

**Highways England Company Limited**

**Area 9**

**Asset Delivery (AD)**

**Scope**

**Annex 27**

**Environmental Management &  
Sustainability**

## CONTENTS AMENDMENT SHEET

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## 1 ENERGY EFFICIENCY DIRECTIVE & SUSTAINABILITY

### 1.1 General

- 1.1.1 The *Client's* ambition in developing and implementing affordable solutions is to ensure the safe and efficient operation and maintenance of the strategic road network.
- 1.1.2 The *Contractor* designs and delivers the *service* to support society and the wider national interest, supporting the *Client* to reduce energy consumption to achieve improved efficiency and sustainability.
- 1.1.3 The *Contractor* designs and delivers the *service* to support achievement of the *Client's* sustainable development strategy's carbon management ambition and where relevant comply with the requirements of Procurement Policy Note 7/14 entitled "Implementing Article 6 of the Energy Efficiency Directive" ("PPN 7/14") and any related supplementary Procurement Policy Notes (see link at **Annex 3**).
- 1.1.4 In complying with the requirements of Procurement Policy Note 7/14, the *Contractor*
- ensures that any new products purchased by it for use partly or wholly in Providing the Service comply with the standard for products in the directive including "2012/27/EU",
  - provides evidence to the *Service Manager* to demonstrate how any new products purchased by it for use partly or wholly in Providing the Service comply with the requirements of PPN 7/14,
  - demonstrates efficiency in resource use and maximisation of re-use and recycling of materials to support the *Client's* circular economy ambition as stated in the *Client's* Sustainable Development Strategy (see link at **Annex 3**),
  - ensures that any new products purchased by a Subcontractor for use partly or wholly in the performance of its obligations under its subcontract complies with the standard for products in the directive,
  - ensures that Subcontractors provide evidence to the *Contractor* to demonstrate how any new products purchased by the Subcontractor for use partly or wholly in the performance of its obligations under a subcontract complies with the requirements of PPN 7/14 and
  - includes requirements to the same effect in any subsubcontract (at any stage of remoteness from the *Client*).

## 2 ENVIRONMENTAL

### 2.1 Environmental and sustainability requirements

- 2.1.1 In Providing the Service, the *Contractor* supports the improvement of environmental and sustainable outcomes to protect, manage and enhance the quality of the surrounding environment, with a focus on people and the built, natural and historic environment.
- 2.1.2 The *Contractor* ensures that the design and delivery of the *service* complies with
- the *Client's* environmental strategy,
  - the *Client's* sustainable development strategy,
  - GG 103 "Introduction and general requirements for sustainable development and design" and
  - LD 117 "Landscape design"
- when Providing the Service (see links in **Annex 3**).
- 2.1.3 The *Contractor* complies with 'The road to good design' incorporating the ten principles of good design, grouped as connecting people, connecting places and connecting processes when Providing the Service (see link in **Annex 3**).
- 2.1.4 The *Contractor* designs and delivers the *service* to support the *Client* to deliver no net loss of biodiversity, and from 2025 to deliver a net gain in biodiversity by 2040.
- 2.1.5 In Providing the Service, the *Contractor* recognises the importance and value of biodiversity and mitigates the impacts on wildlife and looks for the opportunities provided by management and construction work to provide biodiversity enhancements.
- 2.1.6 The *Contractor* ensures that the design and delivery of the *service* complies with the biodiversity requirements within:
- LD 118 "Biodiversity design" and
  - the *Client's* biodiversity plan
- (see links in **Annex 3**).

