that money.

Round 3 - Where and how suppliers and employees re-spend their incomes.

The multiplier is then calculated for every unit of currency spent within a 'local' area selected by the user. For example, an LM3 score of 1.50 would indicate that every £1 earned by your company generates an additional £0.50 for your local area.

LM3 has been applied in the UK public sector at local government levels, and been used to demonstrate the local economic impact of over £13 billion of public, private, and not for profit spending.

# Promoting the industry as a career of choice

Changing the perception of the construction Industry

Construction isn't about just hard hats and high-vis.... there are approximately 2.5 million people in various construction jobs, meaning its one of the biggest and most diverse sector in the country.

2.5 million = 1 in 10  
jobs are in construction



# Promoting the industry as a career of choice

## Changing the perception of the construction Industry



***Just 3% of 18 – 24 year olds have actively searched for a role in the construction industry.***

***Almost half of young people (46%) believe the construction industry is important to the UK economy, but just 3% have searched for a job in the industry.***

***The results show that despite 46% agreeing with the statement that the construction industry is important for the UK economy, the majority haven't searched for a job in the sector, favouring retail (45%), hospitality, travel and/ or leisure (22%) and education sectors (18%).***

***Overall, just 3% of the 18 to 24 year olds surveyed said they had actively searched for a job in the construction industry, falling to 1% for female respondents.***

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## Workshop Session

