REPORT

AUGUST 2025

PRE-PLANNING SOCIAL VALUE FORECAST

PLOTS 4 & 5, CENTRAL SQUARE, CITY CENTRE, CARDIFF

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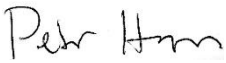

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1.0 INTRODUCTION

This Pre-Planning Social Value Report has been prepared by RLB in support of the detailed planning application being submitted by REAP 3 Limited ('the Applicant') to Cardiff Council ('the Council') in support of a full planning application for the development of Plots 4 and 5, Central Square, City Centre, Cardiff ('the site').

This application seeks full planning permission for the following description of development:

"Mixed-use development to provide residential accommodation, flexible non-residential uses, cycle parking, landscaping and other associated works"

This report will outline a robust picture of different aspects of social value RLB forecasts will be delivered through the lifecycle of the proposed development. This includes benefits delivered through the design and construction of the proposed development and through its operation, including environmental, social and economic analysis. The report will provide a high-level overview of the forecasted social value based on information available prior to planning approval (pre-planning). The figures presented in this report can be used to demonstrate the anticipated positive outcomes associated with the project.

It is important to note that these preliminary figures are based on information available at the pre-planning application stage. The methodology applied to calculate the social value associated with the proposed development relies on forecasting economic impact and utilises evidence-based assumptions, all of which are captured in the assumptions model (see appendix A). Further calculations are recommended post-planning application, when more accurate information is available. At that stage, an updated social value forecast should be undertaken to inform the development of a project social value plan.

1.1 SITE CONTEXT

The site sits within the administrative area of Cardiff Council ('the Council'), who are the relevant Local Planning Authority when determining any planning applications on the site.

The site is 0.21ha and comprises a cleared rectangular plot of land, alongside two smaller parcels of land located to the north of Wood Street within the public realm (these smaller parcels will accommodate public cycle parking spaces). The site is bound by Wood Street to the south, Scott Road to the west, Park Street Lane to the north-west, and a public square to the east. The site was formerly occupied by St David's House, until it was demolished in late 2018. It stands at the forefront of Cardiff's transformation, directly opposite Cardiff Central railway station and close to landmarks such as the Principality Stadium, Cardiff Castle, and St. David's Hall.

The site is very well connected by public transport. Cardiff Central Station is within a short walking distance (0.1 miles / 2-minutes' walk). Cardiff Central provides connections to a wide range of locations, including Newport in 13 minutes and Cheltenham Spa in approximately an hour. Adjacent

to the site is Wood Street bus stop, with further bus stops along St Mary Street, approximately 2-minutes' walk from the site.

The site sits at the heart of the wider 'Central Square' regeneration area in Cardiff City Centre. Central Square is a strategically important area which the Council consider to be a gateway to the City, and an opportunity to showcase the best that Cardiff has to offer. Given the strategic importance of the location, the Council envisage that the regeneration of Central Square, towards which this development will contribute significantly, will play a key role in attracting investment on other strategically important development sites in the City.

Key:

- Site
1. Cardiff Castle
2. Principality Stadium
3. St David's Hall
4. Cardiff Bus Interchange
5. St David's Shopping Centre
6. Cardiff Central Station
7. Utilita Arena Cardiff
8. University of South Wales

Figure 1 Site location in relation to other landmarks

1.1 THE PROPOSED DEVELOPMENT

The proposed mixed-use development will provide residential accommodation, flexible non-residential uses, cycle parking, landscaping and other associated works. The landmark Development, located in the heart of Cardiff, will feature 50 stories, including 528 homes comprising a mix of 1-bed and 2-bed units. It will also feature 2,856.5sqm of high quality internal and external amenity space through provision of roof terraces, lounges, coworking, gym and other wellbeing spaces. The development will be car free, with 528 cycle parking spaces within the proposed building, including 5%

accessible spaces, and a publicly accessible bike hub and café. Additionally, 52 public cycle spaces are provided within the adjacent square, provided as Sheffield stands.

As well as the delivery of much needed high-quality homes to address the Council's housing need, the proposed development brings with it a wide range of enhanced planning and public benefits. The benefits include the delivery of a strategically important City Centre site, new flexible non-residential floorspace that will activate Central Square, a publicly accessible bike hub and cafe, a new pavilion building that can accommodate a world class restaurant, extensive public realm landscaping in and around the buildings, highly sustainable and energy efficient buildings, and other significant economic and social benefits for the City.

Figure 2 Proposed development

1.2 BACKGROUND ON SOCIAL VALUE

Social value describes the multiple outcomes or the cumulative impacts of a project or a business' activities for beneficiaries and society as a whole. Social value encompasses environmental, economic, and social well-being, and understands each of these in terms of their impact on people's quality of life.

Social value has picked up considerable momentum over the past 10 years and has increasingly been used as an umbrella term across the UK to describe the variety of community and societal

benefits derived from projects and services. Measuring social value is a key requirement of work with the public sector, for example as outlined by the UK Government in the 2012 Social Value Act.

Moving beyond public procurement, social value assessment has evolved into a critical component of construction projects. It is now essential that social value is incorporated at all stages of the RIBA process and that projects are assessed in pre-planning to determine their social value potential to guide investment decisions.

