

We  
Made  
That

# Embedding Social Value into the London Plan

Enhancing  
community  
wellbeing and  
sustainable growth  
through planning  
policy



Authored by

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on behalf of

## **The London Sustainable Development Commission**

The London Sustainable Development Commission was established in 2002 to provide independent advice to the Mayor of London on ways to make London a sustainable, worldclass city. The Commission challenges policymakers to promote a better quality of life for all Londoners, both now and in the future, while also considering London's wider global impacts. The Commission is made up of individual experts from the economic, social, environmental and London governance sectors. Commissioners volunteer their time to promote sustainable development, embed sustainability into London-wide strategies, and help make sustainability a meaningful and understandable concept for all Londoners.

**August 2024**

# Contents

<b>Foreword</b>	<b>4</b>
<b>Executive Summary</b>	<b>5</b>
<b>Introduction</b>	<b>11</b>
– About this study	12
– Why social value is needed in the London Plan	14
<b>Embedding Social Value into the London Plan</b>	<b>16</b>
– Introduction	17
– Recommendations	18
<b>Lessons From the Evidence</b>	<b>46</b>
– Social value and development	47
– Context and background	48
– A review of best practice	52
– Social value in planning policy	57
– Case studies	58
– Stakeholder conversations	63
<b>A Holistic View of Social Value in Planning Policy and Development</b>	<b>67</b>
<b>Appendix</b>	<b>71</b>

# Foreword

The places and spaces in and around which we live have profound impacts on our quality of life and our opportunities.

Our physical surroundings are determinants of our health and mental wellbeing. They impact how we experience, how we socialise, exercise and play. The right place can convene, converge and unite, but in equal measure the wrong space can disperse, disjoin and divide. For communities, spaces should be the connective glue of cohesion rather than an impediment to societal progress.

Social value in its simplest form is the holistic set of benefits that can be drawn from the places where we live and work. Optimising social value in planning, design and development is a must. It is obvious, or it should be, but so often our places are created through the wrong or limited lenses. The semi-permanence of poorly created space can leave generational scars and a myriad of lost opportunities.

This report aims to show the 'why' of social value by drawing on a growing set of examples of where a social value approach is being applied by planners and developers to ensure that a full set of benefits flows to those living and growing up in our evolving physical environments. It also offers a

'how' through providing a set of recommendations for the next London Plan so that it can best capture the opportunities created by putting social value in bold.

Social value should not be seen as an academic concept understood by a few, but as a practical call to action affecting us all.

**David Elliott and  
Maria Adebawale-Schwarte**  
*LSDC Commissioners and  
Social Value Sub-group Chairs*



Meanwhile garden © Future of London



Apprentices in Olympic Park © London Legacy Development Corporation



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# Executive Summary

# Embedding social value into the London Plan

This study aims to catalyse activity on embedding social value into the London Plan, helping to achieve the Mayoral ambition for a ‘fairer, greener and more prosperous city’.

It brings together findings from a multi-stage research programme encompassing a review of best practices and in-depth workshops. The findings translate into actionable recommendations for how the London Plan can facilitate the realisation of greater social value and promote Good Growth, outlining key considerations for this process.

## About this report

The London Sustainable Development Commission (LSDC) recognises that there is a unique opportunity to improve the social impacts of policies, programmes and projects across the built environment sector to address challenges facing the city and improve the lived experiences of all Londoners.

This report has been commissioned by the LSDC to provide recommendations on how to influence London Plan policy. Embedding social value into the London Plan gives a clear signal on the importance of social value and will create consistency in approach across the capital. It is also anticipated that this may catalyse borough level activity to embed social value within local plans, with the London Plan providing the example for inclusive spatial development.

This report presents findings from a multi-stage research programme undertaken between

June and November 2023. This included a literature review of best practice, and 3 stakeholder workshops with representatives from 19 organisations and a one-to-one interview that took place between June and September 2023.

## Lessons from the evidence

The London Plan does not currently include a clear definition of social value, but it is referenced in various policies and supporting texts.

A review of planning policy and guidance in London and beyond highlighted that social value is referenced in 14 adopted or emerging Local Plans in the policy itself or in justifying text, and refers to a range of different topic areas from affordable workspace to community assets to heritage.

This suggests that there is a growing awareness of the importance of social value in planning policy, but there is still a need for a more explicit definition and guidance to be embedded in the London Plan. This would help to ensure that social value considerations are incorporated effectively into planning decisions and that development projects deliver tangible social benefits for the communities they impact.

## Stakeholder conversations

In-depth conversations with stakeholders from diverse perspectives, including planning, development, architecture, and community interest groups, provided valuable insights and identified best practices that informed the recommendations presented in this report.



Community engagement can help to maximise social value (Image: We Made That)

These discussions highlighted the need for a clearer definition of social value, a structured approach to measuring social value, and mechanisms to enhance community engagement in planning processes.

Drawing on the recommendations of LSDC Report, *Delivering Social Value through Development and Regeneration: An approach for London* (June 2022), the findings in of the best practice review, discussion at the stakeholder workshops (July and September 2023) and one-to-one discussions with planning practitioners, this report sets out recommendations in relation to:

- The kinds of social value that can be most effectively delivered through planning policy; and
- Approaches that would most effectively embed social value in planning policy in London and be likely to make it through examination to adoption and into practice.

This work led to the development of 6 recommendations and 21 recommended actions, each of which will help deliver greater social value to Londoners.

The recommendations are designed to offer a roadmap and different options for maximising the social value that the London Plan can help deliver.

## Recommendations for Embedding Social Value into the London Plan

### **1. Propose a comprehensive and inclusive approach to understanding social value that fosters consistency and empowers communities to define social value locally.**

(a) The London Plan should include a proposed definition of social value to establish a consistent, London-wide meaning of the term

(b) Good Growth objectives and supporting text in the London Plan should integrate references to social value and social value measures

(c) The London Plan should discuss social value and position it in relation to the concepts of 'Good Growth' and 'Sustainable Development'

(d) The Government should (i) revise the NPPF and associated national planning practice guidance to ensure that the concept of social value is embedded in national planning policy and procedures and (ii) ensure that the planning system and local planning authorities are adequately resourced so that they can effectively deliver social value

### **2. Embed social value as a golden thread throughout the London Plan to try and maximise the potential for positive impact at all points of the planning process.**

(a) The London Plan should introduce a policy requirement for all developments to maximise social value.

(b) The London Plan should require applications for all referable-scale developments to be accompanied by a social value self-assessment statement.

(c) References to social value and social value measures should be embedded into revised and new supplementary planning guidance.

### **3. Strengthen community agency in decision-making by proposing more impactful ways for them to participate locally**

(a) The London Plan should encourage boroughs to establish a pre-application process with local communities so that they are aware of local needs and aspirations from the outset.

(b) The London Plan should encourage boroughs to involve communities in shaping local social value priorities and in

participating in budgeting decisions for the 'neighbourhood portion of borough CIL

(c) The Mayor should ensure that design review processes include local representatives from backgrounds that reflect the local population in line with the 'London Design Review Charter'

#### **4. Clarify potential social value measures to illustrate the different ways in which social value can be delivered as part of the planning and development process**

(a) The London Plan should include indicative social value measures

(b) The Mayor should review existing policies and supporting text to respond to evolving planning challenges and to maximise social value

(c) The London Plan should ensure that any topic-based policies include explicit reference to social value where appropriate

#### **5. Provide clarity and suggestions on how to measure, monitor and enforce social value, taking into account ways of capturing the social value added, lost and retained**

(a) The London Plan should adopt a policy-based approach to measuring social value

(b) The London Plan should adopt a development scheme and policy monitoring approach

(c) The Mayor should, where appropriate, support the boroughs in enforcing agreed social value commitments or agreeing alternative commitments relating to approved 'referable' schemes

#### **6. Ensure that the communication of social value in London planning policy is clear and accessible and avoids the use of jargon**

(a) The Mayor should prepare a social value topic paper to support embedding social value into the London Plan

(b) The Mayor should develop an engaging and visual web-based London Plan which can be more accessible and understandable to all Londoners.

(c) The London Plan should be prepared using a social value policy self-assessment checklist to ensure that all policies maximise social value.

The report concludes by advocating for a more comprehensive and integrated approach to social value in planning policy. Effectively embedding social value demands a fundamental shift in its conceptualisation and interpretation. Social value should be embraced holistically, not merely as a set of measurable outcomes but also encompassing the underlying processes and collective participation of stakeholders in shaping its meaning.

Stakeholders have acknowledged that planning policy alone cannot ensure social value. Therefore in order to achieve a holistic delivery of social value, developers and stakeholders could take on more responsibility to ensure people-centric development and regeneration. Collaborative delivery between planners, developers and communities will help achieve cohesive communities across London.

Implementing the recommendations of this report will bring these different perspectives on social value closer together such that all aspects of our built environment that deliver social value, whether infrastructural, activity-based or related to the delivery process are represented in planning policy in a holistic way.





The stakeholder conversations underscored the multifaceted nature of social value and emphasised how social value is about delivering spaces and places that enhance people's wellbeing, fostering inclusion and shared prosperity, and engaging in meaningful and ongoing dialogue with a diverse groups and individuals. A holistic approach is required, one that recognises the interconnectedness of procurement, planning policy, and community perspectives. By bringing together these diverse viewpoints, we can create a more nuanced understanding of social value and unlock its transformative potential for society.





# 01

# Introduction

- About this study
- Why social value is needed in the London Plan

## About this study

This study aims to catalyse activity on embedding social value into the London Plan, helping to achieve the Mayoral ambition for a ‘fairer, greener and more prosperous city’. It suggests recommendations for how the London Plan can support the delivery of greater social value to deliver Good Growth and what needs to be considered as part of this process.

The London Sustainable Development Commission (LSDC) was established in 2002 to provide independent advice to the Mayor of London on ways to make London a sustainable, world-class city. The Commission is an independent body, challenging policymakers to promote a better quality of life for all Londoners, both now and in the future, whilst also considering London’s wider global impacts. The LSDC has been interested in social value for some time and has commissioned previous work on social value and how it can be effectively embedded in development



Delivering Social Value through Development and Regeneration: An approach for London (LSDC, 2022)

In 2022, the LSDC published a policy report setting out detailed recommendations for delivering social value through regeneration: *Delivering Social Value through Development and Regeneration: An approach for London*. The LSDC also published a *social value Playbook*, a compilation of case studies that illustrate where recommended actions have already been taken forward in the UK and beyond.

*Delivering social value through Development and Regeneration: An approach for London* proposed six recommendations for how social value can be delivered through planning and development:

1. Diversify and amplify the role and voice of communities to shape social value outcomes of development and regeneration
2. Emphasise the role of place and spaces in delivering social value
3. Provide tools and resources to support evidence-based decision making
4. Improve local authority capacity to demand, monitor and assess social value delivery across development and regeneration
5. Deliver social value consistently through London-wide policy
6. Advocate for policy changes to deliver robust and consistent social value policies across all stages of development and regeneration.

This report has been commissioned by the London Sustainable Development Commission to focus on recommendations 5 and 6 and set out to understand how to best embed the concept of social value into a new London Plan.

This report presents findings from a multi-stage research programme undertaken between June and November 2023. This included a review of relevant literature, a desk review of current practices that incorporate the concept of ‘social value’ in planning and policy guidance, three stakeholder workshops involving representatives from planning, development and community interest groups, and a one-to-one interview with a planning officer at the Old Oak and Park Royal Development Corporation (OPDC).

<sup>1</sup> Further LSDC work on social value can be found on the website: <https://www.london.gov.uk/who-we-are/city-halls-partners/london-sustainable-development-commission-lsdc/our-social-value-work>



## 01. Introduction

### Using this report

The primary audience for this report is planners and those working on the development of a new London Plan as well as stakeholders from across the built environment. By bringing together evidence from the desk review and qualitative research, this report aims to:

- Specify what kinds of social value can be most effectively delivered through planning policy;
- Outline potential approaches that would most effectively embed social value in planning policy in London and be likely to make it through examination to adoption and into practice; and
- Provide case studies looking at where social value has been included in planning policy and how effective this has been in supporting, encouraging, and monitoring the delivery of social value.

The recommendations aim to put into practice Recommendations 5 and 6 of *Delivering Social Value through Development and Regeneration: An approach for London (2022)* by advising on opportunities to embed social value into the London Plan and associated guidance. While the focus is on responding to Recommendations 5 and 6, it is difficult to do this without also addressing recommendations 1 to 4 of the report (and associated short, medium and long-term actions), which relate to substantive planning-related social value issues. Therefore, whilst focusing on recommendations 5 and 6 of the *Delivering Social Value through Development and Regeneration* report, this report also considers the other relevant planning related recommendations that could be put into effect by a new London Plan.

The advice and recommendations in this report have been developed as a result of the literature review and the stakeholder conversations, and also based on a number of assumptions which are set out where relevant.

### Definition of social value

As a concept, social value is closely tied to the Public Services (Social Value) Act 2012, which established a requirement for public bodies to consider the additional social, economic and environmental benefits that could be delivered through procurement.

This report treats social value as multi-layered, contextual and relating to the positive impact that planning and development can have on society beyond its financial or economic outcomes.

# Why social value is needed in the London Plan

Strengthening explicit references to social value into the London Plan signifies its importance and establishes a consistent approach across the capital. This action has the potential to catalyse Borough and neighbourhood-level initiatives to embed social value within their local and neighbourhood plans, with the London Plan setting the benchmark for inclusive spatial development.

The concept of social value is intrinsically at the heart of town planning. Whether explicitly referenced in planning documents or not, the concept of social value is a core and essential element that forms the foundation of planning activities and decision-making. For example, community engagement, quality of life and well-being, addressing inequalities, and environmental sustainability are at the core of town planning. The current London Plan establishes an



Accessible streets in central London (Image: New London Architecture)

integrated economic, environmental, transportation, and social framework for the development of the London region. While primarily focused on shaping the physical development of the city, the Plan also addresses social issues and aims to deliver social value by addressing housing affordability, promoting inclusive design, providing community facilities, supporting employment opportunities, enhancing public spaces, improving transportation, fostering cultural and social facilities, and prioritising the health and well-being of residents.

However, while the Plan intrinsically sets out to deliver social outcomes, it does not explicitly reference social value as a concept. This misses an opportunity.

Explicitly embedding the concept of social value into the London Plan would elevate the priority of the broader social, economic, and environmental benefits that arise from development, putting the well-being of individuals and communities at the forefront. Furthermore, taking action to embed social value into the London Plan begins to drive a London-specific approach to social value. This has the potential to address the distinct development and regeneration context of the city and bring certainty to investors, developers and communities that any development in the city aims to consistently secure better outcomes for Londoners.

**Embedding social value into the London Plan provides an opportunity for the Mayor of London to set a strong social value framework for London, including establishing social value priorities and measurable goals for regeneration processes and projects.**

## Explicitly embedding the concept of social value in to a new London Plan will bring many benefits, including:

Demonstrating the benefits of planning and its role in delivering Sustainable Development/ Good Growth

Setting out London-wide priorities for social value

Encouraging Boroughs and Neighbourhood Fora to bring forward Borough and area based social value policies in their Local and Neighbourhood Plans that set out local social value priorities for the borough as a whole, particular areas or sites

Emphasising the desirability of retaining/ enhancing those existing uses, facilities and features of a particular place that local people identify as being important and which they consider provide significant social value

Retaining and enhancing existing social value and to maximise additional social value outputs so as to effectively manage change and secure a greater net increase in social value than would otherwise be delivered

Making planning more transparent and encourage local people to engage with the planning process

Stressing the importance of delivering social value as part of the planning process itself, by enabling local people to effectively influence policy, guidance and decisions on planning applications so that local people can set the agenda for what changes they want to see happen in their area

Monitoring the delivery of social value outputs that help achieve Sustainable Development/Good Growth

02

# Embedding Social Value in the London Plan

- Introduction
- Recommendations



## Introduction

While policies relating to social value are being introduced at different scales throughout the country, more can be done to embed social value in London planning policy and guidance and to identify the areas where planning is not doing enough to support sustainable and inclusive communities that are central to the design and delivery of projects.

A review of best practice demonstrates that the concept of social value is only currently explicitly referred to in a small number of development plan policies and planning guidance documents across London and for a limited number of topics (including overall vision/objectives, protection of public houses, affordable workspace, protection of community/cultural assets, retail markets and heritage). It identifies a number of examples of London boroughs and other Local Planning Authorities in England that have or are currently seeking to adopt specific social value policies in their Local Plans/Spatial Development Strategies and associated guidance.



Car free streets in Newham (Image - LB Newham)

In this context, it is evident that more can be done to embed social value in planning policy, guidance and decision making at a London wide scale. This chapter sets out this thinking and proposes a series of recommendations and actions to embed social value into the London Plan, associated guidance and in decision making.

The review of best practice and the stakeholder conversations identified several key themes that should guide the integration of social value into the London Plan, including how to best define and communicate social value, what skills are needed to embed it in planning processes, how it is measured and how to best involve communities in decision making processes.

1. Propose a comprehensive and inclusive approach to understanding social value that fosters consistency and empowers communities to define social value locally
2. Embed social value as a golden thread throughout the London Plan to try and maximise the potential for positive impact at all points of the planning process.
3. Strengthen community agency in decision-making by proposing more impactful ways for them to participate locally
4. Clarify potential social value measures to illustrate the different ways in which social value can be delivered as part of the planning and development process
5. Provide clarity and suggestions on how to measure, monitor and enforce social value, taking into account ways of capturing the social value added, lost and retained
6. Ensure that the communication of social value in London planning policy is clear and accessible and avoids the use of jargon

## Recommendation 1

**Propose a comprehensive and inclusive approach to understanding social value that fosters consistency and empowers communities to define social value locally.**

### Why this is needed:

The absence of explicit references to social value in the NPPF and a London-wide definition of social value in planning policy makes it difficult to incorporate the concept into decision making processes. It is also recognised that social value has different meanings for different communities and this should be recognised.

### This recommendation will improve social value by:

- giving communities more agency to define what is important to them
- ensuring consistency in integrating social value into decision making processes
- increasing the likelihood approval for objectives and policies that explicitly refer to social value by the Planning Inspectorate and Secretary of State

### Recommended actions:

(a) The London Plan should include a proposed definition of social value to establish a consistent, London-wide meaning of the term

(b) Good Growth Objectives and supporting text in the London Plan should integrate references to social value and social value measures

(c) The London Plan should discuss social value and position it in relation to the concepts of 'Good Growth' and 'Sustainable Development'

(d) The Government should (i) revise the NPPF and associated national planning practice guidance to ensure that the concept of social value is embedded in national planning policy and procedures and (ii) ensure that the planning system and local planning authorities are adequately resourced so that they can effectively deliver social value

## Define social value in the new London Plan

If a new London Plan is to include a London-wide social value policy that can be consistently applied, measured, monitored, enforced and reviewed, the Plan needs to define what is meant by 'social value'.

The LSDC's Report (June 2022) recognises the complexity of trying to define social value for development and regeneration purposes and does not seek to complicate things by adding to the various definitions that existed at that time.

However, the review of best practice reveals a lack of clear definition by most of the Local Planning Authorities that explicitly refer to it in their Local Plans and/or SPDs. It is notable that (with the exception of Newham) none of the adopted or emerging Local Plans in London seek to define what is meant by social value. Through the stakeholder workshops, this has been identified as a barrier in using the term in planning policy, because there is no alignment and consistency in terms of an agreed upon definition. Moreover, a shared understanding of social value is critical for informed policy development and implementation, and without a clear definition, it becomes difficult to incorporate social value considerations into decision making processes.

