

# BEYOND THE SRN: OUR HUMAN DRIVE

In this report, we discuss our progress towards building a sustainable business, as well as extending our focus to examining wider areas of sustainability. Our aim is to improve lives, and to protect the environment, neighbouring communities and all those who work with us. As part of integrated reporting, our wider actions are also discussed throughout every section of our annual report.

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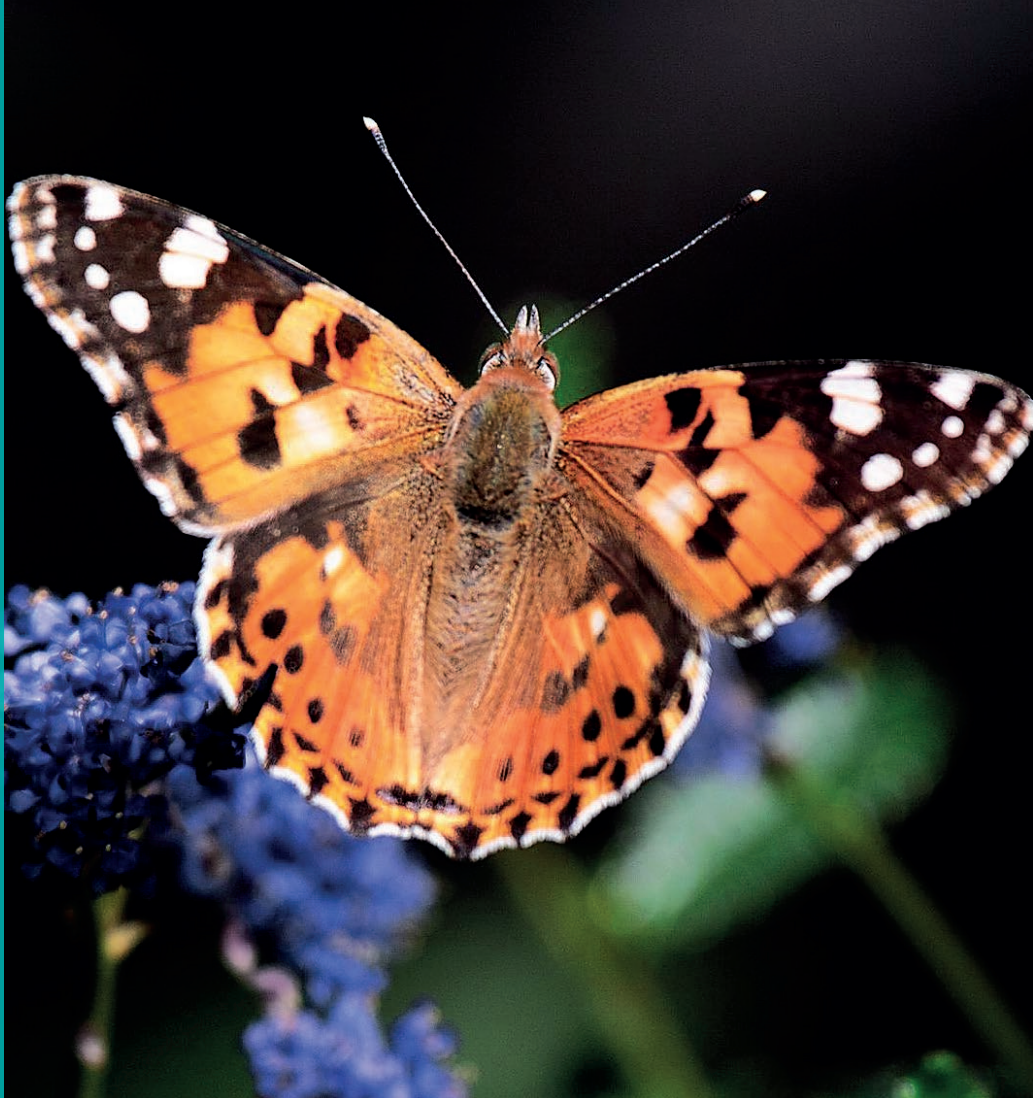
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A628 running alongside Woodhead Reservoir in the Peak District



# BUILDING A SUSTAINABLE BUSINESS

Sustainable development is defined in our *Licence* as ‘encouraging economic growth while protecting the environment and improving safety and quality of life for current and future generations’. It touches every aspect of our business, from how we design our schemes and connect the country to how we develop our people and work with our supply chain. **R 8**



## OUR SUSTAINABLE DEVELOPMENT STRATEGY

In April 2017, we published our *Sustainable development strategy* and our *Environment strategy*, both of which were underpinned by a detailed action plan.

### Aligning to the Five Capitals Model

Our *Sustainable development strategy* directly aligns with the Five Capitals Model of sustainability and the five priorities for sustainability defined in our *Licence*. As a business, we interact with each of the five capitals as we work to maintain and, where possible, improve these areas, rather than deplete or degrade them.

The table opposite shows our focus against each of the five capitals, along with our progress this year. It also signposts to where details about wider progress can be found, both within our sustainability report and across the rest of this annual report.

### Sustainability governance

Strong governance structures and clear lines of accountability enable us to deliver on our strategic priorities. In 2019, we established a strategic leadership group to discuss sustainability and environmental challenges and opportunities. This has resulted in a more coordinated and proactive approach across the company in sharing and escalating key ideas.

Five capitals	Our focus area	Description	Our milestone	Date	Value created/ 2019–20 progress	Further information on wider progress in these areas
<b>Natural capital</b> The natural resources and services we benefit from	Carbon management	The UK has a legally binding commitment to achieve net zero greenhouse gas emissions by 2050. The infrastructure sector is responsible for almost one-sixth of total emissions and, as part of this sector, we have a role to play in contributing to the national reduction	Ensure timely and high-quality supply chain carbon submissions each quarter	October 2019	We published an updated version of our carbon tool, and we now publish the total carbon figure from our own activities, as well as from our supply chain, in our annual <i>Performance monitoring statement</i>	<ul style="list-style-type: none"><li>• ‘Supporting the Greening Government Commitments’ (strategic report): pages 58-63</li><li>• ‘Driving greener growth’ (sustainability report): pages 101-106</li></ul>
<b>Human capital</b> The knowledge and capacity of our people and stakeholders	Sustainability leadership	We need to protect and improve the safety of customers and road workers using sustainable methods and practices, and invest in our people’s health, knowledge and capabilities	Meet with our principal supply chain partners to ensure their commitment to sustainable development	July 2019	We set out our sustainable development goals as a standard which our supply chain will apply	<ul style="list-style-type: none"><li>• ‘In-year events’ (strategic report): pages 54-57</li><li>• ‘Safety first’ (operational report): pages 76-83</li><li>• ‘Customer service’ (operational report): pages 84-91</li><li>• ‘Investing in people’ (sustainability report): pages 110-116</li><li>• ‘Caring about communities’ (sustainability report): pages 107-109</li></ul>
<b>Social capital</b> The relationships, networks and communities that we rely on	Responsible sourcing	We will play our part to support the UK construction industry to responsibly source its materials and enable production processes that support workers, communities and the environment	Develop an agreed approach to ensure responsible sourcing and sustainability goals are reflected in model contracts	March 2020	We completed our project to establish best practice for embedding behavioural maturity measures	<ul style="list-style-type: none"><li>• ‘Sourcing sustainably’ (sustainability report): pages 117-121</li><li>• ‘Investing in people’ (sustainability report): pages 110-116</li></ul>
<b>Financial capital</b> Our capacity to invest	Climate change adaptation	We need to adapt our network and make effective investment decisions to become more resilient to future changes in climate, which may result in more frequent and severe weather events. Climate adaptation today builds resilience for tomorrow	Review climate risks to our network following the publication of the <i>UK climate projections 2018</i>	March 2020	We completed the first phase of <i>Adaptation reporting power work</i> (baseline analysis), ahead of distribution to asset technical leads and the 2021 reporting deadline	<ul style="list-style-type: none"><li>• ‘Enabling national schemes’ and ‘Delivering regional schemes’ (strategic report): pages 40-49</li><li>• ‘Keeping our roads running’ (strategic report): pages 52-53</li></ul>
<b>Manufactured capital</b> The infrastructure and technologies we manage	The circular economy	Investment in major infrastructure is increasingly putting pressure on the availability of the materials needed in construction, as well as increasing competition. Our challenge is to be increasingly efficient in our resource use and ensure recycled materials are reused for the highest value purpose	Collaborate with our supply chain and partners to demonstrate circular economy principles within pilot projects	January 2020	We identified opportunities at a circular economy workshop on our A303 pilot, which have been transferred into benefits capture and procurement clauses	<ul style="list-style-type: none"><li>• ‘Enabling national schemes’ and ‘Delivering regional schemes’ (strategic report): pages 40-49</li><li>• ‘Delivering value’ (operational report): page 94</li></ul>