Alongside delivering traditional Return on Investment (ROI), it is now paramount that projects also deliver a Social Return on Investment (SROI), measuring a robust set of activities and impacts that form a snapshot of wider societal benefits of major projects that can help guide better business cases, planning and design, operations, and reporting. It is also a powerful tool to communicate to communities and policymakers about the wider impact of projects to support place-making, support communities, expand amenities and greenspace, and drive the journey to net zero emissions.

To outline an accurate picture of the whole-life social value delivered by the development, it's important to differentiate between operational and construction impacts.

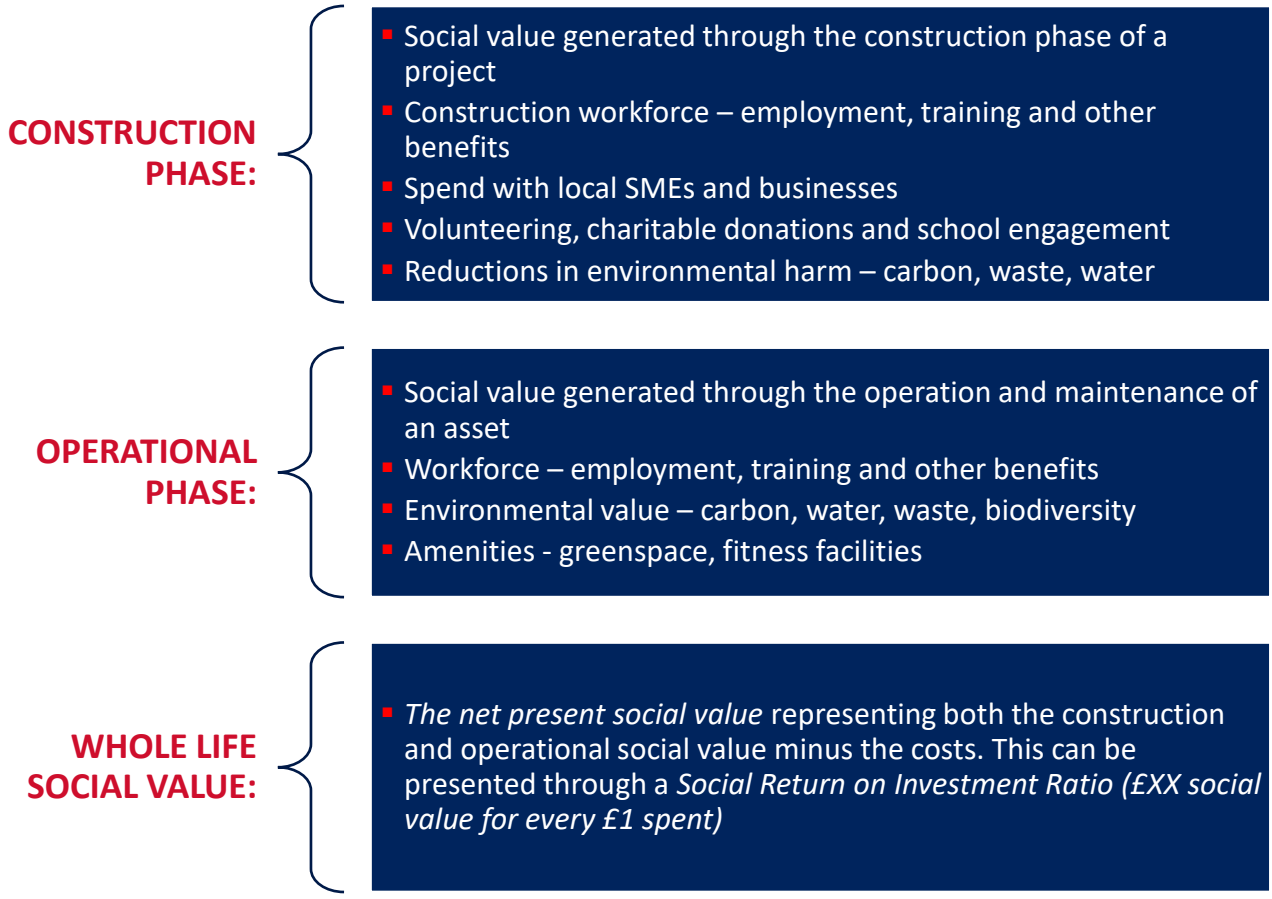

Figure 2 Breakdown of social value at different phases for the proposed development project

2.0 POLICY REVIEW

2.1 NATIONAL POLICY

2.1.1 PLANNING POLICY WALES (PPW)

Planning Policy Wales (PPW) outlines the land use planning policies set by the Welsh Government. Its main goal is to ensure that the planning system supports sustainable development and enhances the social, economic, environmental, and cultural wellbeing of Wales. PPW encourages actions at all stages of the planning process to maximise its positive impact on the wellbeing of Wales and its communities.

The Framework sets out how the national planning system can help guide local development, delivering requirements through Strategic Development Plans (SDP) and Local Development Plans (LDP). There are five Key Planning Principles:

- Growing our economy in a sustainable manner
- Making best use of resources
- Facilitating accessible and healthy environments
- Creating and sustaining communities
- Maximising environmental protection and limiting environmental impact

2.2 LOCAL POLICY

2.2.1 CARDIFF'S LOCAL DEVELOPMENT PLAN (2006-2026)

Cardiff's Local Development Plan (LDP) provides the statutory framework for the development and use of land within Cardiff over the Plan period (2006-2026). It aims to guide sustainable growth while balancing economic, social, and environmental priorities. The objectives of the plan are categorised under four main headings:

- To respond to evidenced economic needs and provide the necessary infrastructure to deliver development
- To respond to evidenced social needs
- To deliver economic and social needs in a co-ordinated way that respects and enhances Cardiff's environment
- To create sustainable neighbourhoods that form part of a sustainable city.