Therefore, if a new London Plan is to include a London-wide social value policy that can be consistently applied, measured, monitored, enforced

## 02. Embedding Social Value in the London Plan

and reviewed, the Plan needs to define what is meant by 'social value'. How social value is to be defined, measured and monitored need to be considered at the same time as considering alternative policy options.

Social value is defined in many different ways, however the UKGBC definition (set out in 'A Guide for Delivering social value on Built Environment Projects', March 2022), has been used as a basis for developing a proposed London-specific definition. In doing so, it has been developed to take account of the following:

- The definition of Sustainable Development and the concept of 'public benefits' in the NPPF and national planning practice guidance;
- The concept of Good Growth and its relationship with Sustainable Development;
- The need to be clear that effective engagement with local people and decision-making that reflects

### Therefore a proposed London-wide definition is as follows:

"Social value is created when effective engagement and decision-making processes ensure that:

(a) existing social value (uses, facilities and features) as identified by planning policy and local people is retained and where necessary enhanced and

(b) re-purposed or new buildings, open spaces and infrastructure results in a net gain in economic, social and environmental wellbeing over one or more phases in the lifetime of a new development and in doing so improves the quality of life for local people and delivers Good Growth.

The particular economic, social and environmental outputs that would create additional social value in a particular place will depend on the needs and aspirations of the local people that would be most affected and must be defined for each proposed development."

local needs and aspirations can, in itself, represent social value (including where local priorities have positively influenced spatial/topic-based policies, site allocations, designations, guidance and/or the content of an approved development scheme);

- The need to be clear that social value relates to re-purposing existing buildings as well as new development;
- The need to be clear that the objective is to ensure that there is a net gain in social value ; and
- The need to be clear that social value can be delivered over the lifetime of a development, including multi-phased development schemes.

## Ensure that Good Growth objectives and supporting text include references to social value

Good Growth forms a cross-cutting theme that ensures that all of the London Plan's spatial and topic-based policies are built on six objectives. It is assumed that the concept of Good Growth will continue to provide the foundation for achieving Sustainable Development within London.

Chapter 1 of the current London Plan (entitled 'Planning London's Future – Good Growth') introduces the concept of Good Growth. The concept, which originated in the Mayor's Economic Development Strategy for London (December 2018), is about working to deliver a more Socially integrated and sustainable city, where people have more of a say, and growth brings the best out of existing places while providing opportunities to communities (rather than securing growth at any cost). Good Growth forms a cross-cutting theme that ensures that all of the Plan's spatial and topic-based policies are built on six objectives. It is assumed that the concept of 'Good Growth' (adjusted/refined as necessary) will continue to provide the foundation for achieving 'Sustainable Development' within London.

It is recommended that a definition of Good Growth includes strong reference to social value and highlights the added benefit that this will bring, including added emphasis on community involvement and locally defined growth objectives.

## 02. Embedding Social Value in the London Plan

### Discuss social value and position it in relation to the concepts of 'Good Growth' and 'Sustainable Development'

To maximise the likelihood of objectives and policies that explicitly refer to social value being found 'sound', it is recommended that social value is clearly defined and positioned in relation to the concepts of 'Good Growth' and 'Sustainable Development'.

To be effective and to maximise the likelihood of objectives and policies that explicitly refer to social value being found sound by the Planning Inspectorate and accepted by the Secretary of State, it is recommended that social value is clearly defined and positioned in relation to the concepts of 'Good Growth' and 'Sustainable Development'.

Paragraph 1.01 of the current London Plan explicitly states that Good Growth "is the way in which sustainable development in London is to be achieved." As such, Good Growth can be considered to be synonymous with Sustainable Development in the London context. Taking account of this and the Mayor's guidance on defining regeneration projects, 'Good Growth/Sustainable Development' can be identified as the desired goal or 'outcome' with positive economic, social and environmental impacts or 'social value measures' being the way in which this is achieved.

The figure below seeks to summarise how the three related concepts can be seen to be aligned in relation to policy objectives and desired outputs and outcome. The remainder of this report refers to achieving Good Growth as the desired outcome of the London Plan (rather than achieving Sustainable Development).

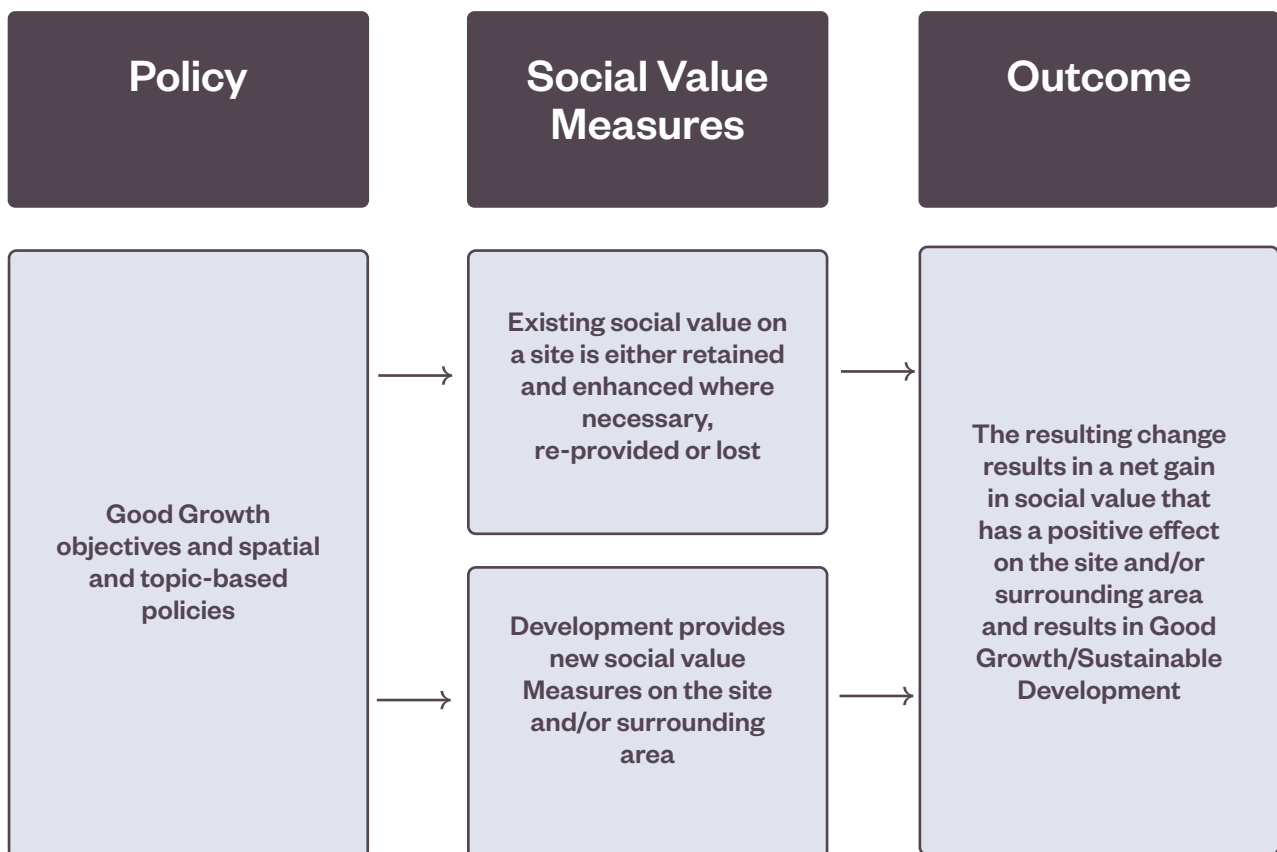


Figure 1. Diagram summarising how social value can be understood in relation to Good Growth and Sustainable Development. It is suggested that social value can be understood as a set of measures that can help achieve Good Growth/Sustainable Development.



## Revise national planning policy and guidance and ensure adequate resources

The evidence in 'Lessons from the Evidence' (A review of best practice) demonstrates an appetite amongst some London boroughs and authorities outside of London to include social value policies in their Local Plans and Spatial Development Strategies. Whilst Salford City Council has successfully achieved this, some other authorities had proposed social values policies rejected by the Planning Inspectorate. It would help the GLA and all other plan-making authorities if the NPPF and associated national planning practice guidance explicitly allowed for and facilitated the inclusion of social value policies in development plans. To this end, the Mayor should lobby the Government to revise the NPPF and associated guidance so that the concept of social value is identified as a material planning consideration and recognised as an appropriate topic for planning policy. This should be achieved by (i) explicitly referring to and defining social value and (ii) acknowledging social value as an integral component of achieving sustainable development (taking account of recommended action points 1(a) to 1(c) and 4(a).

The shortage of skilled and experienced planning officers in the public sector is widely acknowledged as being a barrier to delivering Good Growth/sustainable development. Given this, the Mayor should work with the Government to ensure that sufficient funding is made available to the GLA and London Boroughs to provide them with sufficient capacity. This will allow them to work more effectively with local people, prospective developers and other partners to use the planning system to identify, secure and enforce social value commitments.

## Recommendation 2

**Embed social value as a golden thread throughout the London Plan to try and maximise the potential for positive impact at all points of the planning process.**

### Why this is needed:

There are only a few explicit references to social value in the London plan; this misses an opportunity to maximise the potential for positive impact at all stages of the planning process. Integrating social value considerations into the fabric of the Plan will ensure that social welfare and community well-being are prioritised alongside economic and environmental concerns leading to more equitable and sustainable outcomes for Londoners.

### This recommendation will improve social value by:

- introducing policy requirements to maximise the amount of social value that different types of schemes can deliver

### Recommended actions:

- The London Plan should introduce a policy requirement for all developments to maximise social value.
- The London Plan should require applications for all referable-scale developments to be accompanied by a social value self-assessment statement.
- References to social value and social value measures should be embedded into revised and new supplementary planning guidance.

Recommendation 3 of the LSDC Report (June 2022) relates to providing for evidence-based decision-making. This includes the medium-term action (to be delivered by the GLA) to establish social value priorities for development and regeneration linked to the needs of Londoners and review these periodically. Recommendation 4 of the Report relates to improving local authority capacity to demand, monitor and assess social value delivery across development and regeneration. This includes the long-term action (to be delivered by local authorities) of embedding social value in all emerging local plans.

## Introduce a policy requirement for all developments that helps foster the maximisation of social value

Appendix A sets out the policy options that were identified and assessed and it is recommended that social value is introduced as a golden thread that, together with 'Good Growth' would run through the whole Plan and underpin spatial, topic, delivery and monitoring-based policies. It is further recommended that the London plan includes an explicit policy requirement for all development to 'maximise' social value measures, covering the following:

- Require all development to be located, designed, constructed and operated so as to retain/enhance existing social value (uses, facilities and features) and to maximise social value measures and contribute to achieving Good Growth over the lifetime of the approved development;
- Identify social value measures priorities and align these priorities with revised/ confirmed planning obligations' priorities that are set out in Policy DF1 (D) so that, together, these policies establish and aligned and coherent set of London-wide social value measures priorities;
- Encourage boroughs and Neighbourhood Fora to bring forward specific 'local' social value policies in their plans;
- Encourage boroughs and Neighbourhood Fora to work with local people to identify Place-specific social value measure priorities for a borough/area as a whole, growth areas and site allocations in Local

## 02. Embedding Social Value in the London Plan

and Neighbourhood Plan policy (based on borough social value Frameworks, needs and character assessments);

Supporting text could, amongst other things:

- Refer to relevant evidence base and justification for embedding social value in to the London Plan;
- Make clear that 'lifetime of the approved development' relates to one or more phases (project scope/development brief, decision-making, construction and operation) as appropriate and does not include any future re-purposing and/or extending an approved buildings or alterations to public realm, as it is assumed that social value measures associated with any future changes would be secured, where appropriate, as part of any subsequent planning applications.
- For large-scale schemes that require Environmental Impact Assessment (EIA), encourage boroughs to use the EIA Scoping process to ensure that submitted Environmental Statements fully assess social value as part of assessing the likely significant socio-economic effects of the proposed development .
- Encourage the Mayor and boroughs to informally visit a selection of 'major' and 'referable' schemes once they are built and occupied to learn lessons on how social value has been implemented over time.

### Require all referable-scale developments to be accompanied by a social value self-assessment statement

Applications for proposed referable development should be accompanied by a statement that sets out the findings of a self-assessment which clearly identifies the proposed social value measures that would be delivered by the proposed development over the lifetime of the project (pre-development, construction and occupation) and include:

(i) Local Needs Analysis (LNA), including key data analysis such as Indices of Multiple Deprivation (IMD), social value maps identifying the existing Social, cultural and commercial characteristics of the place

(as encouraged in the Characterisation and Growth Strategy LPG, June 2023) and opportunities to better connect new development with the surrounding local area (Socially, economically and environmentally);

(ii) Evidence of how community engagement and pre-application discussions have informed the proposed retention/enhancement of existing uses, facilities and features and social value measures; and

(iv) Evidence of how the proposed social value measures would help deliver Good Growth.

Supporting text should make clear that:

- A draft Self-assessment social value Statement should be prepared following community engagement for discussion with local people and officers at the pre-application stage to ensure that the proposed development scheme retains and where necessary enhances existing social value uses, facilities and features and evolves so that it delivers the maximum amount of social value measures that meet identified local and strategic priorities;
- Final Statements would be submitted as part of a planning application to help decision-makers understand the potential social value measures and aid decision-making;
- The Mayor will make a final Statement a validation requirement for any formal Stage 1 and Stage 2 referral and that boroughs should include final Statements in their validation check lists for 'referable' applications ('major' applications, where the borough adopts a policy in its Local Plan in relation to 'major' development); and
- In order to minimise additional costs and effort associated with producing the document, avoid duplication and to help integrate the consideration of social value into broader planning policy considerations and the overall planning balance, a final version of a Statement (developed to respond to engagement and discussion) could be submitted as a dedicated section in a Planning Statement.

### Embed the concepts of social value and social value measures into revised and new supplementary planning guidance

It is assumed that the Mayor will continue to publish topic-based supplementary planning guidance as LPG and Good Practice Notes as appropriate.

#### Development Viability LPG

Recommendation 4 of the LSDC Report (June 2022) relates to improving local authority capacity to demand, monitor and assess social value delivery across development and regeneration. This includes the short-term action (to be delivered by the GLA) to, amongst other things, bring forward updated guidance and undertake training for boroughs and Planning Inspectors to ensure a robust approach to viability testing that supports the delivery of social value through the development process.

The supporting text to current London Plan Policy DF1 (paras. 11.1.1 to 11.1.7) summarises the role of viability at both plan-making and decision-making stage in London. To summarise things further:

- London Plan policies have been subject to a viability assessment which has tested the cumulative impact of relevant standards, obligations and requirements to ensure they do not seriously risk implementation of the ‘development plan;’
- Local and Neighbourhood Plans also need to be informed by viability testing;
- Applicants and land owners should take account of all relevant ‘development plan’ policies when forming their proposals and when acquiring and selling land;
- Site-by-site viability assessment is inherently difficult, has caused uncertainty, increased land prices and undermined the delivery of London Plan objectives (with a risk that such testing is used to reduce planning requirements and enhance commercial returns, even where genuine barriers to delivery do not exist; and

- Taking account of the above, it is expected that the testing of viability of a specific scheme should only be necessary where there are clear barriers to delivery that would make the delivery of obligations unviable.

Notwithstanding this, a number of specific current London Plan policies and supporting text require applications to be supported by site-specific viability assessments in line with Mayor’s guidance in certain circumstances. These are, most notably in relation to housing and affordable housing (Policies H4, H5, H6, H11, H13 and H15), town centre development (Policies SD6, SD7 and SD8), offices and affordable workspace (Policies E1 and E3) and development affecting safeguarded wharves (Policy SI 15).

The Mayor’s adopted Affordable Housing and Viability SPG (August 2017) sets out detailed requirements for site-specific viability assessments. The Mayor’s consultation draft Development Viability LPG (May 2023) proposes to revise this, based on lessons learned and changing circumstances. Both the adopted and proposed guidance accounts for affordable housing and non-residential social value outputs and ensures that the following are taken account of:

- Any on-site provision of affordable housing and non-residential social value outputs (including physical, Social and green infrastructure and affordable workspace) and any on-going rent caps and/or management responsibilities; and
- CIL payments and any specific financial contributions towards affordable housing and/or non-residential social value outputs

The current approach seeks to limit the opportunity for applicants and land owners to ‘play the viability card’ and argue that their specific scheme cannot afford to provide social value measures or provide less measures than policy normally requires. Nevertheless, detailed guidance ensures that where it is considered reasonable that site-specific viability should be taken in to account in decision-making, the viability assessment factors in proposed affordable housing and non-residential social value measures.

Viability relates to a particular scheme at a particular location and at a particular point in time (taking account of the wider economic context and demand and agreed inputs, including the benchmark land Value, construction costs, other costs and Values). It is



## **02. Embedding Social Value in the London Plan**

possible to assess the viability of a particular scheme on a particular site over time, as is done in Early and Late stage and Mid-term reviews for viability assessed schemes in accordance with current London Plan Policy H5 (Threshold approach to applications) and associated SPG. However, it is not possible to accurately compare the viability of schemes in different locations across London.

Taking account of the above, and the associated costs of preparing a viability assessment for a proposed scheme, it is not considered reasonable or proportionate to expand the current requirements for viability assessment to all 'major' applications as a matter of course to help justify the proposed social value measures

### **Other existing and new supplementary planning guidance**

It is recommended that the concepts of social value and social value measures is embedded in to revised and new LPG and Good Practice Notes as and when they are prepared.

Revised and new OAPFs should continue to be prepared collaboratively with the respective borough(s) and local people and should be based on a thorough understanding of place (including existing uses, facilities and features) and the social value needs and aspirations of local people.

## Recommendation 3

### Strengthen community agency in decision-making by proposing more impactful ways for them to participate locally

#### Why this is needed:

Many Londoners feel excluded or unheard in the planning process, perceiving development as imposed upon them rather than something that they can help shape.

#### This recommendation will improve social value by:

- aligning developments with the needs and aspirations of the local community, to deliver tangible social benefits, fostering trust and legitimacy in the planning process
- embracing diverse perspectives to create more inclusive developments that foster a sense of ownership and connection, and promote greater civic engagement

#### Recommended actions:

(a) The London Plan should encourage boroughs to establish a pre-application process with local communities so that they are aware of local needs and aspirations from the outset.

(b) The London Plan should encourage boroughs to involve communities in shaping local social value priorities and in participating in budgeting decisions for the 'neighbourhood portion of borough CIL

(c) The Mayor should ensure that design review processes include local representatives from backgrounds that reflect the local population in line with the 'London Design Review Charter'

Many Londoners feel uninvolved or not listened to in the planning process and believe that development is something that is imposed upon them. It is also common for people not to see the benefits of the planning system and the role it plays in managing change.

The Mayor's current Planning for London Programme aims to get the views of as many Londoners as possible, including from groups of people that have often felt excluded from discussion, about issues and options that a future review of the London Plan could consider. Effective community engagement that influences outcomes can, in itself, be regarded as a social value measure and the Mayor should continue to engage as many as people as possible about the future of London.

