



Sustainable Communities for Learning Programme Social Value Guidance



Cymunedau **Dysgu** Cynaliadwy
Sustainable Communities for **Learning**



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Audience

This guidance is aimed at Local Authorities, Further Education Institutions, Diocesan Authorities, Contractors and Consultants.

Overview

The guidance will assist those developing the Social Value element of the business case.

Action required

The guidance should be used when preparing business cases for capital and revenue funding from the Sustainable Communities for Learning Programme and during delivery of the project to ensure reporting requirements are adhered to.

Further information

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Additional copies

This document can be accessed from the Welsh Government's website at

Related documents

Sustainable Communities for Learning Programme Business Case Guidance

Mae'r ddogfen yma hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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1. Introduction

Following the Procurement Act 2023 and the Social Partnership and Public Procurement (Wales) Act 2023, there are now greater expectations for public procurement to deliver better outcomes for society and the communities they serve. This document serves as guidance for partners (Local Authority (LA), Further Education Institutions (FEI) and Contractors), ensuring that projects within the Sustainable Communities for Learning Programme (SCfLP) not only meet educational goals but also contribute positively to the community.

This guidance should always be used on the following funding streams:

- Rolling Programme
- Welsh Medium
- Childcare & Early Years Capital Programme (please note that some metrics are not applicable, stated throughout the document.)

It does not apply to the following funding streams where they are used as the sole Welsh Government funding source. However, if these streams are linked to any of the above, the guidance should be followed:

- Capital Repairs and Maintenance
- Community Focused Schools (CFS)
- Additional Learning Needs (ALN)
- Voluntary Aided (VA) Urgent Repairs

Whilst educational transformation remains a vital outcome of our investment in the Programme, we also endeavour to create thriving communities, build resilience in local businesses and promote sustainable practices that benefit future generations. By clearly defining and monitoring these objectives, we can enhance the long-term impact of investment, leaving a permanent and positive legacy.

Wider Welsh Government Policy has also been incorporated into the development of the Social Value Performance metrics. For further information on the Policy Alignment, please read on, otherwise go straight to [Section 4](#).

At the core of the SCfLP Social Value Performance metrics is the Programme Investment Objectives, enabling us to understand the impact of our investment and assess performance against these objectives. These have been summarised in image 1 below.



Transforming Learning Environments and Learner Experiences:

- Create safe, inclusive, and engaging learning spaces.
- Support wellbeing and Curriculum for Wales delivery.
- Enhance digital infrastructure for learners and communities.
- Support ALN and disadvantaged learners.

Meeting Demand for School Places:

- Provide infrastructure to meet current and future demand
- Support Welsh-medium education growth
- Ensure sufficient places in both Welsh and English streams



Improving Condition and Suitability of the Education Estate:

- Reduce maintenance backlog across the estate.
- Remove poor-quality (Category D) buildings.
- Upgrade buildings to Category A or B condition.



Developing Sustainable Learning Environments:

- Achieve Net Zero Carbon in operation and construction.
- Promote biodiversity and active travel.
- Design buildings that support climate resilience and environmental education.



Supporting the Community:

- Enable flexible use of school facilities for community benefit.
- Maximise social value through procurement.
- Expand adult learning opportunities.
- Support integrated services and co-location.

IMAGE 1: SCFLP INVESTMENT OBJECTIVES

2. Policy Alignment

The SCfLP is underpinned by a strong commitment to national policy alignment, ensuring that all investments deliver meaningful and measurable public value. By embedding key policy frameworks and strategic priorities into the Programme's design and delivery, we ensure that social value is maximised across our projects. This approach guarantees that the programme's outcomes are consistent with the Welsh Government's vision for sustainable, inclusive, and long-term community benefit.

Wellbeing of Future Generations (WBFG) Act

Social Value is defined through the WBFG Act, mandating public bodies to consider the long-term impact of all decisions. The programme's social value metrics have been developed to contribute directly to the seven well-being goals, embedding outcomes that support environmental, social, economic, and cultural well-being. By doing so, the programme promotes strategic investment that delivers long-term benefits for communities across Wales, supporting the delivery of a more prosperous, resilient, healthier, and equal Wales in line with the Act's overarching vision for sustainable development and improved quality of life.ⁱ



IMAGE 2: WELL-BEING OF FUTURE GENERATIONS WELL-BEING GOALS.

Wales Infrastructure Investment Strategy

The Wales Infrastructure Investment Strategy (WIIS) sets national priorities for capital investment, structured around the well-being themes of environmental, social, economic, and cultural well-being. These themes are embedded within the programme's social value metrics, ensuring that all funded projects contribute meaningfully to the Strategy's aims. By aligning project outcomes with these themes, the programme supports a consistent and measurable approach to delivering long-term public value across Wales.ⁱⁱ

Welsh Government Social Value

The Welsh Government has recently invested in the development of the TOMs System for Wales. However, use of the Community Benefits methodology can be made through this SCfLP Social Value Guidance. Both models are supportive of Wales Procurement Policy Note (WPPN) 003 Social Value Clauses / Community Benefits through public procurement.

It is a condition of funding to follow this programme specific guidance, it is at the discretion of partners to use the TOMs system for Wales and/or the Community Benefits Toolkit in addition.

The TOMs system for Wales

The TOMS (Themes, Outputs and Measures) is a social value measurement framework that allows organisations to quantify and demonstrate social value in procurement. They have been developed through a partnership between the Welsh Government and Social Value Portal.

Set against the four pillars of Welsh Sustainability, the Welsh TOMs have been bespoke for Wales but underpinned by UK National and Global TOMs measures.

They allow the tracking of performance against local priorities using both qualitative and quantitative values, including the ability to provide a financial value to key outputs. In practice, the TOMs System for Wales is used to:

- **Embed social value** into procurement exercises.
- **Score tenders** based on social value contributions (often up to 10% or more of the total score).
- **Track and report** on outcomes like local employment, community engagement, and environmental impact.

For further guidance on the new Welsh TOMS System, email commercialprocurement.peoplecorporate@gov.wales

WG Community Benefits Toolkit

Since May 2017, all approved projects in the SCfLP have been required to complete the WG Community Benefits Toolkit. To avoid duplication, this is no longer a requirement.

The completion of the Programme KPIs supersedes the need to complete the WG Community Benefits Toolkit.

3. Social Value Key Performance Indicators

As a condition of funding, partners (LA/FEI) are required to report on Core Social Value metrics. These have been developed to meet 8 Key Performance Indicators (KPIs) that demonstrate the Social Value impact of the projects being delivered under the SCfLP.

The eight KPIs provide a consistent framework for capturing and reporting the social and economic value delivered through the SCfLP project activity. They focus on key areas including employment, workforce development, skills and training, MSME and VCSE inclusion, community engagement, Welsh Economic contribution, sustainable procurement, and ethical payment practices. These KPIs are designed to support transparent reporting, inform decision-making, and demonstrate alignment with the principles of the WIIS, WBFG Act and wider public value objectives.



IMAGE 3: PROGRAMME SOCIAL VALUE KEY PERFORMANCE INDICATORS (KPI)

The diagram below has been created to illustrate how the eight KPIs align with the Programme's Investment Objectives, the WBFG Act goals, and the WIIS Pillars. This visual mapping demonstrates the integrated approach taken to ensure that social value delivery is strategically embedded across environmental, social, economic, and cultural dimensions as well as supporting both national policy ambitions and local community outcomes.

Key Performance Indicators	Programme Investment Objectives					Well-being of Future Generations					WIIS Pillars					
	Transforming Learner Environments and Learner Experiences	Meeting Demand for School Places	Improving Condition and Suitability of the Education Estate	Developing Sustainable Learning Environments	Supporting the Community	A Prosperous Wales	A Resilient Wales	A Healthier Wales	A More Equal Wales	A Wales of Cohesive Communities	A Globally Responsible Wales	A Wales of Vibrant Culture and Welsh Language	Environmental	Social	Economic	Culture
KPI 1: Local and National Employment					✓	✓			✓		✓			✓	✓	
KPI 2: Workforce Development and Inclusion					✓	✓		✓	✓					✓	✓	
KPI 3: Skills, Training and Learner Development	✓				✓	✓	✓	✓	✓					✓	✓	
KPI 4: MSME and VCSE Engagement and Inclusion					✓	✓			✓					✓	✓	
KPI 5: Community Engagement and Participation	✓				✓				✓	✓	✓		✓	✓	✓	✓
KPI 6: Welsh Economic Footprint					✓	✓	✓	✓				✓	✓		✓	✓
KPI 7: Welsh Materials					✓	✓	✓	✓				✓			✓	
KPI 8: Ethical and Timely Payment Practices					✓				✓					✓	✓	

This Investment Objective will be delivered through programme-level benefits rather than the social value KPIs.