The LDP sets out KPIs for the city, such as the provision for 41,415 new dwellings and 40,000 new jobs in Cardiff between 2006-2026 and is used by the Council to guide and manage development, providing a basis by which planning applications will be determined. Additionally, it sets out policies to ensure high-quality urban design, promote sustainable development, and enhance green spaces, all of which contribute to the city's long-term vision for growth and resilience.

2.2.2 CARDIFF REPLACEMENT DEVELOPMENT PLAN

The Replacement Local Development Plan (RLDP) will update and replace the existing LDP (2006–2026) to reflect Cardiff's evolving needs and challenges. The Replacement Development Plan has been in consultation since 2022, however, it is now approaching its final stages, with the "Deposit Plan" set to be discussed and agreed by Cardiff Council's Cabinet before being submitted to Full Council for approval, to be adopted in April 2026. The vision for the Plan is to create a fair, healthy, more liveable, sustainable and low-carbon city by:

- Creating new homes
- Creating new jobs
- Creating sustainable neighbourhoods
- Sustainable and active travel
- Responding to climate change
- Ensuring a net gain in biodiversity and ensuring the resilience of ecosystems
- Protecting Cardiff's environment
- Developing new and strengthened policy in key areas

3.0 WHOLE LIFE PROJECT SOCIAL VALUE

Through the construction and operational lifecycle of the proposed development, RLB estimates that **£245 million** in social value will be delivered. This represents a Social Return on Investment (SROI) of **£1.82 for every £1 spent.** Critically, this ratio is based on the capital investment in construction, so it does not include operational running costs.

Social Impact	Environmental Impact	Economic Impact	Total Social Value
£10,750,302	£10,573,779	£223,968,878	**£245,292,959**

Table 1 Total social value created through the proposed development split by impact.

It is important to bear in mind that this estimated figure is based on data available at this early pre-planning stage. Therefore, the level of social value may be higher or lower than this initial estimation. Developing a project-specific Social Value Action Plan – outlining the social value commitments and initiatives for the project – could potentially significantly increase the positive social impact associated with the project. However, if there are significant changes to the project's scope, budget, or timeline, the total social value generated through construction and operation could be lower than this pre-planning forecast.

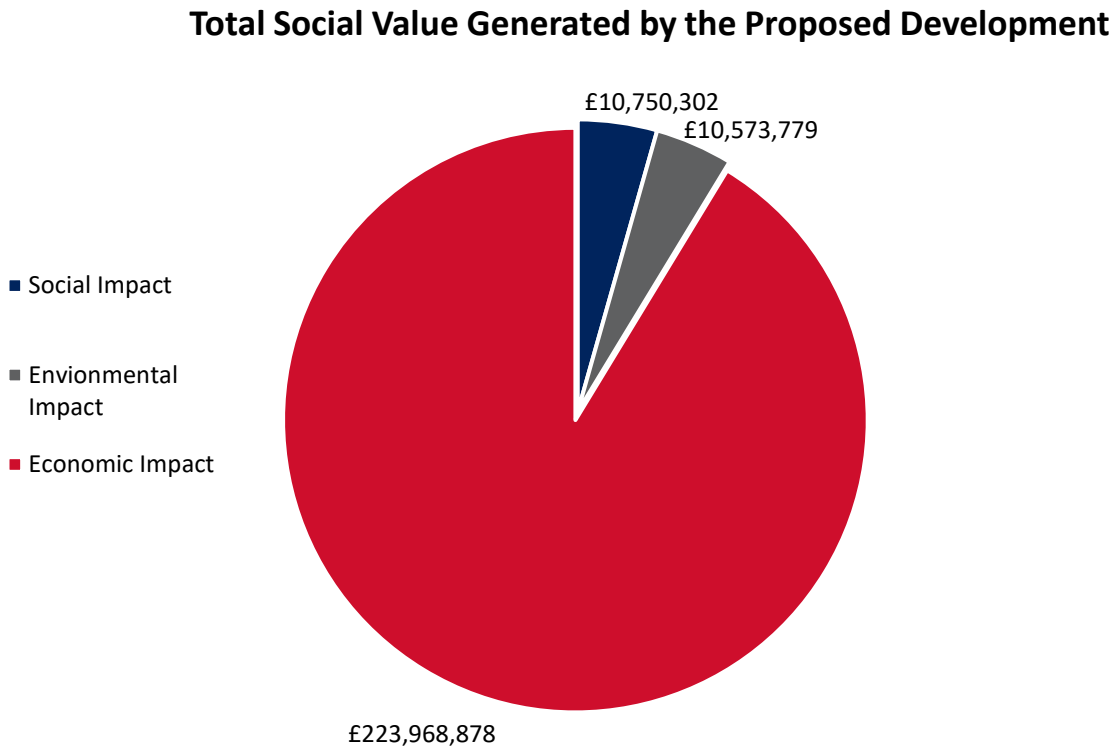

Figure 3 Total social value generated by the proposed development split by impact category.