# SETTING INDUSTRY-WIDE STANDARDS AND RAISING AWARENESS

We have worked to integrate sustainable development principles into the design of our assets and infrastructure to help us deliver benefits for the environment, the economy and society as a whole. We also recognise the importance of ongoing education around sustainable development.

## Updating the *Design manual for roads and bridges*

In July 2019, we published a new standard in our *Design manual for roads and bridges* called: *GG 103 Introduction and general requirements for sustainable development and design*.

This sets out requirements to be applied by our supply chain across the whole design lifecycle, based on our *Sustainable development strategy*.

## Raising awareness across our company and supply chain

In 2019–20, we devised an approach to sustainable development and environment communications, which included establishing a strategic lead and launching our corporate training.

Amongst other activities, we delivered 17 training sessions on the environment design and assessment sections of the *Design manual for roads and bridges*. With around 100 attendees per session, these helped improve knowledge across our internal staff and our supply chain, as well as across Public Health England and the Planning Inspectorate.



# DRIVING GREENER GROWTH

We want our roads to work harmoniously with the communities that live alongside them, and the built, natural and historic environments that surround them. From 2015, we have invested through designated funds to deliver activities beyond the traditional focus of road investment. We have also had a wider focus on reducing carbon emissions from our company and from the operation of our network. **K 5 R 8**

## INVESTING THROUGH DESIGNATED FUNDS

Over the first road period, we invested £654 million through five funds to make improvements unprecedented in the roads sector:

- Environment fund
- Air quality fund
- Cycling, safety and integration fund
- Growth and housing fund
- Innovation fund

We collaborated closely with partners, as well as with organisations outside our traditional supply chain, to ensure our funding has the maximum impact and benefit. Our work has been guided by specialists through our Designated Funds Advisory Group.

For examples of the wider improvements we have delivered, please see pages 42 to 44 in our strategic report →

### Environment fund

We used our £225 million fund to help our roads work more harmoniously with their surroundings, creating environmental opportunities alongside our network and addressing historical environmental issues.

During the first road period, we delivered 291 projects, ranging from reducing our network's noise impact and improving biodiversity to increasing flood resilience and improving water quality.

In 2019, as part of our M25 junctions 15 to 16 scheme, for example, we realised that invertebrates using this area as habitat could not easily move along the verges. We created 3.79 hectares of species-rich grassland, which linked to just over a mile of wider grassland, opening ecological corridors for invertebrates and other species alongside our network. We will monitor these habitats over three years so that the grassland becomes properly established and can become a suitable habitat for bees and other pollinating insects.

### Air quality fund

We want to do all we can to improve air quality for those who live near our roads, as we work to deliver a cleaner network and improve the health of our neighbours and customers.

Across the first road period, we investigated a range of measures, including supporting electric van centres of excellence and delivering 75 rapid electric vehicle chargers.

We have also invested in a wide range of research projects and pilot studies, to investigate how new and emerging technology could enable us to reduce the effect of vehicle emissions on our neighbours.

### Cycling, safety and integration fund

Our network is important to everyone who uses it or crosses it. We want to improve everyone's journeys, regardless of how they are travelling.

Across the first road period, we used our £175 million fund to deliver safety improvement projects and cycle schemes, as well as helping address the physical barriers our roads can create.

For more details on how we are working to protect the environment, please see pages 58 to 63 in our strategic report →



### Cycling

Our ambition around cycling, as set out in our *Delivery plan*, was to deliver 150 cycling facilities on our network by 2020. In 2019–20, we completed 59 schemes, taking our total delivery to 160 over the first road period.

We also embedded our *Cycling strategy* and *Accessibility strategy*. These link to government's ambition to encourage walking and cycling, as set out in DfT's *Cycling and walking investment strategy*. In 2019, we produced the *Walking, cycling and horse riding capital investment framework*. This details our process, including supporting tools and guidance, for supporting the development of high-quality schemes from feasibility through to completion.

We worked with our key stakeholders and partners, including Transport Focus, to better understand the needs and priorities for cyclists. We also worked closely with partners such as Sustrans, Cycling UK and Ramblers through our Walking, Cycling and Horse Riding Forum to gather insight.

### Safety

Across the first road period, we used our fund to deliver over 110 safety improvement projects. In 2019, for instance, we improved safety on an 11-mile section of the A1 all-purpose trunk road, between the A603 Sandy roundabout and the B661 Buckden roundabout. The solution provided uniformity of road marking and signs, to help increase road users' awareness of hazards ahead by increasing the predictability of the road environment.

The combined package of measures is expected to improve journey time reliability because of fewer collisions, as well as a reduction in minor non-reportable collisions and near misses.

### Integration

In line with our *Accessibility strategy*, we want to address the physical barriers our roads can create. We want to integrate with other transport networks and modes, and support multi-modal travel.

We contributed, for example, to the creation of a new multi-modal transport interchange alongside the A30 at St. Erth in West Cornwall. The project introduced a new junction with signals on the A30 and the approach to the station, including pedestrian crossings, a shared use cycle and pedestrian facility, improvements to local footway links, and new access for buses.

“THE VALUE OF DESIGNATED FUNDS GOES BEYOND THE FINANCIAL ASPECTS. IT HAS ENCOURAGED US TO HAVE CONVERSATIONS AND BUILD RELATIONSHIPS... AS WE THINK ABOUT PROJECTS IN A MORE HOLISTIC WAY.

Jon Powlesland, Head of Grants, National Trust



This project led to improved integration between the A30, rail main line, branch line and strategic bus services. We were one of multiple stakeholders, including Cornwall and Isles of Scilly Local Enterprise Partnership, Network Rail, European Regional Development Fund, and Great Western Railway.

We have also worked with Transport Focus to survey bus passengers. These have provided valuable insight into what our users want from us and how we should consider and plan for these journeys. We have developed partnerships with the bus and coach industry through our Bus and Coach Operations and the SRN Steering Group.

### Growth and housing fund

We used our £80 million fund to support local development schemes and invest in vital infrastructure.

Over the first road period, we invested in 28 schemes on or near our network, allowing stalled housing developments to proceed. Eight of these are already open to traffic and nine are in construction, with the remaining 11 projects due to start in 2020–21. As well as encouraging local economic growth, these schemes will help increase safety, reduce congestion and increase access.

Once completed, our programme of work is collectively expected to attract up to £129 million in public contributions and £102 million in private funding. This will allow stalled developments around the country to be unlocked, eventually delivering up to 1.7 million square metres of commercial floor space, 45,000 homes and 44,000 jobs.

Incomplete work from the Growth and housing fund will be moved to our new Safety and congestion fund for the second road period.