IMAGE 4: ALIGNMENT OF PROGRAMME KPI, PROGRAMME INVESTMENT OBJECTIVES, WBFG AND WIIS

4. Core Reporting Metrics

To deliver the 8 Social Value KPIs, 33 metrics have been developed that all projects must deliver and report against. These have been broken down into 5 key themes – Workforce, Learning and Development, Community Initiatives and Stakeholder Engagement, Welsh Supply Chain and Fair Payment.

Environment and Sustainability monitoring will still be required as a condition of funding. Guidance on reporting Environment and Sustainability performance will be available in Spring 2026.

Benchmarks

Benchmarks have been set for some metrics to provide consistency and support meaningful social value delivery. However:

- For projects under £2 million, greater flexibility may be applied to reduce targets. For CC&EY Programme projects, this can be discussed with the CC&EY and SCfLP teams as most projects fall into this category.
- For exceptionally high-cost projects, where per £m targets become less-impactful due to scale, a cap may be negotiated. This should be raised during the tender process and agreed with the SCfLP Team.
- Some areas of Wales may face challenges in meeting benchmarks (e.g. border projects sourcing a local work force; rural recruitment of apprentices). Any reduction in targets should be discussed with the SCfLP Team who will consider whether the amended target is appropriate.

For clarity, per £m targets are based on total building cost, not project value.

Benchmarks are indicative and should be considered during the business case stage when establishing the Social Value approach. Partners should refer to the Commercial Case in the SCfL Programme Business Case Guidance. If, following tender or during delivery targets require adjustment, the same process applies as outlined in [Target Adjustments](#).

Any adjustment should be realistic, achievable, and designed to deliver meaningful impact. Targets should not be inflated to demonstrate the highest numbers, as this can lead to poor practices or undermine quality outcomes. The focus should always be on delivering genuine social value rather than pursuing quantity over quality.

Supporting Evidence

Contractors must provide delivery partners with evidence of achieved social value. Delivery Partners are encouraged to audit the data collated from their contractors, the SCfL will conduct occasional checks so this information should be readily available. Delivery Partners should use Annex 1b – Social Value Evidence Template to collate the data; however similar versions are also appropriate.

Workforce

KPI 1: Local and National Employment Impact

Target Area	Subcategory Indicator	Metric	Benchmark	Reporting Frequency	Evidence
Employee Data	Total employed across the Supply Chain	Total number of employees across the supply chain	Data Collection	Annual (Q4) Closing Report	Not Applicable
	Home Postcode of those employed across supply chain (Local Authority Boundary)	(%) Percentage of employees which postcode reside within the Local Authority boundary	30%	Annual (Q4) Closing Report	Anonymised list, signed by project lead
	Home Postcode of those employed across supply chain (Wales Boundary)	(%) Percentage of supply chain which postcode reside within the Wales boundary	60%	Annual (Q4) Closing Report	Anonymised list, signed by project lead
	Welsh Language Workforce	(%) Percentage of total employed that are Welsh speaking	Data Collection (At least A2)	Closing Report	Anonymised list, signed by project lead

KPI 2: Workforce Development and Inclusion

New Entrant	New Entrant Jobs Created	Number of New Entrant Jobs Created	Project Specific	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
	New Entrant Person Weeks	Person Weeks	52 weeks per £1m	Q2 & Q4 Closing Report	Anonymised list, signed by project lead

Supporting Information

Home Postcode

Partners are required to collect the Home Postcode data of employees working across the project for the entire Supply Chain. The purpose of this is to understand the location of jobs created as a result of the project and demonstrate the potential impact on the local economy.

This data must reflect the employee' usual place of residence, not solely for project-related work.

This can include temporary accommodation, provided that:

- The temporary postcode is the individual's primary residence at the time of employment, and they do not maintain an alternative permanent residence.
- The individual is living in transitional or supported housing (e.g., ex-offenders, homeless persons, or those in social housing) and this is their main residence.

The primary definition of 'local' has been determined as within the Local Authority boundary. In exceptional cases, where justified, the definition may extend to the regional boundary.

The 'regional' boundary refers to the area covered by the relevant WG defined region (South-East Wales, South-West Wales, Mid Wales and North Wales). These align broadly with economic partnerships such as the Cardiff Capital Region (South-East Wales City Deal), the North Wales Ambition Board (North Wales Growth Deal), Swansea Bay City Deal (South-West Wales) and Growing Mid-Wales.

Partners can consider flexibility in border counties and rural areas, where strict adherence to the local boundary may not fully reflect the social value impact. Partners may exercise discretion to adjust benchmarks, provided this is discussed and agreed with the SCfLP Team, at early stages of the project.

Flexibility may also be appropriate in cross-border regions, (such as those participating in the Mersey-Deeside Alliance) where strategic partnerships can support broader regional economic outcomes. Where relevant, LA and FEI may factor in these partnerships when determining local impact, again in consultation with the SCfLP team.

In cases where a project spans more than one local authority boundary, the benchmark for 'local' employment should include employees whose permanent home postcodes fall within any of the relevant Local Authorities.

For example, if 60% of employees reside in LA A and 30% in LA B, the total 'local' employment would be recorded as 90%. This is particularly relevant to FEI.

Any reduction in benchmark targets should be balanced by increasing achievements of other targets. It should also be discussed with the SCfLP team to ensure changes are appropriate ([See Target Adjustments for further information](#)).

Welsh Language Workforce

A number of factors are likely to influence how individuals assess themselves in terms of their Welsh-language skills. A 'Welsh speaker' may range broadly from someone who has basic conversational skills to someone with full proficiency in oral and written Welsh.

The Common European Framework of Reference (CEFR) for languages categorises speakers into three levels:

- basic (A1-A2)
- independent (B1-B2)
- proficient (C1-C2)

For reporting the percentage of total employed that are Welsh speaking a minimum level of A2 is required. A2 indicates the ability to understand common phrases and communicate in simple situations.

A language speaker at A2 level can:

- understand sentences and frequently used expressions (for example, very basic personal and family information, shopping, local geography, employment)
- communicate in simple and routine tasks requiring a simple and direct exchange of information on familiar and routine matters; and
- describe in simple terms aspects of their background, immediate environment and matters in areas of immediate need.

This data should be collated once, during site induction.

New Entrant

A New Entrant could be a person who is any one of these four categories:

- Leaving an educational establishment or a training provider, including those completing compulsory education through home-schooling or other non-traditional routes.
- A non-employed person (registered with a job centre), a school or college leaver, or an adult that has not been employed in the construction industry.
- Other Trainees - Those who are not Apprentices but have a contract of employment. This may be a year out graduate.
- Apprentice – An apprentice registered with an industry recognised body, this includes continuing apprentices.

Person weeks

This measure is cumulative and intended to promote sustainable employment opportunities. For example, a target of 52 weeks per £1 million could be met by one person employed for 52 weeks, two people for 26 weeks each, or another combination that adds up to 52 weeks of meaningful employment.

Jobs created

This metric captures the number of individual people who have been employed as part of the project (this includes the entire supply chain). It is linked to the cumulative employment measure but focuses specifically on headcount rather than time worked. For example, if two individuals were each employed for 26 weeks, this would count as 2 jobs created under this metric, and 52 weeks of employment under the Person Weeks measure. This distinction helps to track both the depth (duration) and breadth (number of people) of employment impact.

Wherever possible, contractors should prioritise longer-term roles that contribute to workforce stability, skills development or progression opportunities, and local economic resilience. Short-term or fragmented roles should be avoided where possible, and the number of jobs reported should reflect genuine employment opportunities.