### Encourage boroughs to establish a pre-application process with local communities

Recommendation 1 of the LSDC Report (June 2022) relates to diversifying and amplifying the role and voice of communities to shape social value outcomes of development and regeneration. This includes the short-term action (to be delivered by communities, local authorities, development and 'corporation developers') to support the development of community charters for major developments and other means for early engagement particularly at pre-application stage. Whilst this is not identified as an action for the GLA to take forward, it is considered that a new London Plan could strengthen references to early engagement of local people in the decision-making process.

The Mayor (by way of GLA Planning and Transport for London) provides pre-application advice services, which provide opportunities for GLA officers to shape emerging schemes for referable-scale development. All London Boroughs provide pre-application advice services for major-scale development and most encourage the use of Planning Performance Agreements (PPAs) to help structure and finance effective discussions. Boroughs are obliged to prepare a Statement of Community Involvement (SCI) to set out their policy on involving local people on emerging

## 02. Embedding Social Value in the London Plan

planning policy and planning applications. There is the opportunity for the supporting text to objective GG1 to encourage boroughs to ensure that SCIs encourage an equivalent pre-application process between local residents, businesses and groups and borough officers/councillors, so that the borough is aware of local needs and aspirations from the outset. The agreed local needs and aspirations could then be set out in a jointly prepared (local community/borough) site or area-specific social value Charter.

Although not a statutory requirement, national planning practice guidance (Para:001 Ref ID: 20-001-20190315) encourages prospective applicants to carry out early community involvement to help shape and inform what development is appropriate for a site. Most boroughs require applicants for 'referable' and 'major' schemes to submit a statement setting out what consultation they have done and how it has influenced the application. There is the opportunity for supporting text to Objective GG1 to encourage boroughs to ensure that SCIs require prospective developers to engage with local residents, businesses and groups (including 'hard to reach groups') over local social value priorities at the pre-application stage. These priorities should identify existing social value uses, facilities and features that should be retained/enhanced and local priorities for additional social value measures (taking account of any social value Charter).

### Design review processes

The design review process is most effective at the pre-application stage. The Mayor already ensures that Mayor Design Advocates come from a diverse background that reflects London's diversity. However, there is the opportunity for objective GG1 and its supporting text to encourage Borough Design Review Panels and community review panels (e.g. LLDC) to include more local and diverse representatives on Panels so that they can help ensure that local needs and character are taken into full account.

There is also the opportunity to encourage the Mayor Design Advocates, Borough Design Review Panels and community review panels to ask design teams to explain how their emerging scheme, and the design process that has led to it, is seeking to deliver social value.

## Enable communities to shape social value priorities

Chapters 11 of the current London Plan includes one policy (DF1 - Delivery of the Plan and Planning Obligations) and supporting text that includes a lot of explanation/guidance relating to the implementation and delivery of policies in Chapters 2 to 10.

Policy DF1 and supporting text will need to be revised to reflect changes in circumstances. Revisions will need to be significant if the Government's proposed Infrastructure Levy and associated legislative changes to the role of s106 planning obligations come in to effect. It is recommended that the opportunity is taken to include the additional issues set out below in to revised text.

### London-wide social value Priorities

Recommendation 4 of the LSDC Report (June 2022) relates to improving local authority capacity to demand, monitor and assess social value delivery across development and regeneration. This includes the medium-term action (to be delivered by local authorities) to target existing funding streams such as CIL and Section 106, ensuring greater transparency and direction towards social value impact. Whilst this is not identified as an action for the GLA to take forward, it is considered that the London Plan could play a role in achieving this.

Current London Plan Policy DF1 (D) makes clear that in situations where it has been demonstrated that planning obligations cannot viably be supported by a specific development, applicants and decision-makers should firstly apply priority to:

- affordable housing and necessary public transport improvements; and then
- recognise the role large sites can play in delivering necessary health and education infrastructure; and then
- recognise the importance of affordable workspace, and culture and leisure facilities in delivering good growth.

It is recommended that the Mayor reviews the planning obligations priorities in Policy DF1 (D) and confirms or revises these, as appropriate, and cross refers these to the recommended social value golden

## 02. Embedding Social Value in the London Plan

thread policy. This will provide the necessary strategic framework to enable boroughs and Neighbourhood Fora to identify local social value priorities.

### Neighbourhood CIL

Current London Plan Policy DF1 (E) encourages boroughs to take account of the infrastructure prioritisation in Part D in developing their Community Infrastructure Levy (CIL) Charging Schedule and determining the infrastructure that will be funded through borough CIL. However, it does not refer to the 'neighbourhood portion.'

All boroughs are able to charge CIL to fund strategic infrastructure requirements – such as additional school places, health facilities, open space etc. subject to the need for infrastructure being identified in a borough's annual Infrastructure Funding Statement. However, a proportion of Borough CIL, known as a 'neighbourhood portion' must be used in consultation with communities where development has taken place. There is greater flexibility of use in relation the 'neighbourhood portion,' which may be spent on non-infrastructure related items that address "the demands that development places" on a local area."

The 'neighbourhood portion' is at least 15% of the total Borough CIL, increasing to at least 25% where development is also within an area that has a neighbourhood plan in place. A number of boroughs have established a participatory budgeting model, to establish priorities for investment and some have decided to set aside more than the minimum required proportion as the 'neighbourhood portion'. These include Lambeth and its Neighbourhood CIL delivery framework, Southwark and its Community Investment Plans and Newham through its Community Assemblies and People Powered Places programme. Participatory budgeting models empower local people to directly impact decisions on spending and provides opportunities to deliver social value measures in terms of Social cohesion as well as tangible physical improvements that help deliver better places.<sup>1</sup>

### Land Commissions

In February 2023, LB Southwark established a Land Commission to identify how more land in Southwark can be freed up for public good, including quality green space, food growing, active travel and genuinely affordable housing. Land Commissions and the actions that come from their findings are considered

as good ways of exploring mechanisms for maximising social value measures and it is recommended that boroughs are encouraged to establish one for their area.

### London Community Land Trust

The London Community Land Trust (CLT) is a community-led non-profit organisation working with local people to create genuinely and permanently affordable homes and community spaces, putting Londoners back in charge of how our neighbourhoods' change. The Trust currently has 10 live projects across 6 London boroughs, with 34 homes built to date and a pipeline of 150+ new homes in development. There is the opportunity to refer to the Trust as one of the ways of delivering Good Growth.

## Recommendation 4

**Clarify potential social value measures to illustrate the different ways in which social value can be delivered as part of the planning and development process**

**Why this is needed:**

Stakeholders do not always recognise the ways in which social value can be generated, retained, enhanced and/or incorporated into projects.

**This recommendation will improve social value by:**

- helping planners, developers, and community members identify opportunities to maximise social impact and ensure that development projects contribute positively to the well-being of the community.
- enabling decision-makers to prioritise projects that deliver the most significant social returns

**Recommended actions:**

- (a) The London Plan should include indicative social value measures
- (b) The Mayor should review existing policies and supporting text to respond to evolving planning challenges and to maximise social value
- (c) The London Plan should ensure that any topic-based policies include explicit reference to social value where appropriate

### Include indicative social value measures

Social value measures will vary from scheme to scheme and it is not possible to provide a definitive list. However, it is important to establish potential 'social value measures' in a way that is consistent with the requirements of spatial and topic-based policies and explained in the associated supporting text and which can be applied by the implementation/delivery and monitoring policies of a new London Plan.

Tables 1 and 2 in the subsequent pages of this document provide a non-exhaustive list of indicative social value measures based on:

- Safeguarding/enhancing the social value of existing uses, facilities and features that are identified by policy and local people as being important; and
- Delivering uses, facilities and features (either directly or by way of s106 financial contributions or CIL) and undertaking community engagement processes that addresses the social value needs of a particular place.

These are broken down by economic, social and environmental measures. While this list provides an opportunity to think about how social value can be safeguarded, generated and measured at different scales, it is also important to stress that measures should be defined locally and with local communities.

The quality of these social value measures in planning policy is crucial, as their mere existence does not guarantee their effectiveness in delivering social value. Well-defined, measurable, and relevant social value measures can make a significant impact on the communities they serve. Such measures should be tailored to the specific context of the development project, aligned with the overall goals of the planning policy, and regularly reviewed and updated to ensure their ongoing relevance and effectiveness. By prioritising quality, stakeholders can ensure that social value measures are truly making a positive difference in the communities they impact.



### Review existing spatial-based policies to maximise social value

Chapter 2 of the current London Plan provides a strategic framework for those parts of London that will see significant development over the lifetime of the Plan, and addresses how change will be managed for London's most sensitive and complex places.

The Mayor will want to review whether to remove existing areas of change (where significant development has largely taken place) or add new areas of change (where significant development is anticipated) and revise existing spatial-based policies and supporting text to respond to the evolving planning challenges that particular parts of London face. It is recommended that these terms are referred to where they would help explain what Good Growth should look like in these particular places and justify policy objectives.

#### Strategic and local regeneration

This could be particularly relevant for Policy SD 10 (Strategic and local regeneration). Part C of this policy states that "Development Plans, Opportunity Area Planning Frameworks and development proposals should contribute to regeneration by tackling inequalities and the environmental, economic and Social barriers that affect the lives of people in the area, especially in Strategic and Local Areas for Regeneration."

For example, there is the opportunity to revise supporting text 2.10.2 as follows...

"In order for regeneration initiatives to contribute to Good Growth it is important that they tackle poverty, disadvantage, inequality and the causes of deprivation, address Social, economic and environmental barriers and benefit existing residents and businesses in an area. Regeneration can take many forms and involve changes of different scale and with different impacts, depending on the needs of local communities and the character of the area. Often regeneration will take the form of incremental improvements over a number of years, involving a range of projects and initiatives, such as providing affordable workspace, creating more accessible and welcoming public realm, or investing in training and employment opportunities for local residents. Where

proposed, large-scale development in Areas for Regeneration should seek to reduce inequalities.

To help ensure this, the Mayor will and boroughs should help increase the capacity of local communities in Strategic Areas for Regeneration and Local Areas for Regeneration to engage effectively in the planning process (including the preparation of OAPFs) and work with them, so that they are better able to identify existing uses, facilities and features that provide significant social value and identify local priorities for additional social value measures."

### Review existing topic-based policies to include explicit reference to social value

Chapters 3 to 10 of the current London Plan covers a full range of topic-based policies. The Mayor will want to revise these policies and supporting text to respond to the evolving planning considerations. It is recommended that these terms are referred to where they would help explain what Good Growth should look like and justify policy objectives. It would also be helpful if, when reviewing policy and text, that it is always clear how 'social value measures' are to be measured – to help with future monitoring.

#### Earlier LSDC recommendations

Recommendation 2 of the LSDC Report (June 2022) relates to emphasising the role of place and spaces in delivering social value. This includes the following short and medium-term actions (to be delivered by various sectors): (a) Recognise and protect buildings, places and Social infrastructure that support community networks and create social value; (b) Ensure integration between development projects and existing and surrounding places; and (c) Support the creation of on-site resources embedded in development and regeneration processes providing a physical meeting place for stakeholders. The Mayor's Characterisation and Growth Strategy LPG (June 2023), which provides guidance on interpreting and delivering current London Plan Policies D1 (London's form, character and capacity for growth) and D2 (Infrastructure requirements for sustainable densities), largely addresses action points (a) and (b).

## 02. Embedding Social Value in the London Plan

### Best practice review and qualitative research

The best practice review findings demonstrates that social value is explicitly referred to in policies in adopted and emerging Borough Local Plan policies and adopted planning guidance relate to the following topics:

- Protection of public houses
- Affordable Workspace
- Protection of community/cultural assets
- Retail markets
- Heritage
- Planning obligations
- Consultation/engagement

In addition, workshop participants stressed the importance of ensuring that existing open space and Public Realm is either retained/enhanced or, where loss/reconfiguration is justified, that replacement open space and Public Realm is provided.

### Priority topics

All topic based policies and supporting text will need to be reviewed and revised as necessary to include necessary references to social value and social value measures. However, the earlier LSDC recommendations, best practice review findings, the workshops and the updated NPPF and other factors suggest that it could be particularly relevant to review and, where necessary, adjust the following topic-based objectives, policies and supporting text:

- Policy S1 (Developing London's Social infrastructure)
- Policy E3 (Affordable workspace)
- Policy E9 (Retail, markets and hot food takeaways)
- Policy HC 1 (Heritage conservation and growth)
- Policy HC 5 (Supporting London's culture and creative industries)
- Policy HC 7 (Protecting public houses)
- Policy G4 (Open space)
- Policy S1 2 (Minimising greenhouse gas emissions)
- Policy S1 3 (Energy infrastructure)

## New topic-based policies

The Mayor will want to bring forward additional topic-based policies to respond to the evolving planning challenges that London faces. In the light of the Government's July 2023 decision to refuse planning

permission for the proposed re-development of the Oxford Street Marks and Spencer store (APP/X5990/V/3301508 (subsequently rescinded by the High Court) and the interest by some boroughs in a 'retrofit first' approach, this could include the extent to which the potential retention, refurbishment and re-use of existing buildings is investigated before redevelopment is proposed.

Therefore it is recommended that any additional topic-based policies and associated supporting text, together, make clear when existing uses, facilities and features are to be retained/enhanced and define the 'social value measures' that are expected to be delivered by the policy and how these are to be measured.

## 02. Embedding Social Value in the London Plan

Economic measures	Social measures	Environmental measures
<b>(a) Safeguarding/enhancing the social value of existing uses, facilities and features that are identified by policy and local people as being important</b>		
<ul style="list-style-type: none"> <li>- Strategic Industrial Locations (E5)</li> <li>- Locally Significant Industrial Locations (E6)</li> <li>- Non-designated industrial locations (E7)</li> <li>- Business space, workspace retail space, retail markets, support services, visitor accommodation etc. where in identified industrial locations, town centres or designated clusters (E1, E3, E4, E8, E9, E10)</li> </ul>	<ul style="list-style-type: none"> <li>- Different forms of housing (H1-H9)</li> <li>- Affordable housing (H4 to H8)</li> <li>- Social infrastructure, community/cultural facilities and venues (D13, S1, S2, S3)</li> <li>- Other night-time economy uses (HC6)</li> <li>- Public houses (HC7)</li> </ul>	<ul style="list-style-type: none"> <li>- Open space and Public Realm (G4)</li> <li>- Green Belt/Metropolitan Open Land (G2, G3)</li> <li>- Nature conservation sites (G6)</li> <li>- Trees and woodlands (G7)</li> <li>- Setting of above ground heritage assets (HC1, HC2)</li> <li>- Archaeological assets (HC1)</li> <li>- Designated strategic and local views (HC3, HC4)</li> <li>- Geodiversity sites (G9)</li> <li>- Waste sites (SI9)</li> <li>- Aggregates sites (SI10)</li> <li>- Water supply infrastructure (SI15)</li> <li>- Waterways and strategic wharves (SI14, SI15)</li> <li>- Land currently used or needed for future public transport/ active travel (T3)</li> </ul>

Table 1. Indicative social value outputs based on safeguarding/enhancing the social value of existing uses, facilities and features that are identified by policy and local people as being important.

## 02. Embedding Social Value in the London Plan

Economic measures	Social measures	Environmental measures
<b>(b) Delivering uses, facilities and features (either directly or by way of s106 financial contributions or CIL) and undertaking community engagement processes that addresses the social value needs of a particular place</b>		
<ul style="list-style-type: none"> <li>- Provision of business &amp; economic activity &amp; floorspace (E1, E2, HC5)</li> <li>- Contribution to clusters of specific sectors or interrelated businesses (E1, E2 &amp; E8)</li> <li>- Provision of 'affordable workspace' (E3)</li> <li>- Industrial intensification, co-location or substitution (E4)</li> <li>- Provision of visitor accommodation (E10)</li> <li>- Provision of high quality jobs that pay at least London Living Wage (E11)</li> <li>- Provision of training/ apprenticeships (E11)</li> <li>- Securing local sourcing of goods &amp; services (E11)</li> <li>- Contributing towards digital connectivity (SI6)</li> <li>- Contribution towards strong town centres/high streets (including markets) (E9)</li> </ul>	<ul style="list-style-type: none"> <li>- Provision of intangible improvement in health and well-being (GG1, GG3)</li> <li>- Effective community engagement that influences outcomes (GG1, D4)</li> <li>- Contribution towards strong character/local identity (D1)</li> <li>- Provision of secure and safe places (D3, D11, D12)</li> <li>- Provision of inclusive &amp; diverse places (D4, D5)</li> <li>- Provision of meanwhile uses &amp; activities (SD7, D8, H3, HC5, G8 etc.)</li> <li>- Provision of cultural uses &amp; venues (D3, S1, HC5)</li> <li>- Provision of community uses &amp; facilities (D3, S1)</li> <li>- Provision of education &amp; childcare uses &amp; facilities (D3, S1, S3)</li> <li>- Provision of health care uses &amp; facilities (D3, S1, S3)</li> <li>- Provision of free drinking water facilities (D8)</li> <li>- Provision of publicly accessible areas in tall buildings (D9)</li> <li>- Provision of a range of high quality housing types &amp; tenures<sup>1</sup> (D6, D7, H1-H16)</li> <li>- Provision of 'Affordable Housing' that addresses London-wide and local needs (H5 to H7)</li> <li>- Estate regeneration (H8)</li> <li>- Contribution towards creating mixed &amp; inclusive communities (H1-H16)</li> <li>- Provision of play space (S4)</li> <li>- Sports &amp; recreation facilities (S5)</li> </ul>	<ul style="list-style-type: none"> <li>- Provision of intangible improvements in local character (D1, D3)</li> <li>- Re-use/high-quality retrofit of existing buildings (D1, D3)</li> <li>- Provision of new high quality buildings &amp; places (D1, D3)</li> <li>- Provision of new open space &amp; Public Realm (D3, D8, G1, G4)</li> <li>- Improved connections with local area (D8)</li> <li>- On-going management &amp; maintenance of communal/ publicly accessible buildings, features &amp; space (D6, D8, S6, G4, G5, G6, SI12 etc.)</li> <li>- Re-use/refurbishment of heritage assets (HC1, HC2)</li> <li>- Urban greening (G5)</li> <li>- Facilitating a net gain in biodiversity (G6)</li> <li>- Provision of local food growing spaces (G8)</li> <li>- Incorporation of flood resilience &amp; provision of sustainable drainage (SI12, SI13)</li> <li>- Features that adapt &amp; mitigate climate change – including carbon dioxide savings &amp; meeting 'net zero' (SI2)</li> <li>- Provision of energy infrastructure that helps mitigate climate change (SI3)</li> <li>- Provision of features that manage heat risk (SI4)</li> <li>- Provision of features that lead to an improved noise environment (D14)</li> <li>- Provision of features that help improve air quality (SI1)</li> <li>- Features &amp; processes that help reduce waste &amp; support a circular economy (SI7)</li> </ul>

## 02. Embedding Social Value in the London Plan

	<ul style="list-style-type: none"> <li>- Provision of public toilets (S6)</li> <li>- Provision of burial space (S7)</li> <li>- Enabling healthy lifestyles (GG3, E9, HC5, S11, T2 etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Contribution towards strategic target of 80% of all trips to be made by foot, cycle or public transport (T1)</li> <li>- Contribution towards achieving 'healthy streets' (T2)</li> <li>- Support for improvements in capacity/connectivity of public transport (T3, T4)</li> <li>- Support for walking and cycling (inc. parking &amp; cycle hire) (T2, T5)</li> <li>- Support for water transport (S115)</li> <li>- Provision &amp; management of Electric Vehicle Charging Points &amp; Ultra-Low Emission vehicles (T6)</li> <li>- Provision of disabled persons, car club &amp; parent &amp; child parking spaces (T6, T6.1-T6.6)</li> <li>- High-quality delivery &amp; servicing arrangements (T7)</li> </ul>
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Table 2. Indicative social value outputs based on delivering uses, facilities and features (either directly or by way of s106 financial contributions or CIL) and undertaking community engagement processes that addresses the social value needs of a particular place.

