HERTFORDSHIRE'S EMPLOYMENT, SKILLS AND SOCIAL VALUE FRAMEWORK

Guidance for developers

Contents

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Disclaimer
The Framework will be reviewed regularly to ensure it is serving its purpose of being an up-to-date and simplified social value evaluation method for both the Developer and the Council.

This guidance should be read in conjunction with the Hertfordshire ESSV Framework and supporting documentation which can be downloaded from the microsite **Social Value | Hertfordshire Futures**.

Introduction

This document has been prepared by Hertfordshire Futures, who are part of the Growth and Environment directorate of Hertfordshire County Council, to provide guidance and support to major developers when completing the Employment Skills and Social Value (ESSV) Framework and Delivery Plan.

This document explains what is required from developers when submitting their ESSV plans with their planning applications, outlines the process post-permission, details fees associated with monitoring and delivery, and provides information on how developers will be supported by the Social Value Brokerage Service.

With adopted Local Plan polices and requirements of Social Value, The Public Services (Social Value) Act, the Public Procurement Act (2024) and the Procurement Policy Notes (PPNs) transforming the relationship between the public sector, the supply chain and the community, this Framework has been designed to ensure major developments contribute to Hertfordshire's local priorities.

The Framework has been developed using a combined and adapted version of the Construction Industry Training Board (CITB) National Skills Academy for Construction (NSAfC) Framework, and the National TOMs (Themes, Outcomes and Measures) Framework, developed by the National Social Value Taskforce and Local Government Association to deliver and measure quantifiable social value impact. Working in collaboration with local authorities, partners and developers, Hertfordshire Futures supports delivery of the Framework through providing expertise in local employment, skills, and social value requirements, delivering a Social Value brokerage service, facilitating solutions and monitoring impact to ensure benefits to local areas are realised.

What is social value?

Hertfordshire Futures defines social value as the process whereby organisations meet their needs for goods, services, work and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only for the organisation, but also for society and the economy.

The Framework is designed to enable social value to be integrated into local authority planning processes to ensure commitments, particularly those relating to skills and employment, are prioritised and effectively embedded throughout contract delivery. By applying the Framework, local authorities and developers can promote sustainable employment growth, foster social inclusion, and maximise positive impacts on residents and employers, ultimately supporting the development of resilient and vibrant local communities.

> If you would like to discuss any aspect of the Framework, please email: **socialvalue@hertfordshirefutures.co.uk**

THIS GUIDANCE DOCUMENT INCLUDES DETAILS ON:

- The mission and objectives of the Hertfordshire Employment, Skills and Social Value Framework
- The ESSV Framework explained
- Key Performance Indicators
- Contributions and non-delivery fees
- Monitoring and reporting
- The Brokerage Service and ESSV initiatives
- The ESSV Framework delivery process
- Glossary of terms

The ESSV Framework mission and objectives

MISSION:

“To deliver employment, skills, and social value impact; developing our people and businesses as we build and grow our community.”

OBJECTIVES:

Accelerate and deliver ‘real’ social value return to local communities from major developments and contracts by building talent pipelines, a skilled workforce and employment opportunities.

Deliver positive employment and skills outcomes for Hertfordshire residents facing significant barriers to employment, to create stronger, resilient and healthier communities.

Ensure training and work opportunities are delivered to Hertfordshire Micro, Small and Medium Enterprises (MSMEs) to enable local business growth.

Encourage and foster engagement with the voluntary, community, faith and social enterprise sector (VCFSE) who support and nourish local needs.

Tackle inequality to drive diversity and inclusive growth.

Protect the environment through sustainable practices, reducing the environmental impact of development activities.

Raise the standard of outcomes and deliverables from major developments and contracts for the benefit of the local community.

Aligning to Hertfordshire's strategic priorities

Developers should align their social value commitments to our wider vision for Hertfordshire, detailed within our local Corporate Plans, Economic Growth Strategy and Get Hertfordshire Working Plan.

Hertfordshire County Council's Corporate Plan (2025 to 2028) showcases an ambition to create a county where every resident thrives and achieves their aspirations. Where economic growth, innovation and industry are supported, and our environment is protected for future generations. We want to be a council that Hertfordshire's people recognise as being on their side.

The **Economic Growth Strategy (2025 – 2035)** champions a vision where Hertfordshire will be recognised globally as the UK's innovation heartland – a high-value, productive and sustainable economy where businesses and people thrive, and everyone has the chance to live better.