- 2.1.7 The *Contractor* ensures that the *Client's* responsibilities and opportunities within the Government Buying Standards are delivered when Providing the Service (see link in **Annex 3**).
- 2.1.9 The *Contractor* assesses the carbon emissions that have been generated in the delivery of the *services* during the period as agreed with the *Service Manager* using the *Client's* Carbon Emissions Calculation Tool (CCT) and divides the total carbon emissions by the contract spend in the period to calculate the tonnes of carbon/£m spend.
- 2.1.10 The *Contractor* assesses and provides to the *Service Manager* the percentage reduction in carbon per £m spend every quarter

## 2.2 Environmental Management

- 2.2.1 *Contractor's* environmental management system:
- The *Contractor* operates an environmental management system which complies with ISO 14001, 2015 or equivalent standard, before the end of the Mobilisation Period and will gain certification to ISO 14001 by a third-party accreditation body (accredited by UKAS or other body recognised by the *Client*) within one year of the end of the Mobilisation Period. This includes the operation of an environmental management system, and the development of a proactive culture of improving environmental and sustainability outcomes.
  - The *Contractor* provides details of its environmental management system, and these details include a process for the identification and prioritisation of environmental and social impacts which prioritise the biggest risks from the *service* provided by the *Contractor*. A summary report is provided to the *Client* outlining highest identified risks and what mechanisms the *Contractor* has in place to mitigate them.
  - The *Contractor* develops their environmental management system with other Community Partners to provide consistency of approach and interoperability, ensuring activities such as construction environmental management is consistent.
  - The *Contractor* interfaces and aligns their environmental management system with the *Client's* environmental management systems, policies, procedures and requirements.
  - The environmental management system forms part of the *Contractor's* Quality Plan as defined in Annex 16.
- 2.2.2 Subcontractor's environmental management system:
- The *Contractor* ensures that any Subcontractors which are working under their control or on sites where they are the principal contractor

have a formal Subcontractors Environmental Management System which fulfils the requirements set out above,

- The *Contractor* submits a copy of the Subcontractor management system to the *Client* prior to commencement of the relevant Works or subsequent appointment of the Subcontractor. The *Client* has the right to approve this system or to suggest changes and amendments prior to approval of the system.

#### 2.2.3 Action to rectify breaches:

- If, in the opinion of the *Client*, the *Contractor* is Providing the Service in a manner which is not to its satisfaction or constitutes a breach of any of the requirements of:
  - any statutory legislation,
  - the *Contractor's* environmental management system, or
  - the Subcontractor environmental management system, or
  - the *Client's* environmental management system

the *Client* advises the *Contractor* accordingly by notice in writing.

- Where the *Contractor* has been advised by the *Client* of a breach, the *Contractor* corrects the situation by the date specified by the *Client*.
- The advice provided by the *Client* includes the *Client's* reasons for highlighting any breach and outline the steps required of the *Contractor* to rectify the said breach or failing in Providing the Service.

#### 2.2.4 Environmental culture:

- The *Contractor*:
  - operates environmental awareness improvement schemes, and
  - participates in world environment day and associated initiatives.

#### 2.2.5 Environmental – exchange of information:

- The *Client* provides information to the *Contractor* to enable the service to be performed in a manner compliant with the requirements outlined herein,
- A copy of the *Client's* environmental policies, strategies, procedures and guidance notes are listed in Annex 3.

- The *Contractor* provides information in a manner and form specified by the *Client*.

## 2.3 Environmental Expertise

### 2.3.1 Environmental advice:

- The *Contractor* retains, as part of the management structure, access to competent environmental advisers. The minimum requirements for the *Contractor's* environmental adviser(s) are:
  - degree in relevant discipline,
  - Associate Membership or higher of the Institute of Environmental Management and Assessment or similar relevant professional body,
  - a minimum of three years related experience as an Environmental Adviser, and
  - a good working knowledge of legislation, guidance and standards relevant to the proposed work.

### 2.3.2 Environmental Inspections:

- The *Contractor* ensures that it carries out a formal weekly site environmental inspection (as a minimum) and documents the findings of these inspections,
- The *Contractor* ensures that competent persons carry out the inspections,
- The *Contractor* notifies the *Client* in advance of the date of the inspection. The *Client* is entitled to participate in the inspections,
- The *Contractor* provides the *Client* with a copy of the documentation produced by the *Contractor* following the inspections within one week following the inspection,
- The *Contractor* takes effective actions to ensure that the matters identified in the inspections are effectively addressed.

