

## Supply Chain School Horizon Group Meeting

**Date:** Tuesday 11<sup>th</sup> December 2018; 13:00-16:00

**Venue:** Liberty Building University of Leeds

**Attendees:** Laura Spence (*Royal Holloway, University of London – Chair*), Gareth Rondel (*Kier – Vice Chair*), Cathy Berry, (*Action Sustainability (AS)-Horizon Group Manager*), David Rich (*Tarmac*), Shaun McCarthy (*Action Sustainability*), Sophia Cox (*UK Green Building Council - UKGBC*), Alice Owen (*University of Leeds*), Peter Demian (*University of Loughborough*), Erica Russell (*University of Surrey*), Arjun Thirunavukarasu (*BAM Nuttall*), Maeve O’Loughlin (*Middlesex University*), Sian Reborg (*Team-Flo- Laing O’Rourke*), Lucy Barton (*ISG*), Kate Simpson (*University of Leeds*), Ben Lever- virtual (*CITB*), Liz Holford-virtual (*Action Sustainability*)

**Apologies:** Susan Schnadhorst (*Osborne*), Donna Hunt (*Aggregate Industries*), Stephanie Van De Pette (*Skanska*), Eddy Taylor (*Laing O’Rourke*), Simon Tranter (*Willmott Dixon*), Iain Walpole (*Hanson*), Sarah-Jane Davies (*Sisk*), Alexander Trautrim (*University of Nottingham*), Tony Parry (*University of Nottingham*), Richard Smith (*GIGL*), Anthony Lavers (*Taylor Wimpey*), Kieran Brocklebank (*United Utilities*), Wyn Pritchard (*Neath Port Talbot College*), Paul Wyton (*Sheffield Hallam University*), Sophie Sharpe (*Costain*), James Douglas (*Lendlease*), Kenneth Park (*Aston University*)

### Minutes of the Meeting

#### 1. Introductions.

Laura Spence welcomed everyone to the meeting especially including Kate Simpson for Leeds University as a guest presenter and extended a welcome back to Maeve O’Loughlin following her return from maternity. Alice Owen was thanked for hosting and her efforts to enable us to link with Ben Lever and Liz Holford who attended remotely was much appreciated.

#### Actions from previous meeting-

- All actions completed and academic partners were asked to comment on the ways to improve the School’s annual impact survey questions. **Action: Academic partners to comment on impact questions**

#### 2. Brief School update

Cathy Berry provided a brief update on:

- **School matters** - noting that the School now has 80 members against an annual target of 82 Partners, new partners are TFL, HG Simm, L Lynch, McGinley Group, Menfor Group. Learning stats for the year were also provided which include
  - 63,000 unique visitors in last 12 months.
  - over 3,300 learners attended in-person training
  - 64 new resources added to the library in the last 6 months
  - e-learning is the most popular resource (30% of resources accessed)

Shaun McCarthy commented that the improved engagement statistics compared to last year were largely due to the addition of a new marketing manager, certain partners mandating the use of the School (silver status) within their supply base and continual improvement and update of School learning materials.

**Blockchain event-** Cathy provided an update on the successful Blockchain event held on 16<sup>th</sup> Oct. Based on audience feedback a second workshop in conjunction with Resilience Brokers has been proposed to explore potential applications in more depth with a view to identifying possible collaborative block chain approaches to address industry problems. We estimate the event would cost between £1500-£2000 to pay for event space, catering, admin time and possible expert input. The group agreed that this money could be taken from the Horizon Group research budget to explore this opportunity further. **Action: Cathy Berry and Albert Gilbert (Action Sustainability) to organise event with Resilience Brokers**

**Masters proposals** – 10 proposals have been forwarded to date, including 3 new proposals since our last meeting resulting from our engagement with the Infrastructure Group. These proposals are:

- How can we engage digitally enabled Millennials to transform the infrastructure sector?  
Graham Arden Skanska
- How should the construction sector address the increasing skills shortage? (This includes a review of effective practices for engaging young people) - Industry partner lead: Emma Ward Volker Wessells UK supported by Danny O’Sullivan Group
- A study of the tangible risks and benefits of artificial intelligence (AI) in infrastructure- Industry Partner lead: Randal French Sir Robert McAlpine

Three proposals have been selected by students from Aston and remaining proposals will be put to students at Leeds University in January. Peter Demian flagged up his disappointment that Loughborough students did not select any proposals and possible learnings and improvements for next year were highlighted. This includes doing a better job of selling of the opportunity early in the academic year and the need to stress the useful industry connections, employability aspects and visibility if we enable students to present research findings to senior management within the relevant partner organisations/ Leadership groups/School events. Hosting a competition for best research proposal was also suggested as a way to further motivate students to select proposals. Arj Thirunavukarasu indicated that the selection of 3/7 proposals was in keeping with his experience at Bam Nuttall. Finally it was noted that being able to match proposals with an academic supervisor in advance of student selection may also improve student interest and uptake. **Actions: Cathy to liaise with Alice Owen to ensure up to date proposals are available for students in January**