The **Get Hertfordshire Working Plan (2025 – 2035)** sets out Hertfordshire's objectives to reduce economic inactivity and boost employment, skills and productivity across the county.

The priorities of the county's economic growth vision are aligned with the individual Local Plans of ten districts and boroughs in Hertfordshire.

DEFINITION OF LOCAL:

The definition of 'Local' in this Framework refers to a resident or business residing in the local authority, and if not possible then within a 10-mile radius of the development or Council office, and only when that presents challenges, a Hertfordshire resident or business.

Table One: Local Plans adopted within Hertfordshire

HERTFORDSHIRE DISTRICTS AND BOROUGHS: LOCAL PLAN LINKS
Broxbourne Borough Council
Dacorum Borough Council
East Herts District Council
Hertsmere Borough Council
North Herts Council
St. Albans City and District Council
Stevenage Borough Council
Three Rivers District Council
Watford Borough Council
Welwyn Hatfield Borough Council

The ESSV Framework explained

The Employment, Skills and Social Value Framework provides a structured way for major developers* to present their employment, skills and social value offer to the local community, streamlines the evaluation process, and enables straightforward reporting and monitoring of impact.

The Framework can be used by developers to propose their social value activities. It enables developers to produce clearly defined commitments where crucial information such as quantities, milestones, evidence requirements and the method to be applied, are stated.

Hertfordshire Futures does welcome commitments that are not highlighted in the ESSV Framework. However, to ensure a standardised assessment it is requested that developers use the Outcomes and Measures outlined in the Framework to meet and deliver a 10% social value return based on the cost of construction.

***MAJOR DEVELOPERS:**

Major developments are in accordance with the Town and Country Planning Act and deemed 'major' when involving:

- residential developments of 10 units or more, or
- non-residential developments exceeding 1,000m2

THE ESSV FRAMEWORK CONSISTS OF:

TOMs Themes – These are the five broad categories that represent the areas of social value: Work, Environment, Growth, Social and Innovation.

Outcomes – These are the specific benefits that Hertfordshire seeks to achieve within each of the five themes. There are 10 key Outcomes (also referred to as priorities) set within this Framework.

Measures – The Measures are quantifiable actions that demonstrate progress towards achieving the desired outcomes.

Evidence requirements – For each Measure there is guidance on what evidence is required to demonstrate achievement of an outcome. This evidence will be required when reporting to Hertfordshire Futures.

Proxy Values – Each measure has been assigned a monetary value (known as a proxy value), which allows developers to quantify their social value commitments. The proxy values, which are established using public sector data, are average sums that correlate to the yearly uplift in life satisfaction for individuals, the government, and the community. When reporting, proxy values will be used to calculate how much social value has been generated by developers. The proxy values and units are not to be amended.

Hertfordshire’s impact priorities

In Hertfordshire, the 10 priorities for Employment, Skills and Social Value impact are outlined below.

THEME:	PRIORITIES:
WORK	1. Inspiring and raising the aspirations of young people.
	2. Creating opportunities for work experience, industry placements, T Levels and apprenticeships.
	3. Employment for local residents.
	4. Skills training and progression in the workplace.
ENVIRONMENT	5. Green initiatives to develop a more sustainable business environment.
GROWTH	6. Promoting the local economy by using local MSME supply chains and encouraging growth in the local area.
SOCIAL	7. Supporting the local voluntary, community, faith, and social enterprise sector (VCFSE).
	8. Tackling inequality to drive diversity and inclusive growth.
INNOVATION	9. Going above and beyond to deliver local impact through innovative social value projects.
	10. Communicating the success of social value.