<sup>1</sup> Including Build to Rent, supported and specialist accommodation, specialist older persons housing, gypsy and traveller accommodation, student accommodation and large-scale purpose-built shared living (Policies H11 to H16) where this meets standards set out in the London Plan Policy D6 and Housing Design Standards LPG (June 2023), where relevant.



## Recommendation 5

**Provide clarity and suggestions on how to measure, monitor and enforce social value, taking into account ways of capturing the social value added, lost and retained**

### Why this is needed:

The Mayor and the boroughs must be informed about the effectiveness of policies and be ready to revise them if necessary. All stakeholders must have confidence that development schemes maintain, enhance, and deliver the agreed-upon social value.

### This recommendation will improve social value by:

- fostering a more transparent and accountable planning process that prioritises community well-being
- enhancing the actualisation of social benefits and ensuring that projects effectively deliver their intended social impacts
- creating consistency in the way in which projects are evaluated across the capital
- recognising how much and the types of social value local stakeholders stand to gain - or lose - as part of a development

### Recommended actions:

- (a) The London Plan should adopt a policy-based approach to measuring social value
- (b) The London Plan should adopt a development scheme and policy monitoring approach
- (c) The Mayor should support boroughs in enforcing agreed social value commitments or agreeing alternative commitments relating to approved 'referable' schemes

## A policy-based approach to measuring social value

There are a number of ways in which social value could be measured. This section discusses the merits of the National Themes, Outcomes and Measures (TOMs) Measurement Framework before recommending an alternative 'policy-based approach.'

### National Themes, Outcomes and Measures

The Social Value Portal and its National Social Value Taskforce have developed a National Themes, Outcomes and Measures (TOMs) Measurement Framework. This includes 20 outcomes across five themes with 40 core measures. The measurement framework seeks to ensure that social value activities can be measured to evidence the social value they are creating. To this end, TOMs include financial 'proxy values' for many (but not all) of the measures to help organisations estimate and measure the value delivered (in monetary terms) and quantify the wider value created for society.

Whilst a national framework for consistent measuring and reporting social value has its benefits, particularly for prospective developers to help them address social responsibility obligations and 'monetise' the perceived benefits of a proposed development, there are a number of issues that make the use of TOMs in London problematic and make them inappropriate for measuring social value in the capital. These include:

- They are reductive – seeking to reduce the rich tapestry of factors that make up social value to an overall monetary figure. In doing so, they miss the essence and spirit of social value. For example, they do not seek to measure or attribute a financial Value to broader intangible Social and well-being factors, such as enhancing local character (e.g. retaining a significant tree or trees or retaining a culturally significant landmark building or independent shops that serve the particular needs of a community) or enhancing health and well-being (e.g. improving connectivity with green space/nature by improving a walking route to a local school or community facility);
- An overall monetary measure of social value does not help in planning decision-making. However impressive a headline figure may sound; it does

## 02. Embedding Social Value in the London Plan

not answer the question ... “is this the maximum reasonable amount that could be delivered by this proposed development scheme at this time?” The maximum reasonable amount will vary from scheme to scheme and vary according to site capacity and viability considerations;

- There are no TOMs for housing or affordable housing, which are not considered to provide social value (whereas both are included in the recommended indicative list social value measures);
- TOMs relate only to the social value measures that would be delivered by a proposed development. As such, the Measurement Framework does not take account of any existing uses, facilities or features that are on a site (e.g. non-residential floorspace and associated jobs, social infrastructure, green open space/public realm etc.) or, due to its omission as a TOM, any existing housing. This exclusive focus on gross social value measures means that the Measurement Framework exaggerate the proposed social value of proposed ‘brownfield schemes.’ Planning decisions are based on the net effect of a proposed development, taking account of existing uses and facilities that would be lost and so measuring social value in accordance with the TOMs would not help decision-making.

In addition to the principal concerns outlined above, the Measurement Framework includes a number of proxy values that are inappropriate in a London context. These include:

- Employment - TOMs NT3, 3d, 4, 4a, 5, 6, 8 and 76 valuations of Full Time Equivalent (FTE) jobs do not appear to take account of the London Living Wage, which the Mayor supports and a number of boroughs require as part of their employment and training commitments; and
- Carbon-offsetting - TOMs NT31 and NT 32 Values carbon savings at £244/63/tCO<sub>2</sub>, whereas the London Plan (Footnote 195) used £95/tonne for viability testing of policies and this is the default value used by boroughs (unless they have adopted an alternative justified figure).

### Policy-based approach

An alternative, policy-based approach, seeks to address the identified shortcomings of the National TOMs Measurement Framework.

As previously outlined, social value is framed around social value measures that contribute to the delivery of Good Growth. These measures will vary from scheme to scheme. Most will be able to be measured using appropriate metrics (e.g. square metres of additional Public Realm). It is important, therefore, that London Plan policies and supporting text, together, clearly define the ‘social value measures’ that are expected to be delivered by the policy and how these are to be measured.

However, it is not possible to precisely measure broader intangible Social and well-being measures, such as those cited when discussing the appropriateness of TOMs above. Such intangible social value measures can only be measured by narrative that captures their existing or proposed beneficial effect. It is important, therefore, that a brief narrative is included in officer reports on the loss and gains of intangible social value characteristics that would be likely to result if planning permission is granted and how any losses could be mitigated.

When discussing how best to define social value, recommendation 2 of the LSDC Report (June 2022) emphasises the importance of ‘place’ and social value and includes the medium-term action to develop ways to measure lost social value. This is important for two reasons. Firstly, it recognises the significance that local people attribute to a particular existing facility or intangible feature. Secondly, it acknowledges that planning decisions are based on the ‘planning balance’ or the net effect of a proposed development, taking account of existing uses, facilities, spaces, buildings, trees etc. that would be lost and those that would be provided.

Therefore, recommended actions to help embed a policy-based approach to measuring social value include:

- Use metrics identified in spatial or topic-based policies and supporting text for measuring social value where appropriate;
- Ensure that all spatial and topic-based policies and associated supporting text, together, clearly define the ‘social value measures’ that are expected to be delivered by the policy and how these are to be measured;
- Use a narrative approach in a Planning Statement or a social value Self-assessment Statement (where required) to define existing intangible social value; and

## 02. Embedding Social Value in the London Plan

- Adopt a ‘Balance sheet approach,’ that accounts for both losses and gains of social value.

### A development scheme and policy monitoring approach

Two types of monitoring are required:

- Development Scheme Monitoring – ensuring that social value commitments for individual schemes are delivered and, where appropriate, that, once operational, their on-going performance meets commitments; and
- Policy Monitoring – monitoring the effectiveness of London Plan policies in delivering social value

#### Development Scheme Monitoring

##### *Delivery*

Boroughs will need to use their internal monitoring procedures to ensure that any retained or enhanced uses, facilities or features and social value measures secured by way of planning condition or s106 planning obligation are delivered in accordance with the terms of the agreement/condition. Most agreements place obligations on the developer to formally notify the borough at agreed milestones of the development (linked with triggers to undertake certain things or make certain payments) and most boroughs have a dedicated ‘s106 compliance officer.’ Boroughs will also need to use their internal monitoring procedures to ensure that relevant infrastructure schemes that are funded by Community Infrastructure Levy (CIL) or a replacement Infrastructure Levy are delivered how and when they are supposed to be.

Section 106 planning obligations, s278 Highway Agreements and OIL payments are formally and publicly monitored and accounted for in a borough’s annual Infrastructure Funding Statement (IFS), required by the CIL Regulations 2010 (as amended). However, it should be noted that IFSs are not required to report on non-monetary social value measures that are secured by way of planning conditions and these will need to be either incorporated voluntarily in an IFS or accounted for separately.

Separately, the Mayor publishes a Mayoral CIL Annual Return Overview (required by the CIL Regulations) which sets out the amount of money collected and transferred to TfL by each borough for use in helping to fund the Elisabeth Line and proposed Crossrail 2 (Mayoral CIL 1 and 2 respectively).

##### *Environmental performance*

A number of topic-based policies in the current London Plan require on-going monitoring to ensure that planning commitments are being delivered. These include Policies SI 1 (Improving air quality), SI 2 (Minimising greenhouse gas emissions), which requires on-going reporting on energy performance for at least five years and SI 7 (Reducing waste and supporting the circular economy), which requires on-going monitoring and reporting for ‘referable’ sized schemes only. In both cases, the Mayor has prepared draft s106 heads of terms and condition to secure such monitoring/reporting. Performance monitoring for other topic-based policies is not considered necessary.

Post-occupancy survey. Recommendations 3 of the LSDC Report (June 2022) relates to providing tools and resources to support evidence-based decision making. This includes the medium-term action (to be delivered by communities, local authorities, development, ‘corporation developers and housing associations) to develop evaluations of social value impacts over time. Similarly, RIBA’s social value Toolkit (2020) calls for post occupancy evaluations to be carried out after a minimum of one year of occupancy.

The first difficulty with what on the face of it sounds like a sensible way of unlocking a virtuous cycle of continuous learning and improvement, is that most developers (particularly residential developers) do not retain a long-term interest in development. They build, sell and move on. The second difficulty is the experience of the Old Oak and Park Royal Development Corporation (OPDC) in its unsuccessful attempt to bring forward a policy requirement for post-occupancy surveys in its Local Plan (the policy did not stand up at Examination and was subsequently deleted).

Given the experience of the OPDC in seeking to include the submission of a post-occupancy survey as a policy requirement in its Local Plan, it is not considered appropriate to seek to require such surveys as a policy requirement in a new London Plan. However, there is scope for GLA officers, the

## 02. Embedding Social Value in the London Plan

Mayor/Deputy Mayor, occupiers and local people to informally visit a selection of 'referable' schemes once they are built and occupied to learn lessons on how social value can best be delivered over time. There is also the opportunity for Borough officers and councillors to informally visit a selection of 'major' schemes to learn lessons.

### Policy Monitoring

#### Background

*The Mayor is required to monitor the implementation of the London Plan (Section 346 of the GLA Act 1999). The NPPF (July 2021) does not provide any specific policy in relation to monitoring policy, although paragraph 33 makes clear that policies in spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary.*

*Recommendation 5 of the LSDC Report (June 2022) relates to delivering social value consistently through London-wide policy. This includes the short-term actions (to be delivered by the GLA) to (a) specifically monitor the delivery of social value through the Annual Monitoring Report and use this to inform implementation of the Plan, the development of planning guidance and future reviews of the London Plan and (b) monitor how 'Good Growth' as expressed in the London Plan delivers social value outcomes across London through the planning system to provide an evidence base to inform implementation and future reviews of the London Plan.*

*In May 2022, the Mayor approved an Annual Monitoring Report (AMR) monitoring framework template. The template (1.1.4) makes clear that the AMR does not attempt to measure and monitor each Plan policy. The reason given are that this would (a) not recognise the complexity of planning decisions which are based on a range of different policies (b) could be unduly resource-intensive, and (c) would raise considerable challenges in setting meaningful indicators for which reliable data would be available.*

*Chapter 1 of the AMR template includes monitoring against the following 12 KPIs that are identified in London Plan Policy M1:*

- KPI – Supply of new homes. Increase in the supply of new homes over the period (monitored against housing completions and the net pipeline of

approved homes), towards meeting the 66,000 net additional homes needed each year up to March 2029.

- KPI 2 – Supply of affordable homes. Positive trend in percentage of planning approvals for housing that are affordable housing (based on a rolling average).
- KPI 3 – Supply of office capacity. Pipeline of planning permissions for office floorspace is at least three times the average office floorspace construction started over the previous three years.
- KPI 4 – Supply of affordable workspace. Positive trend in affordable B1 workspace as a share of total B1 floorspace in planning approvals (based on a rolling average).
- KPI 5 – Availability of industrial land. No overall net loss of industrial and warehousing floorspace in London (B1c, B2 and B8) in designated industrial locations (based on a rolling average).
- KPI 6 - Protection of Green Belt and Metropolitan Open Land. Harm to the Green Belt and Metropolitan Open Land prevented through the referred application process
- KPI 7 Carbon emissions through new development. Average on-site carbon emission reductions of at least 35%, compared to Building Regulations 2013 for approved referable development applications.
- KPI 8 Modal share. Increasing mode share for walking, cycling and public transport (excluding taxis) towards the target of 80 per cent by 2041.
- KPI 9 Londoners engaging in active travel. Positive trend in provision of cycle parking (based on a rolling average) to support the target of all Londoners doing two ten-minute periods of active travel a day by 2041.
- KPI 10 Air quality. Positive trend in approved referable development applications demonstrating that they meet at least air quality neutral standard for emissions (based on a rolling average)
- KPI 11 Impact of development on London's heritage. Positive trend in the reduction of harm and/or an increase in benefits to designated heritage assets in approved referable development applications (based on a rolling average).

## 02. Embedding Social Value in the London Plan

- KPI 12 Provision of cultural infrastructure. No net loss of culture venues and facilities (based on a rolling average)

Whilst none of the current KPIs refer explicitly to social value, they all relate to potential social value measures and are all relevant to monitoring the delivery of social value and Good Growth.

Other chapters in the AMR template cover the following:

- Chapter 2 – Data and performance measures (Housing, Non-residential, Growth patterns and sustainability)
- Chapter 3 – Opportunity Areas - Specified data, separately monitored by Opportunity Area (housing numbers and delivery over time, affordable housing, non-residential floorspace, affordable workspace, planning policy mechanisms (e.g. SPDs), green space designation changes, new Social infrastructure, use of design review panel, narrative regarding delivery performance.
- Chapter 4 – Referable applications (Referable application data (stage, decision, borough), referable application outcomes, public involvement at Stage 3 and submission of a Circular Economy Statement.
- Chapter 5 – Good Growth objectives (Narrative assessment of progress on achieving the six Good Growth objectives;
- Chapter 6 – Social, environmental and economic Value and equality impacts, namely:
  - 'social value';
  - sustainable environmental performance;
  - inclusive economic growth Value and significant; and
  - unanticipated equality impacts.

### Potential alternative policy monitoring approaches

A number of possible alternative approaches to monitoring social value were identified at the Workshops. Participants at Workshop 1 (24 July 2023) referred to the GLA Intelligence Unit's Quality of Life Indicators and health determinants identified for Health Impact Assessment (HIA) as possible basis for measuring and monitoring social value. A participant at Workshop 2 (25 July 2023) referred to the Organisation for Economic Co-operation and Development (OECD) Framework for Measuring Well-Being and Progress as a further alternative.

### *Quality of Life (QoL) Indicators*

The QoL Indicators were developed in 2004 under the auspices of the LSDC with a focus on answering the question, "how do we know if London is making progress towards becoming a sustainable world city? The LSDC published a series of report, with the last one in December 2017.

### *Health determinants*

An approach to using health determinants in planning assessment is set out in 'HIA in spatial planning: A guide for local authority public health and planning teams', Public Health England, October 2020'.

### *OECD Framework*

The OECD Framework is built around three distinct components: current well-being, inequalities in well-being outcomes, and resources for future well-being. Participants at Workshops 1 and 3 confirmed that the Liverpool City Region Combined Authority is developing a framework based on this approach for assessing draft policy options and monitoring progress on implementing social value policies based on this. It is understood that this Framework was chosen because it was considered to be credible, universal, based on accessible language and translatable across projects.

### **Assessment of potential alternative policy monitoring approaches**

To be effective and to maximise the likelihood of objectives and policies that explicitly refer to social value being found sound by the Planning Inspectorate and accepted by the Secretary of State, it is recommend that social value is clearly defined and positioned in relation to the concept of 'Good Growth', which is the way in which sustainable development in London is to be achieved.

The QoL Indicators have been superseded by the Mayor's 'State of London' reports, which have been published annually since 2022. A number of the measures identified in the QoL Indicators have been superseded by policy requirements in the current London Plan e.g. carbon dioxide emissions and include a number of general well-being indicators that go beyond the Good Growth objectives and policy requirements of the current London Plan (e.g. 'happiness' and 'satisfaction with London') and are not



## 02. Embedding Social Value in the London Plan

appropriate.

Likewise, The OECD Well-being Framework includes a number of indicators that are not directly related to Good Growth objectives or policy requirements (e.g. 'Work-life balance') and are not considered appropriate.

In contrast, all of the health determinants suggested in the overleaf are addressed in either Good Growth objectives or topic-based policies in the current London Plan and, as such, are within the scope of the Mayor's AMR framework (including a number of KPIs). However, social value is not confined to these health determinants, so by themselves, they would not provide an appropriate monitoring framework

### Recommended approach to policy monitoring

The Mayor's AMR monitoring framework template (May 2022), including the proposed narrative approach to monitoring social value, is generally considered to represent a reasonable and proportionate way of monitoring the delivery of policies in a new London Plan. There are two recommended adjustments:

- Include social value Self-assessment Statements, required in relation to 'referable' applications by the recommended Maximising social value policy as a document to be monitored; and
- Given the need to take account of existing intangible social value and the complexity of social value measures, it is considered that the recommended Maximising social value policy could only reasonably be monitored in relation to 'referable' applications, where GLA officers would be privy to key application material, proposed planning conditions and proposed s106 planning obligations.

## Enforcement of social value commitments

Boroughs are responsible for enforcing planning conditions - see Development Scheme Monitoring above. However, it should be noted that applicants can seek to remove or change planning conditions and applicants are able to appeal against borough decisions on such applications. In addition to

defending social value secured by condition, boroughs also need to safeguard against developers using post approval value engineering to dilute social value by way of Material Amendment (s73) and/or Non Material Amendment (s96a) applications.

If a s106 obligation to provide a particular social value output is not complied with, it is enforceable against the person(s) that entered into the obligation (subject to any 'walkaway clauses' agreed in the s106 agreement) and any subsequent owner of the land or anyone with a legal interest in the proposed scheme, including leaseholders and mortgagees in possession.

S106 obligations are enforceable by the borough (or Mayor where they are a signatory to an agreement), either through the courts by application for an injunction or by carrying out any operations required by the planning obligation and recovering the cost from the person(s) against whom the obligation is enforceable. They can also be enforced using usual contractual remedies.

There is a difficulty when, despite all reasonable efforts (or any higher threshold that is included in a s106 Agreement), it has been accepted by the borough/Mayor that the developer cannot deliver an agreed social value measure. This could be for a number of reasons, such as a named beneficiary organisation going out of business or further detailed design work demonstrating that an approved scheme is not able to be built or would not meet changing regulations. In such circumstances, it is possible for boroughs/Mayor to enter in to a Deed of Variation to change the terms of a Section 106 Agreement (and the nature or size of social value output).

Where a Deed of Variation would not be capable of satisfactorily remedying the situation, it is not open to a borough or the Mayor to seek punitive penalties to punish a developer for non-delivery of an agreed social value measure(s). However, in such circumstances, it may be possible to agree alternative equivalent in-kind provision or financial contribution. It may also be possible to agree a financial contribution to a social value Fund, such as Lambeth's 'Changing Lives' programme, a social value programme built on partnerships between the Borough and the private sector companies that it uses to provide services to residents, on its behalf.