Learning and Development

KPI 3: Skills, Training & Learner Engagement

Target Area	Subcategory Indicator	Metric	Benchmark	Reporting Frequency	Evidence Required
Early Careers	New Graduate Employment	Total Number of new University Graduates employed	Data Collection	Annual (Q4) Closing Report	Anonymised list, signed by project lead
	Continued Graduate Employment	Total Number of University Graduates continuing employment		Annual (Q4) Closing Report	Anonymised list, signed by project lead
	New Apprenticeships	Total Number of New Apprenticeships on the project	Combined Benchmark of 1 per £1m	Annual (Q4) Closing Report	Anonymised list, signed by project lead
	Continued Apprenticeships	Total Number of Continued Apprenticeships on the project		Annual (Q4) Closing Report	Anonymised list, signed by project lead

KPI 3: Skills, Training & Learner Engagement

Skills Development	Work Placements (in education)	Number of Placements	Combined Benchmark 1 per £3m	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
	Work Placements (not in education)	Number of Placements		Q2 & Q4 Closing Report	Anonymised list, signed by project lead
	Other training	Number of Training Weeks	Data Collection	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
Supporting STEM Education	Hours Donated (STEM)	Hours of STEM educational activities	8 per £1m	Q2 & Q4 Closing Report	Date, Time, Venue
	Learner Interaction (STEM)	Number of Learner Interactions (1 Learner = 1 Interaction)	120 per £1m	Q2 & Q4 Closing Report	Date, Time, Venue
Learner Engagement	Support into Work (14+)	Hours	2 per £1m	Q2 & Q4 Closing Report	Date, Time, Venue

Supporting Information

Work Placements/Experience

This metric captures the number of work placements/experience facilitated through the SCfLP activity. The focus should be on placements that offer meaningful experience aligned with learners' interests and project objectives.

A good quality work placement should provide structured, purposeful experience that builds relevant skills, confidence and insight into career pathways. For those not in education, the placement can act as a re-engagement tool and bridge the gap to other learning and employment opportunities.

A combined benchmark for those in education and not in education has been set at 1 per £3m to guide expectations. However, LA and FEI partners retain discretion to set more ambitious targets based on local context, capacity and strategic priorities ([See Target Adjustments for further information](#)).

Early Careers

Each category included under Early Careers has a specific criteria, please see in table 1 below. Whilst the benchmark combines both new and continued apprenticeships at 1 per £1 million of project cost, projects should report them separately to ensure transparency. Partners should also report the number of new graduates and continued graduates separately.

New Graduate Employment	University graduates who are entering the workforce for the first time or transitioning into a relevant professional role. These roles must: <ul style="list-style-type: none"> • Offer structured development, mentoring or progression opportunities. • Be newly created or filled as a direct result of the project. • Be sustained for a minimum of the project length and demonstrate contribution to the project. • Have graduated in the last 3 years.
Continued Graduate Employment	University graduates who were already employed prior to the project and are continuing their employment as part of the project delivery. These roles must: <ul style="list-style-type: none"> • Offer structured development, mentoring or progression opportunities. • Be sustained for a minimum of the project length and demonstrate contribution to the project. • Have graduated in the last 5 years.
New Apprenticeships	New apprentices recruited to the workforce. They must: <ul style="list-style-type: none"> • Be formal apprenticeship registered with a recognised training provider. • Align with the industry standards and lead to a qualification. • Be supported by a structured training plan and employer commitment.
Continued Apprenticeships	Existing apprentices who continue their apprenticeship training while working on the project. The placements must: <ul style="list-style-type: none"> • Be part of a recognised apprenticeship programme. • Contribute meaningfully to the apprentice's development and project delivery.

Table 1: Early Careers Criteria

All Other Training

This metric covers Training Weeks for all other relevant training qualifications that are not Apprenticeships, Graduates or Work Placements.

In previous guidance this had a benchmark of 25 weeks per £1m, however as Graduates and Work Placements have been separated, this metric seeks to capture data on all other training types only.

Hours Donated & Learner Interactions (STEM)

These metrics capture the delivery of STEM-focused educational activities to learners. They are designed to reflect the educational value and reach of STEM engagement, rather than career guidance or employability support (which are recorded separately under 'Support into Work'). The activities must be educational, STEM-focused, and delivered in an educational setting. This includes sessions that explore topics like engineering, construction, sustainability, digital technologies, or scientific principles. Activities should aim to inspire and inform learners about STEM subjects.

How to record?

- **Hours Donated** - The total number of hours spent delivering STEM-related content or activities to learners.
- **STEM Learner Interactions** - The total number of individual learners who directly engage with the STEM activity.

For example, a 1-hour assembly delivered by one team member to 55 learners would be recorded as 1 hour donated and 55 learner interactions. If multiple team members are involved, each person's time counts toward the total hours donated.

This metric is not applicable to projects with only Childcare and Early Years provision.

Support into Work

This metric captures activities that support individuals, particularly learners, in developing the skills, knowledge, and confidence needed to enter or progress in the world of work. It should include practical, employment-focused initiatives such as CV writing workshops, interview preparation, mock interviews, career talks, attendance at careers fairs, mentoring or coaching, and work experience placements. These activities may be delivered in schools, colleges, or community settings and are designed to enhance job readiness and understanding of the workplace.

This metric is not applicable to projects with only Childcare and Early Years provision.

Community Initiatives and Stakeholder Engagement

KPI 4: MSME, VCSE Engagement and Inclusion

Target Area	Subcategory Indicator	Metric	Benchmark	Reporting Frequency	Evidence Required
Sell 2 Wales	Use of Sell 2 Wales to advertise opportunities	Utilising the Sell 2 Wales platform to advertise opportunities.	All Contract Opportunities	Q2 & Q4 Closing Report	Audit
Engagement	Engagement with Micro, Small and Medium Enterprises (MSME) and Voluntary, Community and Social Enterprises (VCSE)	Number of engagements	2	Q2 & Q4 + Closing Report	Date, Time, Venue
	MSME and VCSEs contracted on the project	Number of MSME and VCSE's contracted on the project (previously used)	Data Collection	Q2 & Q4 + Closing Report	Company Information
	New MSME and VCSEs contracted on the project	Number of new MSMEs or VCSEs contracted on the project (new to the principal contractor)	Data Collection	Q2 & Q4 Closing Report	Company Information

KPI 5: Community Engagement and Participation

Community Engagement	Community Communication and Engagement Strategy	Number of communication methods	3	Q2 & Q4 Closing Report	Date, Type
	Community Initiatives	Number of Community Initiatives	< £10m = 1 > £10m = 2	Q2 & Q4 Closing Report	Date, Time, Venue, £ (if applicable)

Supporting Information

This section relates to the engagement and inclusion of MSMEs and VCSEs and subsequent MSMEs and VCSEs contracted to work on the project.

Sell 2 Wales

Principal contractors should be appointed via a Regional Procurement Framework ([SEWSCAP](#), [SWWRCE](#) or [NWCP](#)). For further information, see the SCfLP Business Case Guidance.

Principal Contractors delivering public contracts are expected to publish subcontracting opportunities on Sell2Wales throughout the lifecycle of the project. This ensures transparency, accessibility, and fairness for suppliers seeking to engage with public sector work.

Sell2Wales must be used for all contract opportunities within the project. The type of notice required depends on the estimated contract value (including VAT):

- £0 – £30,000: Quick Quote
- Above £30,000: Site Notice

Training and support will be available to delivery partners to ensure Sell2Wales is being used effectively and that all opportunities to promote procurement activity through the platform are fully exploited.

Engagement with MSMEs and VCSEs

Contractors should actively engage with Micro, Small and Medium Enterprises (MSMEs) and Voluntary, Community and Social Enterprises (VCSEs) through meaningful, proactive interactions that aim to involve them in the planning, delivery, and benefit-sharing of public sector projects. This engagement should demonstrate a genuine effort to include MSMEs and VCSEs in procurement processes, project delivery, or community benefit activities. Examples include, but are not limited to:

Supplier briefings or workshops: Offering targeted sessions to help MSMEs or VCSEs understand the scope of work, bidding process, and how to use platforms like Sell2Wales.

Meet-the-buyer events: Facilitating direct interaction between MSMEs or VCSEs and prime contractors or public sector buyers to explore subcontracting or partnership opportunities.

Targeted communication campaigns: Sending tailored communications to local or sector-specific MSMEs or VCSEs to raise awareness of opportunities and encourage participation.