### Innovation fund

We used our £120 million fund to improve the way we construct and operate our network, and help shape the connected, digital roads of the future.

Over the first road period, we invested in more than 159 projects. These have allowed us to test and implement new solutions, including using emerging technologies.

We have, for example, made significant progress on digitising scheme design through automated design software, by making our design standards machine readable. This approach has been recognised by the Infrastructure Projects Association as industry best practice, and will release significant cost savings across our programmes as the technology matures.

This year, we also launched our first competition with InnovateUK, working directly with small businesses. The £10 million competition resulted in six pilot projects and seven feasibility studies across the themes set out in our long-term vision, *Connecting the country*.

Between 2018 and 2020, along with DfT, Transport for London and Kent County Council, we used our fund to help pilot technology that will provide wireless links between vehicles and road infrastructure along the A2/M2 corridor in the South East. This was part of a wider European initiative, and the technology is now being tested before further roll-out.

Initial studies<sup>1</sup> suggest that, by 2030, the predicted impact of connected and autonomous vehicles could be:

- £51 billion added value, every year
- 25,000 serious accidents prevented
- 25,000 jobs in automotive manufacturing created
- 320,000 additional jobs
- 1% impact on GDP

<sup>1</sup> KPMG, Connected and Autonomous Vehicles: The UK Economic-Opportunity (2015).



A2/M2 TestFest workshop



# LANDSCAPE DESIGN AND TREE PLANTING

We have undertaken a variety of activities to improve the natural environment around our network, working in collaboration with partners.

## Collaborating to improve the natural environment

We have been working in partnership with organisations such as the National Trust, Natural England, Woodland Trust and the Tree Council to increase planting in and around our network. Work funded by our Environment designated fund, for example, is helping the Woodland Trust deliver their remit to plant 50 million trees through the Northern Forest project.

We have focused on improving local environments through our planting schemes, as well as addressing areas where our roads have had a negative impact.

In 2019–20, we delivered seven schemes as part of our Green Ribs project, which came from our A30 scheme in the South West. We have restored green infrastructure networks to create landscape corridors and connected wildlife habitats. Through these schemes, we have planted 13,000 new trees and created hedgerows and other field boundaries.

On our Green Ribs project, we have worked together with key organisations, such as Cornwall County Council, Cornwall Wildlife Trust, Historic England, Natural England and private landowners.

We have also supported better landscape design and greater engagement with the local community.

We are, for example, working with professional bodies, including the Landscape Institute, to promote better design and landscape assessment for road and rail projects. As part of this work, we have held training sessions on the *Design manual for roads and bridges*, and joined the Landscape Institute's Technical Committee's Infrastructure Working Group.

For more details on how we have protected the environment, see pages 58 to 63 in our strategic report.

Across the business:

we have planted  
**over 500,000 plants**

we have delivered  
**over 200 hectares of species-rich grassland**



WE HAVE TAKEN SIGNIFICANT STEPS TO REDUCE SINGLE-USE PLASTICS IN OUR CATERING, OFFICE SUPPLIES, PACKAGING AND DAY-TO-DAY ESTATE MAINTENANCE.

## SAFEGUARDING THE ENVIRONMENT: REDUCING OUR CARBON FOOTPRINT

In the challenge to reduce our carbon emissions, 2019–20 was a benchmark year. Through contributing to DfT's Greening Government Commitment around carbon savings and investing in energy efficiency measures, we have exceeded our 2019–20 target. Carbon emissions from signing, signalling and road lighting, for example, are 53% lower than the baseline ten years ago. As we move into the second road period, we will develop our approach even more strongly to support government's target of net zero greenhouse gas emissions by 2050.

### Corporate initiatives

Over the past year, we have undertaken several initiatives to reduce the carbon emissions we generate through our day-to-day activities and help improve our impact on the environment.

We have replaced the lighting in some of our control centres with LEDs, which will reduce electricity consumption from 96,000 kWh to 9,500 kWh per annum. This will save approximately 86,500 kWh of electricity.

We have taken significant steps to reduce single-use plastics in our catering, office supplies, packaging and day-to-day estate maintenance. We have removed many items, and we are working with our supply chain to reduce our reliance even further. This includes removing items such as single-use coffee sachets, coloured pens, windowed envelopes, highlighters, desk wipes, plastic packaging and wrapping for brochures. We now supply 75% biodegradable pens to replace the plastic ones in use, and

have replaced plastic cups with glassware. We have sent business-wide communications to raise awareness and, in January 2020, delivered a webinar on single-use plastics.

More widely, we have set up a green champions network. This network discusses our sustainability activities and suggests improvements to make our business a cleaner, greener organisation, as well as generate efficiencies.

### Operational initiatives

We are continually looking at ways of innovating how we procure materials and deliver our schemes to reduce our carbon footprint, minimise waste and increase on-site recycling. We are working to understand how we could deliver fully carbon-neutral schemes.

A high number of the products we buy for schemes have already been recycled or contain recycled materials, for example the binder layers, tar and bitumen for road surfacing. We also work to recycle on-site, for example recycling materials used for road resurfacing, or cleaning and replacing stones in filter drains. We separate out materials which cannot be recycled on-site, for example timber, metal or plastics, to send for off-site recycling. As a result, on some schemes we are now recycling over 85% of materials.

We have invested in 34 hybrid vehicles, used by our people when undertaking asset inspections on our network. This will have a significant impact on our fleet emissions. We are also pursuing opportunities to install technologies to generate renewable energy. This includes assessing the feasibility of installing charging points at our office and depot locations for use by our people and our fleet vehicles.

We are working on other operational initiatives, including:

- supplying our network with green energy from April 2020, reducing our carbon emissions by approximately 52,000 tonnes annually
- working in partnership with our supply chain to increase the percentage of waste diverted from landfill to Energy from Waste sites (44% in 2019–20)
- installing more efficient LED lighting and smarter dimming controls on all new schemes, reducing our overall electricity consumption on our network
- implementing our *Workplace and location strategy* and Asset Delivery programme, including balancing delivery against ongoing evaluation and rationalisation of our estate





Reducing litter on our network

As part of our *Litter strategy*, we have an overarching vision for ‘a network predominantly free from litter, without compromising safety, delivered affordably’.

Over the past year, we have developed a mandate for our business to implement this strategy. This includes securing funding to place car and lorry-height bins at motorway service areas.

During April 2019, we took part in Keep Britain Tidy’s Great British Spring Clean campaign. We encouraged people to clean up the country and make littering socially unacceptable. We collected 19,000 bags of litter from across our estate, which included incidents of fly-tipping. During this period,

we used social media to show how we were contributing to the campaign. Our social media posts gained 245,383 views, with 1,156 likes, 504 shares and 387 comments.

We expect to repeat our campaign annually and for it to become embedded in our ‘influencing littering behaviour’ workstream of our *Litter strategy*. Over the past four years, we have helped collect more than 39,000 bags of litter from our network through our participation in the spring clean.

Social media impact on our *Litter strategy* in 2019

245,383

views

1,156

likes

504

shares

387

comments

CARING ABOUT COMMUNITIES

We want to deliver a positive legacy for generations to come. We have made significant progress towards providing accessible and inclusive services for our diverse customers and neighbouring communities. Yet we recognise that there is still more we must do to increase the standard of network accessibility and inclusivity. We are also committed to providing valuable opportunities for our people to give back, including through volunteering and fundraising activities.



Princes Quay Bridge, over the A63 in Hull

PROVIDING ACCESSIBLE AND INCLUSIVE SERVICES

Every day, drivers with a disability make around 200,000 journeys on our network. National disability statistics suggest that there could be a further 600,000 journeys taking place with a disabled passenger.