## Recommendation 6

**Ensure that the communication of social value in London planning policy is clear and accessible and avoids the use of jargon**

### Why this is needed:

Understandings of social value in planning policy can often be hindered by technical or unclear language. The London Plan needs to be approachable and to help foster meaningful engagement, facilitating informed decision-making - ultimately leading to more equitable and beneficial outcomes for all involved.

### This recommendation will improve social value by:

- increasing understanding and engagement by making the concept of social value more accessible to a wider audience including communities, developers and policy makers
- eliminating ambiguity and ensuring a consistent approach regarding social value expectations and goals

### Recommended actions:

(a) The Mayor should prepare a social value topic paper to support embedding social value into the London Plan.

(b) The Mayor should develop an engaging and visual web-based London Plan which can be more accessible and understandable to all Londoners.

(c) The London Plan should be prepared using a social value policy self-assessment checklist to ensure that all policies maximise social value.

### Prepare a social value topic paper to support embedding social value into the London Plan

The NPPF (para. 31) makes clear that all policies should be underpinned by relevant and up-to-date evidence, and that this should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.

The importance of justifying the embedding of social value in to the London Plan and the role that any social value policy will have in decision-making was underlined by the Planning Inspectorate's Report in to the LB Islington Local Plan and the conclusion that (a) the submitted topic paper does not provide sufficient evidence to justify a proposed policy to promote social value and (b) that the wording of the proposed policy was ambiguous, meaning that it was not clear how a decision maker should use the policy in making decisions.

Building on this and other LSDC reports, the Mayor is recommended to develop a detailed social value topic paper as part of the evidence base for a new London Plan to help the Planning Inspectorate conclude that a proposed social value policy complies with legal and procedural requirements and as such is 'sound'. This topic paper should:

- Draw on 'State of London' reports and other data sources to help justify the need to maximise social value (drawing on the benefits identified above);
- Explain the relationship between social value measures, Sustainable Development and Good Growth;
- Explain how Recommendation 2 of this report will meet the objectives for embedding social value in to a new London Plan; and
- Outline any viability implications of maximising social value measures from development (cross referring to a Viability Assessment of the Plan as a whole).

### Develop an engaging and visual web-based London Plan which can be more accessible and understandable to all Londoners

The NPPF (para. 16) makes clear that, amongst other things, plans should be accessible through the use of digital tools to assist public involvement and policy presentation. Chapter 3 of the Government's current consultation on plan-making reforms (July

## 02. Embedding Social Value in the London Plan

2023), discusses the ambition to bring planning and plan making into the digital age. It seeks to transform how things are done; to provide faster, simpler, more accessible plans and policies to deliver better outcomes, informed by up-to-date data and shaped more actively by communities and other stakeholders.

Such reforms provide an opportunity for the Mayor to develop a web-based London Plan which will further help Londoners engage in the process and influence policy and make the resulting document more understandable and transparent. These are, in themselves desirable social value measures.

There is also the opportunity to make greater use of visual tools (diagrams, infographics and precedent images) to help explain technical issues and complicated ideas.

### **Develop a social value policy self-assessment checklist to ensure that all policies maximise social value**

It is common for planning officers to develop and use self-assessment tools to help them draft policy and supporting text. There is the opportunity to develop a social value Policy Self-Assessment Checklist (or adapt any existing Good Growth Checklist) to help those reviewing existing policies and drafting new policy and associated text to keep social value and how policy is expected to contribute to achieving Good Growth at the front and centre in their thinking. The following should be considered as an integral part of developing and drafting all spatial and topic-specific London Plan policies and supporting text:

1. What are the relevant social value measures that are expected to be delivered by the policy;
2. How will the social value measures be delivered and in what phase of the life cycle of the development (design, meanwhile use, construction, in use: property management and in use: occupation);
3. How will the identified social value measures be measured and monitored?; and
4. What options (reasonable alternatives) have been considered and rejected and why.

This proposed checklist will need to be integrated with and sit alongside other self-assessment checklists and formal assessments that are used to develop and draft London Plan policy, including:

- Soundness Self-assessment Checklist;
- Integrated Impact Assessment (Sustainability Appraisal, Strategic Environmental Assessment, Habitat Regulation Assessment, Health Impact Assessment, Community Safety Assessment and Equality Impact Assessment); and
- Viability Assessment - to demonstrate the deliverability of proposed policies, in isolation and collectively.

## Where the recommendations would enhance social value

The figures on the following pages seek to summarise the existing relationship between the London Plan, Local Plans and Neighbourhood Plans (which together comprise the ‘development plan’) and recommended approach to embedding social value in to a new London Plan, with revised explanatory text and Good Growth objectives and an additional policy maximising social value policy.

Figure 2 highlights the existing relationship between the London Plan, Local Plans and Neighbourhood Plans and where current policy options aim to add social value.

The yellow boxes in Figure 3 emphasise areas where additional measures can be implemented to ensure that London Planning Policy promotes and embeds social value effectively.

This acknowledges that, as things stand, boroughs and neighbourhood fora could adopt explicit social value policies without a London-wide framework. It also illustrates the recommended approach for social value to be embedded in the London Plan so that, alongside Good Growth, it (a) acts as a cross-cutting theme that informs all policies in the Plan; (b) informs Local Plans and Neighbourhood Plans and encourages them to include local social value policies; and (c) acts as a development management policy that helps inform decision-making.

### Key



Existing policies that help embed social value in London's planning policy



Additional recommended policies and measures to further embed social value in London's planning policy



02. Embedding Social Value in the London Plan

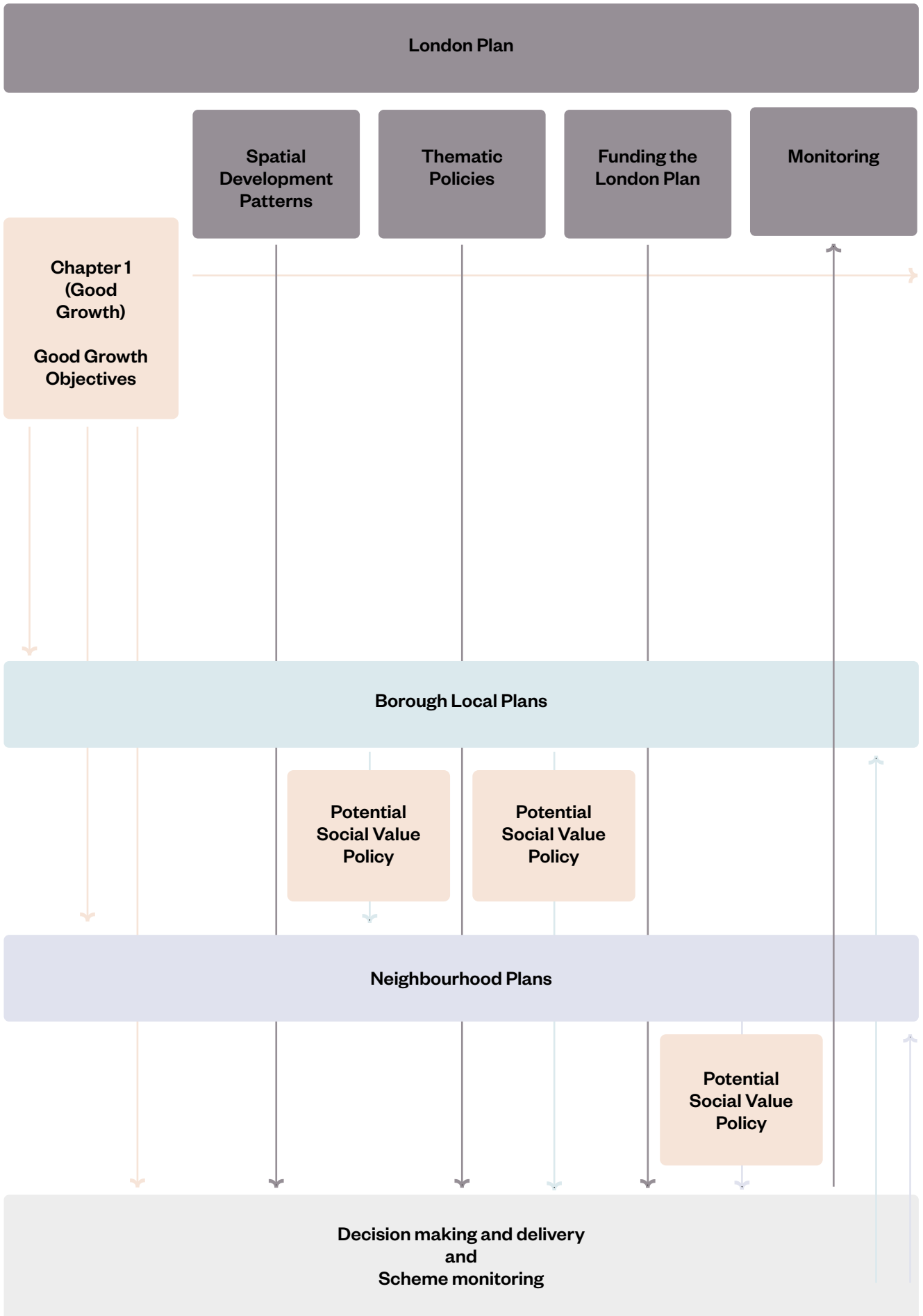


Figure 2. Existing relationship between the London Plan, Local Plans and Neighbourhood Plans.

## 02. Embedding Social Value in the London Plan

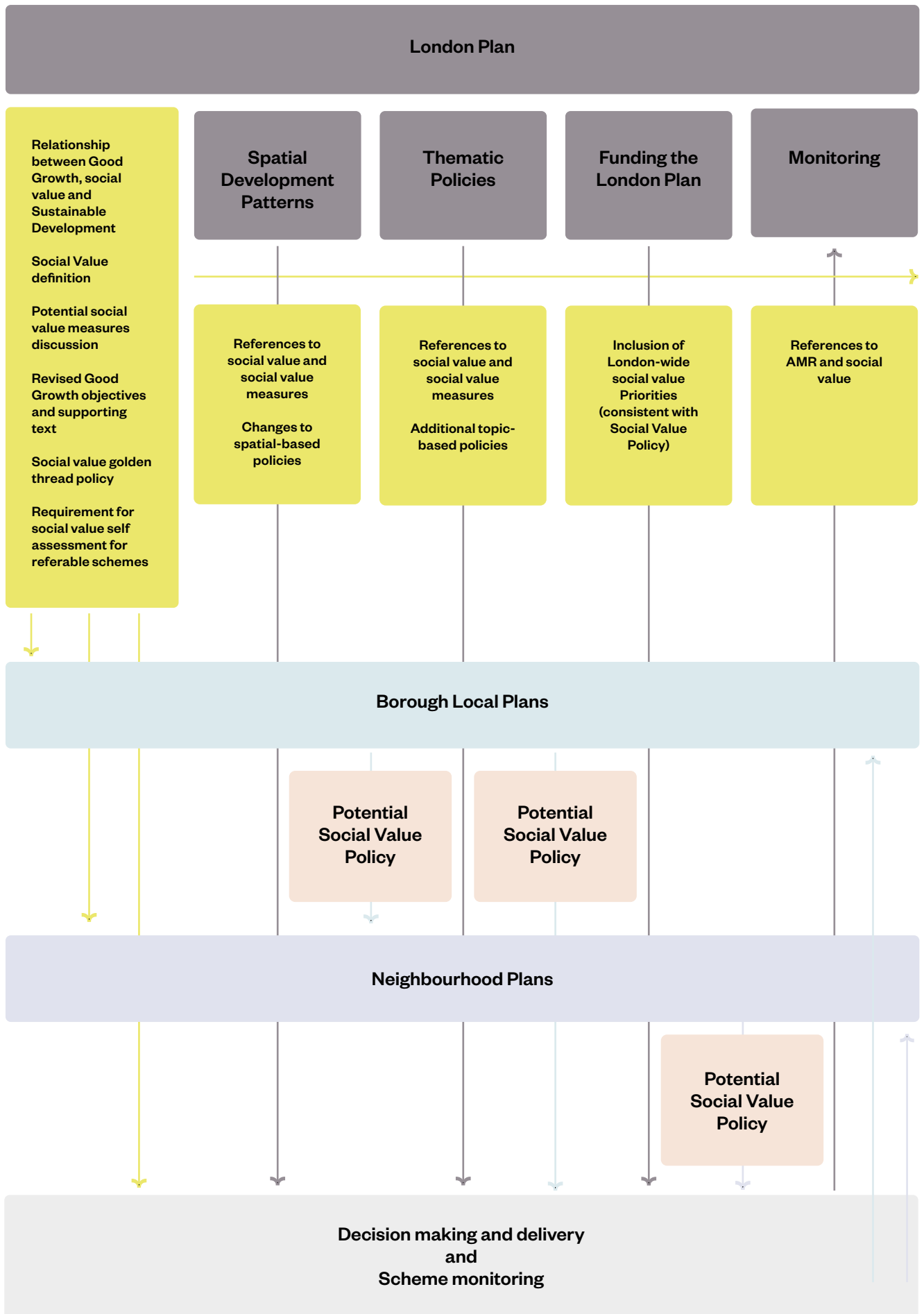


Figure 3. Recommended approach to embedding social value into a new London Plan

# 03

## Lessons From the Evidence

- Social value and development
- Context and background
- A review of best practice
- Social value in planning policy
- Case studies
- Stakeholder conversations

# Social value and development

The Public Services (Social Value) Act 2012, which came in to force in January 2013, requires public sector commissioners in England to consider how they could improve the economic, environmental and social wellbeing of their local area through their procurement activities.

There has been growing interest in recent years in extending the concept of social value from procurement to development and the built environment. This has resulted in a number of relevant useful reports, including those commissioned by the LSDC, some of which are referenced within this report. The debate in London is being furthered by the LSDC itself, Future of London (an organisation of public bodies working in the interest of greater London) and New London Architecture (an independent, purpose-led organisation for everyone with an interest in London's built environment).

This report has sought to bring together this range of evidence to understand how social value can be further embedded in London planning policy.

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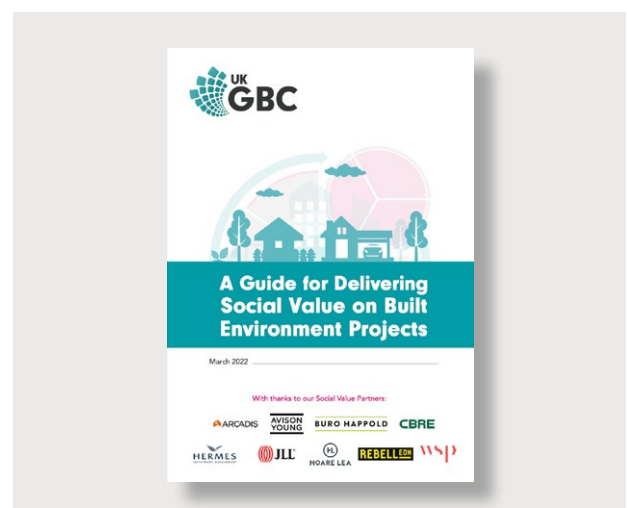
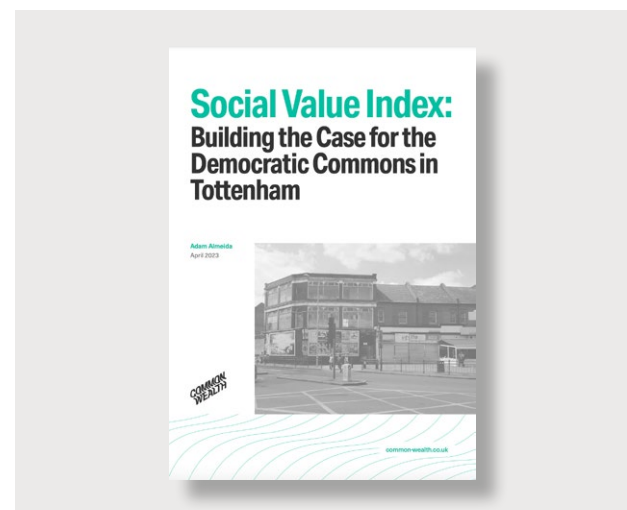
**Delivering Social Value Through Development and Regeneration: An Approach for London (London Sustainable Development Commission, 2022)**

Middle:

**Social Value Index: Building the Case for the Democratic Commons in Tottenham (Common Wealth, 2023)**

Bottom:

**A Guide for Delivering Social Value on Built Environment Projects (UKGBC, 2022)**



## Context and background

This section provides context for the study and the recommendations in this report by setting out the key technical planning issues and other relevant background information.

### London Plan status and relationship with Local and Neighbourhood Plans

The current London Plan was published by the Mayor in March 2021. It is the Mayor's spatial development strategy (SDS) for Greater London and is legally part of each borough's development plan and must be taken into account when planning decisions are taken.

The London Plan is required to have regard to the need to be consistent with national policy – as set out in the National Planning Policy Framework (NPPF). In turn, all Borough Local Plans and Neighbourhood Plans need to be “in general conformity” with the London Plan.

The London Plan does not preclude boroughs/ neighbourhood forums from including policies in their Local or Neighbourhood Plans that vary from the detail of its policies where locally-specific circumstances/evidence suggest that this would better achieve London Plan objectives and where such an approach is in ‘general conformity’ with the London Plan.

The London Plan does not generally require policies to be repeated at the local level. However, for some policies, it does require Local Plans to include borough-specific policy, to sit within the context of the London-wide policy.

The implementation of the London Plan is supported by a number of pieces of Supplementary Planning Guidance (SPG), London Plan Guidance (LPG), Good Practice Guidance Notes and Opportunity Area Planning Frameworks (OAPFs).

### The GLA's planned holistic review of the London Plan

In line with guidance in the NPPF and elsewhere, the Mayor has asked GLA officers to review the London Plan, to ensure that it remains up-to-date. The Planning for London Programme seeks to gather evidence, get the views of Londoners and others and identify issues and options that a future review of the London Plan could consider. It will bring together and report the findings and the findings will help inform a new or updated Plan after the end of the current Mayoral term (end of May 2024).

The programme aims to put Londoners' perspectives and experiences at the heart of the thinking about the future and meaningful and high-quality engagement is offering Londoners from all backgrounds the chance to shape planning policies and the direction London takes. This report will feed in to the Planning for London Programme.

The Inspectors Panel Report in to the examination of the current London Plan (8 October 2019) (para. 60) encourages the Mayor to “consider setting out a more concise spatial development strategy, focussed on strategic outcomes rather than detailed means of implementation, when the Plan is next replaced.” This report has assumed that the Good Growth is maintained as a cross-cutting theme, with the objectives refined as necessary.

### Housing delivery and the Government's required early partial review of the London Plan

In December 2023, the Secretary of State for Levelling up Housing and Communities commissioned a panel of experts, chaired by Christopher Katkowski KC, to undertake a review into aspects of the current London Plan which could be preventing the delivery of housing. The Panel's report (January 2024) acknowledges that there is a wide range of non-policy related factors that contribute to under delivery, including the effects of wider macro-economic conditions, fire safety, infrastructure constraints, statutory consultees; viability difficulties and planning resourcing pressures. However, the review also acknowledges that the London Plan is



### 03. Lessons From the Evidence

a contributing factor. The review suggests that the multitude of policies within the Plan hinder rather than help the development of new homes on brownfield sites, posing significant challenges to the viability of projects. Furthermore, it takes the view that the complexity of the London Plan makes the application process costly and time-consuming to navigate and without significant changes, it is not very likely that the housing targets of the London Plan will be met within its ten-year timeframe.

