



How FM providers can help businesses unlock social value

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a better world at work



Introduction

Social value, as defined by the Local Government Association, refers to “the wider financial and non financial value created by an organisation through its day-to-day activities in terms of the wellbeing of individuals and communities, social capital created and the environment”.

Some see social value as an integral part of modern environmental, social and governance (ESG) strategies, while others view it as a new form or generation of ESG in its own right.

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This paper will explore the topic of social value in two parts.

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Why social value is a must have for any organisation

Organisations operating across all corners of the economy are incorporating sustainability into their operations.

Far from being a 'nice to have', sustainable strategies are embedded into the majority of enterprises around the world, with nine in 10¹ executives holding the belief that sustainability is important to their business.

The scope of sustainability is also increasing. Once perceived as largely the domain of environmental safeguarding, today's strategies consider a much broader remit that also covers social value.

There are several factors at play which explain why sustainability and social value are emerging as key components of broader business strategies. Increasingly, organisations are expected to impact their communities positively, and this expectation spans across several different fronts.

First, consumers and customers are responding to brands which are getting behind social causes. This is shown in numerous studies² regarding attitudes towards social value, the most striking figure being that 77% of consumers are more likely to choose companies and brands which are committed to making the world a better place.

Second, employees are increasingly seeking to work for socially responsible businesses. According to research by re:charity³, seven in 10 (71%) employees say that it's 'very important' to work for an organisation that supports giving and volunteering.

Meanwhile, some

55%

of respondents said they would choose to accept a lower salary if it meant working for a socially responsible company.

The same study suggests that social responsibility leads to improved employee retention, with 75% of colleagues who engage in corporate giving programmes tending to stay with their company for longer. Amid the current struggle to attract and retain talent — not only in facilities management, but across many sectors of the UK and worldwide economy — those firms which unlock social value are able to differentiate and give themselves a competitive advantage.

Third, social value is becoming a more influential factor driving decisions made by investors. According to a 2022 study by Capital Group⁴, almost nine in 10 investors (89%) are placing some form of emphasis on ESG, of which social impact is a key part, when deciding where to place funds. In Europe, 31% of investors say that ESG is "central" to their approach. Several factors are driving this investment trend, with key motivations for ESG investing⁵ including enhanced brand reputation, improved long-term returns, decreased investment risk and requirements from external stakeholders.

🔥 When I suffered a bereavement in our family, I decided I wanted to raise money for a charity which was close to my heart. I shared my idea with EMCOR UK and invited 10 colleagues with similar stories to join me. EMCOR UK supported us from a financial perspective through donations, local fundraising events and financial support for equipment, as well as giving us all the paid leave to be able to carry out the National Three Peaks Challenge in 24 hours. We completed the challenge in 23 hours and 39 minutes and raised £73,000 for Macmillan Cancer Support. Without EMCOR UK's support for the cause this would not have been possible. It makes me proud to work for EMCOR UK; I feel a sense of belonging within a wider team that cares about its employees and gives us a platform to do great things on. 🍷

Jamie Walker-Smith, Account Director at EMCOR UK



The expert's view on social value



Guy Battle is Chief Executive of Social Value Portal¹ (SVP), which he founded in 2015 to help organisations measure, manage and report on their social value impact.

To embed and then maximise social value generation, Guy outlined several crucial steps that organisations should take:

Make social value a strategic priority

it should be supported by a policy and then embedded into how the business operates

Promote accountability

ensure that there are clear goals and lines of accountability from the board to project delivery

Build capability and encourage collaboration

ensure that the team has the knowledge and tools to deliver and promote collaboration across supply chains

Guy emphasised the crucial role that leadership plays in driving social value within organisations.

“To achieve success in generating social value, it is essential for leadership to embrace this goal and act as champions, embedding it into corporate strategy and day-to-day operations.”

“Once social value is embedded in an organisation's strategy, it is vital to measure it accurately to understand its true value and potential for improvement. Measurement should encompass both quantitative and qualitative aspects, but while the number is important to understand scale, it does not always reflect the true impact; stories also matter here. By effectively measuring social value, organisations can manage and enhance their social impact, contributing to positive societal and environmental change.”

The FM sector, which represents a substantial portion of the UK economy with an expenditure of over £65 billion, has immense potential to generate social value. It is estimated at the recent Social Value Conference² that the FM sector alone could deliver over £26 billion annually in social value.

Guy emphasised that every organisation has a role to play in creating a better society and establishing a social value economy.

“By collaborating with central and local government bodies, public interest entities, and businesses of all sizes, it is possible to leverage the private sector's significant contribution to deliver our shared vision of a Social Value Economy. I'm pleased to see more companies with dedicated social value roles, such as Roy's at EMCOR UK. It's been great working with Roy to help him enhance social value within EMCOR UK and with its customers, and I look forward to many more years of collaboration”.