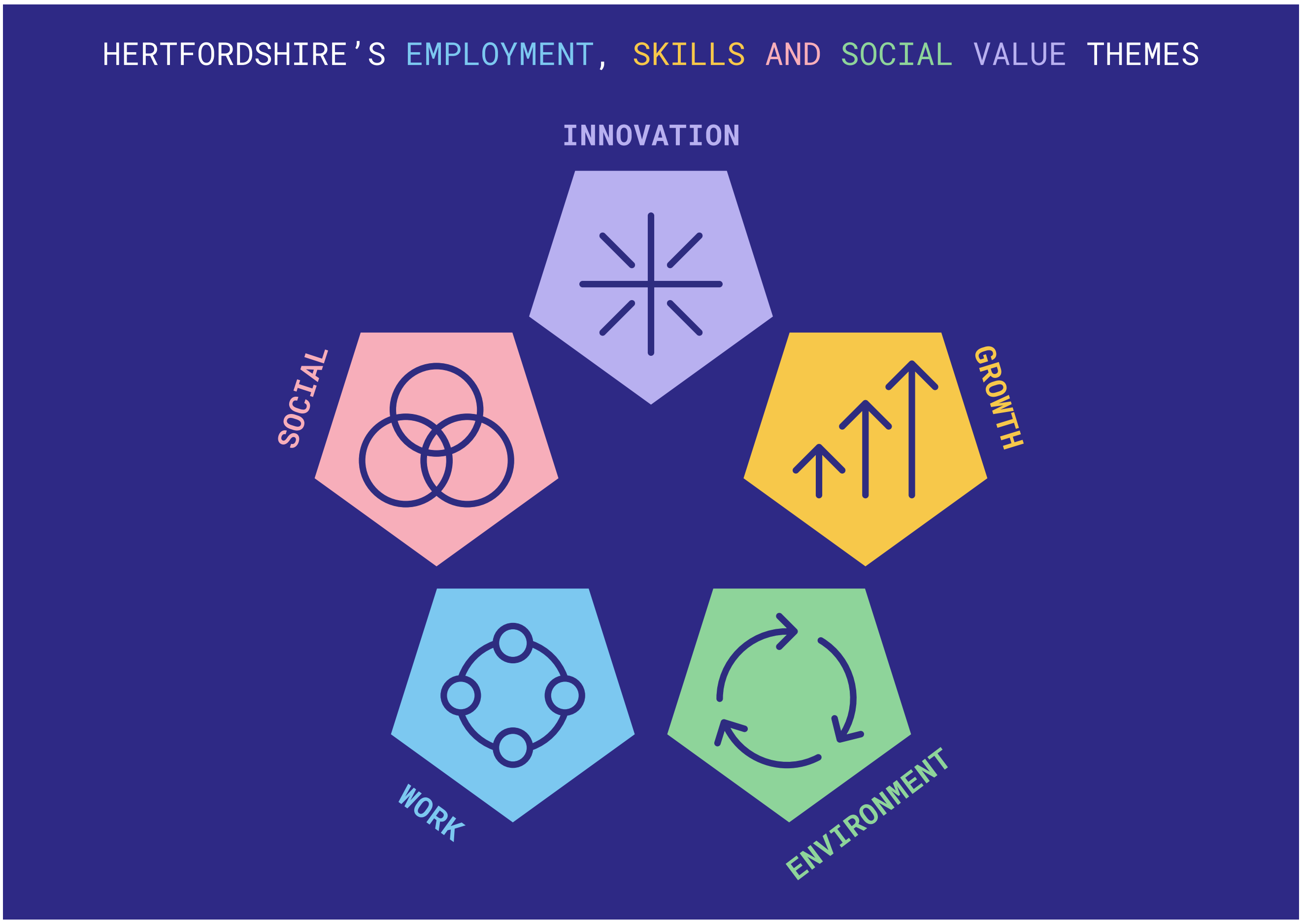
Measuring social value impact

Developers must use the Outcomes and Measures outlined in the Framework to meet and deliver a 10% social value return based on the cost of construction.

GETTING STARTED:

Developers are required, at the time of submitting their planning application, to complete the Hertfordshire ESSV Framework (Tab 4 - Data Capture Form) and submit alongside an Employment, Skills and Social Value Delivery Plan.

This documentation can be accessed on the website, **Social Value | Hertfordshire Futures**, alongside a summary of the Themes, Outcomes and Measures.



Employment, skills and social value delivery plan

Hertfordshire Futures understands that developers may have their own templates for developing an Employment, Skills and Social Value Delivery Plan, however the template we have provided can be used. It is acknowledged that each Delivery Plan will be designed within the scope of the construction cost of the development.

THE PLAN SHOULD SET OUT:

1. A detailed method statement for delivery against ESSV commitments.
2. A schedule of local job opportunities to be created as a direct result of the development.
3. The processes and campaigns that will be in place to advertise these jobs.
4. The number of apprenticeships/work experience placements/T Levels that will be facilitated.
5. An engagement plan on how the developer will work with local schools and local training providers/colleges.
6. Details on how those residents furthest away from the jobs market are given real opportunities to access work.
7. The actions that will be taken to ensure the support of local trade contractors and sub-contractors working on the project.
8. Details on how the supply chain will be supported and provided with the necessary skills and employment opportunities.
9. The title and details of the accredited and non-accredited training that will be provided.
10. An engagement plan on how the developer/ supply chain will work and connect with the voluntary and community sector.
11. A statement on how ESSV performance will be monitored and evaluated including issuing a quarterly report on the outcomes and activities delivered.
12. A summary on how case studies will be created and promoted to demonstrate the impact of employment, skills and social value activities.
13. A risk and mitigation plan.