In 2019, we invited disabled customers to come and speak to us directly about their experience of driving on our motorways, and what we could do to help them. During Customer Service Week in October, for example, a deaf customer described the difficulties she had encountered when trying to contact our control room operators from the roadside.

Collaborating to improve our services

Our Roads for All Forum, established in 2018, brings together representatives from a wide range of organisations that represent or provide services to disabled road users.

In 2019, we broadened its membership. It now includes key providers, such as Motability and RAC, along with more representative groups, such as Disability Rights UK and the British Deaf Association.

Working together, we have delivered real improvements. These include:

- producing a video featuring Alan Norton from Disabled Motoring UK travelling on our smart motorway, informing customers about how to stay safe and highlighting the technologies we use to monitor traffic flows
- distributing a leaflet advising disabled road users about safety on our network, including preparing for journeys and what to do in the event of breaking down

- highlighting the issues disabled people may face when using tunnels on our network, especially in the case of a break down or evacuation, and using this information to inform our plans, including for the Lower Thames Crossing and Stonehenge tunnels
- identifying improvements to customer contact channels, for example, we are now developing a new facility so that deaf people can contact our customer services via a British Sign Language interpreter video link
- commissioning disability access guides to all motorway service areas to enable disabled road users to plan their journeys and rest breaks, which should go live in early 2021

Read about our equality, diversity and inclusion journey through the first road period on page 122 →



## SUPPORTING OUR PEOPLE AND LOCAL COMMUNITIES

### Volunteering

Everyone who works for Highways England can take up to three volunteering days per year. We believe that supporting volunteering brings greater links between our company and the communities we serve. In 2019–20, our people gave 1,885 hours to local communities, working with over 50 organisations and helping over 3,500 people. This is a 5% increase in volunteering hours from last year.

Our people have told us the top reason they wish to volunteer is to make a difference in the local community, and 94% said they value being able to volunteer in work time. Over half (57%) of our people used their volunteering time to improve and protect the environment, and 35% inspired young people about future career opportunities. Nearly all our people (93%) have shared that, following their experience, they would definitely volunteer again.

In 2019–20, we developed a focused approach to volunteering, helping increase take-up of the opportunities. In December, we refreshed our guidance to prepare for and align with our wider organisational plans for the second road period.

Our volunteering is now focused on four themes:

1. Exciting children and young people about careers in our company and the road sector

2. Supporting people wanting to return to work or change careers to join our company and the road sector
3. Protecting and improving the environment for communities who use and live alongside our network
4. Preventing loss of life or life-changing injuries on our network

As part of the first theme, for example, we launched our 'Give an hour' campaign. We worked in partnership with the Careers and Enterprise Company, a government-funded social enterprise that brings employers and education together.

Across the year, volunteers, teams and offices have supported communities in several ways. This included:

- sharing personal experiences to connect with children facing potential discrimination to build their confidence to succeed in secondary school
- engaging young people in building their skills around science, technology, engineering and maths
- team-led volunteering in Manchester at a local 11-acre ecology park, helping with improvements to support both wildlife and visitors to the park
- office-led volunteering in Darlington, in partnership with the National Trust, to improve the surroundings of a local Grade I listed monument

We also had 72 volunteers (46 supplier and 26 Highways England volunteers) at Highways UK in the NEC Birmingham. We worked with 15 suppliers to host interactive activities for 94 young people from five schools, showcasing innovations and exciting attendees about potential careers with us.

### Charity partnerships

We work in partnership with charities to help our people and our local communities.

We are, for example, a 'Time to Change' business. Time to Change is led by two leading mental health charities: Mind and Rethink Mental Illness. As one in four people in our society will experience a mental health problem in any given year, we have pledged to tackle how we think and act as a business about mental health.

In 2019–20, as part of fulfilling our pledge, we have trained 169 managers in trauma diffusion and 227 of our people in trauma awareness. For more information on our activities in this area, including our training of mental health first aiders, see page 79 in our 'Safety first' section.

We also work in partnership with the Samaritans, the charity dedicated to reducing the feelings of isolation and disconnection that can lead to suicide. This year, we published an online toolkit for our operational and major projects teams to share best practice on suicide prevention, including structural design, site access, crisis intervention and support.

### Fundraising

We encourage and support our people to fundraise and donate to charity. Highlights from 2019–20 include:

- In the South West, one regional control room operator committed to completing nine 500km hikes over five months to raise money for Mind.
- In the North East, colleagues from our operations teams completed the 26-mile Mighty Hike in the Lake District, raising funds for Macmillan.
- In the West Midlands, our regional operations centre collected toiletries, clothing and children's gifts for Women's Midlands Aid to support those fleeing domestic abuse.
- In the North West, colleagues joined together to support Mission Christmas, donating gifts for disadvantaged children and wrapping presents at the depot in time for Christmas.



### CASE STUDY



## TAKING ON THE A14 GREAT OUSE CHALLENGE

Around 1,700 runners and cyclists were among the first people to set foot on our brand new 12-mile A14 Huntingdon Southern bypass on Saturday 12 October, helping raise thousands of pounds for local charities.

The budding athletes were taking part in the A14 Great Ouse Challenge, ahead of the new bypass opening to drivers later in the year.

The nearly finished road was a perfect setting for a series of races. They were organised and marshalled by our project team, who were keen to give something back to the local communities that had supported them through the project.

Events included wheelchair athletes, cyclists and runners completing their choice of 7km or 14km courses, as well as a 1.4km fun run for children.

Together, they raised more than £17,000 for local charities, the East Anglian Air Ambulance and East Anglia children's hospices.



“COMPETITORS RAISED THOUSANDS OF POUNDS FOR LOCAL CHARITIES ON THE NEW ROAD, BEFORE IT WAS OPENED FOR TRAFFIC.”



# INVESTING IN PEOPLE

We have grown our business from 3,700 full-time equivalents to over 6,000 through the first road period, while developing key capabilities to enable our delivery. We use our *People strategy* to guide our development, including managing the careers of our people, attracting new talent and building capability to support a sustainable business model. We have embedded our values and behaviours in our culture and processes, and we work to offer an inspiring, open and inclusive environment. **S**



## DEVELOPING OUR ORGANISATION

We are fully committed to making Highways England a great place to work. To achieve this, we are building diverse teams and an inclusive culture, developing our people, and establishing a sustainable pipeline of talent and capabilities. We want to help our people feel motivated, engaged and proud to work for us.

### People strategy

Our *People strategy* for the first road period has been focused on creating a safe, high-performance organisation by improving capability, accountability and customer service.

We are now updating our *People strategy* to set out our vision to support the business and our delivery across the second road period. It focuses on ensuring we attract, develop, reward and recognise our people for the contribution that they make to our success.

It gives our managers the tools and skills they need to empower their people and build high-performing teams. It supports our aim to build an organisation where everyone can reach their potential, ensuring we have the roles and skills we require to meet the needs of our business both now and in the future.

Our strategy is built around the following key themes:

- A great employee experience
- Right people, right place, right skills
- Accountable leadership
- Rewarded for high performance
- Engaged and motivated colleagues
- A diverse and inclusive culture

### Imperatives, values and behaviours

Our organisation has three imperatives which underpin everything we do: safety; customer service; and delivery. These are supported by our values of safety, ownership, passion, integrity and teamwork. They describe how we treat each other, how we want to be seen as an organisation, and how we do business. A set of behaviours support our values, together with examples of how they are demonstrated.