### 2.3.3 Environmental Incident investigation, reporting and follow-up:

- The *Client* has the right to investigate any incidents wherever they may occur,
- The *Contractor* provides the *Client* with unrestricted access at all reasonable times to the facilities, equipment, materials, employees and records of the *Contractor* and the Subcontractors for this purpose (subject to any statutory or contractual obligation prohibiting this access),



- The *Contractor* provides a copy all documents related to an incident to the *Service Manager*. Any document that would otherwise fail to be disclosed by the *Contractor* to the *Client* may be withheld by the *Contractor* provided the *Contractor's* legal advisor confirms to the *Service Manager* that the document is:
  - a confidential communication between the *Contractor* and its legal advisor for the purposes of seeking or giving legal advice that the legal advisors would normal expect to be given legal privilege in the normal course of its business with the *Contractor* or
  - a confidential communication between the *Contractor* or its legal advisers and third party where the communication came into existence with the dominant purpose of being used in connection with contemplated, pending or actual litigation in adversarial proceedings (as opposed to investigations or fact-finding inquiries).
- On receipt of a notification of an incident the *Contractor*, in line with the *Client's* standards, determines if a formal investigation is required, and if necessary follows the notification, investigation and reporting procedures as set out therein,
- Nothing prevents the *Contractor* from carrying out its own investigation of an incident, and in such cases, the *Contractor* provides a copy of its completed incident report to the *Client*,
- Investigations by the *Contractor* are undertaken by a competent person who has been trained in effective accident/incident investigation. The investigation report provides information on the circumstances surrounding the accident/incident and any remedial measures to be taken in order to prevent a recurrence. Relevant photographs and statements are provided as an integral part of the investigation report,
- Where the *Contractor* is compiling a draft incident report, the *Contractor* shall discuss the findings of a draft report with the *Client* prior to the production of the final draft of such a report,
- The *Contractor* implements applicable recommendations arising from incident investigations.

#### 2.3.4 Incident statistics:

- The *Contractor*, if requested by the *Client*, supplies detailed reports of accident and incident statistics to the *Client* in a format and at periods specified by the *Client*.

#### 2.3.5 Environmental management audit:

- The *Client* has unrestricted access at all reasonable times to the premises, Equipment and/or Materials, Employees and records of the *Contractor* and the Subcontractor(s) (subject only to any statutory or contractual obligation prohibiting the disclosure of any such records by the *Contractor*) to audit any or all of the *Contractor's* environmental management systems.
- The *Contractor* implements all recommendations from such audits agreed by the *Client* within a timescale mutually agreed between the *Client* and the *Contractor*. The *Contractor* includes all subcontracts rights of access for the *Client* as described herein.

## 2.4 Environmental Management Plan (EMP)

- 2.4.1 The *Contractor* complies with the environmental management plan (EMP) second iteration requirements of “DMRB LA 120 – environmental management plans” (see link at **Annex 3**). The EMP first iteration is available from the *Service Manager*.
- 2.4.2 In this section references to EMP are to mean EMP second iteration.
- 2.4.3 The *Contractor* prepares an EMP and submits it to the *Service Manager* no later than 8 weeks before the *access date*. If directed by the *Service Manager* to do so, the *Contractor* prepares the EMP at an earlier time. The outline EMP content and structure is available in the appendices to LA 120.
- 2.4.4 The *Contractor* liaises with, and incorporates the requirements of the appropriate statutory consultees, local authorities, in accordance with the *Client's* requirements and as instructed by the *Service Manager*.
- 2.4.3 The *Contractor* submits the EMP to the *Service Manager* for acceptance prior to implementation. A reason for not accepting the EMP is that
- it does not realistically reflect timing requirements e.g. sufficient time for archaeological, European Protected Licence or Historic England requirements,
  - it does not allow the *Contractor* to Provide the Service, or
  - it does not comply with or meet the requirements of the contract
- 2.4.4 The *Contractor* reviews and updates the EMP as necessary to ensure that it continues to deliver satisfactory progress of the contract with respect to environmental management and mitigation.
- 2.4.5 Where the *Contractor* has not been appointed principal contractor, the *Contractor* contributes to the preparation of the the EMP as requested the principal contractor.