Key performance indicators

Key Performance Indicators (KPIs) have been set which are aligned to the development's construction value, and in accordance with the **National Skills Academy for Construction (NSAfC) framework** which is a way of working to enable developers to get the skills they need on site, on time.

The NSAfC ensures that community benefits are at the centre of considerations before, during and after the procurement process. Lessons learned and experiences shared inform future projects, creating a virtuous circle that promises to build social value.

Providing work placements in meaningful environments, organising inspirational careers events that broaden horizons and open doorways, supporting dynamic apprenticeships, making training opportunities available to anyone in the workforce, and creating new and sustainable jobs are the real-world outcomes of the NSAfC that are making a difference and transforming lives and communities.

Apart from the two mandatory KPIs (local employment and Apprenticeship starts), the other KPIs can be used as a benchmarking tool to enable developers to consider the volume of units they propose.

The full set of KPIs can be downloaded from the website - **Social Value | Hertfordshire Futures**.

MEASURED KPIS ARE SET FOR:

- Local school and colleges visits/activities
- New Apprenticeship starts
- Weeks of meaningful work experience/placements
- Employment for residents
- Employment for residents with barriers to work
- No of weeks training provided
- Green skills training
- Amount spent with local supply chain
- Promotional case studies produced.

MANDATORY KPIS:

- New Apprenticeships
- Employment for local residents including residents with barriers to work (equating to 30% of all employed on the contract)

Contributions and non-delivery fees

To support the delivery and monitoring of Employment, Skills and Social Value commitments, contributions are secured via S106 agreements. The required fee is in accordance with the construction cost; it will be payable upon commencement of the development to the local authority.

Table Two: Financial contributions by construction cost

CONSTRUCTION COST	DEVELOPER FINANCIAL CONTRIBUTION
£1 - £5 million	£9,000
£5 - £10 million	£11,000
£10 - £20 million	£13,000
£20 - £35 million	£17,000
£35 - £60 million	£21,000
£60 - £80 million	£26,000
£80 million +	By negotiation

ADDITIONAL FEES FOR NON-DELIVERY OF MANDATORY KPIS

Two of the KPIs are mandatory. These are:

- Employment for residents (equating to 30% of all employed)
- Apprenticeship starts

There may be genuine and justifiable reasons for a developer's non-delivery against the 2 mandatory KPIs and in these circumstances, developers are required to engage with Hertfordshire Futures as soon as possible and provide a coherent rectification strategy. Hertfordshire Futures will work with the developer to understand the issues impeding their ESSV delivery and explore and support alternatives. If the Developer cannot deliver against the ESSV Framework obligations, the contracting local authority reserves the right to apply the non-delivery fees and collect payment in lieu, as set out below.

- £4,000 per number of targeted jobs not filled by local residents.
- £2,000 per number of targeted apprenticeships not filled by local residents or students.
- If a major development cannot provide suitable apprenticeship opportunities due to a short construction period (under 6 months) they should pay a lesser fee of £1,000 per number of targeted apprenticeships not created rather than the £2,000 fee.

The non-delivery fees are considered appropriate so as not to affect the viability of a scheme, and to adequately compensate for under delivery of local employment and social value commitments.

A worked example of how the non-delivery fees are calculated is below:

WORKED EXAMPLE

1. The ESSV Framework estimates that a development will create 30 on-site jobs.
    - 30% Local Employment Target
    - 30% of 30 = 9
    - A target of 9 residents to be employed in jobs on-site.

The subsequent ESSV report shows 1 local resident was employed.

- This is a shortfall of 8 local employees.
- 8 x £4,000 = **£32,000** in lieu contribution.

2. The build cost is £15m and therefore there should be 3 apprenticeship starts filled by local residents or students.

The ESSV report shows that 2 of the apprenticeships were filled with Hertfordshire residents or students.

- This is a shortfall of 1 local apprentice.
- 1 x £2,000 = **£2,000** in lieu payment.

Overall:
£32,000 + **£2,000** = **£34,000** in lieu payment towards The Community Investment Fund.