The Social Value Economy is one in which all agencies, organisations and individuals work towards a common goal: to improve the societal, environmental and economic outcomes for our communities so that everyone in our society can flourish — The National Social Value Taskforce.

📌 **The FM industry can help unleash social value by engaging with both occupiers and communities, including through local employment, links with schools and colleges and volunteering. Recognising this potential and effectively tapping into it can further amplify the positive social impact generated by buildings and workplaces.** 📌

Social value and facilities management

Combined, these drivers present a compelling case for organisations to embrace and deliver social value. Customers are more likely to spend with businesses that demonstrate a social conscience, employees are more likely to be drawn to and stay at companies which deliver social value, and investors are more likely to put their resources into firms that are socially responsible.

Businesses are also facing increasing pressure to report on ESG outputs and will lean on their FM partners for assistance. It's therefore vital for FM companies to be proactive in how they deliver and measure social value.

For facilities management companies, and indeed any other firms working on public sector contracts, government requirements to evaluate social value as part of its tendering process for its largest outsourcing agreements are another crucial consideration. Some of these tenders are worth billions of pounds, and under the Public Services (Social Value) Act 2012¹, social value must be considered as a part of the evaluation, with many councils and central government departments allocating anywhere from 10 to 30 per cent of the overall score to the social value submission. This is a significant margin and can easily make the difference between success and failure in securing a large public sector contract.

Further weighting to social value in public contracts was confirmed by the Public Policy Note (PPN) 06/20².

Key themes in the note include:

- Covid-19 recovery
- Tackling economic inequality
- Fighting climate change
- Equal opportunities
- Wellbeing

This has propelled social value to the top table, alongside cost and quality.

At EMCOR UK we have set ourselves a target which, of the accounts measured, we pledge to deliver one third of turnover in social value by 2026.

We know this is a tough ask and will require us to radically collaborate with our customers, our own supply chain and our own people to deliver but are dedicated to making a real and tangible difference to the communities where we work.

Based on all of the above, it is unsurprising to see that FM firms are taking social value seriously. As a result, the industry is well-placed to support the organisations it works alongside in their attempts to embrace social value and contribute to the communities around them. This will be explored in Part 2 of this paper.

1. [gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources](https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources)
2. [gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts](https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts)



Working with FM partners to deliver social value

More and more organisations in the facilities management sector are formalising their approaches to social value and embedding it into their business strategies.

While there are several different approaches, a critical requirement for any company taking social value seriously is to establish or align to a framework of measurable standards and objectives. Authenticity and transparency are essential.

One of the most common criticisms levelled at corporate sustainability and ESG strategies over recent years, and an issue that is on high alert in people's minds, is greenwashing. However, today, equal awareness is being generated towards loose or spurious claims around social value.

Indeed, 68% of online consumers¹ in the UK and US would or may stop using a brand because of poor or misleading claims around corporate social responsibility, with nearly half willing to pay a premium for brands which are demonstrably taking action on social and environmental issues.

So, how is the FM sector imparting accountability and transparency into its social value practices?

Independent measurement is key, which has led to some FM companies partnering with SVP, an online solution that provides precise, standardised reporting to enable organisations to quantify the social value they generate and to independently measure and monitor their social value impact.

SVP has developed a Social Value Themes, Outcomes and Measures (TOM) System², endorsed by the Local Government Association, to create a practical and standardised way to measure social value and how FM firms contribute to society. It was originally designed for all public sector procurements but has been adapted specifically for use within the construction and facilities management sectors.

The TOM System focuses on the following five key areas:

- 1 Jobs**
To promote local skills and employment.
- 2 Growth**
To support the growth of responsible regional business.
- 3 Social**
To create healthier, safe and more resilient communities.
- 4 Environment**
With an emphasis on decarbonising and safeguarding the planet.
- 5 Innovation**
To promote social innovation.

Within these five themes there are 48 outcomes that can act as KPIs to measure against. This makes it easy for organisations to track all work against a particular TOM, and measure, track and improve social value.

EMCOR UK partnered with Social Value Portal in July 2022 and since then has generated £53 million in social value (verified by Social Value Portal), placing the company in the top 25% of members delivering social value across the TOM System.

Of course, these are not the only standards or metrics that organisations can align to. Another widely recognised framework that is applicable on a global scale is the United Nations' Sustainable Development Goals³ (SDGs).

As part of its vision to create a better world at work for people, communities and the planet, EMCOR UK has purposefully aligned with eight SDGs where it believes it can make the biggest impact in delivering measurable benefits to both people and the planet. These range from achieving gender equality (SDG 5) and encouraging healthy lifestyles and human wellbeing (SDG 3) to promoting decent work and economic growth (SDG 8) and taking action to combat climate change and its impacts (SDG 13).