## 2.5 Particular requirements on Subcontractor's

- 2.5.1 The *Contractor* ensures that all subcontracts (at any stage of remoteness from the *Client*) contain requirements similar to this paragraph.
- 2.5.2 The *Contractor* does not
- appoint a Subcontractor or
  - allow a Subcontractor to appoint a Subsubcontractor (at any stage of remoteness from the *Client*)
- until the *Contractor* has demonstrated to the *Service Manager* that the subcontract (at any stage of remoteness from the *Client*) complies with paragraph 2.1.1.

## 3 AIR QUALITY STRATEGY

### 3.1 Air Quality

- 3.1.1 The *Client's* air quality strategy (see link at **Annex 3**) sets out how it ensures that all activity on the strategic road network is delivered in a way that not only minimises harm, but ultimately improves the environment including air quality. This helps support government to improve air quality in the United Kingdom and deliver nitrogen dioxide compliance at the roadside in the shortest time possible as set out in the *Client's* delivery plan (see link in **Annex 3**). The *Client* explores 'opportunities to promote the use of low emission vehicles by the *Contractor* to reduce harmful pollutants'.
- 3.1.2 The *Contractor*:
- ensures that any new vehicles purchased by it for use partly or wholly in Providing the Service comply with the minimum mandatory standards (detailed for central government departments) detailed in Government Buying Standards Transport 2017 (see link at Annex 03) and
  - when requested, works in collaboration with the *Client* to prepare reports to identify how the best practice standards detailed in the Government Buying Standards Transport 2017 can be achieved. Report findings help inform setting standards for future highways contracts and any subsequent action by the *Contractor* helps reduce emissions of harmful pollutants when Providing the Service.
- 3.1.3 The *Contractor* assesses carbon emissions generated in the delivery of the service during the period as agreed with the *Service Manager* using the *Client's* "Carbon Emissions Calculation Tool" and guidance and divides the total carbon emissions by the contract spend in the period to calculate the tonnes of carbon/£m spend. (see link in **Annex 3**).
- 3.1.4 The *Contractor* assesses and provides to the *Service Manager* the percentage reduction in carbon per £m spend every quarter.

## 4 PEOPLE STRATEGY

### 4.1 Equality Diversity and Inclusion

4.1.1 The *Contractor* assists the *Client* in the achievement of its equality, diversity and inclusion (EDI) ambition to build an inclusive culture that encourages, supports and celebrates diverse voices to improve the experience of its employees, its supply chain (at any stage of remoteness from the *Client*) and its customers. The *Client's* intention is to embed principles of equality, diversity and inclusion into all areas of its business, driving real change in how it works with its customers and communities, its supply chain (at any stage of remoteness from the *Client*) and its employees.

The *Client* believes that to achieve its vision of being the world's leading road operator it needs to better understand and meet the different needs of its large and diverse customer base and factor these needs in to the design and delivery of its service.

This requires the *Client* to work collaboratively with its diverse supply chain (at any stage of remoteness from the *Client*) so, that its working practices are inclusive, and the strategic road network is accessible and integrated for both its users and communities living alongside the network.

The *Client* therefore, requires the *Contractor* to demonstrate how it develops an iterative approach in supporting the *Client* and in meeting its equality, diversity and inclusion ambitions throughout the *service*.

The *Client* also believes that to achieve outstanding performance it needs to attract, recruit, develop and retain talented people from all groups within the active labour force and then work to ensure an inclusive environment in which all can thrive.

The *Client* expects its supply chain (at any stage of remoteness from the *Client*) to share and promote the same values in terms of equality, diversity and inclusion as well as actively support its wider vision.

4.1.2 The "Inclusion Action Plan" (IAP) (see IAP template and additional guidance for completion of the IAP in Appendix A) (see link in **Annex 3**) covers the key areas of EDI.

The IAP focuses attention throughout the *service* on

- gathering diversity and inclusion intelligence,
- analysing this intelligence to identify opportunities to improve and
- developing, delivering and evaluating an action plan considering the above.

This enables the *Client* and its supply chain (at any stage of remoteness from the *Client*) to identify and deliver opportunities, creating tangible benefits which make visible difference in the priority performance areas

- to create an inclusive working culture, practice and environment that leverages the performance advantage that diversity can bring,
- to understand the diverse needs of its customers/ communities and ensuring appropriate action is taken to be ‘a good neighbour’ throughout the life of the *Client’s* contracts and
- by holding itself and the supply chain (at any stage of remoteness from the *Client*) to account in delivering the above.