## Our People strategy

Our *People strategy* for the first road period has been based on four key areas:

<b>Accountable leadership</b> <p>We require positive, proactive and engaging leadership to be demonstrated at all levels of our organisation. We want all our people to take accountability for delivery and for their responsibilities as individuals, teams and managers of people. We expect all our people to take accountability for their decisions, and for our leaders to empower their teams.</p>	<b>Capable employees</b> <p>We will support the development of our people, using structured career paths to enable them to manage their own journey. We will hire talented individuals to drive growth and innovation at pace, and build internal capability through blended learning programmes. We will develop our people to provide the inspiration, coaching and recognition needed to manage and lead capable people.</p>
<b>Customer-focused delivery</b> <p>We will organise ourselves to create a modern working environment that puts our people and our customers at the centre of the business. We will support our people to build stronger relationships, respecting and supporting one another to deliver services to our customers.</p>	<b>Rewarded for performance</b> <p>We will recognise, reward and retain high-performing individuals who deliver excellent service to our customers and demonstrate our company values and behaviours. We will use a robust performance management framework, including financial and non-financial rewards and a recognition programme.</p>

We have embedded these behaviours in our everyday processes, such as performance management, recruitment and learning. All our people are expected to live our values and demonstrate our behaviours in their roles.

Taken together, our imperatives, values and behaviours provide a guiding set of standards which will improve the performance of all our people and our organisation as a whole.

We are working to build a strategic working relationship with our recognised trade unions: PCS and Prospect. The Involvement and Participation Association, a leading charitable organisation which supports companies in delivering engagement and partnership working, is helping us to develop a more focused *Employee relations strategy*. The association has already met with our Executive team and trade unions to gain their views.

Every area of our business has action plans to improve engagement. Throughout 2019–20, communication and collaboration between directorates were key themes of these actions plans. In 2020–21, these themes will remain the same.

### Employee engagement

We conduct an annual employee survey, including two key elements: employee engagement and enablement. This provides us with a comprehensive view of how our people are feeling about their work and how they do it.

Over the previous three years, we have been on a positive trajectory that has seen a 6% increase in engagement since 2016. This year, we have seen a decrease from 52% to 47%, which we attribute to a particularly challenging employee relations environment. There have been the constraints of a five-year pay budget of 1%, and the need to change operational practices to further improve efficiency in the second road period. Our people still have a positive view about our strategic direction and purpose, as well as our company's future, and our employees' commitment towards our three imperatives remains strong.





## GROWING SUSTAINABLY

We are a business that works to cultivate an environment where individuals can flourish and develop, taking pride in the long-term retention of many of our people.

### Developing our capability

Helping our people progress through development and promotion is essential to ensuring we have the right capabilities to deliver our investment programme.

Our ability to adapt to future challenges, such as creating a digital network, responding to climate change or delivering more efficient, safer ways of working, will be key to us achieving success through to 2025.

Over the first road period we have built capability in a number of core areas, including:

- **Portfolio, programme and project management:** We have recruited around 120 graduates and apprentices to our project management schemes and we are investing in this pipeline of future talent. Our Major Projects directorate has also trained and qualified 314 programme and project managers
- **Asset management:** We have transferred 346 people from our supply chain into our organisation to take full accountability for our assets in four of our regions. We will transfer people from a further three regions over the next two years
- **Commercial management and IT:** We have developed our supporting functions to enable major projects and operations delivery, with significant focus on commercial management and IT skills
- **Core capabilities:** We have invested in core capabilities across our organisation, such as health, safety, wellbeing and customer service



### Talent and succession

We have improved our workforce planning capability to enable more effective talent acquisition, talent management and succession planning processes. This means we can attract new talent and capabilities, better develop the careers of our people and manage retention risks.

We have developed a strong pipeline of emerging talent for our core capability areas. We also run talent schemes that underpin our early careers and future capability pipelines.

We apply our talent and succession processes across our organisation at mid-year and year-end. We assess potential for more senior roles and track retention risk and impacts.

At year-end, we had 67% of our eligible people talent mapped, with succession plans in place for our Executive team, senior leadership and management. We categorise roles in our succession plans as 'operationally critical', 'transformational' or 'sustaining' to highlight any key risks to managing our business.

Throughout 2019–20, we talent appointed approximately 80 people into roles across the organisation and managed 22 retention risks.

We have also implemented an objective 'potential' assessment programme for our Executive succession pool. This gives a robust assessment of an individual's potential to deliver at the next level and a tailored development plan to help realise that potential. Having trialled this programme, we will implement it across our succession plans for senior leadership and management.

In 2020–21, we will focus on further embedding and developing our talent and succession processes.

### Learning and development

#### Training

In the last year, our people spent 11,021 days on learning and development, which represents an average of 1.9 days per person. The key focus areas in 2019–20 were:

- Leadership and management: 51%
- Customer service and operating our network: 26%
- Technical capabilities: 16%
- Health, safety and wellbeing: 5%
- Personal development and career progression: 2%

We have reviewed the mandatory training requirements for all roles and, from April 2020, all our people will have refreshed learning plans to complete.

We will also roll out a behavioural safety programme focused on health, safety and wellbeing leadership across our organisation and our supply chain. We have already started the programme in our Major Projects directorate, and we are currently adapting it for Operations and our support functions.

We have also designed and delivered commercial and procurement modules for our people within our Commercial, Procurement and Major Projects directorates.

In 2020, we will improve our employees' access to learning, including the supplier framework we are using for external learning and development.

#### Management development

In 2019–20, we delivered our third Management Development Programme, MDP: Deliver, to over 5,000 colleagues. We focused on helping our people prioritise their effort for the final year of this road period and set themselves up for the next. In 2020–21, the next stage of this programme will focus on supporting our managers in building and sustaining high-performing teams.

This year, 27 newly appointed or promoted line managers attended our core management programme.

We also launched a management essentials toolkit, which provided learning, support and guidance on all aspects of people management.

We have supported specific leadership and management development across our directorates. As an example, we provided targeted support to over 200 of our senior leaders and managers as they led changes in ways of working, structures or capabilities.

Over the first road period as a whole, we have embedded our company values and behaviours. They are now a central part of our management development programme, and we have incorporated them into our corporate induction, our people processes and our communications. We developed them further this year so that they are aligned with other organisational approaches, such as *Home safe and well*.

#### Roads Academy

We use our cross-sector Roads Academy, established in 2009, to develop skilled and influential leaders, equipped to tackle complex challenges and drive change.

Through the first road period, we have developed our academy into four distinct programmes, providing a clear progression pathway from entry level to senior leadership. Roads Academy also focuses on increasing leadership capability across the sector through membership and masterclasses.

We now have 25 members, 72 current learners on our leadership development programmes, and an alumni community of 199 graduates. From our alumni:

- **97%** have confirmed that their ability to 'work collaboratively' is excellent or very good after the completion of the course
- **75%** have received a promotion since the completion of their Roads Academy experience
- **89%** agreed that they have explored new ways of doing things and challenged existing processes based on their learning

#### Graduate and apprentices

Since 2016, we have developed a pipeline of graduates and apprentices to support our growth. We have recruited over 300 people into programmes such as project management, quantity surveying, network planning, IT, finance, HR and customer service. Many have transitioned from programmes to fill key roles in our organisation including assistant project managers, structural advisers, commercial managers and assistant finance business partners.

In 2019–20, we recruited 21 apprentices and 30 graduates on project management, business administration, civil engineering, quantity surveying, accountancy and health and safety programmes. This means we currently have 74 apprentices and 69 graduates.

### Roads Academy progression pathways







## CIVIL ENGINEERING GRADUATE PROGRAMME

### SUFIAN SUFIAN

Following university and completing my PhD, I wanted to pursue a career in a non-academic engineering environment, and therefore researched graduate scheme opportunities which could give me a taste of what the sector had to offer.

I joined Highways England on the Civil Engineering graduate programme, which supported my goal by providing the support and guidance I needed. In the early stages, I was seconded to ARUP, an independent firm of designers, engineers and architects, where I designed surface and foul water drainage systems, attenuation tanks and interceptors, working from concept to construction stage. I also learnt more about flood risk assessments, flood models, concepts and theories.