3.1 CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

While delivering localised social, economic, and environmental value for the community surrounding the site, the development is also contributing to the broader global agenda of the United Nations Sustainable Development Goals (SDGs). The proposed development is forecast to deliver the following in social value to support the realisation of the SDGs:

Figure 4 Total social value generated by the proposed development, split by Sustainable Development Goals.

3.2 CONTRIBUTION TO THE UK GOVERNMENT SOCIAL VALUE MODEL

The UK Government's Social Value Model is a framework designed to enhance the social, economic and environmental impact of public procurement. Delivering against the UK Government's Social Value Themes and Outcomes ensures that the national agenda is considered through the delivery of localised place-based benefits. The proposed development is forecast to deliver the following in social value against the UK Gov Social Value Model Themes and Outcomes.

UK Gov Social Value Model Theme	UK Gov Social Value Model Outcome	Total Social Value by Outcome	Total Social Value by Theme
Tackling Economic Inequality	Create new businesses, new jobs and new skills	£29,982,408	£224,162,408
	Increase Supply Chain Resilience and Capacity	£197,100,000	
Wellbeing	Improve Health and Wellbeing	£10,566,771	£10,566,771
Fighting Climate Change	Effective Stewardship of the Environment	£10,573,779	£10,573,779
Total			**£245,292,959**

Table 2 Total social value created against UK Gov Social Value Model Themes and Outcomes.

3.3 CONTRIBUTION TO THE WELL-BEING OF FUTURE GENERATIONS ACT

The Well-being of Future Generations Act is a piece of legislation aimed at improving the social, economic, environmental and cultural well-being of Wales. It requires Public Bodies in Wales to consider the long-term impact of their decisions and work collaboratively to prevent persistent problems such as poverty, health inequalities, and climate change. Reporting against the Act's Well-being Goals demonstrates a commitment to national goals, whilst delivering meaningful societal benefits on a local level. The proposed development is forecast to deliver the following social value against the Act's Well-being Goals.

Well-being of Future Generations Act Well-Being Goals	Total social value
A Prosperous Wales	£1,423,364
A Healthier Wales	£10,566,771
A Globally Responsible Wales	£10,573,779
A Resilient Wales	£222,739,045
Total	**£245,292,959**

Table 3 Total social value created against Wales' Well-being of Future Generations Act

4.0 CONSTRUCTION PHASE

This section considers the social value forecast to be delivered through the construction phase of the proposed development. The construction phase is expected to begin in Q2 2026 and finish in Q2 2029, covering a 150-week build period. The construction of the proposed development will require **£133 million** in capital investment, which stimulates regional and national economic activity and generates employment opportunities. This investment is forecast to create an estimated **£212 million** in social value through the construction stage alone. This represents a social return on investment of **£1.59 for every £1 spent.**

Social Value Theme	Construction Phase Social Value
Employment & Skills	£594,983
Economy	£208,483,401
Total	**£209,078,364**

Table 4 Total construction social value split by theme

4.1 EMPLOYMENT & SKILLS

The construction phase of the proposed development is estimated to support 1797 construction jobs, in turn generating £594,983 in social value. Additionally, the proposed development will provide numerous opportunities for apprenticeships and training during the construction phase.

Increased employment contributes to economic growth through productivity, which improves the overall social well-being of the community. Moreover, creating local training and employment opportunities can have a transformative impact on individuals, communities and the regional economy.

Metric	Target	Value
Jobs supported	1797	£594,983

Table 5 Breakdown of social value through jobs supported in the construction phase

4.2 ECONOMIC IMPACT FROM JOBS AND SUPPLY CHAIN SPEND

The construction of the proposed development is forecast to deliver numerous economic benefits for the local and regional economy.

The construction phase of the proposed development is projected to deliver over £211 million in local economic benefit, driven by a supply chain expenditure of £133 million and supporting 1,797 jobs. This figure represents the additional value that will circulate through the local economy due to the Applicant's investment through the construction phase. This investment will contribute to the growth

and sustainability of the local economy, helping to maintain and develop local businesses, leading to job retention, skill development, and increased economic opportunities within the community.

Metric	Supply Chain Spend Target	Employment Target	Value
Economic impact from jobs and supply chain spend	£133,000,000	1797	**£208,483,401**

Table 6 Breakdown of social value relating to the Economy theme in the construction phase.

4.3 NON-MONETISED BENEFITS

Due to the project's pre-planning status, there is insufficient information to estimate or monetise all of the anticipated impacts of the construction phase. Key excluded impact areas include water usage, noise pollution abatement, air quality improvements and other community impacts.

Furthermore, due to limited information on waste, such as the impact of recycling and diversion from landfill initiatives, these areas remain non-monetised. These impacts can be expanded upon in the post-planning calculations.

5.0 OPERATIONAL PHASE

This section considers the social value forecast to be delivered through the operational phase of the proposed development. For the purpose of this analysis, a 60-year operational lifecycle has been assumed. This aligns with typical building lifecycles for BTR developments and social value calculation timeframes outlined in the Green Book.

The operation of the proposed development is forecast to generate over **£36 million** in social value through creating and supporting employment opportunities, providing community and residential amenities, reducing negative environmental impacts, and spending with local businesses.