The *Contractor* ensures that the IAP is accompanied by relevant contextual information and relates specifically to the contract. The *Contractor* can append key relevant policy documents such as its equality and diversity policy (or equivalent) to the IAP. The IAP relates specifically to the *Contractor’s* business.

4.1.3 The IAP names an individual from the *Contractor* to act as the EDI lead to

- be responsible for ensuring the implementation and on-going development of the IAP,
- ensure quarterly reports and information are provided as required,
- facilitate continuous improvement reviews and
- act facilitate continuous improvement reviews, and
- act as a single point of contact on all matters concerning EDI.

4.1.4 The *Contractor* prepares an IAP in accordance with the template provided in Appendix A (see link in **Annex 3**) and submits it to the *Service Manager* for acceptance by the end of the Mobilisation Period to demonstrate how it develops an iterative approach to supporting the *Client* in meeting its EDI objectives throughout the *service*.

4.1.5 All relevant information for the submission is to be included and the total IAP does not exceed 20 pages except for any appendices. Any appendices only include relevant policies as any other information will not be considered.

The IAP includes

- current EDI position/ baseline - what does the *Contractor’s* baseline data say about where it is (this provides some guidance as to the additional actions to be taken or actions to be dis/continued),
- action/ task – what the *Contractor* does to meet the requirements,
- when does this happen – when does the *Contractor* take the action specified above,
- responsible officer – who within the *Contractor’s* organisation is responsible for this action,
- resource - the *Contractor* considers the resources needed to act over and above the responsible officer and
- measure of success (outcome/ key performance indicators (KPIs)) – what does success look like? How does the *Contractor* know it has made a tangible difference? What difference has this activity made?

- 4.1.6 A reason for the *Service Manager* not accepting the IAP is that
- it does not demonstrate how the requirements are passed down to any Subcontractor (at any stage of remoteness from the *Client*),
  - it does not demonstrate how the *Contractor*
    - attracts, recruits and retains a greater diversity of new entrants to the sector,
    - ensures the working culture, practice and environment is inclusive,
    - considers and understands the diverse needs of customers and neighbouring communities,
    - holds itself and any subcontractor (at any stage of remoteness from the *Client*) to account in delivering the plan,
    - monitors and evidences year on year improvements or
- it does not meet the aims of the equality duties contained within the Discrimination Acts and set out in Discrimination section of the Scope.
- 4.1.7 Every six months, the *Contractor* prepares a progress report against the IAP and provides a copy to the *Service Manager* within 14 days of the end of each six monthly period. The *Client's* Collaborative Performance Framework (CPF) team reviews and scores the IAP in line with the Collaborative Performance Framework (CPF) metrics.

## 4.2 Employment and Skills

- 4.2.1 The *Contractor* ensures that the skills, resources and capabilities are in place, in its own organisation and through its supply chain (at any stage of remoteness from the *Client*), to deliver the service and performance required including:
- quantifying and delivering on any new employment opportunities that is generated whilst Providing the Service and outlining how the *Contractor* and its supply chain (at any stage of remoteness from the *Client*)
    - attract new people to apply, giving particular consideration to attracting under-represented groups that have not historically seen the sector as a career option for example, women, Black Asian and other ethnic minority groups, the long term unemployed, those not in employment, education or training (NEETs) and people with disabilities and
    - recruit new people into the sector
  - identifying and delivering on opportunities to develop and deploy new skills that contribute to improved performance against the *Client's* key performance indicators (KPIs) and imperatives. This includes those

new skill areas outlined in the Transport Infrastructure Efficiency Strategy (see link in **Annex 3**) and

- identifying and delivering on opportunities to improve perceptions of careers within the Highways sector including through outreach, work placements/experience and apprenticeships to develop a new talent pool for the sector. This includes but is not limited to assisting the *Client* in delivering on its commitments in relation to the Transport Infrastructure Skills Strategy: Building sustainable Skills (see link in **Annex 3**)

4.2.2 4 weeks prior to the end of the Mobilisation Period, the *Contractor* prepares and submits the Employment and Skills Plan (ESP) in accordance with the template in Appendix B to the *Service Manager* for acceptance.

