

Delivering Social Value Annual Report 2023



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| Foreword

Here at National Highways, we believe that connecting people builds communities, creates opportunities and helps the nation thrive. Our network is a vital part of everyday life, and crucial to the UK economy.

We define social value as the benefits that we, along with our supply chain, deliver for people, the environment and the economy, creating positive change through the work we do. Delivering social value as an embedded part of our day-to-day work is a priority across our company.

In October 2022 we launched our first Social Value Plan. This framed our social value commitments and the actions underpinning them. We believe we have made significant progress in a short space of time. Key to our success is the embedment of our new Social Value Tool which we are using to capture all social value activity accomplished in every project we deliver. This enables us to ensure that social value remains a key focus in everything we do.

Through our Designated Fund programme, we can address a range of issues over and above the traditional focus of road investment. Since 2015, these funds have delivered against National Highway's four social value pillars, allowing us

to make transformational improvements on and around our road network for the people who use or live in the communities served by our roads.

We have invested in projects within our supply chain, local authorities, community groups and charitable organisations. Our funding principles ensure we continue to invest in the right things which connect to our strategic ambitions and contribute to our Social Value Plan.

I'm proud to say there's a genuine passion for social value at all levels of National Highways. Our early talent network host an annual conference and at the latest event our graduates, apprentices and interns made it clear how important social value is to them.

In March this year, I took part in the Royal British Legion Industries (RBLI) Great Tommy Sleep Out, which emulated the experience of sleeping rough - unfortunately, something that over 10,000 veterans face every night across the UK. In addition, £15k was raised by companies in our sector such as Amey, Chevron and HW Martin to further the RBLI's work to help veterans get access to housing, training and ultimately, help them get back to work.

There is, of course, still much to do, and this report also outlines our plans for the future. Each of us at National Highways has a part to play in delivering social value, but I believe that the secret to success is bringing all our delivery partners and supply chain stakeholders with us. Our supply chain includes some of the biggest organisations in the UK and we are encouraging them to take meaningful actions to enhance the social value they deliver. That way we can create greater, lasting change together, more quickly.

With our partners and colleagues on board, I'm excited about what we can achieve for our local areas, communities, and the environment in the next 12 months and beyond.



Malcolm Dare
Executive Director
of Commercial &
Procurement

| Introduction

National Highways has always brought value to society through the maintenance, enhancement and operation of our network. Now, through the development of our Social Value Framework, we are explicitly capturing and measuring the benefits that we, and our supply chain, deliver for people, the environment and the economy.

This year we have focused on implementing appropriate processes to ensure social value is an embedded part of day-to-day activities. We have launched our Social Value Tool to capture the value from every project and have put the metrics in place that we and our suppliers now report against.

Our people are motivated and passionate about the role they play in delivering social value and our supply chain has also embraced this opportunity to deliver lasting change. The case studies in the following pages detail how we are delivering together. Internally, our people are using their skills to help students develop their skills or support Ukrainian refugees by raising money and delivering supplies and much more.

Our Social Value Supplier group already has over 50 suppliers and we look forward to many more joining us in the coming year.

With a robust structure and support in place, we are now well placed to deliver the benefits to society through the four pillars of our Social Value Framework:

- Economic prosperity
- Improving the environment
- Community wellbeing
- Equality, diversity and inclusion

In less than six months we've already awarded over £30,000 to six different projects, and in 2023-24 we will be awarding up to £220,000 to many more local projects via our Regional Social Value Fund.

Social value even has a place on the podium at our annual awards now too. In mid-March, our National Highways Awards received 22 entries for the 'Delivering social value' category. It was a great moment to see Nuneaton Signs Ltd take home the award for their support of young people and those with disabilities.

The following pages capture some of our key achievements from 2022-23 and will give you an insight into some of the activities driving our social value agenda as we deliver across our network.

| Our first Social Value Plan

Our first **Social Value Plan** launched in October 2022, is underpinned by the four pillars of our Social Value Framework. Our plan sets out how we and our supply chain will deliver social value for all our stakeholders and the actions we'll take to make this happen.