Given this, the Panel's report recommends that a policy be included in the London Plan that requires boroughs that have under-delivered housing in relation to their 10-year London Plan targets to apply a strong presumption in favour of granting planning permission for proposed housing on previously developed land.

The Secretary of State has decided that such a presumption should be considered for insertion into the NPPF and apply to all local planning authorities in England, including London, that are under delivering housing in relation to the national 2022 Housing Delivery Test (HDT).

In February 2024, the Government began a consultation on options for including a 'presumption in favour' policy in the NPPF. This consultation also examines whether the current threshold for referring a planning application to the Mayor is appropriate and, if not, seeks input on what the new threshold should be.

In March 2024, the Secretary of State wrote to the Mayor invoking powers under s340 of the GLA Act 1999 to direct him to conduct a partial review to examine whether existing policy on industrial land (Policies E4, E5, E6 and E7) and Opportunity Areas (Policy SD1) is holding back the development of housing. The review must be carried out by the end of September 2024 and any revised policies must be brought forward as alterations to the current London Plan.

Despite the review's findings, the LSDC considers the critique to be insufficiently evidenced. The LSDC maintains that Good Growth policies are essential for sustainable green development. Moreover, recognising social value and environmental policy is crucial for fostering a thriving, liveable city for all Londoners. The LSDC believes the Mayor should not only retain these Good Growth policies but also strengthen them whenever possible.

## The Mayor's role in Development Management

### Referrable applications

Planning applications are submitted to London Boroughs. The vast majority of applications are determined by boroughs without any direct Mayoral involvement. However, the Town and Country Planning (Mayor of London) Order 2008 (as amended) requires boroughs to formally refer applications which fall in to one or more defined categories to the Mayor for their consideration. The Mayor has the powers to either (1) allow the borough to determine the application as it wishes; (2) direct the borough to refuse the application or (3) call-in the application for their own determination.

So, whilst the London Plan forms part of the 'development plan' for all planning applications in London, the Mayor has the direct ability to shape and, where they consider necessary in order to implement the Plan, to determine referrable applications.

### Pre-application discussions

Both GLA Planning and Transport for London (TfL) provide pre-application advice to potential applicants. This, together with pre-application discussions with the boroughs, provides a significant opportunity to shape emerging strategic-scale schemes.

### Application requirements

London Plan policy and associated guidance can set out specific requirements for what plans and documents must be submitted as part of 'major' and 'referrable' applications and the referral process requires certain documents to be included in the application documentation that is formally referred to the Mayor.

### Planning Conditions

The NPPF encourages agreeing conditions early on in the process, and it is a statutory requirement to agree 'pre-commencement' conditions with the applicant prior to issuing a planning decision. The NPPF makes clear that conditions should be kept to a minimum and should only be imposed where they are:

### 03. Lessons From the Evidence

- necessary;
- relevant to planning and to the development to be permitted;
- enforceable;
- precise and;
- reasonable in all other respects.

#### **s106 Planning Obligations**

These are legal obligations entered into to secure policy objectives, support the provision of infrastructure and mitigate any potentially harmful impacts and should only be used where it is not possible to address unacceptable impacts through a planning condition. Obligations negotiated by the Mayor and boroughs to facilitate a proposed development include:

- In-kind contributions, including the provision of particular facilities or services within a development (including cultural facilities, health facilities, workspace and clean or green energy technologies) and/or
- Financial contributions which fund works and initiatives to mitigate adverse impact of the development and/or secure policy objectives.

Planning obligations are subject to the statutory tests set out in Regulation 122(2) of the CIL Regulations 2010 (as amended). This states that a s106 obligation may only constitute a reason for granting planning permission for the development if the obligation is:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

#### **The Mayor's role in use of Conditions and Obligations**

At Stage 2 in the referral process, where a borough wants to grant planning permission, GLA Planning officers scrutinise proposed detailed draft planning conditions and obligations). The GLA has prepared standard s106 obligations in relation to certain topics (including affordable housing and energy monitoring) and these usually form the basis of planning obligations in relation to referable schemes.

## Government planning reforms

The Levelling-up and Regeneration Act (LURA) received Royal Assent in November 2023. It introduced the following key relevant legislative changes:

- A requirement that decisions will need to be made in accordance with Local Plan policies and (the new) National Development Management Policies (NDMPs); and
- The introduction of a new Infrastructure Levy that will largely replace the current system of developer contributions.

These legislative changes will sit alongside:

- The NPPF (December 2023); and
- Revised plan-making reforms.

#### **National Development Management Policies (NDMPs)**

The LURA revises Section 38 (6) of the Planning & Compulsory Purchase Act such that planning applications must be determined in accordance with the 'development plan' and any national development management policies taken together, unless material considerations strongly indicate otherwise. Section 38 is also due to be revised to make clear that in the event of conflict between 'development plan' policy and NDMPs, NDMPs will have primacy.

The Government has yet to consult on draft NDMP policies. However, they are expected to focus on topics that have a direct bearing on the determination of planning applications and be limited to key, nationally important issues commonly encountered in decision making

The LURA requires the Mayor to "have regard to" NDMPs when preparing a new London Plan. In addition, the GLA Act 1999 (as revised) makes clear that the London Plan must not be inconsistent with (or in substance) repeat any NDMP.

#### **Infrastructure Levy**

The Levy will largely replace the current system of developer contributions (Community Infrastructure Levy and contributions secured by s106 planning obligations). The Government published a 'Technical

### 03. Lessons From the Evidence

consultation on the Infrastructure Levy' on 17 March 2023.

The Levy will be charged on the value of the property at completion per square metre and applied above a minimum threshold – based on Gross Development Value (GDV). Levy rates and minimum thresholds will be set and collected locally, and local authorities will be able to set different rates within their area.

The use of Section 106 planning obligations will be retained in the new system, but for more restricted purposes. Approved new development will be managed through three potential different 'routes' depending on their character.

It remains to be seen how these different routes will operate in practice and whether s106 obligations that secure financial contributions for matter other than 'infrastructure' (e.g. employment initiatives, carbon off-setting) will sit alongside a new Levy.

#### National Planning Policy Framework (NPPF)

The Government published an updated NPPF in December 2023. This does not refer explicitly to 'social value'. However, Paragraph 8 (below) sets out three core dimensions of what constitutes 'sustainable development' and paragraph 11 sets out a presumption in favour of sustainable development.

*"Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives:*

*a) an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;*

*b) a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering well-designed, beautiful and safe places, with accessible services and open spaces that reflect current and future*

*needs and support communities' health, social and cultural well-being; and*

*c) an environmental objective – to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.*

#### Plan-making reforms

On 25 July 2023, the Government published its proposed plan-making reforms for consultation. The consultation sets out the Government's 'direction of travel' and how the Government proposes to re-shape the system in light of the LURA. The central vision for reformed plan-making is for simpler plans, prepared quickly, updated frequently and reflective of local needs. The Government currently envisages a phased roll out, with the new local plans system commencing in November 2024. So, the next London Plan is expected to be prepared in the context of a significantly revised plan-making system.

## A review of best practice

This section seeks to identify best practice of where explicit references to social value have been included in planning policy and guidance in London and beyond. The aim of this section is to identify best practice and learn lessons that will help in considering how best to incorporate the concept in to a new London Plan.

### Thematic scope

This review focuses on the explicit reference to and application of 'social value' in planning – as opposed to addressing the key themes and policy topics of social value (such as Social inclusion, community engagement, local economic benefits and employment etc.). In doing so, it is based on a review of the following documents for the identified planning bodies:

- The most up-to-date Local Plan (either adopted or draft Local Plans, as appropriate);
- Supplementary Planning Documents (SPDs) and other planning guidance; and
- Planning application validation requirements.

### Geographic scope

Recommendation 5 of the LSDC Report (June 2022) is to deliver social value consistently through London-wide policy. In doing so, it identifies the short to medium-term action (by the GLA) of assessing existing pan-London social value policy and delivery to identify best practice and areas where action is required. However, the Mayor would benefit from the net being thrown farther afield and looking beyond London Planning in the UK is a devolved matter. The Scottish and Welsh Parliaments and the Northern Ireland Assembly oversee similar, but different, planning systems to that of England. This means that planning legislation and planning policy (in the form of the NPPF) that govern how planning works in England (including London) are different from other parts of the UK. It also means that the UK Government's recent

For the above reasons, this study starts with the Greater London Authority – The Mayor of London and London boroughs before focusing on other English planning bodies, as set out as follows:

- 
- 
- English Combined Authorities (the 'Metro mayors');
- Other English Cities; and
- Other English LPAs.

### London LPAs reviewed

LPAs in London comprise the following:

- 32 borough councils
- City of London Corporation
- Two Mayoral Development Corporations (London Legacy and Old Oak and Park Royal)



London LPAs

### Key

- London Boroughs
- City of London
- 1. OPDC; 2. LLDC

### 03. Lessons From the Evidence

#### English Metro Mayors reviewed

The nine directly elected combined authority mayors (often referred to as Metro Mayors):

- Cambridge and Peterborough
- Greater Manchester
- Liverpool City Region
- North of Tyne
- Sheffield City Region
- Tees Valley
- West Midlands
- West of England
- West Yorkshire

The powers of 'metro mayors' currently differ, depending on the terms of devolution agreements negotiated between Government and leaders of the local authorities that the Mayor covers. Indeed, some of these powers are still under negotiation locally. However, all have some strategic planning role and some have specific responsibilities for preparing a spatial strategy/framework.

#### Other English LPAs



LPA's outside London

#### Key

- Metro Mayors
- Other English city LPAs

## Findings

### Greater London Authority - Mayor of London

#### *The current London Plan*

The London Plan (March 2021) does not include a definition of 'social value' and explicit references to the concept in the Plan itself are limited. However, there are numerous references in policies and supporting text throughout the Plan to "Social benefits" "positive Social impact," "Socially and economically inclusive development" and other such terms that implicitly refer to what can be defined as social value. The current London Plan's emphasis on 'Good Growth' captures all of the key themes of social value.

The explicit references to social value are limited to the following:

- Policy SD6 (Town centres: development principles and Development Plan Documents) – justifying text 2.6.2 only;
- Policy E3 (Affordable Workspace) and justifying text 6.3.4;
- Policy HC7 (Protecting public houses) and justifying text 7.7.6;
- Policy G1 (Green infrastructure) - justifying text 8.1.2 only; and
- Policy SI 8 (Waste capacity and net waste self-sufficiency).



### 03. Lessons From the Evidence

#### *Supplementary planning guidance*

The review took account of Supplementary Planning Guidance (SPG) and best practice notes prepared to support earlier London Plans, Opportunity Area Planning Frameworks (OAPFs) and London Plan Guidance (LPG) – collectively referred to as ‘supplementary planning guidance’.

The only explicit reference to social value in the Mayor’s supplementary planning guidance is in The Characterisation and Growth Strategy LPG (June 2023). This encourages boroughs to assess the heritage, environmental, social and economic value of each character area and defines social value as relating to the tangible and less tangible cultural and social characteristics and landscape that contribute to a sense of place.

#### **London boroughs**

##### *Thematic Local Plan policy and justifying text*

Social value is referenced in 14 adopted or emerging Local Plans, in the policy itself or in justifying text. It is mentioned in relation to a number of thematic topics such as protection of public houses, affordable workspace, vision and objectives, protection of community assets, retail markets, heritage, and procurement. Examples of these references are outlined in the overleaf.

##### *Social value specific policies*

Four London boroughs have either sought to, or are seeking to, introduce a specific social value policy into their Local Plan: Merton, Islington, Newham and Tower Hamlets. Details of these areas are outlined in the case studies in the following pages.

##### *Planning guidance*

Social value is explicitly referred to in four planning guidance documents as set out in Table 3.

Topic	Boroughs
Planning Obligations Supplementary Planning Document (SPD) in relation to affordable workspace	Hackney  Wandsworth  OPCD
Delivery	Tower Hamlets
Affordable Workspace SPD	Hammersmith and Fulham
Development Consultation Charter (requirement for applications for ‘major’ development to be supported by a social value Statement)	Southwark

Table 3. Borough references to social value in planning guidance.

#### **English Combined Authorities - the ‘Metro Mayors’**

The planning powers granted to the Combined Authorities and Mayors vary, taking account of context and negotiations with the constituent authorities:

- Four Metro Mayors (Liverpool, Manchester, West of England and West Yorkshire have the power to prepare a statutory Spatial Development Strategy (SDS) for their area. The SDS will form part of the ‘development plan’ in the same way as the London Plan (the Mayor of London’s SDS) does in London; and
- Six Metro Mayors (Cambridge, Liverpool, South Yorkshire, Tees, West of England and West Yorkshire) have the power to establish Mayoral Development Corporations,

However, none of the ‘Metro Mayors’ have the same degree of planning powers that are enjoyed by the Mayor of London. Most notably, none have the strategic planning application referral system that operates in London, where London LPAs are required

### 03. Lessons From the Evidence

to formally refer strategic applications to the Mayor, who has powers to direct refusal or call-in for their own determination.

Of those 'Metro Mayors' that have this ability to prepare a statutory SDS, Manchester is at the most advanced stage of preparing an SDS and this is currently the subject of Examination. However, it makes no reference to 'social value.'

#### Spotlight: Liverpool Metro Mayor

The Mayor of Liverpool is at a relatively early stage of preparing their SDS. However, they are establishing 'social value' at the heart of plan-making by proposing to include a social value objective in to the SDS and using a 'social value evaluation' to ensure that policy drafting takes account of wider community benefits and Social aspects.

There is scope for GLA and Liverpool City Region Combined Authority officers to share information and lessons in how best to embed social value into their respective SDS.



#### Other English Cities

Social value is referred to in 3 adopted or emerging Local Plans (either the policy itself or justifying text) in relation to a number of thematic topics. This represents the Local Plans of 30% of the 10 Other English City LPAs.

Social value is referred to in terms of assets of community Value (Leicester), open space (Birmingham), design (Bristol) and heritage (Leicester).

Southampton City Council has also sought to introduce a specific social value policy into its Local Plan.

Social value is also referred to in the Advice note of Liverpool's Section 106 planning obligations.

#### Spotlight: Southampton City Council

Southampton City Council has included Policy EC5 (social value and Economic Inclusion) in to its draft Local Plan (October 2022). The draft policy requires 'Large' developments to be designed, constructed and operated so as to increase social value and contribute to making Southampton a more Socially and economically inclusive city.

To achieve this, all applications for 'Large' developments are to be supported by a Social Value Statement (which is to address the four themes of jobs, growth, social and environmental) and more detailed Employment and Skills Plans.



### 03. Lessons From the Evidence

#### Other English Local Planning Authorities

This research has highlighted two other English Local Planning Authorities that have or are seeking to introduce a specific social value policy into their Local Plan - Ashfield District Council, highlighted below and Salford City Council highlighted in the following section.

#### Spotlight: Ashfield District Council

Ashfield District Council's draft Local Plan (October 2021) includes Strategic Policy S1 (Achieving Sustainable Development). Whilst the policy is focused on 'sustainable development', Part 4 of the policy states that "All development should be located, designed, constructed and operated so as to maximise and deliver social value." Justifying text (3.15) makes clear that: "For Ashfield, to achieve the maximum benefits of a social value approach, the Council will take social value into consideration for decisions on planning and development with the aim of integrating sustainable economic, Social and environmental objectives through social value. Further detail on how this will be applied to individual development proposals is set out in Policy SD1."



# Social value in planning policy

Social value is referenced in 14 adopted or emerging Local Plans in London, in the policy itself or in justifying text, referring to a range of different topic areas from affordable workspace to community assets to heritage.



## Heritage

Tower Hamlets:  
*'The criteria for a building to be locally listed are (...) historic, evidential, communal and social values'*



## Affordable workspace

Barking and Dagenham:  
*'The Council-owned B-Use Class floorspaces are charged at subsidised rents up to 80% of market rent for the occupiers (...) that use the spaces for charitable purpose and in return for delivering significant community benefits in line with LBBD's social value policy priorities.'*

Also referenced in Kensington and Chelsea and Wandsworth



## Health and wellbeing

Newham:  
All developments in Newham are encouraged to maximise social value and to make a positive contribution to the health and well being of communities.



## Retail markets

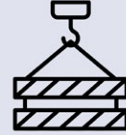
Lambeth:  
*'Markets add to the vibrancy, social value and character of local areas. Lambeth's markets are well established and popular with local communities and visitors.'*



## Protection of public houses

Barnet:  
*'Proposals that involve the loss of public houses with heritage, cultural, economic or social value will be refused unless there is no viable demand for its continued use and the property has been long term vacant for a period of at least 12 months.'*

Also referenced in Croydon, Lambeth and Lewisham



## Delivery

Tower Hamlets:  
All 'Major' development proposals are required to be supported by a social value strategy which sets out how social value will be achieved.



## Vision and objectives

Ealing:  
*'This means creating wealth within the community by making sure everything the council does contributes to social value and makes Ealing a fairer place to live and work.'*

Also referenced in Richmond upon Thames and Croydon (North End area)



## Community and cultural assets

City of London Corporation:  
*'There are many cultural facilities that are unique to the City (...) Examples of such facilities include City Livery Halls, public houses which have a heritage, cultural, economic or social value to local communities(...)*

Also referenced in Old Oak Common and Park Royal Mayoral Development Corporation

## Case study

### London Borough of Islington

Islington submitted a Local Plan with an explicit policy requirement to generate and capture social value, however it was removed upon request of the planning inspectorate.

In its submitted Local Plan (2023), LB Islington included Policy SC4: Promoting social value which stated:

*"New development in Islington should maximise social value, beyond what the Council would expect as a standard level of social value on a scheme (resulting from compliance with all relevant policy requirements)*

*A. All development in Islington is encouraged to maximise social value in order to deliver as many public benefits as possible.*

*B. Major development proposals must undertake a social value self-assessment which clearly sets out the specific social value which would be added through delivery of the proposal!"*

However, this was deleted in the Main Modifications submitted to the Local Plan Examination in February 2023. The stated reason for this Modification (deletion) being "policy not justified."

The Planning Inspector found that the policy duplicated other social value objectives found throughout the report and that the ambiguity of the wording made it so that this policy made it difficult for decision makers to react to development proposals. As such, the policy was removed.

The Inspectors' Report (5 July 2023) found Islington's new Local Plan to be 'sound' with the modifications set out in the recommendations which accompany the Report. The changes made by the Inspectors are binding on the Council, and a Local Plan without this policy was adopted in September 2023.