The *Contractor* appoints an individual as employment and skills lead to

- be responsible for ensuring the implementation, on-going development of the ESP,
- ensure quarterly reports and information are provided as required,
- facilitate continuous improvement reviews, and
- act as a single point of contact on all matters concerning employment and skills for the service.

4.2.3 A reason for the *Service Manager* not accepting the Employment and Skills Plan is that it does not

- demonstrate how the *Contractor* complies with the contract,
- demonstrate how the requirements will be passed down the supply chain (at any stage of remoteness from the *Client*),
- clearly define outputs and how they will be measured and
- meet or evidence how the *Contractor*
  - attracts, recruits and retains a greater diversity of new entrants to the sector,
  - holds itself and its supply chain (at any stage of remoteness from the *Client*) to account in delivering the ESP, or
  - monitors and evidences year on year improvement.

4.2.4 The *Contractor* appoints an individual as employment and skills lead to

- be responsible for ensuring the implementation and on-going development of the ESP,
- ensure quarterly reports and information are provided as required,
- facilitate continuous improvement reviews, and

- act as a single point of contact on all matters concerning employment and skills for the *service*.
- 4.2.5 The *Contractor* submits to the *Service Manager* for acceptance an annual report of the *Contractor's* workforce planning and development data using the template in Appendix C twelve months after submission of the ESP, and every 12 months after that until the end of the Service Period.
- 4.2.6 A reason for the *Service Manager* not accepting the workforce planning annual report is that it does not demonstrate how the *Contractor*
- complies with the contract,
  - complies with any guidance issued by the *Client*,
  - supports the aims of the Transport Infrastructure Skills Strategy: Building Sustainable Skills or,
  - successfully addresses any shortfall in Staff skills within the *Contractor* or its supply chain (at any stage of remoteness from the *Client*).
- 4.2.7 The *Contractor* facilitates the *Client*, in undertaking continuous improvement reviews of all information regarding the *Contractor's* progress in delivering against the provisions of employment and skills requirements including
- ensuring that its supply chain (at any stage of remoteness from the *Client*) maintain and retain records relating to the ESP and their compliance with the contract and
  - granting or procuring the grant of access to any
    - premises used in the *Contractor's* Providing the Service whether the *Contractor's* own premises or otherwise,
    - equipment (including all computer hardware and software databases) used (whether exclusively or non-exclusively) in Providing the Service, wherever situated and whether the *Contractor's* own equipment or otherwise and
    - complying with the *Client's* requests for access to senior personnel engaged in Providing the Service.

### 4.3 Skills and Apprenticeships

- 4.3.1 The *Client* is required to monitor and report to the Department for Transport (DfT) on apprenticeships created and in place in the delivery of their programme. To support this the *Contractor* delivers new apprenticeships on the contract and submits to the *Service Manager*, on a quarterly basis, the apprenticeship report as detailed in Appendix D. The due dates for this reporting will be confirmed to the *Contractor* by the *Service Manager* after the Contract Date.



#### 4.4 Appendix B - Employment and Skills Plan (ESP)

The ESP is comprised of four sections:

- Section 1 - Workforce Planning and Development Data,
- Section 2 - Methodology,
- Section 3 - Statement of Outputs and
- Section 4 - Implementation Action Plan.

##### **Section 1 – Workforce Planning and Development Data**

This section includes analysis and reports on workforce planning and development data for the Scope. This analysis includes as a minimum

- an assessment of supply and demand of people capacity and capability needed to deliver the *service* including through its supply chain (at any stage of remoteness from the *Client*),
- a forecast of annual gaps in people capacity and capability for the duration of the *service*, with quarterly updates and identification of those gaps that are critical using the occupational descriptors (see link in **Annex 3**),
- a baseline workforce diversity profile,
- an assessment of market intelligence on supply of labour within the market and
- preferred employment and skills solutions to address capacity and skills gaps.