The Community Investment Fund

The Community Investment Fund is managed by a locally formed ESSV Stakeholder Committee who reinvest funds from developer ESSV financial contributions and non-delivery fees into community projects.

The Committee assigns investment, through a transparent bidding process, prioritising projects near to where the development resides, or within the local authority area. Organisations wishing to apply to the fund will be required to complete a grant application. A panel of representatives meet to review and agree applications with all decisions on the allocation of grant funding made from members of the Stakeholder Committee.

The Community Investment Fund can provide one-off or time-limited grants towards a project, for either capital expenditure (equipment/ facilities), business improvement consultancy, energy efficiency improvements or for revenue (staffing and running costs). A 10% management fee can be allocated to support the costs of administering the fund. An annual report is issued every year that details income and expenditure to ensure that contributions are directed toward initiatives that drive meaningful, positive social value to the local area.

THE INCOME CONTRIBUTIONS TOWARDS THIS FUND ARE DERIVED FROM

Non-delivery fees

Contributions to support skills FE/HE training in Hertfordshire

Contributions to support local MSME grants schemes to fund training/business improvement solutions

Donations or in-kind contributions to local community projects (£ & materials)

Contributions resulting from the Innovation measure to promote local skills and employment, support responsible business, enable healthier, safer and more resilient communities or safeguard the environment.

> The Community Investment Fund Grant Application process can be **accessed here**.

The brokerage service and ESSV initiatives

The Hertfordshire Futures Brokerage Service is a scheme that connects developers with local solutions to maximise social, economic and environmental benefits from major developments.

The service acts as an intermediary, facilitating partnerships that enhance the social impact of developments, such as, employment opportunities, training, local business support, environmental initiatives and community development.

The service also supports developers to maintain high-quality data on activities including outcomes, resource needs, timelines, and provides reporting tools to enable qualitative and quantitative outcomes to be reported on.

The table below includes a summary of local initiatives that developers will be supported with through the Hertfordshire Futures Brokerage Service.

> A detailed overview of the service can be accessed on the website - **Social Value | Hertfordshire Futures**.

Table Three: Social Value activities

OUTCOME	LOCAL INITIATIVES
1. Inspiring and raising the aspirations of young people.	Partner with Careers Hubs; employer engagement (Enterprise Advisers, Cornerstone Employers); careers talks, CV/interview workshops; apprenticeships/T Levels awareness; short work experience; job shadowing; virtual engagement activities.
2. Creating opportunities for work experience, industry placements, T Levels and apprenticeships.	1+ week work experience placements; T Level industry placements (45 days); apprenticeship programmes; undergraduate/graduate placements with universities.
3. Employment for local residents.	Provide job forecasts; advertise vacancies locally (DWP, colleges, job boards); offer guaranteed interviews; work with Step2Skills and employment support services.
4. Skills training and progression in the workplace	Support training such as Skills Bootcamps, HTQs, apprenticeships; leadership programmes; employer-led training; partnerships with FE/HE providers; fund training infrastructure and provision.
5. Green initiatives to develop a more sustainable business environment.	Carbon reduction plans; low-carbon construction methods; energy-efficient technologies (e.g. heat pumps, solar); green skills training; sustainability advice to local businesses.
6. Promoting the local economy by using local MSME supply chains and encouraging growth in the local area.	Use local supply chains; engage chambers and the Growth Hub; meet-the-buyer events; supplier workforce training; provide grants/funding to MSMEs; business mentoring and advice.
7. Supporting the local voluntary, community, faith, and social enterprise sector (VCFSE).	Volunteering programmes; partnerships with charities; co-designed community projects; contributions towards the Community Investment Fund, working with GoVolHerts, Herts Community Foundation.
8. Tackling inequality to drive diversity and inclusive growth.	Target disadvantaged groups (NEETs, disabled, care leavers, veterans, ex-offenders etc.); inclusive recruitment; support Connect to Work and DWP programmes; become Disability Confident; deliver wellbeing initiatives; EDI training.
9. Going above and beyond to deliver local impact through innovative social value projects	Deliver innovative, community-led projects; co-design solutions with stakeholders; address social, economic, and environmental challenges; go beyond baseline requirements.
10. Communicating the success of social value	Develop case studies; showcase outcomes (employment, skills, business growth); share best practice; promote achievements across local and county platforms. **A copy of a case study template can be downloaded here.**

Monitoring and reporting

For each of the Framework's ESSV Outcomes, there are clear measures, associated definitions, unit guidance, proxy values, target guidance and evidence requirements.