I then moved to work on the A14 Cambridge to Huntingdon enhancement scheme as a site engineer. I was able to put my technical flood and drainage experience into practice by managing the construction of drainage networks, completing risk assessments and method statements, raising permits and working with our supply chain partners.

Finally, I worked in the Commercial and Procurement directorate within the financial accounts team. This enabled me to gain experience of how costing models work, including by reviewing and verifying costs, and completing audits and reports, for both corporate and operations projects.

After completing the graduate scheme with the flexibility, professional development and reassurance offered by Highways England, I have successfully secured a permanent role as a Drainage Adviser within the Safety, Engineering and Standards directorate.



## ASSISTANT PROJECT MANAGER

### DAVID CROSER-DRAKE

I began my career with Highways England five years ago. I initially joined as a Procurement Officer within the Operations directorate. Over the last three and a half years, I have been working on smart motorways, progressing from Business Support Manager to Project Management Office Support Team Leader, and latterly promoted to Assistant Project Manager. Currently I am on a secondment working with the Smart Motorways Alliance.

Throughout my time with Highways England, I have been encouraged to invest in my professional development and take advantage of training opportunities. For example, while working in procurement I was able to complete the NEC3 Project Manager qualification training. As a manager, I was also able to take part in the management training programme and, as I moved into project management, I completed the Association for Project Management (APMP) qualification along with health and safety accreditations.

By advancing my skills through professional qualifications and learning, the experience has helped me to better understand and appreciate my roles and how I can use this training day-to-day. It has enabled me to have credibility with external partners and our supply chain. It has ultimately given me the opportunity to progress and secure promotion in project management.



## QUANTITY SURVEYING HIGHER DEGREE APPRENTICE

### ROSIE HARDIE

I began my Quantity Surveying and Commercial Management apprenticeship in September 2019. At Highways England you are always encouraged to be the best you possibly can. Whether this is through training courses, shadowing a colleague or going to visit the regional control centre to better understand what the company does and how we work together.

Prior to starting, I was a personal trainer with no experience in infrastructure and construction. I have learnt an abundance of new skills in just a few months and I am grateful for the time taken by my peers and managers to help build my knowledge.

Working as part of the Commercial and Procurement directorate, my day-to-day tasks include reviewing target prices and new rates, checking drawings for schemes and reviewing final accounts. After a year we are encouraged to change directorate so we get a taste of other areas of Highways England. I am really looking forward to what lies ahead.

We are part of the strategic apprenticeship taskforce, led by DfT. This was set up to deliver on the commitments in government's *Transport infrastructure skills strategy* and support the development of talent across the sector. We will drive this commitment through our supply chain contracts.

This year, we also took the lead on a cross-sector apprenticeship engagement event to embed the legacy of the 'year of engineering' in 2019. For National Apprenticeship Week we organised an apprenticeship engagement event in partnership with HS2. There were 13 exhibitors from our supply chain, showcasing the range of opportunities available in the transport sector. We had 168 attendees throughout the day who participated in workshops, listened to guest speakers and found out more about the more than 50 apprenticeship vacancies that were being advertised.

We are now focusing more on placements into higher level and degree apprenticeships.





## PERFORMANCE AND RECOGNITION

We want to make sure that we recognise and reward our people for the contribution they make. By developing a total reward offering which celebrates employee performance, as well as motivates and engages our people, we can help create high-performing teams which support our business objectives.

Our reward offering is not just about pay and benefits. It incorporates support for flexible working, a commitment to inclusion, and promotes the health, safety and wellbeing of all our people.

### Performance

We have a fair and effective performance management process. It gives our people managers the tools to hold effective reviews and performance conversations alongside a commitment to give timely feedback to their team members throughout the year.

During 2019, we wanted to complete our first full cycle of annual performance reviews using our Oracle Human Capital Management system. All our people had planned an end-of-year review conversation with their line manager to review their overall performance and delivery against the year's goals. However, due to the Covid-19 crisis and the consequent lockdown, we have had to suspend the process. It will be resumed in 2020–21.

In principle, employees are allocated a personal performance rating based on individual goals and our values and behaviours. These ratings guide individual pay reviews and determine payment levels for performance-related pay, our variable bonus payment which links corporate performance to KPIs and personal performance. In addition to remuneration, we use the performance ratings to underpin our talent management and succession planning processes.

### Recognition and benefits

It is important we celebrate success and reward our people for a job well done. High5, our recognition platform, provides an opportunity for any employee to acknowledge an individual or team from any part of our organisation who they feel have gone the extra mile, or reflected our values in the work they do. In total, 18,405 recognitions have been posted since April 2019 and 2,920 financial awards made.

Extra Mile, our employee benefits platform, gives our employees access to over 3,000 discounts and offers. Since its launch in April 2019, 5,531 employees have registered. During 2019–20, our people spent £420,217 on gift cards and via retailers offering discounts, providing over £29,460 worth of savings. A further £145,605 has been spent with retailers who offer cashback, providing £4,715 in cashback.

Extra Mile also includes information about our other benefits including access to childcare vouchers, a cycle to work scheme and season ticket loans.

## EQUALITY, DIVERSITY AND INCLUSION

We want everyone across our organisation to feel valued, thrive and grow along the way with us, encouraged to work innovatively and trusted to succeed.

### Embedding our principles

We aim to embed equality, diversity and inclusion principles across our business, driving change in how we work together.

In 2019–20, we made progress across several areas, including:

- **Returners:** We developed our award-winning returners programme, and had a total of five returners over the year. Four people stayed with us at the end of the programme.
- **Armed forces:** We attracted nine new people, working across a variety of roles.
- **Employee networks:** We developed our employee networks, including launching our Carers network and our BAME network, sponsored by our Chief Executive, in June.
- **Diversity:** In May 2018, we signed up to the Clear Assured Inclusive Recruitment Standard. In July 2019, we achieved Silver in this global, pan-diversity assessment framework, supporting organisations to become diversity-confident recruiters. Our diverse workforce is currently made up as follows:
  - 35% female
  - 9% Black, Asian and minority ethnic
  - 3% have a disability
  - 2% lesbian, gay, bisexual or self describe.

**Read about our equality, diversity and inclusion journey through the first road period on page 122 →**



## SOURCING SUSTAINABLY

Over 90% of the investment in our network is delivered through our supply chain. We are working together to source more sustainably in a way that supports new entrants to the market, builds capacity for growth, delivers more through innovation and generates cost reductions. We believe that it is critical not only to set the right environment and incentives, but to role model the behaviours for sustainable long-term success. Transforming the sector is likely to take time and can only be achieved by working collaboratively. **S**

## DEVELOPING A SUSTAINABLE SUPPLY CHAIN

As a sector, we need to address challenges around raw materials, people and skills, and plant and equipment capacity. There are also industry-wide challenges around age, demographics, physical and mental health, wellbeing, diversity, working terms and modern slavery. We are working on this at a sector and strategic supplier level, at a cross-transport level, and at an individual level through our strengthened contractual requirements.

We have already increased our scrutiny of our supply chain's commercial health, including margins, work volumes and levels of debt. We have also made steps to develop sustainable commercial models through our procurement. Our Regional Delivery Partnerships and Smart Motorways Alliance model incentivise and accelerate innovative approaches around digital design, off-site manufacture, modular construction and smarter materials.

Our roll-out of Asset Delivery within our maintenance and operations activities is also helping us grow our understanding of our supply chain in terms of efficiency and utilisation.

### Understanding and mapping our supply chain

Our supply chain must operate with integrity, fairness and transparency, actively engaging with and contributing to society. We recognise the need for ethical supply and the increasing value placed on social enterprise and the environment.