The Framework, illustrated below, sets out how each of our pillars contributes value. Collectively, they align with government's themes of tackling economic inequality, equal opportunity, fighting climate change, and wellbeing. They also feed into key government policy drivers such as the Levelling Up agenda and the Net Zero plan.

Our *Social Value Plan* sets out our objectives over three years from 2022 to 2024. The table below highlights our progress against our 2022-23 social value objectives.

OUR SOCIAL VALUE FRAMEWORK PILLARS

OUR SOCIAL VALUE FRAMEWORK PILLARS				2022/23 Social Value Objectives	Status
Economic prosperity 	Improving the environment  <p>(See our Net Zero Highways plan and Environmental Sustainability Strategy, due for publication in 2023)</p>	Community wellbeing 	Equality, diversity and inclusion 	Approved social value definition and framework in place	<input checked="" type="checkbox"/>
<p>Directly contributing to economic growth including suppliers, local spend, new businesses, small-to-medium-size enterprises, micro, voluntary, charitable and social enterprises/mutuals</p> <p>Improving productivity by improving the strategic road network</p> <p>Contributing to apprenticeships, skills and education, and regional economic prosperity</p>	<p>Working toward net carbon zero emissions from corporate activity, road users and construction</p> <p>Enhancing the natural environment through improving ecosystems and biodiversity; and protecting our natural resources</p> <p>Respecting neighbouring communities by reducing our impact on air quality, noise and water quality; supporting a healthier society</p>	<p>Healthier and safer communities</p> <p>Promoting safe, active travel and non-motorised users improving health from issues related to the strategic road network</p> <p>Improving community amenities</p> <p>Improving connections within and between communities</p> <p>Contributing to the process of creating quality places that people want to live, work, play, and learn in</p> <p>Supporting community education and heritage programmes</p>	<p>Contributing to employment and opportunities for women; ethnic minorities; the long-term unemployed; veterans; people with disabilities; the LGBTQ+ community; care givers; school leavers; young people not engaged in education, employment or training; ex-offenders; the homeless; maternity returners; new to industry; flexible workers</p> <p>Contributing opportunities to create a more equal society</p> <p>Creating a more inclusive and accessible strategic road network</p>	Launch Social Value Plan internally and externally to ensure consistency	<input checked="" type="checkbox"/>
				Implement a base set of supply chain metrics	<input checked="" type="checkbox"/>
				Capture supplier contributions in social value reporting tool	<input checked="" type="checkbox"/>
				Establish social value governance: steering group cross-department working group and supply chain focus group	<input checked="" type="checkbox"/>
				Review and update our project and operational processes	<input checked="" type="checkbox"/>
				Trial a Social Value Fund supporting small community benefit projects	<input checked="" type="checkbox"/>

| Economic prosperity

This year we have focused on our impact on local communities. Our role to enhance and maintain the strategic road network allows us to work with our suppliers to advocate apprenticeships and training. This improves skills and education to support regional economic prosperity.

INTERNAL

Working in collaboration with Banbury College, we organised a Plant Innovation Day to give second-year IT students first-hand insight into the new technologies transforming the vehicle plant sector.

The Plant Innovation Day was led and supported by our past and present graduates and apprentices, and:

- Highlighted job prospects and career pathways available
- Allowed students to learn about the various plant and equipment on display
- Hosted a Q&A session with National Highways senior leadership
- Discussed potential solutions on how to tackle and reduce carbon issues
- Provided a wider awareness of the technologies driving positive change within the Plant sector