Contractors are encouraged to seek support to deliver their initiatives from [Business Wales](#). Business Wales can provide access to MSME and VCSEs networks and help promote opportunities to a wider range of Welsh MSMEs and VCSEs. This support can enhance the quality and reach of engagement efforts.

Good engagement with MSMEs and VCSEs should be inclusive, ensuring a diverse range of MSMEs and VCSEs, accessible through plain language that avoids jargon, timely enough to influence outcomes and well-documented to support transparency.

All initiatives must be evidenced, and contractors should provide the LA with feedback if they did not use a MSME or VCSE. This will enable the relevant teams (business support, economic improvement) within the LA to provide support to the MSME or VCSEs improve their positioning for future opportunities.

MSMEs and VCSEs Contracted on the Project

The process of engagement with MSMEs and VCSEs through meaningful interactions is based on being able to demonstrate the success of engagements. Delivery Partners should track of the number of MSMEs and VCSEs that are contracted on the project and how many of these are new to the principal contractor.

Community Communication and Engagement Strategy

This metric outlines how project partners, both delivery partners and contractors, will inform, involve, and collaborate with local communities throughout the lifecycle of the project. It recognises that traditional methods such as newsletters may not be effective for all audiences and encourages a flexible, inclusive approach tailored to local needs and preferences. Partners should develop a Communication and Community Engagement Plan that includes a mix of digital and non-digital methods to ensure accessibility and relevance. All communication methods must be made available bilingually in both Welsh and English, in line with the Welsh Language Standards and to ensure inclusivity across communities. This plan may include:

- Newsletters (digital or printed, where appropriate)
- Press Releases to local and regional media
- Social Media Updates
- LA and FEI Communications, including internal bulletins or community outreach channels.

The recommended frequency for Community Communication is at least one pre-build, one during the build, and one post completion. It is the discretion of the LA and FEI to increase this requirement. ([See Target Adjustments for further information](#))

Community Initiatives

Community Initiatives are distinct activities that deliver added value to local communities, separate from core employment, skills, or economic benchmarks already measured elsewhere. These initiatives should be planned in consultation with local stakeholders, including LA Community Teams, to ensure relevance, effectiveness and alignment with local priorities and challenges.

Projects under £10m must deliver at least one Community Initiative, proportionate to project value (this should be determined by delivery partners), whilst projects over

£10m must deliver at least two. For larger or longer duration projects, additional initiatives may be expected at the discretion of the LA or FEI. ([See Target Adjustments for further information](#))

Initiatives must demonstrate tangible outcomes for the community. Examples include:

- Donating to local food banks
- Organising or participating in litter picks or environmental clean-up events
- Improvements to community facilities or shared spaces
- Volunteering time or resources to local charities or community groups
- Organising sports or music events through the medium of Welsh, possibly with support from organisations such as Urdd Gobaith Cymru or Mentrau Iaith

Welsh Supply Chain

KPI 6: Welsh Economic Footprint					
Target Area	Subcategory Indicator	Metric	Benchmark	Reporting Frequency	Evidence Required
Company Information	Address of Head Office	Full address of the Head Office of all suppliers	Data Collection	Closing Report	Not Applicable
	Address of Sub-Office (regional) (if applicable)	Full address of the sub-office of all suppliers	Data Collection	Closing Report	Not Applicable
	Is the Supplier a Welsh owned company?	Yes/No for all suppliers	Data Collection	Closing Report	Not Applicable
Spend in Wales	% Spend in Wales	% of total spend on Welsh Suppliers	Data Collection	Annual (Q4)	Not Applicable
	% Welsh Sub-Contractors	% of sub-contractors with a Welsh postcode	Data Collection	Annual (Q4)	Not Applicable

KPI 7: Welsh Materials

Materials	Type of Materials produced in Wales	List Materials	Data Collection	Annual (Q4)	Not Applicable
	Value of Materials produced in Wales	£ per tonne (Steel), £ per metre squared (slate)	Data Collection	Annual (Q4)	Not Applicable
	Volume of Materials produced in Wales	Tonnage (Steel), number of metres squared (slate)	Data Collection	Annual (Q4)	Not Applicable

Supporting Information

Supplier Location and Ownership

These indicators help to assess the geographical distribution and economic footprint of all suppliers involved in SCfLP project delivery. This information will be collated on the Closing Report. Partners should work with contractors to provide details for both the principal contractor and any appointed sub-contractors.

Collecting this data shows where value is retained and reinvested. For example, if shareholders are based outside of Wales, profit are potentially being spent elsewhere, reducing the local economic multiplier effect. By mapping supplier addresses, ownership structures and spend, the programme can evaluate how effectively it supports Welsh businesses and communities and identify opportunities to strengthen local economic resilience.

Welsh Materials

Number and Type of Material - Partners must report each distinct material sourced from Welsh-based manufacturers or suppliers. Materials should be counted only if they are produced or significantly processed in Wales, not solely distributed from a Welsh location. Reporting should extend to Tier 1 and Tier 2 suppliers where information is available.

Value of Materials Produced in Wales - Based on the materials partners list above, partners must report the financial value of each of the Welsh-produced materials used on the project. Please use standard units such as £ per tonne (e.g. steel) and £ per square metre (e.g. slate).

Volume of Materials Produced in Wales - Partners must also report the physical quantity of Welsh-produced materials listed as being used on the project. Please use appropriate units such as tonnage for bulk materials (e.g. steel) and square metres for surface materials (e.g. slate).

Fair Payment

KPI 8: Ethical and Timely Payment Practices

Target Area	Subcategory Indicator	Metric	Benchmark	Reporting Frequency	Evidence Required
Timely	Payments made within 10 days by Client	Audit – Percentage of Payments	100% of Payments	Q2 & Q4 Closing Report	Audit
	Payments to sub-contractors made within 27 days	Audit – Percentage of Payments	100% Payments	Q2 & Q4 Closing Report	Audit
PBA	Use of Project Bank Account	Confirmation	Projects over £2m	Project Start and Project Completion	Formal confirmation of PBA setup (e.g. signed agreement).

Supporting Information

Timely

The benchmark for these metrics requires 100% of payments to be made within 10 days by Client (LA or FEI) to Contractor, and 27 days by Contractor to Sub-contractor. This benchmark should be used as a minimum, however if the contract terms are shorter then you should align with these terms.

Project Bank Account (PBA)

In February 2025, Welsh Procurement Policy Note (WPPN) 010 was introduced to promote the use of PBAs as a means to address poor payment practices in public sector supply chains by facilitating fair and prompt payment.ⁱⁱⁱ. Project Bank Accounts (PBA) are ring-fenced bank accounts designed to ensure that supply chain construction businesses involved in public sector schemes receive payment in five days or less.

The SCfLP has introduced a new metric under the Fair Payment theme related to PBAs, making their use now a condition of funding for projects with a total contract value of £2 million or more, where applicable under the criteria.

Partners will be required to confirm they have a PBA in place at the start of the project and a final check will be in place at the end of the project. Guidelines for deploying Welsh Government Project Bank Account Policy has been released under WPPN 04/21, available [here](#).

Further information on the applicability of PBAs can be found [here](#)

5. Place-Based Social Value Metrics

To ensure the projects within the SCfLP are delivering outcomes with the greatest local impact, we are introducing a targeted place-based approach. Place-Based Social Value Metrics have been established to identify and demonstrate how projects are delivering meaningful benefits to the project community that go over and above.

Partners should treat the metrics as a ‘menu’ of options, selecting the most relevant target areas and indicators based on the specific needs of the local community. For example, if a LA is building a new All-Through school in an area with high levels of people not in employment, education or training (NEET), they would be encouraged to select and deliver metrics that address this challenge.

The minimum number of metrics a project must target is based on the project cost.

- Projects valued between £2m and £15m – minimum of 2 metrics
- Projects valued between £15m and £50m – minimum of 4 metrics
- Projects valued over £50m – minimum of 6 metrics

However, partners are encouraged to choose all metrics that are appropriate, deliverable and capable of making a positive impact or addressing challenges in the community the project is located.

Benchmarks have not been set as achieving anything from the below list has been determined as over and above. Partners must set at the start of the project a target for the metrics they select from the below menu.