Social Value Theme	Operational Phase Social Value
Employment & Skills	£828,380
Community	£10,556,771
Environmental	£10,573,779
Economy	£14,255,644
Total	**£36,214,574**

Table 7 Total operational social value split by theme

5.1 EMPLOYMENT & SKILLS

The operation and maintenance of the proposed development is projected to directly create 32 FTE jobs. These jobs will be supported thereafter, generating over £800,000 in social value. The jobs will primarily be related to the management, maintenance of the building, landscaping, amenities, and on-site services, including concierge.

Metric	Target	Value
Operational jobs	32	£828,380

Table 8 Breakdown of social value relating to the Employment & Skills

5.2 COMMUNITY

The operation of the proposed development is anticipated to contribute to the health and well-being of the residents by providing residents with access to health and fitness facilities, and specifically a gym. This will positively impact the physical and mental health of the residents, delivering £10.5 million in social value.

Metric	Target	Metric
Residents access to health & fitness facilities	950	£ 10,556,771

Table 9 Breakdown of social value relating to the Community theme during operation

5.3 ENVIRONMENTAL

The proposed development is set to include low and zero-carbon generating technologies (LZCTs), specifically including air source heat pumps (ASHP). This technology is set to contribute over £10.5 million in social value, which can be directly linked to significant carbon emissions savings and related avoided social costs.

Metric	Target	Value
Reduction in carbon emissions	38,021 tCO2e	£10,573,779

Table 10 Breakdown of social value relating to the Environmental theme during operation

5.3.1 CARBON SAVINGS FROM LZCGT

RLB conducted an analysis of carbon that will be avoided over 60 years from the adoption of ASHPs for the proposed development, based on gross internal floor area. Factoring in grid decarbonisation projections from the UK Government and utilising a UK Government analysis of average annual kWh/m2 for flats as a baseline, the adoption of ASHPs across the proposed development, as specified in pre-planning, will avoid a total of 38,021 tCO2e emissions over 60 years, equivalent to over £10.5 million in avoided social costs from emissions. This accounts for CO2 emissions only, and not for additional well-being benefits from ASHPs, such as improved indoor air quality.

5.4 ECONOMY

As mentioned in Section 5.1, the operation of the proposed development is forecast to provide 32 jobs. The regional economic value contribution of these jobs can be measured through GVA and, throughout the full lifecycle of the proposed development, will generate over £14 million in social value.

Metric	Target	Value
Economic impact of operational jobs created in Wales (over the full asset lifecycle)	32	£14,255,644

Table 11 Breakdown of social value relating to the Economy theme during operation

5.5 NON-MONETISED BENEFITS

Due to the project's pre-planning status, there is insufficient information to estimate or monetise all of the anticipated impacts of the operational phase. The key excluded impact areas are outlined below.

5.5.1 OTHER AMENITIES

The development will include several residents-only amenities, including a lobby, a lounge, a coffee bar, a cinema room, co-working spaces, a spa area and a roof terrace.

5.5.2 RETAIL UNITS

The development will include a retail unit that will facilitate economic activity, increase employment opportunities, and enhance investment in the city. This impact has not been monetised due to the lack of information on the businesses that will occupy the space.

6.0 METHODOLOGY

Social value is a mechanism to consider the wider outcomes associated with a project for multiple stakeholders. It is a powerful tool for incorporating a broader understanding of value, looking beyond traditional financial metrics for success. RLB, as The Applicant's social value consultants for the project, recognises and measures social value against three fundamental pillars: social, economic and environmental.

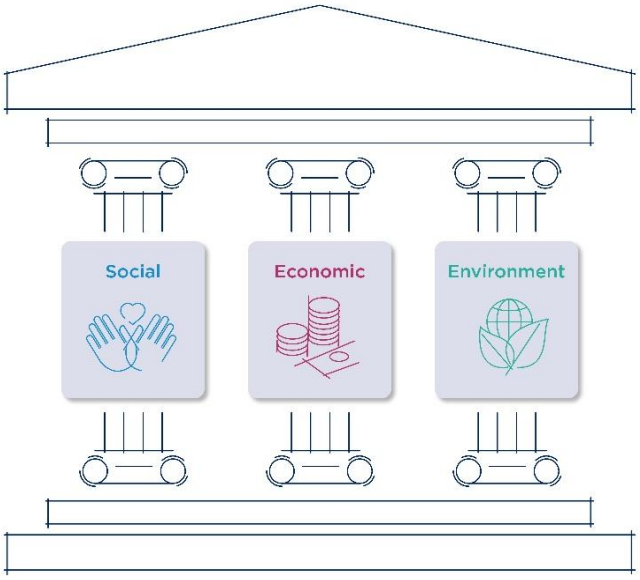

Figure 5 The three 'pillars' of social value

Each of these is understood through their impact on relevant stakeholders, which is assessed using an outcomes-based approach. This approach follows the theory of change describing how the outcomes experienced by stakeholders are impacted by activities that cause social, economic, or environmental changes. This change is monetised using financial proxy values developed through RLB's robust combined analysis approach. The combination of impact-related proxy values forms the social value metrics that underpin the calculation of social value. The overarching aim of calculating social value, and developing metrics for assessing impact, is to build an accountancy system for understanding social, economic and environmental impact.