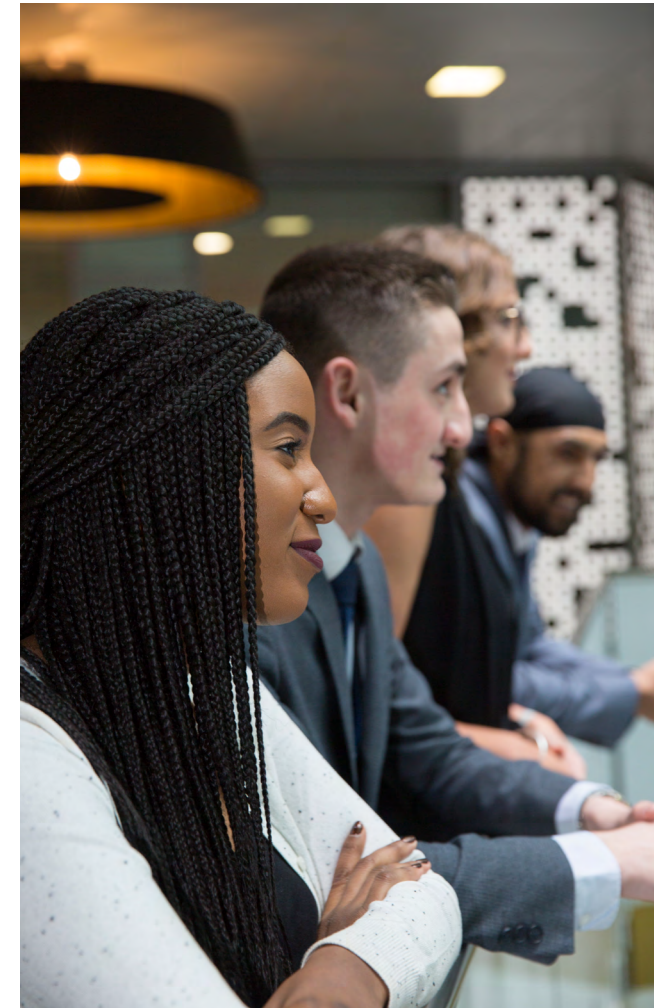
The success of the Plant Innovation Day has led to future collaboration opportunities, including careers days and CV writing master classes for any student interested in joining the construction industry.

EXTERNAL

We ask our supply chain to commit to supporting apprenticeships. Our target is for one apprentice to be enrolled within our supply chain partners for every £5 million spent, or 2.5% of the total workforce – whichever is greater.

We are passionate about delivering high-quality apprenticeships and traineeships that are available and accessible to everyone, regardless of their background. As a result of our actions, we are proud that there are now 1,041 active apprentices across our supply chain from level 2 (intermediate), through level 3 (advanced) to level 4-5 (higher) and a continued uptake of level 6 (degree-level). These roles include digital engineering technicians, chartered surveyors, accounts and finance assistants, HR support and many more.

Many of our supply chain partners have joined and invested in the government's Kickstart Scheme. This provides funding to create new jobs for 16-24-year olds on Universal Credit who are at risk of long-term unemployment.



Environmental improvement

This year we published our **Environmental Sustainability Strategy** which outlines our company-wide priorities, and sets a strong positive direction for us to deliver improved outcomes for nature, carbon and communities. So far, we have delivered over 1,500 biodiversity units of improvement and cleaned up almost 7km of watercourse.

INTERNAL

Over the last four years, a plot of land next to the A120 near Braintree, owned by National Highways, has been developed into a natural habitat for wild birds.

Lucy Robison-Smith, an Environmental specialist with National Highways, and Rob Murray, a volunteer for the British Trust for Ornithology (BTO), were responsible for establishing and developing the site and the BTO have been monitoring local bird populations present.

Since the scheme began in November 2018, 259 birds have been caught and ringed, with the support of the National Highways' Environment team

Endangered species which have been seen in the area include Song Thrush, Dunnock and Bullfinch; all of which appear on the amber list of the latest publication of the UK Birds of Conservation Concern. This means their populations in the UK have dropped between 25% – 50% over the last 25 or 50 years.

EXTERNAL

Our Lower Thames Crossing (LTC) project is connecting students from Essex, UK and the Punjab, India to debate climate change and the role that construction plays in the net zero agenda.