Workforce

KPI 2: Workforce Development and Inclusion				
Target Area	Subcategory Indicator	Metrics	Reporting Frequency	Evidence Required
Opportunities for Disadvantaged People	Long-term unemployed (unemployed for a year or longer)	No. of employees (FTE) hired or retained	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
	Long-term unemployed (for a year or longer) homeless	No. of employees (FTE) hired or retained	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
	Employment accessibility for disabled people	No. of employees (FTE) hired or retained	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
	18+ years hired on the contract who are rehabilitating or ex-offenders	No. of employees (FTE) hired or retained	Q2 & Q4 Closing Report	Anonymised list, signed by project lead

Target Area	Subcategory Indicator	Metrics	Reporting Frequency	Evidence Required
Opportunities for Disadvantaged People	Members of an ethnic minority group	% of employees (FTE)	Q2 & Q4 Closing Report	Anonymised list, signed by project lead
Employee Wellbeing and Equality	Access to Wellbeing Programmes	Total employees with access for at least 6 months	Q2 & Q4 Closing Report	Not Applicable
	Gender Equality and Pay Equity in the Workplace	Number of Initiatives	Q2 & Q4 Closing Report	Not Applicable

Supporting Information

Opportunities for Disadvantaged People -

The SCfLP is committed to delivering inclusive and equitable outcomes for all communities in Wales. A key aspect of this commitment is ensuring that disadvantaged individuals are supported into meaningful employment through targeted social value interventions.

Good practice in social value delivery includes inclusive recruitment, targeted outreach, and partnerships with specialist organisations. These efforts should be embedded in project planning and delivery to ensure that opportunities created by SCfLP investments reach those who face the greatest barriers to employment. The Programme encourages the creation of employment and training opportunities for individuals from the following priority groups:

Long-term Unemployed (unemployed for 12 months or more) - Long-term unemployment can lead to declining confidence, skills, and reduced employer interest. In the year ending June 2024, the employment rate in Wales was 73.2%, slightly below the UK average of 75.4%. The Welsh Government has set a national milestone to eradicate the gap between the employment rate in Wales and the UK by 2050, with a focus on fair work and raising participation among under-represented groups.^{iv}

Homeless Individuals - Homelessness is a significant barrier to employment due to instability, lack of address, and limited access to services. In 2024, an estimated 12,250 households in Wales experienced “core” homelessness, including rough sleeping, sofa surfing, and unsuitable temporary accommodation.

Disabled People - Disabled individuals in Wales face the largest disability employment gap in Britain. In 2024, the employment rate for disabled people aged 16–64 in Wales was 51.0%, compared to 81.9% for non-disabled people, a gap of 30.9 percentage points between disabled and non-disabled employment rates. The

Welsh Government aims to eliminate this gap by 2035, recognising the need for proactive employer engagement and inclusive recruitment practices.

Young People NEET (Not in Education, Employment or Training) - The NEET category includes young people aged 16–24 who are not engaged in formal education, employment, or training. This group is a key focus for social value interventions due to the long-term risks of economic and social exclusion. According to the Welsh Government's 2025 statistical release, approximately 2.4% of Year 11 school leavers in 2024 were known to be NEET^v. The Medr report on progression from Year 11 to tertiary education provides further insight into the pathways young people take and highlights the importance of targeted support for those at risk of becoming NEET^{vi}.

Ex-Offenders or Individuals in Rehabilitation (Aged 18+) - Ex-offenders often face stigma and limited access to employment opportunities. In Wales, 31.1% of offenders were employed six months after release from custody in 2024. For those on community sentences, the employment rate was higher at 46.4%. The Wales probation region saw a notable improvement, with 22.9% of offenders employed six weeks post-release, up from 18.7% the previous year.

Members of Ethnic Minority Groups - Ethnic minority households also face a 50% likelihood of relative income poverty. In 2024, the employment rate for individuals from Black, Asian and Minority Ethnic backgrounds was 66.2%, compared to 74.0% for White individuals.

If any of the above areas are targeted, the information should be collated once, during site induction.

Good Practice: ReAct +

To support disadvantaged individuals into employment, SCfLP delivery partners are encouraged to engage with initiatives such as ReAct+, delivered through Working Wales.

For the individual, ReAct+ offers tailored support to those trying to re-enter the labour market by removing barriers and providing grant support for vocational training, travel costs and care (including childcare) related to training^{vii}.

For the employer, hiring an individual who qualifies under ReAct+ could mean receiving up to £4,000 towards the wages of the individual for the first year of the employment. There are a number of criteria for the job, further information can be found [here](#).

Employee Wellbeing and Equality

The SCfLP recognises that delivering social value includes fostering healthy, inclusive, and equitable workplaces. Two key areas of focus are access to wellbeing support and the promotion of gender equality and pay equity.

Access to Employee Wellbeing Initiatives:

Employee wellbeing is essential for a productive and sustainable workforce. Wellbeing programmes can help reduce absenteeism, improve morale, and support mental and physical health. These programmes may include:

- Mental health support (e.g. counselling)
- Physical wellbeing initiatives (e.g. gym memberships, health checks)
- Stress management and resilience training.

Good practice includes ensuring that wellbeing support is accessible to all employees, including part-time and site-based staff, sustained over time (minimum 6 months access) and inclusive, addressing diverse needs (e.g. neurodivergence, caring responsibilities)

SCfLP projects should aim to embed wellbeing into their organisational culture and ensure that all employees working on the programme benefit from these supports.

Gender Equality and Pay Equity in the Workplace:

Gender equality and pay equity are fundamental to fair work. Activities to encourage these principles may include:

- Conducting gender pay audits and publishing results.
- Reviewing and updating recruitment and promotion policies to remove bias
- Offering leadership development for underrepresented genders
- Providing family-friendly policies, such as enhanced parental leave
- Running awareness campaigns or training on gender equity and inclusion

Projects should aim to demonstrate active steps taken to reduce gender-based disparities and promote equal opportunities across all roles and levels.

Learning and Development

KPI 3: Skills, Training and Learner Development				
Target Area	Subcategory Indicator	Metrics	Reporting Frequency	Evidence Required
Reskilling or Upskilling	Individuals Reskilled or Upskilled	Number and Level of Qualifications	Q2 & Q4 Closing Report	Certificate or Letter/Email of Confirmation
Training	Equality, Diversity and Inclusion Training	Hours of staff training per employee	Q2 & Q4 Closing Report	Certificate or Letter/Email of Confirmation
Supporting Sustainability Training and Education	Environment and Sustainability Education Sessions	Hours per employee	Q2 & Q4 Closing Report	Date, Time, Venue

KPI 5: Community Engagement and Participation				
Supporting Sustainability Training and Education	Environmental Conservation Volunteering	Hours per employee	Q2 & Q4 Closing Report	Date, Time, Venue

Supporting Information

Reskilling and Upskilling

Reskilling refers to providing individuals with new skills that enable them to transition into different roles or sectors. This is particularly important for those affected by redundancy, automation, or changing industry demands.

For SCfLP projects, reskilling often focuses on enabling individuals to move into the construction sector, supporting local employment and addressing skills shortages. Reskilling activities may include vocational training in new sectors (e.g. construction, digital, green technologies), career conversion programmes and/or accredited short courses or modular learning.

(This does not include any mandatory training)

Projects should aim to support individuals who are re-entering the workforce, transitioning from declining sectors and/or seeking progression into higher-skilled roles. Partners committing to a Just Transition can help support this.

Upskilling refers to enhancing the existing skills of individuals already in employment to help them progress into more advanced roles or adapt to new technologies and methods.

Upskilling activities may include technical training, leadership and management courses or sustainability focused learning. The aim is to support career progression and ensure the workforce remains competitive in a changing industry landscape.

(This does not include any mandatory training)

Personal Learning Accounts (PLA)

The Welsh Government's Personal Learning Accounts (PLA) scheme provides fully funded, flexible courses to help individuals reskill into new sectors or upskill for career progression. Priority areas include construction, digital skills, and green technologies, aligning with SCfLP objectives to support local employment and sustainability.

Eligible learners (aged 19+, living in Wales, and earning below a set threshold) can access accredited short courses, modular learning, and vocational training through PLA. There is no earning cap on approved courses or qualifications in digital or green skills. Further details and eligibility criteria can be found [here](#).