Keith Chanter, CEO
EMCOR UK

🔸 A better world at work means we strive to have a positive impact on everyone that interacts with EMCOR UK and also on the wider environment. We have strategically aligned with eight UN Global Goals where we believe we can deliver measurable benefits to both society and the planet. We aim to be an industry leader in delivering social value and our responsible business report is a vital part of keeping us on track. 🔸

Whatever approach an organisation takes in regard to delivering social value, it is imperative that strategies are accountable to a set of recognised and respected standards.

This is critical to generating transparency and building trust among key stakeholders that social value is being taken seriously, be they customers, employees or investors. FM companies that partner with Social Value Portal and its TOM System are establishing a firm foundation from which they can support the social value efforts of their client organisations.



What actions can organisations take to enhance social value?

Once such frameworks are established and embedded, organisations will be better able to devise, deploy and evaluate the impact of specific social value actions, policies and initiatives.

Once again, these activities will vary greatly in nature depending on the organisation in question — what it does, where it operates, who it employs, what its resourcing and budgets look like, as well as any broader corporate values it identifies with and the priorities of the communities it operates in.

For example, simple actions within the TOM System include local supply chain spend, local retained employment and investment in apprenticeships.

Going further, a simple and highly transparent action organisations can take is to become a Real Living Wage employer or a Living Wage Foundation Recognised Service Provider, a step which EMCOR UK took in 2021. The Living Wage was launched by Citizens UK in 2001 and the principle behind the Real Living Wage is that work should bring dignity and enable families to enjoy the essentials of life. It is calculated annually according to the basic cost of living metrics in the UK and expressed as an hourly wage rate for both inside and outside of London.

From April 2022 all EMCOR UK colleagues were paid the Real Living Wage or above and the response has been extremely positive, not least because it is making a real difference to their standard of living and wellbeing. There is also research conducted by the Living Wage Foundation¹ presenting a strong business case, its studies showing that 86% of employers believe paying the Real Living Wage has enhanced their company's reputation. In addition, the research finds that organisations are also benefitting from improved employee motivation and recruitment success.

Another form of initiative organisations can adopt involves partnering with local charitable organisations to create job opportunities for people in the community. As an example, EMCOR UK is working with Access Community Trust (ACT) in Kings Lynn, Norfolk, to provide employment opportunities for local people at its customer site, British Sugar, and to enhance its Steam Café, which provides holistic assistance for adults experiencing mental health issues.

So far, key actions have included the refurbishment of the café, including the replacement of floors, decoration of the interior, new signage and donation of IT and other equipment. This has created a safe space where residents can access personalised support to help build back their lives.

Meanwhile, ACT has helped EMCOR UK provide mental health training for its employees at British Sugar and in April 2023, a 50% reduction in the number of 'return to work' reports citing mental health as cause of absenteeism was recorded.

👉 I joined at what was probably the lowest point in my life. I had no money, no job, living out of my car and relying on food tokens from the job centre. I was suicidal. At the Steam Café they helped me apply for jobs with EMCOR UK. I remember the day I got the phone call. I didn't think I had got the job. Then my phone rang, and it was a call that saved my life. I've been able to get my mental health under control, get my money sorted and my family life has improved. We've booked a short holiday and my partner and I are going out for the first time in three and half years. I find my job fascinating and can see that I have the chance to have a career and learn new skills. 🙌

Connor, EMCOR UK Employee who joined in 2022



In terms of measuring against the TOM System, the ACT initiative has generated over

£70,000

in social value. This is made up of 180 volunteering hours, employment of two people from the Steam Café, apprenticeship training and the development of a cleaning qualification which achieved 100% pass rate in the first cohort.

Another key feature of the ACT partnership has been the involvement of EMCOR UK's supply chain, with several supply chain partners donating equipment such as coffee machines, furniture, flooring and paint. Organisations seeking to undertake social value activities should also consider reaching out across their supply chains as a means of increasing their impact.

These are just a couple of examples of social value initiatives that carry demonstrable impact, and every organisation will have its own approach and preferred actions.



EMCOR UK and Anglian Water



Andy Brown, Group Chief Sustainability Officer at Anglian Water Group

Social value is a core part of our purpose “to bring environmental and social prosperity to the region we serve” and Anglian Water has embarked on a journey to embed sustainability throughout the organisation. We have placed greater emphasis on sustainability within our constitution by updating our articles of association, and I am working closely with the board to ensure they are actively delivering our sustainability journey.