In partnership with LTC and Fortel, Balfour Beatty organised and led an international climate change debate with 20 students. They researched and debated climate change in cities, as well as the role that infrastructure projects, such as the LTC project, play.

After the debate, 40 engineering students at USP College participated in a follow-on workshop focusing on climate change in the cities and how increasing urbanisation is contributing to it.

Balfour Beatty and Fortel launched this initiative as a pilot, which now, has allowed us to roll out the opportunity to more students and hopefully more countries.

Everyone felt proud to be part of this innovative initiative and to be able to show the collaboration between LTC, Balfour Beatty and Fortel towards a common goal.

Improving the environment through Designated Funds

We have invested in improving the quality of the landscape and its character by better integration of the Dunmow West junction into its surroundings. We planted 848 metres of new, species rich, hedgerow to the north west of the junction with hedgerow specimen trees along the northern highway boundary. We also removed around 657 sqm of inappropriate scrub vegetation and created 112,99 sqm of species rich grassland.



| Community wellbeing

We work to promote safe, active travel, improving health from issues related to our network. We look to improve amenities and connections within and between communities. Through our contributions, we help create quality places that people want to live, work, play, and learn in, supporting community education and heritage programmes across England.

INTERNAL

Four of our Nottinghamshire-based Traffic Officers have been ferrying crucial supplies to Ukrainian refugees.

The operation is being led by Traffic Officer and former Royal Navy veteran, Alex Brown, who has partnered with The Kharkiv and Przemysł Project (KHARPP). This is a grassroots organisation supporting the humanitarian relief effort in Ukraine’s second-largest city, Kharkiv, and in the Polish city of Przemysł. Donations came in thick and fast from colleagues, friends and family across the Midlands.

So far, the team has:

- Collected and delivered donations on numerous trips
- Raised £60,000
- Purchased and delivered four ambulances filled with donations
- Donated two 4x4 vehicles and two pick-up trucks

Alex said. “It wouldn’t have been possible without the incredible support of our families and colleagues.”



EXTERNAL

The National Highways and Octavius team on the A46 Binley Junction wanted to ensure that they did the right thing.

From mobilisation, Octavius employed a dedicated community manager to also help focus the team on delivering social value. Their social value initiatives have helped better the lives of those living in or near the area with very positive feedback from the local community, including:

- Suicide prevention interventions
- The training of nine mental health first aiders
- £2.5k community donations with £1.6k made through community fundraising
- 453 people hours devoted to supporting the community
- 196 hours spent supporting educational activities
- 940 people hours spent protecting and improving the environment
- Improvements made to local cycleways, footpaths and access to local woodlands

Signs of changing lives

Over 100 veterans and people with disabilities are making 1,000 road signs each week for use on England's motorways and major A-roads.

The Royal British Legion Industries (RBLI) is leading this through its social enterprise, Britain's Bravest Manufacturing Company (BBMC). It employs more than 100 people – 70% of whom are veterans and people with disabilities – and reinvests 100% of its surplus to provide greater employment opportunities to its beneficiaries.

Jeff Blizard (pictured), a former soldier in the Queen's Regiment, was diagnosed with Post Traumatic Stress Disorder and was out of work for 10 years. BBMC has supported Jeff on his journey back to full time employment making road signs in the factory.

Thanks to the support from National Highways and some key suppliers, who committed to spending £800,000 with BBMC in 2022-23 and £1 million in 2023-24, the factory has significantly expanded its operations and improved the lives of the people it supports.

This support has enabled them to invest in state-of-the-art machinery which is faster and more energy efficient. They have also committed to become a Real Living Wage Employer which will have a lasting impact on people across RBLI.



| Equality, diversity and inclusion

Though our Equality, Diversity and Inclusion pillar we are increasing opportunities for all. By creating a more equal society, we are providing an inclusive and accessible network to improve capability and introduce transferable skills for now and the future.

INTERNAL

In November, we invited 50 young people from diverse backgrounds and schools from the West Midlands to have an immersive experience of our sector.