Equality, Diversity and Inclusion (EDI) Training

EDI training helps foster inclusive workplaces by raising awareness of unconscious bias, promoting respectful behaviours, and embedding equity in recruitment and progression. Examples of EDI training activities:

- Workshops on inclusive language and behaviour
- Training on the Equality Act and protected characteristics
- Sessions on cultural competency, neurodiversity, and allyship
- Leadership development for underrepresented groups

Supporting Sustainability Training and Education

Education Sessions – Sustainability education builds awareness of climate change, resource efficiency, and ecological responsibility. It supports the SCfLP commitment to environmental stewardship and future-proofing infrastructure. These sessions should be inclusive, practical, and linked to real-world applications within the SCfLP. Sessions may include:

- Workshops on carbon literacy and climate action
- Training on sustainable construction practices
- Education on biodiversity, circular economy, and energy efficiency
- School or community-based sustainability awareness events

Environmental Conservation Volunteering – Volunteering supports community engagement and environmental resilience. SCfLP projects can contribute by encouraging staff, contractors, and learners to participate in:

- Tree planting and habitat restoration
- River and coastal clean-ups
- Biodiversity surveys and citizen science projects
- Maintenance of green spaces and community gardens

Community Initiatives and Stakeholder Engagement

KPI 5: Community Engagement and Participation

Target Area	Subcategory Indicator	Metrics	Reporting Frequency	Evidence Required
Community Initiatives	Voluntary Hours to support third sector and civil society organisations	Number of staff volunteering hours	Q2 & Q4 Closing Report	Photographic evidence of volunteering activities
	Equipment or resources donated to third sector and civil society organisations	£ equivalent value	Q2 & Q4 Closing Report	Acknowledgement letters from recipient organisations
	Donations to local community projects	£	Q2 & Q4 Closing Report	Bank transfer confirmations or grant award letters
	Cultural Engagement Initiatives	Number of Activities	Q2 & Q4 Closing Report	Anonymous attendance records
	Promoting the use of the Welsh Language	Number of Activities that support/encourage use of Welsh	Q2 & Q4 Closing Report	List of Initiatives
	Promoting Wellbeing of Young people and vulnerable adults	Number of Activities	Q2 & Q4 Closing Report	List of Initiatives
Just Transition	The main Contractor has committed to a Just Transition	Yes/No	Confirmation	Policy

Supporting Information

Community Contributions

Contractors should make meaningful contributions to the third sector and civil society through donations, resource sharing, and volunteering. These efforts play a vital role in strengthening local organisations, supporting marginalised communities and building long-term community resilience. Social enterprises, charities and small businesses are often at the heart of this work.

Delivery partners are encouraged to support these groups through the following approaches:

- **Voluntary Hours to Support Third Sector and Civil Society Organisations –** This could include event participation, mentoring, or hands-on help with community initiatives.
- **Equipment or Resources Donated –** Contributions may include IT equipment, furniture, tools, or surplus materials. The estimated value should be based on the original purchase cost. These donations can significantly enhance the operational capabilities of grassroots organisations.
- **Financial Donations to Local Community Projects –** Monetary support for local initiatives, charities, or small-scale programmes helps sustain vital services and empowers communities to address their own challenges.

By actively engaging with and supporting these organisations, delivery partners help ensure that the benefits of the SCfLP reach those who need them most.

Cultural Engagement Initiatives

The delivery of cultural and engagement initiatives can encompass a wide range of activities. These initiatives should be designed to protect, promote, and encourage participation in cultural and heritage assets. The below are examples and should be used as a guide:

Protection of Heritage Assets

- Landscapes, historic buildings, monuments
- Parks and gardens
- Cadw and National Trust sites
- Industrial heritage (e.g., historic railways, canals)

Promotion of Cultural Access and Appreciation

- Increased use and attendance at:
 - Heritage sites and assets
 - Museums, archives, and libraries
 - Arts venues (e.g., theatre, performance, dance, music, galleries)
 - Sporting events (local and national)

Encouraging Participation in Cultural Activities

- Arts participation (e.g., theatre, performance, dance, music, galleries)

Promoting the use of the Welsh Language

Cymraeg 2050, the Welsh Government's Welsh language strategy, aims to reach one million Welsh speakers by 2050, as well as doubling the use of Welsh in everyday life. In order to create the conditions to achieve this, people need opportunities to use Welsh in a variety of situations. Examples of initiatives to promote use of Welsh within and outside the workplace include the following:

- Organising Welsh-language sports and music events in conjunction with organisations such as Urdd Gobaith Cymru or the local Menter Iaith
- Enrolling in the Cultural Ambassadors Scheme to learn how to support newcomers to communities across Wales to learn more about Wales, the Welsh language and its importance to the community, to provide support and guidance for businesses to use and promote the Welsh language, and to work locally to maintain and strengthen social networks
- In the workplace, offering a broad range of language training as well as encouraging the use of basic Welsh phrases through the adoption of technology such as ARFer.

Supporting Health and Wellbeing of Young People and Vulnerable Adults

The SCfLP recognises the importance of promoting the health and wellbeing of young people and vulnerable adults as part of its wider social value commitments. These activities contribute to building resilient communities and ensuring that individuals facing additional challenges are supported to thrive.

Examples of activities may include:

- Mental health awareness sessions or peer support groups
- Life skills workshops
- Safeguarding and resilience training delivered in schools or community settings.
- Physical wellbeing initiatives such as sports, nutrition, or outdoor activities, with objectives to:
 - Increase levels of physical activity among children and young people;
 - Improve physical and mental health outcomes;
 - Address obesity and sedentary lifestyles;
 - Promote social inclusion and reduce isolation.

Just Transition

A Just Transition is the idea that the shift towards a more sustainable and green economy should happen in a fair and inclusive way that leaves no one behind.^{viii} The aim is to prioritise the interests of those most impacted by a net-zero transition, including workers, vulnerable communities and suppliers of goods and services, specifically micro, small and medium-sized enterprises (MSMEs).^{ix}

According to UK Place Based Climate Action Network (PCAN) Job Tracker, 6.3 million jobs in the UK (one in five) are likely to be affected by the transition to a net-zero carbon economy, with around 30% of workers within the Construction Sector that will require upskilling^x

The SCfLP relies heavily on the Construction sector and therefore identifies the need to support the construction sector and the communities in which our projects are located.

The type of communities effected by decarbonisation efforts that the SCfLP can support include but are not limited to:

- **Areas of Deprivation** where communities may lack the infrastructure and resources to quickly adapt to the changing environment; and
- **Places with a strong industrial presence** - such as those that rely on producing high-carbon good, or heavy manufacturing, are at risk as the economy transitions to clean technology.

Whilst there is no one size fits all approach and until the release of the Just Transition Framework, the SCfLP is encouraging Tier 1 Contractors to commit to a Just Transition and recognise the social impacts of both its and the wider industries decarbonisation efforts.

6. Modern Slavery

Modern slavery is the severe exploitation of people for personal or commercial gain, using methods like human trafficking, threats, forced labour, debt bondage, and document confiscation. It can take many forms and often infiltrates the supply chains of our goods and services.^{xi}

The Welsh Government has put in place policies and processes to support our ability to tackle modern slavery, both within our organisation and supply chains, and in partnership with other public bodies. These include, but are not limited to, the following measures:

Anti-Slavery Wales Forum (ASWF) - Organised by the Welsh Government the [ASWF](#) brings together organisations across society including public bodies, social partners and the third sector, to provide leadership and coordination in tackling modern slavery across Wales.

Code of Practice on Ethical Employment in Supply Chains - Published in 2017, the Code of Practice requires signatory organisations to take action to eradicate unlawful and unethical employment practices, as well as ensuring all workers at every stage of the supply chain are treated fairly. To date, more than five hundred organisations are signed up and embedding the Code within their policy and processes.^{xii}

Wales Procurement Policy Statement - The [statement](#) sets out the strategic vision for public sector procurement in Wales, including 10 key principles focussed on the wellbeing of people in Wales.

The Welsh Government opposes modern slavery in all its forms. Through the SCfLP, we ask the following:

- When tendering contracts, partners seek assurances that potential contractors have suitable and robust processes in place that will mitigate any risk of modern slavery within their organisation.
- We urge partners to sign up to the Code of Practice on Ethical Employment in Supply Chains and promote this through their supply chain.
- Ask partners to require contractors to comply with their obligations in publishing Modern Slavery statements.