It is important to recognise that measuring and monetising social value represents the "cherry on top" of effective strategic social value planning and delivery, serving as a useful mechanism to understand, compare and assess the social, economic and environmental impact of a project or initiative. Calculating social value is only made possible by first engaging and investing in activities that create meaningful place-based benefits and effectively collecting and analysing data representing the impact of the activities on relevant stakeholders.

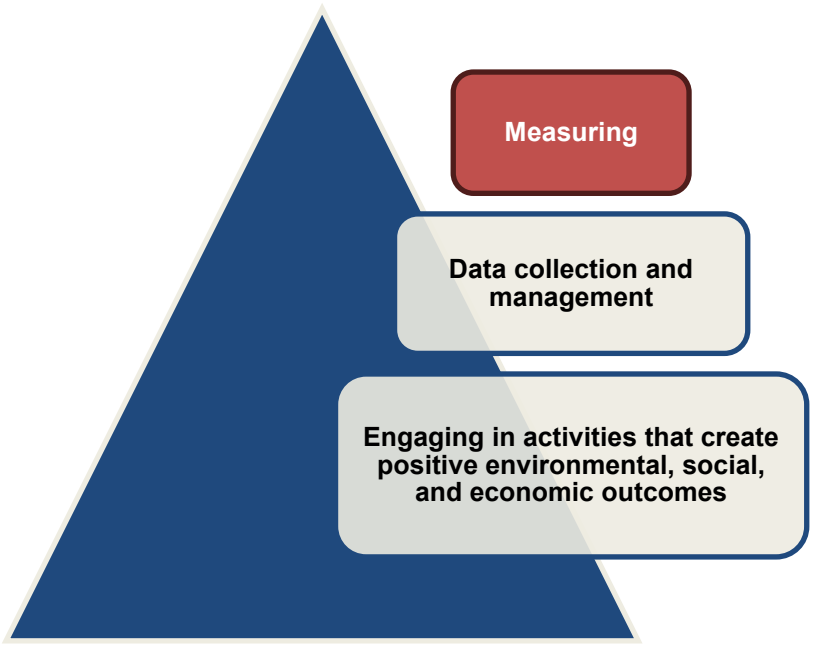

Figure 6 Process of measuring social value

6.1 COMBINED ANALYSIS APPROACH

When conducting the social value calculations for the proposed development, care has been taken to avoid overlap, and therefore double counting. Where assumptions and data inputs are available, these impacts have been quantified and monetised using in-house expertise. The use of monetary values is not a process of commodification of outcomes that are inherently intangible, but rather the values represent the relative impacts from investment where changes in quality of life, and improved wellbeing is experienced by impacted stakeholders.

RLB employ a combined analysis approach to calculating social value which includes multiple analysis methodologies and recognised social value standards to provide insight into the social, economic, and environmental value associated with different activities. The combined analysis approach includes:

- **Social Return on Investment (SROI) Analysis -** a social cost-benefit analysis framework for measuring and accounting for a broader concept of value. This framework facilitates measuring and monetising change in a way that is relevant to the people or organisations that experience or contribute to it.
- **Local Construction Spend Multiplier -** measures the total economic impact within a local area resulting from the capital investment through a project. It calculates the multiplier effect of money circulating through the local economy.
- **Gross Value Added (GVA) -** this measures how employment contributes to economic productivity and uplift of an area including the indirect and induced effects of employment.

- **Wellbeing Valuation –** Wellbeing Valuation involves measuring the impact of a social value outcomes through its effect on subjective wellbeing. This involves application of Quality Adjusted Life-years (WELLBY) standardised by the HM Treasury Green Book.
- **Non-market Valuation Techniques –** This includes a set of techniques applied to reflect the economic value of traditional non-market goods and services, broadly split into revealed and stated preference approaches. It includes benefits transfer from applicable cases.
- **Cost Benefit Analysis –** Involves evaluating the financial value of projects or initiatives by comparing the total expected costs against the total expected benefits. It helps determine the best course of action by quantifying and comparing the pros and cons, often in monetary terms.

6.2 SOCIAL VALUE INTERNATIONAL PRINCIPLES

As organisational members of Social Value UK & International, RLB are committed to the application of the following social value principles:

1. Involve stakeholders
2. Understand what changes
3. Value the things that matter
4. Only include what is material
5. Do not over-claim
6. Be transparent
7. Verify the result
8. Be responsive

These principles are deeply embedded into RLBs approach to social value, including calculating and delivering social value.

Figure 7 Social Value International Principles

6.3 SOCIAL RETURN ON INVESTMENT (SROI) FRAMEWORK

Social Return on Investment (SROI) is a method for assessing social impact which measures change in ways that are relevant to those involved in or affected by it. The methodology is recognised internationally and utilised across a range of sectors. It follows the theory of change, which outlines the process through which an input creates outcomes which are measured and quantified using monetary values, allowing the determination of a benefits-to-cost ratio. For instance, a ratio of 2:1 indicates that a £1 investment yields £2 in social value. SROI is about value, rather than money. Money is simply a common unit and, as such, is a useful and widely accepted way of conveying

value. The SROI methodological framework has been adopted and applied as the base framework to calculate the whole-life social value and SROI associated with the proposed development.