Sustainability extends beyond environmental concerns, and we place equal importance on looking after the people of our region, including employees, customers, and communities. Sustainable practices are integral to the long-term future of the organisation. To this end, efforts have been made to ensure that every department understands its role in contributing to social value, to the extent that we have transformed our reward and recognition schemes to reflect the company's sustainable purpose.

We have developed a comprehensive decision-making framework for our capital investments, known as the six capitals framework, which considers criteria for social (including impact on or benefits to our customers),

environmental, and financial value. This integrated approach guides investment decisions and ensures that the interests of all stakeholders are considered at various project stages.

Collaboration plays a pivotal role in our social value initiatives. We actively engage with organisations like Business in the Community (BITC) to leverage collective efforts for greater impact.

An example of successful collaboration is our partnership with EMCOR UK to support The Feed, a charity in Norwich that empowers communities through the power of food. The Feed operates cafés and a social supermarket.

Roy and his team at EMCOR UK took the lead with a deep dive into how we could provide long-term support to The Feed and provided strategic guidance to the charity. This included site audits so it could operate more efficiently.

We helped with water efficiency and also donated IT equipment so people can access support programmes, search for jobs and write CVs. We're now working with The Feed and EMCOR UK to see how we can add a physical presence and support with volunteering efforts.

Our work together at The Feed is a prime example of how collaboration can be used for social good over a long-term period. As with us, social value is at the core of how EMCOR UK operates and it's a pleasure to work with a partner that shares our values.





Kick starting your social value journey

Based on EMCOR UK's experience to date, there are some widely applicable steps that all organisations can consider taking to help drive their social value strategies forwards. Here are ten quickfire tips:

- 1 Be transparent from the outset. Align with a framework such as those developed by Social Value Portal to ensure authenticity and credibility.
- 2 If applicable, work with FM providers who already have an established framework. Lean into their experience and explore potential routes of collaboration to further increase impact.
- 3 Work with supply chain partners to increase the reach and scope of social value activities.
- 4 Consider becoming a Real Living Wage Employer.
- 5 Involve colleagues. Communicate clearly, encourage participation, and listen to ideas.
- 6 Ensure there is genuine desire and resource to deliver sustainable and meaningful social value.
- 7 Know your target audience, their needs and barriers to better life chances so you can tailor your initiative/programme.
- 8 Define success and adopt SMART Goals when devising your initiative/programme.
- 9 Collaborate with other organisations and draw upon each other's strengths.
- 10 Have a means to measure your social impact and the ability to effectively communicate the outcomes with stakeholders.

Conclusion

Creating social value and developing ways to have a positive impact on local communities and broader society is becoming a business imperative, with customers, employers and investors all expecting more from the organisations they are involved with.

As a sector, facilities management is broadly embracing social value and embedding it in procurement processes, which includes formalised frameworks such as the National TOMs Framework. Enterprises in other sectors can learn from what has been achieved by FM companies, including EMCOR UK, and those working with FM partners already have an opportunity to deliver even greater social value by collaborating.

Social value is about telling a story. For all the great results you might achieve, they will not have the same impact without a reporting tool and strong marketing team to share the outputs and outcomes.

There are many reporting tools available for measurement purposes, which can be confusing. A standardised, robust approach that is user friendly (regardless of maturity) is needed to ensure benchmarking is simplified.

On top of this, there has to be buy-in and a purpose-driven culture throughout the business. Social value is about people and culture, they're critical. Those who enable social value on both sides need to own the process from start to finish. This includes co-creating objectives that are binding to ensure outcomes are achieved, and being dynamic in adapting to external macro forces that impact lives, such as the cost of living crisis.

EMCOR UK stands as a facilities management partner able to play a pivotal role in helping organisations to deliver greater social value. With clear alignment to the National TOMs Framework and a proven track record across several actions and initiatives, social value is truly embedded into the business.

EMCOR UK is part of EMCOR Group Inc., a leader in mechanical and electrical construction, industrial and energy infrastructure and building services which employs over

33,000

people across 180 locations.



Roy Ramrutton is Head of Social Value for EMCOR UK and has 15 years' experience in driving transformational social mobility within the built environment. This includes forming the Breyer Foundation whilst operating as a director and trustee, which continues to deliver social impact in social housing.

Roy's experience also includes learning and development, including developing a multi-award-winning apprenticeship programme and securing funding for a range of stakeholders' mandatory training needs.

His current goals include evolving EMCOR UK's proposition in-line with its vision of 'A Better World at Work' through its adopted Global Goals and the UK Government social value model derived from the National TOMs framework, which sits at the heart of EMCOR UK's Social Value Strategy.

Roy is a member of BITC's East of England & Southeast England Leadership Boards and is collaborating with like-minded organisations to facilitate meaningful and sustainable social impact.

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and social value, contact

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