Training

The Welsh Government regularly delivers external modern slavery training and awareness. This training highlights the signs of modern slavery and how to report concerns, including contacting the Modern Slavery and Exploitation Helpline.^{xiii}

7. Tendering Contracts

Through the tender process for projects, it is essential that the delivery partner (the client) clearly sets out the Social Value objectives required to be achieved throughout project delivery.

This ensures early alignment with community needs and supports the development of meaningful, impactful initiatives. While the main contractor should be encouraged to contribute to planning how these objectives will be delivered, it is the client's responsibility to lead this process. Social Value should not be left solely to the contractor to define. This is particularly important when selecting place-based metrics, which should reflect the specific challenges and opportunities within the community the project serves.

In addition, the wider project team, including consultants such as architects and designers, should be expected to contribute to achieving social value targets through collaboration with the principal contractor. These professional services often represent a significant proportion of project spend and can play a key role in delivering social value.

At the tender stage, the client must include in the invitation to tender the Social Value targets that the project will be required to achieve. The agreed Social Value objectives must then be embedded in the Full Business Case or Business Justification Case. They will subsequently be reflected in the grant award letter once the business case has been approved by the SCfLP Education Investment Panel.

Social Value targets are considered added value to the contract but once agreed they become contractual obligations for the delivery partner and must be cascaded to all suppliers involved in the project (including consultants).

Reporting against these targets is a condition of grant funding and compliance will be monitored through the programmes [Monitoring Process](#).

We recognise that circumstances may change during delivery. If there is a valid reason why targets cannot be met, delivery partners must follow the [Target Adjustments](#) process. This ensures any adjustments are evidence-based, approved by Welsh Government, and documented for transparency. Where reductions are agreed, compensatory over-delivery on other targets will be required to maintain overall social value commitments.

8. Monitoring Process

Grant recipients (delivery partners) are required to embed Social Value reporting throughout the project lifecycle. This includes:

- **Start of Project:** Partners are required to determine what will be achieved and commit to minimum delivery targets. Partners should refer to [Tendering Contracts](#) to understand expectations pre-delivery and [Start of the Project](#) to ensure the correct documentation is complete.
- **During the Project:** Partners are required to complete and submit [Half Yearly \(Q2\)](#) returns, and [Annual \(Q4\)](#) returns. This will ensure transparency and accountability, giving the SCfLP team the opportunity to identify and flag any risks or issues with performance to delivery partners. It forms part of grant conditions to fully complete and submit these returns to the SCfLP team.
- **Project Completion:** Partners are required to complete and submit a final report, within 18 months of project completion. This will confirm the actual social value outcomes achieved. Partners should refer to [End of the Project](#) to ensure the correct document is fully completed and submitted in accordance with grant conditions.

All returns must be sent to sustainablecommunitiesforlearning@gov.wales, on time and fully completed as per grant conditions. Delivery Teams will receive communication in the lead up to this period.

8.1 Start and End of Project

At both the start and end of the project, partners are required to complete Annex 8 – Project Information Proforma. This is a new reporting document that captures data collection on Contractual and Procurement, Finance, Social Value, Benefits and Outcomes and Environment and Sustainability, for both Project Information Proforma, and Closing Report stages.

Below is a preview of the Social Value sheet within Annex 8 – Project Information Proforma. This applies to both the start (project information proforma), and the end of the project (closing report).

Section 2 - Core Social Value Targets					Business Case Target	Actuals
KPI	Subcategory Indicator	Metric	Benchmark			
KPI 1: Local and	Total Employees within the Supply Chain throughout the contract	Total Number of full time equivalent employees (FTE) hired or retained for the duration of the contract across the supply chain	Data Collection	N/A		

IMAGE 5: PREVIEW OF ANNEX 8: PROJECT INFORMATION PROFORMA

Start of the Project

Partners should refer to [Tendering Contracts](#) to understand expectations pre-delivery. While the principal contractor should be encouraged to contribute to planning how these objectives will be delivered, it is the client's responsibility to lead this process.

Once agreed, Annex 8 – Project Information Proforma should be fully completed and returned to the SCfLP team, setting out the minimum targets for the Core Social Value metrics, which Social Value Place Based metrics will be pursued, and the targets for each. This will inform the SCfLP team of the expected Social Value impact for the project. Partners should complete the 'Business Case Target' column fully. This has been marked Blue on Image 5.

Some of the metrics are only required for Data Collection at the end of the project, so at this stage are not required to be complete (these have been marked N/A).

End of the Project

At the End of the Project, Annex 8 – Project Information Proforma should be fully completed and provide the final cumulative totals on what the project has delivered. Partners should complete the ‘Actuals’ column, marked Red on Image 5. This report will capture the full impact of the project and must be submitted within 18 months of project completion.

Partners must submit their Closing Report returns within Annex 8 – Project Information Proforma, to the SCfLP team via email (sustainablecommunitiesforlearning@gov.wales), no later than 18 months after Project Completion. Delivery Teams will receive communication in the lead up to this period. This is a condition of funding, else retention monies will not be released.

8.2 During the Project

During project delivery, partners must complete Half Yearly (Q2) and Annual (Q4) returns to update the SCfLP team on progress towards Social Value impact. This must be undertaken by completing Annex 1a – Social Value Performance Reporting.

The following reporting schedule must be adhered to, and all submissions must be made on time and in the correct format.

Half Yearly Return (Q2)

At the end of Q2, partners are required to complete Annex 1a – Social Value Performance Reporting, to submit cumulative performance data against both core and place-based metrics. Partners should work with the Principal Contractor to establish and confirm the data.

These returns should reflect total progress to date. The ‘Business Case Target’ column will be completed by the SCfLP team using information submitted at the Start of the Project in Annex 8 – Project Information Proforma.

Partners are required to complete the ‘Cumulative Total’ column, marked blue on Image 6 below.

Section 2 - Core Social Value Targets					Cumulative Total
KPI	Subcategory Indicator	Metric	Benchmark	Business Case Target	
(Key Performance Indicator)				Welsh Government to complete	Delivery Partner to complete
	New Entrant' Jobs Created	Number of New Entrant Jobs Created	Defined at project level		

IMAGE 6: PREVIEW OF CORE SOCIAL VALUE TARGETS IN Q2 TEMPLATE WITHIN ANNEX 1A – SOCIAL VALUE PERFORMANCE REPORTING

Place based social value metrics are listed within the same sheet, underneath Section 3. Partners will only see the metrics they committed to at the Start of the Project. Partners should follow the same process as Core Social Value Targets, providing cumulative totals for progress against each target. An example is shown in Image 7.

Section 3 - Place Based Metrics					Cumulative Total
KPI	Indicator	Subcategory Indicator	Metric	Business Case Target	
(Key Performance Indicator)				Welsh Government to complete	Delivery Partner to complete
		Long-term unemployed (unemployed for a year or longer)	No. of employees (FTE) hired or retained		

IMAGE 7: PREVIEW OF PLACE BASED TARGETS IN Q2 TEMPLATE WITHIN ANNEX 1A – SOCIAL VALUE PERFORMANCE REPORTING

Partners must submit their returns to the SCfLP team (sustainablecommunitiesforlearning@gov.wales), no later than 1 month after the end of Q2, which is the last working day of October. LAs will receive communication in the lead up to this period.

Annual Return (Q4)

At the end of the financial year, partners are required to complete the Q4 report within Annex 1a – Social Value Performance Reporting. This is the same format as the Q2 report, however, includes additional metrics for annual reporting only (for example, home postcode and spend in Wales metrics).

Identical to the Q2 report, partners must provide cumulative totals, reflecting total progress to date against agreed target. Partners are required to complete the 'Cumulative Total' column, marked blue on Image 8 below.