6.3.1 STAGES OF A SROI ANALYSIS

Conducting a SROI analysis involves progression through the following six stages:

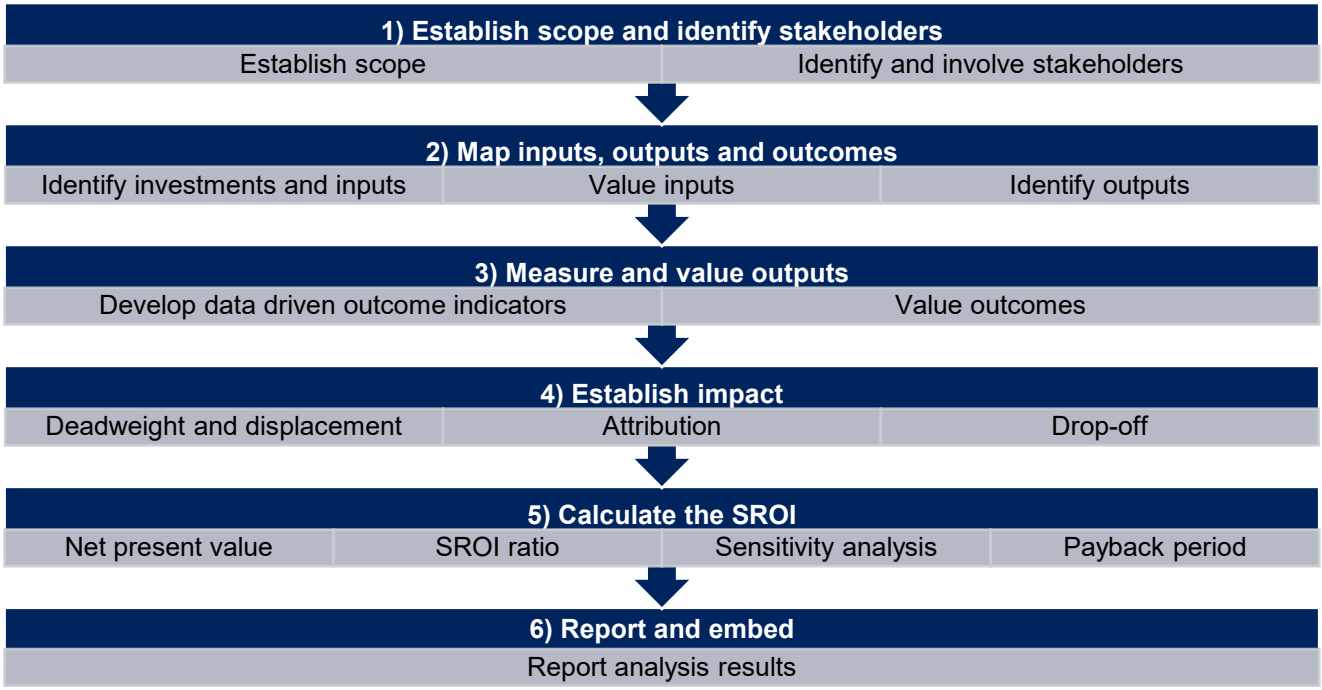

Figure 8 The six stages of a Social Return on Investment Analysis

6.3.2 THEORY OF CHANGE

The theory of change relates to the outcomes experienced by beneficiaries who are impacted by activities that have a social, economic, or environmental impact. It describes the process through which investments into social value activities can be causally linked to a social, economic or environmental impact. Mapping the theory of change is an important aim of the SROI process.

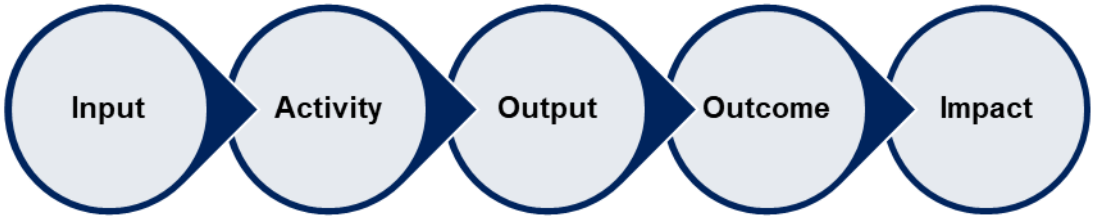

Figure 9 Theory of change map from input to impact

6.4 LOCAL CONSTRUCTION SPEND MULTIPLIER

Local Spend Multipliers account for the multiplier effect of spending on supply chains and their employment in the local economy. The multiplier describes the impact that spending has in the economy, taking into consideration knock-on effects. The calculation starts with a source of income and follows how it is spent and re-spent within a defined geographic area. The approach is firmly rooted in Keynesian economic theory, which has been used since the early 20th century to measure how income entering an economy then circulates within it.

6.5 GROSS VALUE ADDED (GVA)

Gross Value Added (GVA) is a measure of economic impact using Office of National Statistics (ONS) data to account for labour productivity per job filled in an area of investment. GVA is a tangible method to account for the indirect and induced effect of direct employment and how it contributes to the economic uplift of an area or region. GVA can be used as a measure and economic impact as a representation of increased productivity in an area as a result of direct employment. Employment data for construction projects is used to calculate GVA at region, sub-region and Local Authority levels.