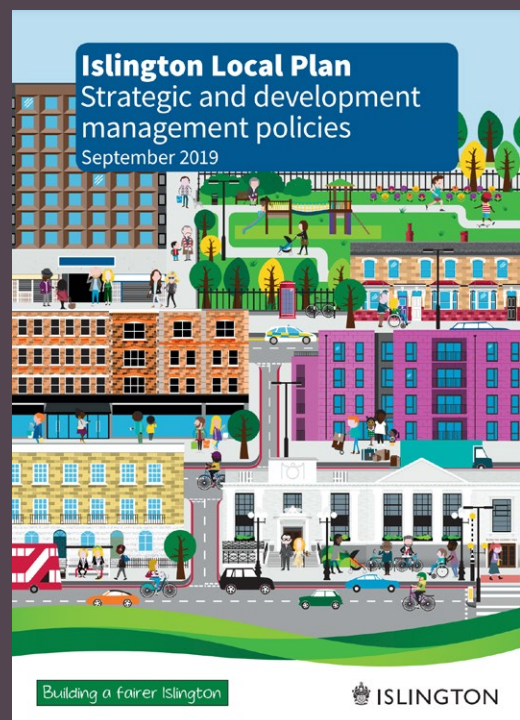
1 LB Islington Strategic and DM policies reg 19 submission draft

## What can we learn?

In the case of LB Islington, the local authority was thinking about what developers would be required to do that went over and above existing policy requirements. However, it became clear that this was difficult to define and implement in practice, especially as the delivery of social value would vary from scheme to scheme.

It is therefore important to think about how policies will be used as part of the decision making processes. There is the need for compelling evidence to justify an explicit social value policy and how it would relate to other policies.

Therefore, any policy around social value should aim to be as clear as possible, concisely defining how a decision maker should use the policy in making decisions.





## Case study

### London Borough of Tower Hamlets

Tower Hamlets is developing a Local Plan that includes a social value policy relating to overall delivery of its policies.

Tower Hamlets consultation draft Local Plan (Reg 18) (November 2023) includes Policy DV6 (Social Value), as follows:

1. *The council will support opportunities to maximise the delivery of social value to positively contribute to additional social, economic, environmental and community benefits, including economic well-being, social inclusion, equal opportunity, and community cohesion.*

2. *Major development proposals are required to submit a social value strategy which clearly sets out how social value will be achieved through the construction and operation of the proposed development. The social value strategy must identify how:*

*a) the social value contribution is proportional to the scale of the development; and  
b) the development will support social inclusion, economic well-being, equal opportunity and community cohesion throughout its lifecycle. This shall include demonstrating how the development will maximise wider social value contributions across the following themes:*

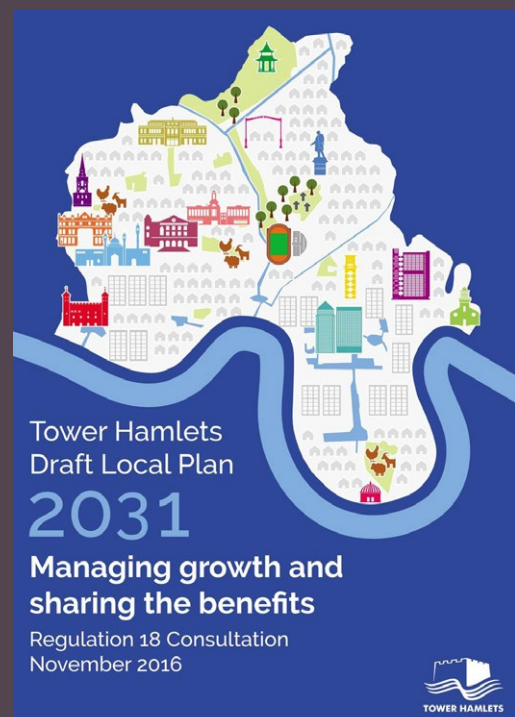
- i. reducing poverty and promoting equality and cohesion in Tower Hamlets;*
- ii. boosting local jobs, skills, opportunities, and economic inclusion (including careers and social mobility);*
- iii. inclusive growth and strengthening the local economy;*
- iv. empowering communities to become more resilient and increase participation; and*
- v. working towards a clean and green future*

3. *Social value obligations will be secured via planning obligations and will be considered independently and as additions to complement other planning obligations set out in the Local Plan. They may not be offset by other planning contributions such as the delivery of affordable housing, workspace, employment, skills, enterprise, or infrastructure.”*

## What can we learn?

The draft policy is at consultation stage and has yet to be the subject to scrutiny by the Planning Inspectorate at an Examination in Public. However, the draft policy and its supporting text set out clear borough wide priorities, stress that social value for individual schemes should be based on site specific local needs analysis and community engagement and make clear that social value commitments should be in addition to and complement other commitments (such as the delivery of affordable housing, workspace, employment, skills, enterprise, or infrastructure). The draft Plan also includes a definition of ‘Social Value’ in its glossary.

There is the opportunity for GLA officers to keep the draft Local Plan under review and learn lessons from it if it progresses in to a Submission Version Local Plan and is examined by the Planning Inspectorate.



## Case study

### London Borough of Newham

The London Borough of Newham has been thinking about social value for some time and has begun to firmly integrate the concept into its council-wide strategies and planning policy.

Newham is developing a Local Plan that includes a policy relating to social value and health and wellbeing

Newham's draft Local Plan (Reg 18) For Consultation (December 2022) includes Policy BFN3 (social value and Health Impact Assessment - delivering social value, health and wellbeing), as follows:

"1. All developments in Newham are encouraged to maximise social value and to make a positive contribution to the health and wellbeing of our communities.

2. Major development, and proposals where potential health or Social justice issues are likely to arise must undertake a screening assessment as early as possible in the development process, to determine whether a full social value and Health Impact Assessment (social value-HIA) is required.

Where the Screening Assessment identifies that a full social value-HIA is required, then:

a. the scope of the social value-HIA must be agreed with the Council's Planning and Public Health departments before it is undertaken by the applicant; and

b. applicants will be required to prepare a proportionate social value-HIA as early as possible in the development process. This is to allow the scheme to deliver the maximum potential Social and health gains and to mitigate any potential negative impacts."

## What can we learn?

The draft policy has been the subject to formal consultation and the borough will be preparing a submission version of its plan in 2024. As such, this policy, or a variation of it to respond to comments, has yet to be the subject to scrutiny by the Planning Inspectorate at an Examination in Public. However, the draft policy is supported by clear supporting evidence and justification that clearly links it to the boroughs overall corporate policy, including its 'eight pillars of recovery' set out in its Corporate Plan.

There is the opportunity for GLA officers to keep the draft Local Plan under review and learn lessons from it if it progresses in to a Submission Version Local Plan and is examined by the Planning Inspectorate.



## Case study

# London Borough of Merton

Merton prepared a draft Local Plan that included a policy that committed the borough to demonstrate good practice in relation to social value when procuring goods and services, however, this was subsequently deleted.

In its Proposed Submission Local Plan (September 2021), LB Merton included reference to social value in Policy EC.13.4 (f) (Local Employment Opportunities), which sought the following:

*“Demonstrate good practice when procuring its own goods and services by following the Public Services (social value) Act through Merton’s social value Toolkit.”*

Supporting text (13.4.12) referred to a social value Toolkit to help council officers along with providers of council goods and services to understand what social value is in order to comply with legislation and be able to practically consider and achieve social value from commissioning and procurement activities. However, no such Toolkit was drafted.

Following discussion at the Examination in Public in to the Local Plan, this policy and supporting text was deleted in the September 2022 version, following Modifications submitted to the Examination.

## What can we learn?

While Merton sought to include a policy in its Local Plan around social value, it was ultimately deleted.

In thinking about how to embed social value in planning policy, the case in LB Merton teaches us that development plan policies need to focus on ‘development’ and what they can manage via the planning system and not seek to duplicate other legislation (in this case the social value Act 2012) as it relates to procurement.



## Case study

# Salford City Council

Salford City Council have updated their Local Plan to include a social value Policy which will ensure that new development takes all practicable measures to maximise its wider contribution through social value and Social inclusion

Salford City Council adopted a Local Plan (January 2023) based on a vision to make Salford a fairer city and includes a policy specifically around social value and inclusion (Policy F2).

***“All development shall be located, designed, constructed and operated so as to maximise its social value and contribution to making Salford a more Socially inclusive city reflecting the city council’s vision and ‘Great Eight’ priorities.***

***- Salford Local Plan DMP Policy F2”***

It requires all applications for ‘major’ development to be supported by a social value Strategy (which is to identify how the development will support Social inclusion and deliver social value throughout its life cycle). A condition will be included on all relevant permissions to ensure the implementation of any approved social value Strategy, including required compliance with the relevant parts of the strategy to be confirmed prior to the commencement and occupation of the development

It focuses on five priorities covering:

- reducing inequality
- participation of vulnerable groups
- inclusive places
- economic inclusion, including active travel
- good mental and physical health

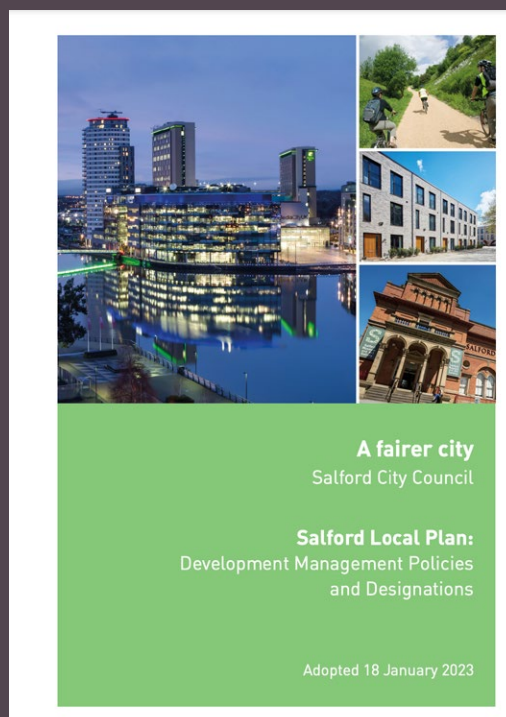
The SPD will set out a framework of measures to help developers identify what they can do, and to ensure that what is delivered is proportionate.

## What can we learn?

Salford’s Local Plan is significant as this is the only adopted specific social value ‘development plan’ policy that the consultant team is aware of. The policy has been through Examination by the Planning Inspectorate and, as a result, was modified to clarify how development will be expected to support Social inclusion and deliver social value.

In addition to the publication of the Local Plan, Salford also produced a series of guidance documents which help to ensure that developers are provided the support that they need to maximise social value in the developments.

This wrap around support, in addition to the policy itself, should help to ensure that the strategy can enable the delivery of social value.





# Stakeholder Conversations

A series of stakeholder conversations provided valuable insights into the diverse perspectives and experiences of key places and organisations, enabling the identification of best practice in the field to help shape the recommendations outlined in this report

## Overview

3 stakeholder workshops and 1 one-to-one interview were held online between July 2023 and September 2023 with representatives from a total of 19 organisations. The 3 workshops were organised according to stakeholder groups, and included:

- 2 workshops with representatives from planning and development including local authorities, architects, built environment organisations and developers; and
- 1 workshop with representatives from community groups and Higher Education engaged in the planning process

Attendance at these workshops was self-selective, drawing individuals with a keen interest or prior experience in social value within planning and decision-making. As a result, the participants did not constitute a representative sample of the general public. 1 interview was undertaken with a local planner who could not attend the workshops but generously shared their insights to inform this work.

All stakeholder conversations were exploratory in nature and aimed to gather a broad range of views on embedding social value in planning policy and decision making to help inform recommendations for the London Plan. In each of the conversations, the participants were invited to respond to a series of questions (highlighted opposite) that sought to unpack their experience of social value in planning and development and reflect on what tools and principles could help ensure that the concept of social value is embedded in planning policy and decision making.

Participants represented the following organisations:

- Liverpool City Region Combined Authority
- Old Oak Common and Park Royal Development Corporation
- London Borough of Islington
- London Property Alliance
- Grimshaw Architects
- Kidbrook Village
- Savills
- Future of London
- Real Worth
- Envoy Partnership
- Social Life
- University of Bristol
- Social Value Portal
- Imagine Places
- CPRE The Countryside Charity
- London Tenants Federation
- Nutbrook
- JustSpace
- LSDC Secretariat
- LSDC Commissioners

### Discussion questions

- Where does social value appear in your work? Where is it working and where is it not?
- What tools will ensure that social value is embedded in the London Plan and in decision making processes?
  - Should a new London Plan include a standalone social value policy or should social value be embedded as a 'golden thread' that informs all policies, or both?
  - Should individual boroughs be required to bring forward a borough-specific or place-based social value policy/site allocation?
  - At which stages in the decision-making process should we be thinking about social value? (e.g. pre-application discussions, design reviews, consultations, decision taking and monitoring)
  - Should a social value policy apply to all proposed 'major' developments or just 'strategic' schemes?
- What tools will help generate the most social value? Why?



# Workshop summaries

## Workshop 1

Attendees:

The group was made up of 3 attendees representing a local authority planning department, a developer and an architecture and built environment practice.

Summary:

There was emphasis on clarifying the definition of social value and understanding how it relates to other frameworks/definitions available such as the definition of sustainable development in NPPF, the Quality of Life Indicators and ESG indicators used in finance for example.

This led to a discussion on the need for a unified approach to defining and measuring social value that recognises potential variations between contexts and that distinguishes it between the wider concepts of Good Growth and Sustainable Development.

The group expressed support for developing both a standalone policy and a golden thread expressing that they would help to embed social value at different scales. A standalone policy would encourage the developer to critically think about what they are providing, as the amount of social value will vary scheme to scheme. A golden thread policy would help embed it at multiple scales in the planning process.

However, in order for social value to be delivered, a governance framework needs to be put in place and there needs to be both:

- a process for monitoring and measuring social value
- the right skills and capacity to robustly analyse whether or not a scheme is able to deliver social value.

At the same time, there was an acknowledgement that planning powers can only go so far in delivering social value outcomes and that there may be alternative means of delivering social value in planning and development such as community-led initiatives or collaborative partnerships.

Stakeholders once again emphasised the need to provide clarification on the definition of social value and stressed the importance of moving away from definitions with too much jargon or ambiguity. One participant reported experiences of communities under-engaging in conversations around social value due to the use of academic definitions. Vague and inaccessible language is seen to be a barrier to involving a range of stakeholders and securing commitment to delivery.

There was consensus that social value should be defined locally and that this process should involve community members and be rooted in principles of co-design and co-production. Discussions highlighted the need to be incredibly localised in defining social value, to engage a range of different types of groups in the process and to think about ways to help communicate what social value is in clear and accessible ways.

The Organisation for Economic Cooperation and Development (OECD)'s definition of well-being was highlighted as a useful framework for this. According to representatives from Liverpool City Region, this 11-point methodology, which measures progress relative to wellbeing, has been a useful way to engage a range of stakeholders on the topic of social value in a way that is easily discussed and perceived as relevant to local communities.

Participants agreed that it is important to think about what skills are needed at a local authority level to help embed and maximise social value in developments. They highlighted the need for specific skills to effectively engage communities in defining social value needs and identifying appropriate social value components for various development schemes.

The discussion emphasised the dual benefits of employing a social value statement and embedding social value as a guiding principle throughout planning policy. A social value statement requires developers

### 03. Lessons From the Evidence

to consider social value in strategic applications, while embedding social value as a golden thread ensures its integration throughout the entire process, from stakeholder engagement to post-occupancy evaluation.

Finally, there was discussion on how social value should be assessed. While there was significant discussion on this topic, no definitive consensus emerged. However, there was a strong emphasis on establishing clear and measurable outcomes that encompass quantifiable metrics as well as broader aspects of well-being.

The group was comprised of 14 attendees representing community interest groups and academics and practitioners whose work focuses on social value. The attendees were divided into two different groups to help facilitate discussion.

There was emphasis that any discussion of social value in a planning context needs to consider both the social value outcomes that can be delivered, as well as the various processes that can help to deliver these outcomes, including engaging with community groups to help co-define social value outcomes.

Once again, there was group consensus that social value should be defined locally to account for the differing needs of London's diverse communities and places.

The group agreed that it was important to provide a set of recommended approaches for how this process could be done. The example of a social value charter was put forth which has been used in Liverpool and, which is a tool that helps developers and communities jointly define both the social value outcomes that they would like to see achieved as part of the development and the aims and objectives of working together.

It was also highlighted that financial resource and capacity needs to be available to allow communities to meaningfully participate. Financial resource in particular enables a truly participatory approach as we should not expect people to give their time without incentive or remuneration. Moreover, it was suggested

that by allocating adequate resource to these processes, the planning sector can redesign the ways in which communities are engaged in the planning process.

There was also significant discussion around how social value outcomes can be thought of in a more holistic way. For example, when a new planning application seeks to define social value outcomes, the existing context is often overlooked. As such, social value outcomes tend to be defined in terms of value add, rather than value lost or value retained. It was suggested that a baseline of local social value would help to understand all the different changes brought on by a new development.

Similarly to the other groups, when prompted about whether the London Plan should include a specific social value policy or embed social value as a golden thread throughout the Plan, there was consensus that it should do both. A policy would provide a supported framework for the voice of communities to be at the forefront of new development whereas embedding social value as a golden thread throughout the plan would allow each and every policy to make a positive contribution to delivering social value.

However, it was noted that if the London Plan were to require a social value statement, guidance would be needed to help clarify how a social value statement would sit alongside the other required assessments and where the capacity would be internally to not only assess the policies, but provide support if and when needed to help draft them.

Ultimately, the group emphasised that communities need more agency in planning and decision making processes to ensure that social value is locally defined and communities are able to maximise their benefit from any new development.

#### One to One Interview

Attendee: Planner from Old Oak Common and Park Royal Development Corporation (OPDC)

Summary:

The interviewee shared best practice and experience from OPDC. They shared that social value is currently at the forefront of their local plan and while the plan has attributes of social value, it does not explicitly reference it as such.

### 03. Lessons From the Evidence

The interviewee elaborated on the development of an internal EDI Matrix, employed across all SPDs to assess the characteristics of the communities being engaged.

They are also allocating resources to produce visuals that effectively convey the positive social outcomes resulting from development. These visuals aim to communicate the tangible benefits of social value in the public realm. The interviewee suggested that planners, in general, should explore alternative methods of communicating the implications of social value in development.

In addressing measurement and monitoring, the interviewee highlighted the equal importance of qualitative monitoring alongside quantitative measures. Qualitative monitoring provides insights into how interventions shape people's perceptions and experiences of place and is therefore integral to capturing any social value outcome.

It was acknowledged that local planning authorities bear the primary responsibility for integrating social value into local plans. However, they require additional support to fulfil this task effectively. Consequently, a potential approach to embedding social value across London, could involve collaborating with LPAs to identify their needs, rather than imposing new mandatory requirements.

**04**

# **A Holistic View of Social Value in Planning Policy**

# A holistic view of social value in planning policy and decision making

Effectively embedding social value into planning policy requires a paradigm shift in its conceptualisation and understanding. Social value is often grasped from a single, isolated perspective, limiting our understanding and ability to realise its potential. This report advocates for a more holistic approach to social value that considers not only measurable outcomes, but also the underlying processes and collective engagement of stakeholders, fostering a shared understanding of its meaning and unlocking its full potential.

The stakeholder conversations underscored the multifaceted nature of social value and emphasised how social value is about delivering spaces and places that enhance people's wellbeing, fostering inclusion and shared prosperity, and engaging in meaningful and ongoing dialogue with a diverse groups and individuals.

However, what we have seen in the built environment sector is a tendency to stick to narrow and at times conflicting perceptions on what social value is and how it can be delivered. As the LSDO report (2019) highlighted, 'defining social value is far from straightforward, given the patchwork of contrasting definitions that exists across public and private organisations'. This results in uncertainty and inconsistency in the sector over how social value is delivered and measured and a great deal of variation in how boroughs engage with social value as well.

## Viewing social value through different lenses

The idea of social value is rooted in the belief that better places can foster healthier and happier lives.