### 3. Measuring Social Value in construction: Liz Holford Lead consultant Action Sustainability

Liz attended remotely and provided an overview of the social value (SV) work undertaken by Action Sustainability and the School to date. The format of the presentation:

- **What the Supply Chain School has done-** 2 special interest groups (SIGs):
  - first covering SV in construction and asset use which resulted in a white paper, an e-learning module and workshops
  - second SIG to develop how SV can be constrained or facilitated by architects and designers. This resulted in the publication of a SV by design guidance document that has been well received and used in a variety of different contexts. Note that further communications from the SCSS are planned to highlight the work and guidance that is available for member use. (See slides for more details and relevant links)
- **What Action Sustainability has done-** 3 key pieces of work completed. These are:
  - **RSSB (Rail Safety and Sustainability Board) SV impact framework-** this framework provides a common assessment approach for rail, it identifies 10 relevant social impacts for rail that are underpinned by a series of measures and monetised metrics. Note this is a framework not a tool and is an Excel Workbook structured by Goals/Indicators/Metrics/Monetised Values. (the latter are BRAG rated- Blue Red Amber Green depending on robustness of monetised value). This work was undertaken in partnership with Arup and Simetrica (specialist social economists) and is

consistent with the Treasury Green Book and OECD good practice guidelines. It was noted that references to source data are provided and with some work this framework could be transferable to construction.

- An example of the framework in use (Wessex Alliance) was provided which was a 2 year project to upgrade Waterloo station former Eurostar platforms to accommodate South-West trains. **Action: In response to a question, Liz to confirm value of the programme to Gareth Rondel.** (See slides for more details and relevant links). Liz also confirmed that this framework has been used effectively In Network Rail to justify the re-evaluation and approval of new project
- **Houses of Parliament (HOP) Northern Estates Programme-** this is £300m programme of work to upgrade buildings near the Palace of Westminster to enable staff to re-locate whilst works to restore and upgrade the HOP. Action Sustainability (AS) have helped define robust outcome based SV metrics which are reported through the AS reporting tool and have supported incentivised KPI reporting at Board level. This approach has been well thought through and must withstand Parliamentary scrutiny. Metrics will be monetised in 2019. In response to a question, Liz Holford confirmed that penalties levied were stiff enough to drive changes in contractor behaviour.
- **What we see on the horizon.** Future trends noted were:
  - **Clients are getting smarter at understanding, setting and measuring SV which will be increasingly embedded as business as usual.** However the definition of local differs by client/project and needs clarifying upfront.
  - Increased focus on measuring outcomes (next most useful is outputs) but measurement of inputs e.g. hours volunteered should be avoided where possible, (they are easier to measure but are less effective).
  - Improved qualitative approaches of evidencing impact – these include case studies and customer surveys. It was noted that some clients often are only interested in the positive impacts but negative project impacts should also be considered e.g. cleaning up/investing in an area and clearing out drug dealers may just move the problem elsewhere.

#### 4. UKGBC- overview of ongoing Social Value strategy work- Sophia Cox UKGBC

Sophia provided an overview of the work undertaken by UKGBC in the last two years which began with the Sustainable Cities Programme which identified 3 key interest areas, one of these being SV. A SV task group was formed to understand:

- Industry need and what SV looks like
- What SV could be expected from re-development
- Roles and responsibilities of various actors

The SV guidance was launched in March 2018, which emphasises: the opportunity for driving SV at all stages of the construction lifecycle (not just construction phase) and that SV should not be traded for other sustainability outcomes. This report focussed on 3 broad outcome areas:

- jobs and economic growth
- health, wellbeing and environment
- strength of communities

Sophia noted that the weakest link in SV creation is usually engagement with the local community which even when it does take place is typically ineffective and an inefficient use of resources. This was noted as an area for potential further research. Gareth noted that Kier have been involved with development of a phone app which replaces 'banner ads' with questions to the user to gauge requirements and preferences around community development. It was clear that when setting SV strategy that understanding the local context is vital however the question who funds monitoring and feedback of SV creation/performance remains an unresolved issue.

Key barriers to SV were noted and UKGBC strategy for 2019 was provided (see slides). Opportunities for the future were identified as:

- Building greater consensus around SV in both public and private sector
- Encourage further measurement of SV
- Advocate stronger policy requirements including acting as the industry voice for strengthening the SV Act
- Collating examples of Local Authority good practice and leadership into a single resource
- Creation of SV information in tendering documents

Alice Owen noted that any moves to drive certification in this space should be treated with caution; SV is still being explored and certification can have a tendency to 'ossify' requirements and impede innovation. It was noted that SV is also very context based so certification would probably just focus on 'good process' not measuring value which is inherently subjective.

Arj enquired as to the vision and future of social value. This is clear for Kier as it is a client driven requirement which can also drive competitive advantage; however the vision raised two questions.