Hosted by National Highways colleagues, 12 suppliers created discovery trails where the group engaged in interactive activities.

Before coming to the event, most of the group had little knowledge of what we did or what careers were available. This rose to 98%, post event, with 82% expressing an interest to work for us in the future.

Two members also secured work experience placements through taking part.



EXTERNAL

As part of our IT refresh, we gave 50 veterans a digital boost in their job-hunting endeavours with a donation of laptops.

We presented the laptops to the RFEA – The Forces Employment Charity – in the run-up to Christmas at its offices in Birmingham. These laptops will help veterans and service leavers to:

- Enhance their digital skills
- Build CVs
- Find jobs
- Complete online vocational training

Since signing the Armed Forces Covenant in June 2017, National Highways has been actively supporting veterans to integrate into civilian careers. Many have joined us to help operate, maintain and improve the strategic network or work in other areas of our organisation.

“ We had a great time last week. Thank you very much for inviting us to such an exciting event.’ - Teacher feedback.

Equality, diversity and inclusion delivered through Designated Funds

We have invested in widening the Mowhay footbridge over the A38 in Plymouth. We also constructed a new steel ramp and stairs with a more manageable gradient. The bridge allows more people access for commuting, and provides a key link for those who walk, run, wheel or cycle to different parts of the city.

New lighting columns were installed around the ramps, with handrail lighting making the bridge much safer for users in the dark. With the improved connection between Honicknowle, Weston Mill and St Budeaux; further recreational opportunities have been unlocked in Plymouth, and commuters now have the option to use an alternative and sustainable method of transport

“ The Discovery Trail was great! Such a pleasure to participate and so well organised. Our Future Roads researchers loved it and have volunteered to do more so great result there too’ - Supplier feedback.

| Recognising social value

During 2022-23, we have focused on how the work that we do, either directly or through our supply chain, recognising our contribution to social value overall. This includes recognition from our Early Talent Network, awarding our first Delivering Social Value Award and implementing our Social Value Tool.

Social Value Tool

Our Social Value Tool allows us to capture and report on all social value activity that our supply chain partners deliver on our behalf, across all our projects and programmes.

We launched the tool in October 2022 and are rapidly increasing the number of suppliers who are using it to evidence social value delivery.

The tool will enable us to capture suppliers' performance and allow us to calculate a baseline from which we can make improvements in our delivery, over time.

This diagram shows just some of the social value being delivered across all our projects and programmes.



Social value for our people at National Highways

Our overarching ambition for this road investment period (2020-25) is to build an inclusive culture that encourages, supports and celebrates diverse voices, internally and externally. Our public sector equality duty objectives, which will also run until 2025, are based against three themes:

1. People and Places

To create a diverse workforce that:

- Reflects the communities we work in
- Recognises and develops potential
- Enables everyone to bring their whole self to work

2. Customer and Communities

To deliver an inclusive, accessible road network and services that meet the needs of the diverse customers and communities we serve.

3. Supply Chain

To develop a diverse and inclusive supply chain that effectively delivers for its people, road users and communities.

Key achievements in 2022–23

Working with our employee networks

- We engage regularly with our nine employee networks to share our policies and practices
- We worked with these networks to deliver a range of activities, including blogs, articles and webinars to help raise understanding of people’s lived experience
- The combined membership of our employee network Yammer groups increased by 23% from 1,881 in 2022 to 2,315 in 2023, with a combined total of 2,818 posts and 25,194 messages read in 2023

Supporting our EDI Champions

- We increased the number of EDI Champions in our organisation by 9%
- We supported our champions to have conversations about our EDI campaigns, resulting in 40% of them talking about EDI at least once a quarter

Providing data and assessment

- We developed a detailed EDI dashboard which provides live data to support evidence-based decision-making
- We reviewed, improved and launched our new equality impact assessment template to ensure equality is considered in all decision-making activities

Improving our EDI resources

- In 2022-23, there were 28,072 visits from 1,936 individuals to our ‘Who we are’ EDI resources library, an increase of 3% from 2022
- In June 2022, we launched a flexible working e-learning package for managers to support our flexible working policy