However, the way in which social value is understood and delivered throughout the procurement, planning and delivery phases has become quite siloed and restricted. This has led to a fragmented understanding of what social value is and how it can be delivered through planning policy and development.

In procurement processes, social value has emerged as a means to bridge the gap between the fundamental purpose of development, which is to serve society, and the need to justify the public benefit of an essentially commercial activity. The concept of social value has become an additional requirement in tender criteria, with delivery against KPIs often focusing on the "low-hanging fruit" – identifying immediately measurable activities such as providing employment opportunities to local residents.<sup>1</sup> However, viewing social value in this narrow sense misses out on the multitude of ways in which a new scheme can deliver social value benefits to society.

In planning policy, social value is about ensuring that development projects deliver benefits to the local community, beyond economic gain. This can be achieved by requiring developers to provide affordable housing, contribute to community facilities, or protect the environment. However, as this report has found, the term is often times not explicitly defined and limited in scope.

To communities, social value is much more than KPIs or measurable outcomes. Through the conversations had as part of this work, it became very clear that social value is just as much about the engagement process of as it is about the final output. Moreover, to communities, social value encompasses not only what is gained, but what is lost, but this doesn't always get captured in other parts of the planning process.

Efforts to deliver and maximise social value will continue to fall short as long as it is viewed in isolation through these three distinct lenses. A holistic approach is required, one that recognises the interconnectedness of procurement, planning policy, and community perspectives. By bringing together these diverse viewpoints, we can create a more nuanced understanding of social value and unlock its transformative potential for society.

<sup>1</sup> 'What Next for Social Value?' (NLA, 2021).



## A Holistic View of Social Value in Planning Policy

Implementing the recommendations of this report will bring these different perspectives on social value closer together such that all aspects of our built environment that deliver social value, whether infrastructural, activity-based or related to the delivery process are represented in planning policy in a holistic way.

### Planning Policy

Social value within planning policy often lacks explicit definition and remains confined in its scope. While implicit references to social value can be found across various thematic areas, from affordable workspace to community assets and heritage, a more explicit embedding of social value into planning policy is essential to deliver more benefits to Londoners.





## A Holistic View of Social Value in Planning Policy

### Community

For communities, social value goes beyond the tangible outcomes of development projects; it is equally delivered by the engagement process itself. To maximise the social value of new developments, communities must be meaningfully engaged throughout the entire planning and development process, from initial consultation to project completion.

### Procurement

Social value has become an additional requirement in tender criteria, with developers often identifying immediately measurable activities such as providing employment opportunities to local residents. However, viewing social value in this narrow sense misses out on the multitude of ways in which a new scheme can deliver social value benefits to society.



# - **Appendix A**

- Assessment of different policy options

# Assessment of different policy options

This appendix sets out the policy options that were identified and assessed and sets out the reasons why the option that form the basis for Recommendation 2 was chosen.

Taking account of the recommendations in the LSDC Report (June 2022) together with the changing context and background and review of best practice and stakeholder conversations (as set out in Chapter 3), six policy options for embedding social value into the London Plan were identified. These are summarised below.

Social Value policy options	Degree of prescription →				
	↓	Changes to Good Growth text and objectives only	Social value golden thread policy that seeks maximum amount of social value measures	Social value golden thread policy + submission of social value Self-assessment Statement	Social value golden thread policy + submission of social value Strategy
Option 0 No policy					
Option 1 Golden Thread					
Option 2A (‘Referable’) applications					
Option 2B (‘Referable’) applications					
Option 3A (‘Major’) applications					
Option 3B (‘Major’) applications					

Figure 1. Different types of policy options that would help embed social value into the London Plan

## Policy Option 0 – Changes to the Good Growth chapter and other references

Under this option, there would be no explicit social value policy. Embedding social value in the London Plan would be restricted to changes to the objectives and supporting text in Chapter 1 (Planning London's Future – Good Growth) and appropriate references to social value in spatial, topic, delivery and monitoring-based policies and supporting text, as set out in Recommendations 1, 3, 4 and 5 of this report.

## Policy Option 1 – Social value golden thread

This option would introduce social value as a golden thread that, together with 'Good Growth' would run through the whole Plan and underpin all policies. It would also include an explicit policy requirement for all development to 'maximise' social value measures.

Policy text to:

- (a) Require all development to be located, designed, constructed and operated so as to retain/enhance existing social value (uses, facilities and features) and to maximise social value measures and contribute to achieving Good Growth over the lifetime of the approved development;
- (b) Identify social value measures priorities and align these priorities with revised/ confirmed planning obligations' priorities that are set out in Policy DF1 (D) so that, together, these policies establish and aligned and coherent set of London-wide social value measures priorities;
- (c) Encourage boroughs and Neighbourhood Fora to bring forward specific 'local' social value policies in their plans;
- (d) Encourage boroughs and Neighbourhood Fora to work with local people to identify Place-specific social value measures priorities for a borough/ area as a whole, growth areas and site allocations in Local and Neighbourhood Plan policy (based

on borough social value Frameworks, needs and character assessments);

Supporting text to, amongst other things:

- Refer to relevant evidence base and justification for embedding social value in to the London Plan;
- Make clear that 'lifetime of the approved development' relates to one or more phases (project scope/development brief, decision-making, construction and operation) as appropriate and does not include any future re-purposing and/ or extending an approved buildings or alterations to public realm, as it is assumed that social value measures associated with any future changes would be secured, where appropriate, as part of any subsequent planning applications.
- For large-scale schemes that require Environmental Impact Assessment (EIA), encourage boroughs to use the EIA Scoping process to ensure that submitted Environmental Statements fully assess social value as part of assessing the likely significant socio-economic effects of the proposed development.
- Commit the Mayor and encourage boroughs to informally visit a selection of 'major' and 'referable' schemes once they are built and occupied to learn lessons on how social value has been implemented over time.

## Threshold for requiring additional documents

Options 2 and 3 relate to the potential to go beyond a 'golden thread' approach by requiring those applying for planning permission to submit a document for either the consideration or approval of the relevant borough and/or the Mayor.

Option 2 (A and B) would require a Social Value Self-assessment Statement or a Social Value Strategy to be required in relation to 'referable' planning applications. These are applications that boroughs are required to formally refer to the Mayor, based on a number of defined categories as set out in the Mayor of London Order 2008 (as amended). These categories relate to the size of the site, the amount of proposed floorspace, proposed residential development of 150 or more dwellings and proposed buildings over prescribed heights. They also include s73 applications for 'minor amendments' to consented



schemes and applications to vary s106 Agreements.

Option 3 (A and B) would require a Social Value Self-assessment Statement or a Social Value Strategy to be required in relation to planning applications for 'major' development. 'Major' development is defined by the Development Management Procedure (England) Order 2015. It includes proposed residential development of 10 or more dwellings and proposed overall floorspace of 1,000sqm or more. All 'strategic' applications are also 'major' applications.

### Options 2A and 3A – requiring a Social Value Self-assessment Statement

These options would require applications for either (A) 'referable-scale' development or (B) 'major-scale' development to be accompanied by a Social Value Self-assessment Statement.

Policy text:

Applications for proposed ['REFERABLE'/'MAJOR'] development should be accompanied by a statement that sets out the findings of a self-assessment which clearly identifies the proposed social value measures that would be delivered by the proposed development over the lifetime of the project (pre-development, construction and occupation) and include:

(i) Local Needs Analysis (LNA), including key data analysis such as Indices of Multiple Deprivation (IMD), social value maps identifying the existing social, cultural and commercial characteristics of the place (as encouraged in the Characterisation and Growth Strategy LPG, June 2023) and opportunities to better connect new development with the surrounding local area (socially, economically and environmentally);

(ii) Evidence of how community engagement and pre-application discussions have informed the proposed retention/enhancement of existing uses, facilities and features and social value measures; and

(iv) Evidence of how the proposed social value measures would help deliver Good Growth.

Supporting text to make clear that:

- A draft Self-assessment Social Value Statement should be prepared following community engagement for discussion with local people and officers at the pre-application stage to ensure that the proposed development scheme retains and where necessary enhances existing social value uses, facilities and features and evolves so that it delivers the maximum amount of social value measures that meet identified local and strategic priorities;
- Final Statements would be submitted as part of a planning application to help decision-makers understand the potential social value measures and aid decision-making;
- The Mayor will make a final Statement a validation requirement for any formal Stage 1 and Stage 2 referral and that boroughs should include final Statements in their validation check lists for 'referable' applications ('major' applications, where the borough adopts a policy in its Local Plan in relation to 'major' development); and
- In order to minimise additional costs and effort associated with producing the document, avoid duplication and to help integrate the consideration of social value into broader planning policy considerations and the overall planning balance, a final version of a Statement (developed to respond to engagement and discussion) could be submitted as a dedicated section in a Planning Statement.

### Options 2B and 3B – requiring a Social Value Strategy

These options would require applications for either (A) 'referable-scale' development or (B) 'major-scale' development to be accompanied by a Social Value Strategy.

Policy text:

Applications for proposed ['REFERABLE'/'MAJOR'] development should be accompanied by a Social Value Strategy that includes:

(i) Local Needs Analysis (LNA), including key data analysis such as Indices of Multiple Deprivation (IMD), opportunities for positive intervention and social value maps identifying the social, cultural and commercial characteristics of the place, as

encouraged in the Characterisation and Growth Strategy LPG, June 2023;

(ii) Evidence of how community engagement and pre-application discussions have informed the proposed retention/enhancement of existing uses, facilities and features and additional social value measures; and

(iv) Evidence of how the proposed social value measures would help deliver Good Growth.

AND

(v) A Social Value Delivery Plan (setting out who, how and when social value measures are to be delivered);

(v) A Place-based Social Value Measurement Framework that responds to the LNA and feedback from community engagement and sets out how the proposed social value measures are to be measured; and

(vii) Proposals for ongoing monitoring and reporting (with the submission of post completion monitoring reports).

Supporting text would make clear that:

- Standalone Strategies and monitoring reports are to be submitted as part of a planning application for the approval of the borough/Mayor, where relevant;
- Elements of an approved Social Value Strategy would be secured by planning condition or obligation, as appropriate (noting that in most cases, pre-commencement conditions can only be included on a decision notice where the applicant has agreed in writing to the terms of the proposed condition; and
- If this option is adopted for 'referable' applications, include a commitment that the Mayor will provide further guidance on these strategies.

## Assessment of Social Value policy options

### Policy Option 0 - Changes to the Good Growth chapter and other references

Relying on to changes to the objectives and supporting text in Chapter 1 (Planning London's Future – Good Growth) and appropriate references to social value in spatial, topic, delivery and monitoring-based policies and supporting text (as set out in Recommendations 1, 3, 4 and 5 of this report) is considered to be the minimum viable way of embedding social value in to a new London Plan.

However, Good Growth objectives GG1 to GG6 in the current published London Plan are just that, objectives, they are not 'policies'. They were included in draft versions of the Plan as draft 'policies' GG1 to GG6. However, they were changed to 'objectives' in response to the Planning Inspectors' Report in to the examination of the Plan (8 October 2019, para. 67) which asked that they be expressed as 'objectives' rather than 'policies' in order to make the Plan effective, better reflect their nature and content, and remove any ambiguities, repetition or potential inconsistencies that could arise from having to apply both GG policies and subsequent (spatial) and topic-based policies to decision making. This is significant. To ensure full 'development plan' weight is given to any specific social value requirements, the Mayor is recommended to include these in a new 'policy', rather than rely on revised or additional Good Growth 'objectives'.

### Policy Option 1 – Social Value golden thread

This option would introduce social value as a golden thread that, together with 'Good Growth' would run through the whole Plan and underpin spatial, topic, delivery and monitoring-based policies. It would also include an explicit policy requirement for all development to retain/enhance existing social value and to 'maximise' the delivery of social value measures.

The type of potential social value measures will vary depending on the nature of the proposed development scheme and the scale of measures will be vary depending on a number of factors (including the size and nature of the proposed scheme and the

maximum that could reasonably be supported whilst maintaining scheme viability). As such, the maximum amount of social value measures will vary from one proposed scheme to another and also in a particular scheme over time. Given this, the maximum amount will need to be determined on a case-by-case basis at the planning application stage, taking account of all relevant considerations.

This is true of other policy objectives and a large number of current London Plan policies and associated supporting text refer to the objective to “maximise” particular outputs or outcomes, without defining what “maximise” means. Given this, the introduction of a policy objective to maximise social value measures in Option 1 is considered to be sound in principle and a reasonable approach to take.

### Policy Options - Threshold for requiring additional documents

**Principle.** The concept of social value includes the importance of community engagement and the benefit of ensuring that local people can effectively influence proposed change in their area. It is not considered appropriate that the Mayor should adopt a ‘top down’ approach and impose additional costs and effort on a borough by requiring them to assess and (in relation to social value strategies), monitor and enforce. Social value should be about a ‘bottom up’ approach, with boroughs and neighbourhood fora (having engaged with local people) bringing forward social value policies and additional requirements for planning application documents as they see fit – where this is in general compliance with London Plan policy.

The current London Plan includes a number of thematic policies that only require the submission of additional documents in relation to ‘referable’ applications. These include Policy SI 1 (Improving air quality) (Part O) – which has an additional requirement for EIA development; Policy SI 2 (minimising greenhouse gas emissions) (Part F) – requiring the submission of Whole Life -Cycle Carbon Assessments and Policy SI 7 (Reducing waste and supporting the circular economy) (Part B) – requiring the submission of Circular Economy Statements.

Additional Costs. Assumptions:

- On average, there are currently around 200 Stage 1 referrals to the Mayor each year (total referrals 372,

minus 174 Stage 2 referrals, rounded up). Source: Mayor of London AMR 17, 2019/20, November 2022, Table 4.8;

- Boroughs currently consider around 5,100 applications for ‘major’ development a year. Source: Planning London Datahub (‘Major’ & ‘Minor’ applications decided by boroughs in 2021/22, year ending September 2022 is 20,353. Assume 25% of these, 5,088, rounded to 5,100, were ‘major’ applications;
- 200 of the 5,100 ‘major’ applications a year are also ‘referable’ applications (i.e. 4,900 attract the average additional consultant costs for ‘major’ applications and 200 attract the average additional consultant costs for ‘referable’ applications);
- Additional average consultant fee for preparing a Statement and Strategy for ‘referable’ applications and ‘major’ applications as set out in the table; and
- ‘Major’ schemes are delivered in one phase (£500 monitoring costs) and ‘referable’ schemes are delivered in an average of three phases (£3,000 monitoring costs).

Table 1 on the following page demonstrates that additional requirements would cost planning applicants across London between around £600,000 and £11,200,000 per year. This excludes additional borough and GLA planning officer time. This is funding that could, in theory, otherwise be used to deliver social value measures.

Restricting a requirement to submit a Self-assessment Statement or Strategy to ‘referable’ applications would:

- Be the least burdensome option in terms of additional effort/time and financial costs being placed on applicants, boroughs and the Mayor/GLA officers; and
- Allow the Mayor/GLA officers to demonstrate good practice in further embedding social value in to decision-making and maximising social value measures.

As outlined in the Context and background section, the Government is currently consulting on whether the current threshold of 150 residential units for referral of a planning application to the Mayor is the right level. If a higher threshold were to be set, the number of applications a year that are referable to the Mayor would reduce and the annual London-wide costs above would reduce proportionately.

<b>Preparing a Social Value Strategy, negotiating agreement of strategy with borough and/or Mayor, submission of monitoring reports and negotiating approval with borough</b>	Per application cost £7,000 (£4,000 + £3,000 monitoring)	Per application cost £2,000 (£1,500 + £500 monitoring)
	Annual London-wide cost £1,400,000	Annual London-wide cost £1,200,000 (£1,400,000 + £9,800,000)

Table 1. Assumed average additional costs of preparing Social Value Self-assessment Statement and Social Value Strategies)

**Policy Options 2 (A and B) – requiring the submission of a Social Value Self-assessment Statement for either ‘referable’ or ‘major’ schemes**

A Social Value Self-assessment Statement, submitted in support of an application for consideration as part of determining a planning application, would help deliver the benefits identified in the Introduction. In particular, it would help decision-making by providing greater focus on the overall planning balance of what existing uses, facilities and features would be either retained/enhanced or lost and what additional social value measures would be delivered by a proposed development.

It is considered that the benefits of requiring such a stand-alone document (or a dedicated section in a Planning Statement) could be justified and the additional costs associated with preparing and assessing the Statement could be considered proportionate (subject to the conclusions on the scale of development that such a requirement would relate to, set out below).

**Policy Options 2 (A and B) – requiring the submission of a Social Value Strategy for either ‘referable’ or ‘major’ schemes**

The review of best practice in Chapter 3 (Lessons From the Evidence) identifies Salford City Council’s Local Plan Policy F2 as a precedent for a ‘development plan’ policy requiring the submission of a Social Value Strategy for the approval of a Local Planning Authority. It should be noted, however, that this relates to a policy in a Local Plan rather than, in this case, the Manchester Spatial Development Strategy (SDS) (March 2024). It should also be noted that the Mayor of Greater Manchester does not benefit from a ‘referral system’ and Salford City Council is not required to formally refer strategic applications to the Mayor of Greater Manchester for their consideration.

The need to submit a Social Value Strategy would introduce additional requirements in relation to measurement, delivery and monitoring. It is not considered that the requirement for a Strategy in the London context would be necessary or justified for the

following reasons:

- A Social Value Self-assessment Statement would provide sufficient information to help the decision maker consider the planning merits of a proposed scheme;
- A Social Value Delivery Plan would duplicate the requirements of a Planning Statement, including required draft s106 Heads of Terms for planning obligations. In any event, experience suggests that prospective developers are generally unwilling to 'offer up' social value commitments at the point of submitting a planning application and that these are negotiated as part of the formal application assessment and reporting stages;
- Subject to Recommendation 5 being adopted, the submission of a Place-based Social Value Measurement Framework is not necessary;
- Subject to Recommendation 5 being adopted, any necessary ongoing/post completion monitoring and reporting requirements could be secured by planning conditions/ obligations and informal site visits; and
- The likely London-wide additional estimated costs of preparing a Strategy (see above) would not be proportionate or justified by the potential benefits.

It should be noted that the lack of a policy requiring a Social Value Strategy in a new London Plan would not prevent a borough bringing forward such a policy in its Local Plan where locally specific circumstances and evidence suggests this would achieve the Good Growth objectives and other aspects of such a policy are considered to be in general conformity with the London Plan.

## Conclusion

Proposed changes to the Good Growth chapter and other references included in Option 0 are incorporated in Recommendations 1, 3, 4 and 5. The Mayor is also recommended to include a social value policy into a new London Plan, based on a combination of Policy Options 1 (golden thread) and 2A (requiring the submission of a Social Value Self-assessment Statement for 'referable' applications only). This approach is incorporated in Recommendation 2. The recommended policy options are summarised in the figure on the following page.



		Social value golden thread policy that seeks to ensure that all development retains/enhances existing social value and maximises the delivery of social value measures (Rec. 2)	Social value golden thread policy + submission of social value Self-assessment Statement (Rec. 2)	Social value golden thread policy + submission of social value Strategy
Option 0 No policy				
Option 1 Golden Thread				
Option 2A (‘Referable’) applications				
Option 2B (‘Referable’) applications				
Option 3A (‘Major’) applications				
Option 3B (‘Major’) applications				

Figure 2. Recommended policy options highlighted in yellow.

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