We are conducting more robust assessments, including overlaying our supply chain information to industry systems. This will provide us with up-to-date intelligence on business, regulatory, cyber-security and social risks.

We are mapping our supply chain beyond Tier 1 to understand where value is created, and anticipate potential constraints with future supply.

In parallel, we are strengthening our category management capability, working with our supply chain and new markets to resolve constraints and prevent issues with delivery. This mapping also highlights differences within how our Tier 1 suppliers are engaging and developing their supply chains. This will be instrumental in shaping our supplier development.

Through segmentation and criticality mapping, we are aligning our organisation closely to our supply chain for future performance, risk and resilience. By delegating a specific person within Highways England to be the single owner by supplier, we have increased our visibility of supplier plans over the next three to five years. Building on lessons learnt to manage overall market resilience and viability has further strengthened our approach to: financial viability testing; due diligence on supplier fragility; and contingency planning.



Supply chain equality, diversity and inclusion

We are working with our supply chain, including through our Supplier Diversity Forum, to create a more inclusive and diverse industry. We have undertaken research to understand the current position on equality, diversity and inclusion, and we are now using this insight to drive change.

This year, our Supplier Diversity Forum hosted an event where 57 companies shared good practice and confirmed our joint commitment to improve. Through this work, we increased our reach into our supply chain.

In June 2019, to help share inclusive recruitment approaches, our supply chain delivered a webinar with the Infrastructure Clients Group, covering all key clients across the infrastructure sector. In November 2019, they also ran a masterclass attended by 40 suppliers.

This year, we also began collaborating with other transport infrastructure clients such as HS2, Transport for London, Network Rail and their supply chains on workforce data collection. This has helped us create a more robust picture of who currently works in our sector.

By changing our contract and procurement approaches, we have increased the number of companies within our supply chain whose performance we monitor against equality, diversity and inclusion criteria from 57 to 100, an increase of 40%.

This monitoring has led to more suppliers taking meaningful action in these areas and a growing number of good practice examples. Suppliers are now openly sharing their learning with their peers, recognising the benefit for customers and the wider sector.

Using key industry event, Highways UK, as a platform, we have worked with over 15 members of our supply chain to develop relationships with schools and deliver activities to inspire the next generation of innovators.

Similarly, in June 2019, we ran an International Women in Engineering Day, where 20 female role models from our organisation and our supply chain had conversations with 48 young women from diverse backgrounds about working in our sector.

Read about our equality, diversity and inclusion journey through the first road period on page 122 →

Supporting our supply chain maturity

Our supply chain is at different stages of maturity in their sustainability evolution, and we are working together to improve and evolve to meet our collective needs. This includes providing our employment and skills maturity matrix, which sets out what ‘good’ looks like and the stages of maturity needed to achieve this.

Our new supplier guide, which we have developed in collaboration with industry, also signposts the key aspects our supply chain need to be aligned to when working with us.

We are working with our supply chain in a number of ways to share learning, raise minimum standards and increase maturity:

- We are working with supplier leadership, via our Collaboration Board and Engagement Council, to drive consistent approaches and help those within our supply chain who are less advanced on their journey.
- We share best practice and progress joint sustainability actions through our Sustainable Supply Chain Group.
- To increase skills across our supply chain, we are a partner in the Supply Chain Sustainability School.
- Every year we invite our supply chain to participate in our Highways England Awards. In 2019 we saw 29 entries in our Excellence in Environment and Sustainability category. Submissions included whole company sustainability policies, electric vehicle trials and road material recycling.

DEVELOPING SOCIALLY RESPONSIBLE ROUTES TO MARKET

In the early years of the first road period, we engaged extensively with our supply chain to find out what worked well in the way that we procure and what needed to change. We also looked to other major infrastructure organisations to understand good practice across the industry.

We have taken this learning and developed a way of working with our supply chain that is grounded in long-term investment and focused on working as a single team and enterprise delivery.

In preparing sustainable and socially responsible new routes to market, we researched how to drive sustainable development through procurement and commercial management. Combined with behavioural economic drivers and feedback from the market and practitioners, we have developed a new family of commercial delivery models.

We believe these new commercial delivery models will place us as a client of choice in the market. We are now better prepared to respond to predictions of demographic labour challenges, and to deliver against our ambition to use technology and innovation to achieve rapid increases in productivity.



Regional Delivery Partnerships and Alliance model

Since 2019, we have been delivering our Regional Investment Programme programme of work through new Regional Delivery Partnerships. These:

- challenge our supply chain to buy better and more locally
- encourage innovation and best practice
- place greater emphasis on social impact and local employment strategies
- reward suppliers who up-skill from our communities to do business and buy within their regions

In 2020, we finished work on our first Alliance contract partnership, for contract award and completion in April and May 2020. The new partnership, set to deliver government’s Smart Motorway Programme, brings us together with designers, construction partners and a new role of production partner to deliver a common vision and goal under a single leadership board.

This partnership also supports our ambitious efficiency programme. It will help implement innovative and new working methods, including digital design, off-site and modular construction and automated production.

Both our new commercial strategies align incentivisation and long-term sustainable outcomes. They bring supplier communities into the development process earlier and focus on value rather than cost.

These models refocus us collectively on outcome thinking to achieve predictability, efficiency and value-based decisions, in turn creating an environment for sustainable success.

In both our Regional Delivery Partnerships and our Alliance model, integrated project delivery teams will be encouraged to use rapid design techniques, increase off-site manufacture, reuse materials and drive efficient circular economy decision-making.

The models share similar features:

- **Visibility of work:** They provide long-term visibility of the pipeline of work, allowing our supply chain to invest in people, plant and materials.
- **Performance-based work allocation:** Once appointed, work is allocated based on performance, encouraging partners to focus on delivery rather than on competing for the next scheme.
- **Sustainable procurement:** With the establishment of sustainable procurement hubs for all partners, there is a focus on coordinating activities to identify and deliver efficiencies.
- **Collective responsibility:** Supply partners are collectively responsible and, to varying degrees, rewarded based upon delivering efficiencies to budget and performance.



A14 Cambridge to Huntingdon – River Great Ouse Viaduct



### Asset Delivery

Asset Delivery is our approach to maintaining and improving our assets. It has already improved the way that we deliver our services and how we contract with our supply chain.

Our move to Asset Delivery was based on lessons learnt from our earlier delivery model: Asset Support Contracts. These passed on responsibility for asset data, network stewardship, asset needs and programme development to single suppliers through relatively short-term contracts.

The Asset Delivery model comprises a wider supply chain, reducing risk from single supplier market failure and providing opportunities for SMEs. A more collaborative delivery approach across numerous suppliers gives us better scope to spread the risk and workload planning. Our supply chain can focus solely on the cost of delivery rather than make judgements on risk vs reward, which can lead to under-pricing and ultimately delivery failure.

With Asset Delivery, we are more effective and intelligent. We contract directly, and consequently work more closely, with the companies who undertake the work on the ground. This opens opportunities for us to drive productivity, identify innovations, improve quality and increase value for money. It also provides opportunities for SMEs to work directly with us, unlocking new technologies and innovations in areas such as surveying, data collection and specialist surfacing.

Through Asset Delivery, we have greater visibility of cyclical maintenance activity, such as drainage cleaning, grass cutting and litter collection. Better information transparency has also helped us increase our asset knowledge and control, including over the planning and management of activities and resources.

In 2019–20, we rolled out Asset Delivery across five operational areas:

- Full implementation in Greater Manchester and Merseyside (Area 10) and the East (Areas 6 and 8)
- Partial implementation through progressive asset delivery in the Home Counties (Area 3) and West Midlands (Area 9)

For more details on Asset Delivery, see page 53 in our strategic report →

### Category management road surface framework

During 2019–20, we implemented our new category management road surface framework across all of our regions.