Roads For All conference success

- In March 2023, we hosted our first Roads For All conference which brought together over 140 representatives from suppliers, National Highways and a variety of disabled customer groups to discuss access and inclusion on our network and in the workplace
- This year, using surveys to gain a deeper understanding of our customers’ needs, the Roads For All initiative has improved accessibility to jobs, services and guides throughout our road network

| Our Early Talent Network

Our Early Talent Network chose social value as their theme when they hosted their annual conference in February 2023. Over 170 graduates, apprentices and placement students enjoyed a series of engaging workshops, presentations and discussion groups that explored our recently launched Social Value Plan. We also launched a social value themed CEO challenge.

The event, which was supported by members of our senior leadership team including our CEO, was a resounding success. We were able to increase awareness of the subject from a mid-range point at the start of the day to almost 'highly familiar' by the close of the event. The event has led to the members of this network being co-opted into our social value governance structure, ensuring they have a voice at the table.

Today, there are 170 members of our Early Talent programme and we have many events planned to promote social value through the coming year.

“ *Getting to hear from everyone who spoke throughout the panels. It was nice to hear their insight. It helped a lot of people to put social value into perspective*”



National Highways Social Value Award

In March 2023, we held our annual awards ceremony. This year, our awards included a Delivering Social Value category, which proved to be the most popular. From 22 nominations we shortlisted three finalists, which we felt demonstrated exceptional social value principles. The winning entry came from Nuneaton Signs Ltd.

Our early talent statistics

80 Joined our graduate and apprenticeship programmes

32 started programmes in key areas of digital, engineering and the environment

6 digital T-Level students joined us

13 Year-in-industry and summer interns joined us

52 moved into permanent roles within our organisation

Social value with every sign!

By choosing and supporting Nuneaton Signs, National Highways has provided meaningful employment and training for people with disabilities through the manufacture and sale of signs, with an emphasis on developing young people. The company employs 73 people with 70% having at least one disability. Their company mantra is “Find a way not an excuse” and they use four guiding principles – Social Impact, Employee Wellbeing, Growth and Surplus Reinvestment.



Close runners up were Balfour Beatty, for its work on the A63 Castle Street Hull Scheme, and Octavius, for its contributions on the A46 Binley junction scheme.

Social value on the A63 Castle Street Hull

Balfour Beatty and National Highways are building economic prosperity and community wellbeing into their underpass linking the city centre to the docks area. Successes included employing 10 apprentices and contributing 307 hours of volunteering.



Social value on the A46 Binley Junction

Octavius and National Highways dedicated a community manager to deliver exceptional social value. Successes included employing 11 people from underrepresented groups and 196 hours of educational activities.



“The submission stood out in many ways, not least the work that Nuneaton Signs does to build independence and self-esteem in their younger workforce, transforming these people’s lives. It is a truly impressive story of social enterprise.”

Dr Joanna White CEng MIET, Roads Development Director



| 2023-24 activity

We have had an exciting and rewarding first year. There is much to do and our planned activity for 2023-24 will ensure that we maintain our strong momentum and deliver even more social value across our pillars.

In 2023-24 we will:

- Accomplish our 2023-24 social value objectives
- Engage with our suppliers to recognise and showcase their impactful stories
- Embed social value deeper into our internal processes
- Increase accessibility across our motorway service areas through our recently acquired £500k Designated Fund allocation
- Collaborate with the Department for Transport's Strategic Transport Apprenticeship Taskforce (STAT) to help shape the new Transport Infrastructure Skills Strategy (TISS). This will encourage the creation of new high-quality apprenticeships, to improve diversity in our sector and to help the government with its levelling up agenda.

- Develop better relationships with our customers to deliver a better end-to-end experience. We are investing £20 million in improving our freight customers' experience at roadside facilities. This will support a range of measures such as: security, showers and eating facilities, as well as exploring potential increases in the number of HGV parking spaces.



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