Section 2 - Core Social Value Targets					
KPI (Key Performance Indicator)	Subcategory Indicator	Metric	Benchmark	Business Case Target	Cumulative Total
	Total Employees within the Supply Chain throughout the contract	Total Number of full time equivalent employees (FTE) hired or retained for the duration of the contract across the supply chain	Data Collection	N/A	Delivery Partner to complete

IMAGE 8: PREVIEW OF CORE SOCIAL VALUE TARGETS Q4 TEMPLATE WITHIN ANNEX 1A – SOCIAL VALUE PERFORMANCE REPORTING

Place based social value metrics are listed within the sheet, underneath Section 1. Partners should only see the metrics they committed to at the Start of the Project. Partners should follow the same process as Core Social Value Targets, providing cumulative totals for progress against each target

Section 3 - Place Based Targets					
KPI (Key Performance Indicator)	Indicator	Subcategory Indicator	Metric	Business Case Target	Cumulative Total
		Long-term unemployed (unemployed for a year or longer)	No. of employees (FTE) hired or retained	Welsh Government to complete	Delivery Partner to complete

IMAGE 9: PREVIEW OF PLACE BASED SOCIAL VALUE TARGETS ON Q4 TEMPLATE WITHIN ANNEX – SOCIAL VALUE PERFORMANCE REPORTING

Partners must submit their returns to the SCfLP team (sustainablecommunitiesforlearning@gov.wales), no later than 1 month after the end of Q4, which is the last working day of April. LAs will receive communication in the lead up to this period.

8.3 Reporting Compliance

Target Adjustments

This guidance is intended to support delivery partners, but we recognise that circumstances may require flexibility. Discretion can be applied before tender, post tender and during delivery in exceptional and justified cases to reduce targets and to increase targets where appropriate.

- Discretion should only be applied where there is a clear and evidenced reason.
- Reductions in targets must be balanced by over-delivery on another target to maintain overall social value commitments.

To ensure transparency and accountability the following process must be followed:

1. Any proposed reduction in targets must be discussed with the SCfLP Social Value and Performance Manager before implementation.
2. Partners must provide:
 - a. A rationale for the change
 - b. Evidence supporting the need for the discretion
3. The SCfLP team will review and confirm approval.

All decisions will be documented, including the original target, revised target, reason for change and agreed compensatory action. Compensatory action is where target is reduced, over-delivery on another target is to be delivered to ensure overall programme objectives are met. The compensatory target will be agreed during the approval process.

Important:

- Benchmarks should be considered and agreed during the business case stage.
- If targets genuinely cannot be met following evaluation or during delivery, partners must report this promptly and seek approval for adjustments.
- The focus remains on quality outcomes, not inflated numbers.

Timely

Timely submission of all reports is a condition of grant funding. Failure to comply with reporting deadlines may result in delays to payments or other contractual implications. Partners are required to maintain accurate records throughout the project to support high-quality reporting.

All returns must be sent to sustainablecommunitiesforlearning@gov.wales, on time and fully completed as per grant conditions. Delivery Teams will receive communication in the lead up to reporting periods.

9. Frequently Asked Questions

1. Who must report on the performance metrics?

It is the responsibility of delivery partners (Local Authorities and Further Education Institutes) to submit completed returns to the SCfLP team. Delivery partners must work closely with their principal contractors and consultants to ensure accurate data collection and timely submission. While the ultimate responsibility lies with the delivery partners, contractors and consultants are expected to actively support this process by providing the necessary information and evidence.

2. Are projects procured prior to the introduction of these new and updated benchmarks required to capture social value information or should the former Community Benefits Guidance be used?

This Social Value Guidance applies to all projects entering Full Business Case (FBC) after February 2026. However, projects approved prior to February 2026 should also follow the new reporting template commencing April 2026, completing the sections they can. If there is an opportunity to include the new metrics from this Social Value Guidance as a means of data collection, delivery partners are encouraged to do so.

3. Should targets be agreed before going out to tender?

Yes. Benchmarks should be considered and agreed during the business case stage, as part of establishing the Social Value approach. Partners should refer to the Commercial Case in the Programme Business Case guidance. This ensures clarity for bidders and avoids unrealistic targets later in the process.

4. What happens if, following tender evaluation, benchmarks are not met?

If targets cannot be met after evaluation or during delivery, partners must report this promptly and seek approval for adjustments through the [Target Adjustment](#) process. The SCfLP team will review the rationale and evidence before confirming any changes.

5. Can targets be changed after tender?

Yes. The same adjustment process applies post-tender and during delivery. Any changes must be justified, documented, and approved by the SCfLP Social Value and Performance Manager.

6. Are Benchmarks the same for all areas of Wales?

Benchmarks are consistent, but we recognise that some areas face unique challenges (e.g., rural recruitment of apprentices, border projects sourcing local workforce). Adjustments can be made through the [Target Adjustment](#) process, provided they are realistic and evidence based.

7. Do reductions in targets need to be compensated?

Yes. Any reduction in one target must be balanced by over-delivery on another target to maintain overall social value commitments. This will be agreed during the approval process.

8. What is the purpose of the information, what is it being used for?

The information collected will be used to assess project progress, promote achievements from the SCfLP, and ensure that Welsh Ministers are presented with the wider benefits delivered through the Programme's investment. The data will also be used to report deliverables against wider Welsh Government objectives. Data will also be analysed and used to review benchmarks in the future.

9. How did you produce the Benchmarks?

The SCfLP team has worked closely with stakeholders, including WG Commercial Procurement team, Regional Procurement Frameworks, Local Authority teams and Contractors.

Data collected from previous projects has been reviewed as part of the process to update this document. Alongside this, a Steering Group was set up with partners from LA and Contractors across Wales to review the current definitions and benchmarks.

10. What happens if partners are unable to meet targets set?

Delivery Partners are expected to meet benchmarks at a minimum. Where a delivery partner is struggling to meet targets, they should make the SCfLP Team aware. The SCfLP team Social Value and Performance Manager will assess on a case-by-case basis if a target can be offset against other targets. If the team is not made aware and partners fail to meet targets may affect the release of retention monies (see [Target Adjustments](#)).

11. Contractors and Clients are already completing a number of tools regarding Social Value and Community Benefits; how do we streamline the process?

As a condition of funding, partners are required to complete the programme level social value returns as per this guidance document. Partners are not required to complete the Welsh TOMS and/or Community Benefits Toolkit in addition but may at their own discretion.

Work has been undertaken to align our metrics with the different tools used to measure social value impact external to Welsh Government. Metrics have been set that are consistent with other tools to prevent partners from providing multiple different sets of data.

12. Would it be possible to have further training on reporting on Social Value?

Training on the new Social Value reporting process will be delivered through online workshops.

13. Contractors struggle with staff capacity and skills base to run lessons; can teachers from the relevant schools run the class sessions with the contractor playing a supportive role?

Yes, contractors are not expected to become teachers. We want them to support a lesson and provide their insights to pupils.

14. Will Case Studies be provided to learn from other projects and partners?

The collection of information for case studies will take place in a partners final quarterly data return. Case Studies will be published throughout the year in the SCfLP Newsletter.

ⁱ [Well-being of Future Generations \(Wales\) Act 2015: the essentials \[HTML\] | GOV.WALES](#)

ⁱⁱ [Wales Infrastructure Investment Strategy](#)

ⁱⁱⁱ [Welsh Procurement Policy Note \(WPPN\) 010: Project bank accounts \[HTML\] | GOV.WALES](#)

^{iv} [Labour Market Statistics \(Annual Population Survey\): July 2023 to June 2024 \[HTML\] | GOV.WALES](#)

^v [Participation of young people in education and the labour market: 2022 and 2023 \(provisional\) \[HTML\] | GOV.WALES](#)

^{vi} [Sta/Medr/04/2025: Progression from Year 11 to tertiary education, August 2017 to January 2025 - Medr](#)

^{vii} [ReAct Plus | Working Wales](#)

^{viii} [Leaving No One Behind in the Transition Towards a Low-Carbon Economy | UNFCCC](#)

^{ix} [What is the just transition and what does it mean for climate action? - Grantham Research Institute on climate change and the environment](#)

^x [Tracking local employment in the green economy: The PCAN Just Transition Jobs Tracker | Place Based Climate Action Network](#)

^x <https://www.gov.wales/welsh-government-modern-slavery-statement#:~:text=Modern%20slavery%20is,goods%20and%20services.>

^{xii} <https://www.gov.wales/welsh-government-modern-slavery-statement#:~:text=victims%20and%20survivors,-,Code%20of%20Practice%20on%20Ethical%20Employment%20in%20Supply%20Chains,-First%20published%20by>

^{xiii} <https://www.gov.wales/welsh-government-modern-slavery-statement#:~:text=This%20training%20highlights%20the%20signs%20of%20modern%20slavery%20and%20how%20to%20report%20concerns,%2C%20including%20contacting%20the%20Modern%20Slavery%20and%20Exploitation%20Helpline.>