- a) Should this lead to a different construction industry? Or...
- b) Is it about creating better places?

It was agreed that SV means different things in different contexts. **Action: Liz Holford to pick up this question directly with Arj Thirunavukarasu**

#### 5. Social Value in construction: Some examples from Leeds Kate Simpson

Kate provided the group with good practice around SV that has emerged from 4 sustainable supply chain projects based in Leeds. The insights highlight the interconnectivity between wider sustainability issues and SV and demonstrate how SV can be driven by 'doing things differently'. The 4 projects were

- Latch (Leeds Action to Create Homes)
- Leeds Community Homes
- Low Impact Living Affordable Community (LILAC)- a co-operative type housing model
- Citu who promote vertically integrated supply chains and retain skilled trades people through a 'squad approach'

These case studies also highlighted alternative ways of accessing financial capital and how thinking differently in this space can unlock SV. Note that the example used all started with the place (Leeds) and the need to address a common set of problems local to the area.

Erica Russell noted that we also need to frame and gain a unified approach around what business 'can and should do' and what civil society should be responsible for. Gareth noted that it would be useful to get some standard approaches to measurement which could add value. However we recognise the difficulty of trying to measure and monetise softer aspects regarding how an employee/worker feels which did not sit comfortably with everyone.

Laura noted that any attempt to standardise would need to be very nuanced as small businesses could be isolated and discouraged from engaging in SV delivery.

Cathy noted that the following potential knowledge gaps/areas of further research emerged from the group discussion:

- Effective SV community engagement
- Standardizing approaches to SV in construction and the need to nuance this depending on size/nature of business
- An evaluation of different approaches to SV when adopting a 'place based approach'

These need further thought and Cathy requested that the group reflect on the discussions and respond with additional insights, implications for the Horizon Group and/or School and any suggestions for further research or engagement. **Action: Group to email Cathy with reflections, insights and recommendations**

#### **6. Academic work completed to date on a lifecycle approach to social issues- Erica Russell**

Due to time constraints Erica provided a brief overview of wider academic work on social life cycle analysis (SLCA) and how this research can potentially be used to input into decision making. SLCA tends to be focussed on risk currently but should consider both positive and negative impacts (risks and opportunities). Academic interest in this topic is high and this is being looked at in detail by the UN who are trying to gain global agreement on how to measure this. (This is difficult as 100's of indicators exist covering different sectors/regions and is challenging to identify how they can be used in a manageable way). Two main areas of SLCA use were highlighted:

- As a comparison between 2 companies, products or processes
  - Where to make a socially responsible investment
  - Communicate social benefits
- To promote product or process improvement
  - Identifying areas for increased investment in the supply chain
  - Dialogue with product designers

Erica noted that many approaches to SCLA assessment exist. A tool developed by 'Made in a Free World' <https://madeinafreeworld.com/> titled 'How many slaves work for you?' was highlighted as a user friendly tool backed up and supported by very sophisticated data. It was noted that the construction sector primarily looks at SV in the local community context but we should consider widening this thinking into the supply chain. Risk mapping tools such as the Social Hotspots Database provides a useful view of country/sector specific industry issues/risks and the key message was the need to link up global approaches and data sets to SV work being done at a local level (with some consideration of context to assess how both can be balanced). For example SLCA could be used in its broadest sense to map high-level SC vulnerabilities. Significant work continues in this area and Erica offered to link the group into key experts if required.

The group discussion highlighted that companies in the SC affect social value whereas with environmental issues LCA assessment is typically more product based.

#### **7. AOB**

Cathy agreed to send out an email with a request from UKGBC for research support and potential funding to understand and analyse embodied carbon datasets that they have received but were not previously involved in the collection of. (Cathy to investigate further and provide more background)

#### **8. Actions**

- Liz Holford to confirm value of Wessex Alliance Programme to Gareth Rondell
- Liz Holford to contact Arj Thirunavukarasu directly to respond to his question regarding vision and purpose of SV
- Group to email Cathy with reflections, insights and recommendations based on SV discussions
- Cathy to email details of embodied carbon research funding request for group review

**9. Next meeting**

**Date:** 13:00-16:00 Monday 1<sup>st</sup> April- London /SE

This will be focussed on Natural Capital Accounting and Total Capital Accounting in construction. The Cambridge Institute of Sustainability Leadership will provide an overview of proposed research and Route2 will present on total impact of activities and their framework that quantifies and values total business impact. (Including economic valuation of impacts and financial consequences of sustainability pursuits.)

**Please advise Cathy if you are able host.**

Unfortunately some members did not receive the invites for next year's meetings despite being included in the distribution list. **If you did not receive these invites please can you add the following dates to your calendar.**

**1<sup>st</sup> April 2019 13:00-16:00**

**17<sup>th</sup> June 2019 10:00-13:00**

**16<sup>th</sup> September 2019 13:00-16:00**

**17<sup>th</sup> December 2019 10:00-13:00** (we plan to hold this meeting remotely)