Hertfordshire Futures has secured membership for the **Social Value Portal**, which is an online tool that effectively manages and reports on social value impact.

Hertfordshire Futures requires developers to use the Social Value Portal (SVP) to log, track and report on all the measures associated with each outcome. The Social Value Portal gives developers a single space to capture, manage, measure and report against their social value commitments, with accuracy and transparency, ensuring that both financial and non-financial impacts are comprehensively tracked and demonstrate the 'real' social value generated.

User details for the SVP and permission settings will be issued upon commencement. To support with data uploading, evidence requirements and reporting, the Social Value Portal team will provide developers with on-boarding and training.

Supported by the Hertfordshire Futures Social Value Brokerage Service, developers will be able to log, track and report on measures using the wide selection of reporting features which are available on the SVP to recognise and highlight the positive impact being created.

These include:

- **Automated project level reports –** instant access downloadable reports that provide a visual representation of the social value created for a major development
- **Reporting Dashboard –** a visual representation of impact delivered against commitments with sophisticated filtering to drill into specific business sectors, grouped customer contracts or projects.

Social Value Portal

REPORT DEADLINES

Developers must ensure the Portal is updated and their quarterly reports submitted to the Hertfordshire Futures Brokerage Account Manager by the following deadlines:

- **Q1 (1st January to 31st March) -** by end of April
- **Q2 (1st April to 30th June) -** by end of July
- **Q3 (1st July to 30th September) -** by end of October
- **Q4 (1st October to 31st December) -** by end of January

The ESSV delivery process

THE STEP BY STEP PROCESS

The developer submits ESSV Framework and delivery plan alongside planning application to the local authority.

Hertfordshire Futures will be available to support and advise developers on the ESSV Framework before submission.

Hertfordshire Futures assesses developer's ESSV delivery plan against the ESSV Framework and provides advice to local authority.

Local authority will liaise with the developer.

Planning application approved with ESSV delivery plan secured by S106 Agreement

Planning application rejected

Local authority will liaise with the developer.

Local authority introduces developer to Hertfordshire Futures. Hertfordshire Futures advises details of Brokerage Service to support ESSV commitments.

Hertfordshire Futures arranges link and secure access details to the Social Value Platform (SVP).

Using the SVP, developer submits quarterly reports (as per schedule) on their ESSV delivery to Hertfordshire Futures.

Hertfordshire Futures will arrange quarterly progress meetings and an annual visit to the development site to discuss progress against the ESSV Framework.

Social Value Portal

Once a Developer has an approved planning application and signed the local authority's Section 106 agreement, their details are shared with Hertfordshire Futures who will work with the Developer to monitoring the ESSV Plan and support the delivery of their social value commitments.

Appendix 1: glossary of terms

AGREED TERMS	DEFINITIONS
BAM	Brokerage Account Manager
CITB NSAfC	Construction Industry Training Board National Skills Academy Framework for Construction
Day	Working day which equates to 7 hours.
DWP	Department of Work and Pensions
EDI	Equality, diversity and inclusion
ESSV	Hertfordshire's Employment, Skills and Social Value Framework is the toolkit to produce clearly defined Employment, Skills and Social Value deliverables for all major Developers.
FE	Further Education
FTE	Full-time Equivalent (35 hours). Time spent on Project FTE: Full time for 1 year 1 6 Months 0.5 3 Months 0.25 1 Months 0.083 1 Week*1 0.022 Note *1 – Assumes 6 weeks of holiday
HE	Higher Education
Local	Refers to a resident or business residing in the Local Authority, and if not possible then within a 10-mile radius of the development or Council office, and only when that presents challenges, a Hertfordshire resident and business
MSME	Micro, Small and Medium Enterprise
NEET	Not in Employment, Education or Training People under 24 years old.
NT (1,2,3 etc.)	National TOMs (Themes, Outcomes and Measures)
Proxy Values	These are average sums that correlate to the yearly uplift in life satisfaction for individuals, the government, and the community. They are established using public sector data. When reporting, we will use proxy values to calculate how much social value has been generated by suppliers. Do not make any amendments to the proxy values or units. The proxy values and units are not to be amended.
VCFSE	Voluntary, Community, Faith and Social Enterprises
Week	5 working days
y.o.	Years old

For more information visit the website
[Social Value | Hertfordshire Futures]

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