

PLANNING UPDATE

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PLANNING FOR SOCIAL VALUE

Social value is rising up the agenda within the planning system. Indeed, some local authorities are introducing policies that require an appraisal of social value as part of the planning application process; it is also increasingly referenced by local authorities in their deliberations over schemes.

For developers, social value must go beyond considerations of public benefit versus development impact. Indeed, developers are increasingly progressing impressive ESG initiatives that support communities local to their developments.

However, with policy requirements still unclear, effectively communicating these initiatives through a social value appraisal can be challenging. So, how can developers and planners best approach social value to demonstrate development as a force for good?

Together with London First, Gerald Eve recently hosted a roundtable on the subject of social value with several key themes emerging during a very interesting debate, prompting the drafting of this Briefing Note.

WHAT IS SOCIAL VALUE?

There are a few definitions of social value that we must consider.

The first is taken from the [Public Services \(Social Value\) Act 2012](#), which states that local authorities must consider “how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area”.

Furthermore, the National Planning Policy Framework (Principle 12) states that “planning should take account of and support local strategies to improve health, social and cultural wellbeing for all and deliver sufficient community and cultural facilities and services to meet local needs”.

Also of note is the National Planning Policy Framework (Principle 2) comment on the social objective for sustainable developments, which says that well-designed places “support strong, vibrant and healthy communities”.

CONSIDERATION AND NEED FOR SOCIAL VALUE

The global pandemic has accelerated disparity and inequality within communities, highlighting the need for planners and developers to identify and meet local needs. Meanwhile, ESG is continuing to grow in importance for all businesses and, increasingly, developers and building owners are considering how their schemes can contribute to meeting ESG targets.

Against this backdrop, local authorities are zeroing in on social value, and this is reflected in corporate policy and some emerging planning policies.

Local authorities will be guided by the government's [Procurement Policy Note 06/20](#), which sets out how organisations can take account of social value in the award of central government contracts by using the Social Value Model.

Social value considerations within planning applications might include:

- Regeneration
- Apprenticeships or education programmes, such as a construction skills training centre
- Job opportunities
- Building design that is sensitive to the history and culture of an area
- Community and public space
- Focusing on the role of the employer as a means of delivering social value
- Focusing on the supply chain as a means of delivering social value

We are now seeing a best-practice approach to social value emerging, especially in London boroughs. Indeed, a growing number of planners and developers are introducing programmes that maximise social value. The Knowledge Quarter in King's Cross is a good example of this.

REGULATING SOCIAL VALUE

As social value shifts from being a 'nice to have' to being a crucial consideration for local authorities, there is a growing awareness of the lack of planning policy and guidance on this subject.

As we start to probe more carefully into the role of social value within developments, and the potential impact of regulation in this space, several key questions are raised.

- How can we fairly measure social value, given its bespoke nature?
- Regulation of social value may level the playing field for developers and increase certainty for local authorities, but might it also put smaller developers, with smaller budgets, at a disadvantage?
- Social value initiatives are tailored to each development and micro-location. Would further regulation prevent freedom and flexibility?
- Organisations like the London Property Alliance, who have formed a Knowledge Quarter Liaison Group - chaired by Lisa Webb - of developers in the Knowledge Quarter, can unite property owners, investors and developers to ensure the pipeline of development is considered. How else can we avoid duplication amongst developers?
- How will social value programmes be funded once a development has been completed? For example, local authorities often struggle keeping Section 106 Agreement projects running after initial funding has run out.

EMBEDDING SOCIAL VALUE IN THE PLANNING PROCESS

Increasingly, we are seeing planners and developers recognising the need for social value. Further regulation and measurement are the inevitable next step, allowing developers to better communicate and demonstrate social value during the planning stages.

However, the industry will need to think carefully about the impact of new planning policies. Ultimately, it is communities that we must consider – by communicating effectively with communities, developers can deliver social value programmes that have a real, measurable impact on local residents and businesses.

For further information on how we are working with developers, investors, local authorities and industry bodies to get social value right, speak to one of our team.

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