6.6 IMPACT CALCULATIONS - ADDITIONALITY

Within the calculations, additionality impact calculations are incorporated to determine the extent to which an impact arising from an intervention of activity would not have occurred in the absence of the intervention[1]. It is critical to apply additionality impact calculations to avoid overclaiming the social value created through various activities. The following impact measures have been utilised to establish the value associated with the different outcomes:

- **Deadweight –** a measure of the amount of outcome that would have happened even if the activity had not taken place.
- **Attribution –** an assessment of how much of the outcome was caused by the contribution of other organisations or people.
- **Displacement –** an assessment of how much of the outcome displaced other outcomes.
- **Drop-off –** how much does the outcome reduce each year across the benefits realisation period of an activity.
- **Discounting -** where outcomes last more than one year, the HM Treasury Discount Rate of 3.5% is applied – or 3.0% after 30 years.

[1] Homes & Communities Agency. (2014). Additionality Guide: Fourth Edition. [Online]. https://assets.publishing.service.gov.uk/media/5a7ec4b9e5274a2e87db1c92/additionality_guide_2014_full.pdf

7.0 CONCLUSION AND RECOMMENDATIONS

Based on information available at the pre-planning stage, the proposed development is forecast to generate approximately £245 million in whole-life social value through its construction and operation.

Through creating new employment opportunities and spending in the local economy, the construction of the proposed development is estimated to generate nearly £209 million in social value for the surrounding region.

When the development is operational, and the amenities are accessible to residents, the proposed development is anticipated to deliver £36 million in social value.

Based on the construction capital cost, the proposed development is anticipated to deliver a social return on investment of £1.82 for every £1 spent.

It is important to consider that the forecasts outlined in this report are based on information available at pre-planning application stage. Therefore, the total social value that the proposed development will deliver through its lifecycle could be significantly higher, reflecting better data inputs or a wider basket of benefits.

This report recommends the following actions be taken following this initial forecast:

- Conduct an updated forecast at the post-planning application stage when more accurate project data is available.
- To maximise the local economic value delivered through construction, set minimum spend targets (%) for locally-based SME suppliers and contractors. Conduct local market engagement to identify qualified local workers and contractors and work with the main contractor to host meet the buyer events.
- Develop a Social Value Action Plan for the project to set targets for social value delivery, including local school engagement, volunteering and charitable donations. The Plan should name a Social Value Delivery Lead for the project and include target outcomes, partner organisations, and time-bound KPIs.
- Engage with the main contractor to understand their social value capacity. This includes discussing what they have successfully delivered on other projects, whether they have dedicated social value resources, and how they can support the project's social value ambitions.
- Implement a robust monitoring and reporting framework to regularly assess the social value initiatives through construction. Regular social value reporting could be made a requirement for the main contractor.
- Engage in proactive community engagement efforts, such as hosting town hall meetings and feedback sessions, to solicit input from residents about their needs and aspirations related to the development

APPENDIX A:
ASSUMPTIONS MODEL

8.0 ASSUMPTIONS MODEL

The pre-planning social value figures outlined in this report have been calculated using several assumptions to provide high-level estimations of the social value that the proposed development is forecast to deliver. These assumptions reflect those made specifically in the calculation of the social value associated with the project. Additional assumptions associated with the development of financial proxy values attached to the metrics utilised in the calculations outlined in this report are not included in this model.

Metric	Assumptions
Operational lifecycle	The operational lifespan of the development has been assumed to be 60 years. This is based on buildings of a similar size and use. Claiming benefits beyond a 60-year realisation period introduces additional risks related to overclaiming value. This aligns with the HM Treasury Green Book approach for business case appraisals, outlined in the Comprehensive Investment Appraisal (CIA) Model. The Green Book (2022) - GOV.UK (www.gov.uk) Comprehensive Investment Appraisal (CIA) Model and guidance - GOV.UK (www.gov.uk)
UK grid decarbonisation rate	UK gird decarbonisation was factored into the calculation of carbon saved through the installation of ASHPs. The Department for Business, Energy, & Industrial Strategy estimated in 2019 that in 2040, the emissions intensity will be 67 grams CO2e/kWhr. At this rate, the grid will be net-zero by 2048. However, residual carbon emissions will still be present and these have been factored into the GHG conversion factor beyond this point. Updated energy and emissions projections 2019 (publishing.service.gov.uk)
Baseline for ASHP carbon savings calculation	The Department for Business, Energy, & Industrial Strategy published figures in 2017 that estimate the annual average kWh/m2 for flat with a gas boiler at a new build is 130 kWh/m2, with 100 kWh/m2 representing gas consumption. For an all-electric flat, the average is 99.5 kWh/m2 per year. Energy consumption in new domestic buildings 2015 – 2017 (England and Wales) (publishing.service.gov.uk)
ASHP Coefficient of Performance (CoP)	A CoP of 3 was used in the carbon calculations for ASHPs. This ratio is on the conservative end of efficiency estimates.

Carbon conversion factors	The 2024 carbon emission conversion factors were used to calculate the carbon saved through the installation of ASHPs. Greenhouse gas reporting: conversion factors 2024 - GOV.UK (www.gov.uk)
Employment work-Up	The employment figures have been calculated based on The Office for National Statistics' (ONS) Annual Business Survey data for the region, which projects a ratio of one job per £74,007 construction spend in the region.

Table 102 Pre-planning assumptions made to facilitate social value calculations