This framework allows us to allocate work based on performance, not competition. This enables us to source the best supplier, identify the most relevant plant and use local people and materials. As well as increasing efficiencies, this reduces haulage distances, CO<sub>2</sub> and vehicles on our network.

Of our 11 framework suppliers, eight are SMEs. We have nurtured relationships with these new suppliers and our framework community is now thriving across all lots, sharing best practice, innovation and health and safety improvements. We have run mobilisation training sessions nationwide, and developed robust processes and procedures.

We have used this framework to support our Regional Delivery Partnerships and Asset Delivery, as well as seven smart motorway schemes. We have achieved savings of around £7 million.



Our framework suppliers are also working closely with our Safety, Engineering and Standards directorate to deliver road surfacing through alternative methods. This includes low temperature, sustainable asphalt and trialling cold in-situ recycling.

### Working with new partners

We are increasing our efforts to stimulate a new supplier market. This includes organising ‘meet the buyer’ events and trialling new entrance methods, such as Dragons Den-style competitions. We have also partnered with Innovate UK to stimulate interest and engagement with technology firms, start-ups and SMEs.

Our target for spend with SMEs in our extended supply chain is 25% and we have consistently exceeded this:

April 2017 to March 2018	April 2018 to March 2019	April 2019 to March 2020
27.55%	26.24%	29.86%

We have also collaborated with our supply chain to produce a supplier guide. This aims to make it easier for companies to find work and to do business with us and our direct suppliers.

Our target for paying invoices to terms is 98% and we have consistently exceeded this target. We have also exceeded our aspirational target to pay 80% of invoices within five working days.

### Project bank accounts

We use project bank accounts on all construction-based contracts for the design and provision of technical services, unless there are compelling reasons not to do so, such as lack of supply chain.

Project bank accounts encourage a healthy supply chain by:

- ringfencing money so that it can only be paid to lower tier suppliers and cannot be accessed by Tier 1 suppliers
- ensuring prompt payment for goods and services

- reducing credit risk
- increasing confidence in supporting cash flow
- allowing small businesses to grow as monies are not tied up
- holding funds in trust, reducing risk around lead contractor insolvency

Through project bank accounts, we can simultaneously pay suppliers to Tier 3 level, with payments being sent to the supply chain within 18 calendar days.

In 2019–20, we spent £2 billion via project bank accounts. Over 80% of Tier 2 suppliers and contractors have signed up to project bank accounts.

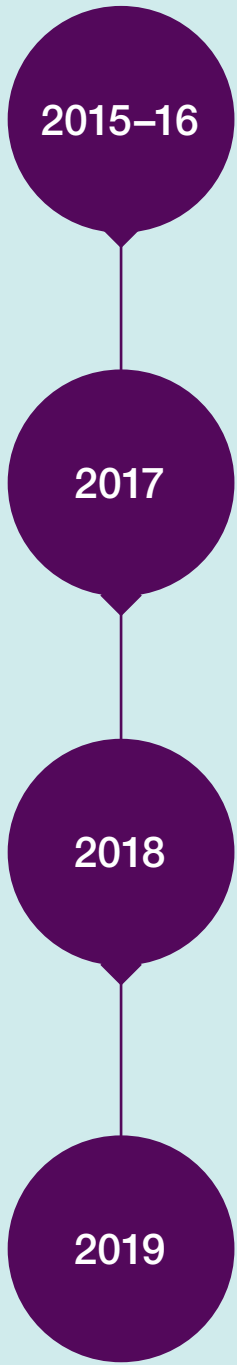
Read more about how we use project bank accounts and support government’s fair payment charter in our financial review on page 12 →





# OUR EQUALITY, DIVERSITY AND INCLUSION (EDI) JOURNEY

The infographic presented here summarises our EDI journey through the first road period and across our stakeholders.



## People

- Launched our values and behaviours
- Won the Bronze Award from the Defence Employer Recognition Scheme, for organisations which support the defence and the armed forces community
- Joined the Business Disability Forum
- Became members of Women in Science and Engineering

- Signed Armed Forces Covenant to demonstrate commitment to the Armed Forces family
- Recognised with Disability Confident Committed Award
- Set up returners programme for anyone who has taken a career break of two years or more
- Launched our LGBT+ Network
- Joined Clear Assured, a diversity and inclusion standard
- Became a member of Employers Network for Equality and Inclusion

- Re-signed the Time to Talk pledge
- Launched EqlA e-learning module
- Launched our menopause Yammer group
- Launched our Armed Forces recruitment programme
- Won the Silver Award from the Defence Employer Recognition Scheme

- Launched our Black, Asian and minority ethnic (BAME) Network and also our Carers Network
- Won Employers Network for Equality & Inclusion Award for our Returners programme
- Achieved Clear Assured Silver, a diversity and inclusion standard
- Published our Gender Identity/Transgender Policy and guidance
- Launched our Access for All Network



## Customer and community

- Developed annual delivery plan for customer and communities, with EDI objectives
- Developed EDI tool to support scheme design and construction
- Developed EDI advocate roles, as well as identifying and training volunteers
- Developed disability awareness toolkit for our schemes
- Published our *Accessibility Strategy*, supported by investment in cycling safety integration through our designated funds

- Published *Little guide to a big issue* to help embed EDI across project and scheme delivery and governance
- Developed innovative tools to gain feedback from different groups in society, winning the Market Research Society Award for work on increasing speed limits through roadworks

- Held EDI customer awareness sessions in contact centres
- Launched engagement van to improve community consultation with hard-to-reach groups of people
- Established Roads for All Forum to support engagement with key disability groups, providers and stakeholders
- Introduced roadworks communications toolkit
- Signed up to support DfT's *Inclusive transport strategy*
- Worked with Transport Focus on recommendations from their report on accessible and inclusive motorways for disabled people

- Procured access guides to motorway service areas
- Embedded Public Sector Equality Duty performance reporting in key strategic business plans and our *Annual report and accounts*
- Built diverse customer scenarios into our traffic officer training
- Produced video and leaflet through Roads for All Forum to explain how to keep safe using motorways
- Shortlisted for Business Disability Forum Disability Smart Award for our disability video
- Increased provision of 'changing places' facilities at motorway service areas (MSA), working in partnership with DfT and the MSA operators



## Supply chain

- Engaged 50 suppliers through our Supplier Diversity Forum
- Recognised good EDI practice through our supplier awards
- Developed EDI e-learning package
- Developed collaborative performance framework metric to measure EDI performance
- 27 companies took part in our annual workforce data collection activity

- Undertook research through our Supplier Diversity Forum into why people are not attracted to working in our sector
- Held Supplier Diversity Forum event: 'Making difference in leadership'
- Began strategic alignment review toolkit assessments for key suppliers
- Held deep dive into recruitment and attraction activity, resulting in a best practice report
- 38 companies took part in our annual workforce data collection activity

- Increased supplier engagement and good practice sharing through the annual Supplier Diversity Forum event, Chief Executive roundtable event, two masterclasses and one webinar
- Attended Year of Engineering events, reaching 850 pupils
- Ran sessions at schools and invited them to attend Highways UK
- 44 companies took part in our annual workforce data collection activity

- 300% increase in companies engaged through our EDI events since 2016
- 40% increase in our supply chain being measured against the EDI metric on our collaborative performance framework since 2016
- Increase in our Supplier Diversity Forum membership to 345
- Tripled reach of shared learning activity since 2015
- 68% of our supply chain increased their strategic alignment review toolkit score by 15% since 2016
- 55 companies took part in our annual workforce data collection activity – a collaborative effort this year with HS2, Network Rail and Transport for London, in which participating suppliers also attended an event, which included a recruitment masterclass