##### **Section 2 - Methodology**

The section describes

- how the commitments in the Quality Submission are to be delivered and built on.
- how the *Contractor* community (trade contractors, Subcontractors, partners working on the contract) have been engaged in the development and their support secured for subsequent delivery of the ESP and
- how the target outputs as set out in the ESP have been identified.

##### **Section 3 – Statement of Outputs**

This section includes a statement of all outputs to be delivered as part of the ESP. This includes:

- accreditation as a National Skills Academy for Construction,
- improvement in its inclusive recruitment capability verified by a recognised inclusive recruitment specialist,
- the greater of either
  - one apprenticeship for every £5M by which the Price for Work Done to Date is forecast to or actually changes (whichever is the greater) or

- 2.5% of the Total Workforce forecast to be or actually engaged on the contract (whichever is greater).
- quantification of each of the outputs scheduled in table 1 below, influenced by the needs of the *work* and the context and how these will be delivered.
- in delivering on the apprenticeship targets, the *Contractor* assists the *Client* in its commitment to increasing the diversity of the sector's workforce and to contributing to achieving the "ransport Infrastructure Skills Strategy: Building Sustainable Skills ambition of
  - 20% of new entrants to engineering and technical apprenticeships to be female by 2020, achieving parity with the working population by 2030,
  - meeting the government's target for the number of Black, Asian and Minority Ethnic candidates undertaking apprenticeships and
  - identification and quantification of any additional outputs not schedule in table 1 and how these will be delivered.

TABLE 1: OUTPUT TYPE, PRIORITY & DEFINITION		
Output type	Priority Area	Definition
<b>Worklessness</b>		
Workless job start (26 weeks sustained)		A new job start, sustained for at least 26 weeks, where the candidate was previously workless prior to being employed.
Workless graduate job start		A graduate job start where the candidate was previously workless
<b>Apprenticeships</b>		
Apprenticeship start		A new employee of the <i>Contractor</i> and its subcontractors recruited as an apprentice into the workforce and enrolled on an approved Apprenticeship Standard (see Annex 03) relevant to the delivery of the <i>works</i> .
Existing apprenticeship		An existing member of staff who is enrolled onto an approved apprenticeship standard in order to up skill the workforce.
<b>Job Creation</b>		

Job start		A new job start for an individual recruited as a result of the contract. This could include a graduate job start (non workless).
<b>Educational/Career Support</b>		
Placement position		A position intended to enable an individual to learn, develop or enhance their knowledge and skills in an industry or job role by providing a short work experience placement.
Professional status attainment		Number of individuals supported to attain professional registration and status in agreed critical skills shortage disciplines at no cost to the individual. This includes registration at Technician, Incorporated and chartered levels.
Sector skills qualifications attainment		Number of individuals supported to attain technical or occupational skills relevant to the delivery of the <i>works</i> at no cost the individual. This includes NVQs, Health and Safety qualifications and leadership qualifications.
School engagement		Education activities that enhance the reputation of the sector and support schools and school students by raising awareness of and interest in the educational and employment opportunities in the industry

The following output will assist the *Contractor* in achieving the objective

1. Shared training initiatives such as Shared Apprenticeship Schemes (see Annex 03).

#### **Section 4 – Implementation Plan**

This section is an action plan detailing:

- the actions the *Contractor* plans to take to deliver on the objectives,
- what the milestones are to complete these actions,
- when these milestones will be delivered,
- what outputs and outcomes it expects to achieve and
- who is responsible for delivering each action.

The Implementation Action Plan (IAP) details:

- how compliance is supported, managed and monitored throughout the *Contractor* and its supply chain (at any stage of remoteness from the *Client*) working on the contract,
- how the effectiveness of IAP is evaluated, lessons learned, captured and shared to improve employment and skills practice by the *Contractor* for the contract and for future contracts, and
- how the *Contractor* intends to build capability to deliver inclusive recruitment

In relation to improving inclusive recruitment capability the IAP includes how the *Contractor*

- reviews attraction and recruitment policies and procedures to ensure the eradication of practices that are discriminatory, create unfair conditions of employment or create unequal rates of pay that cannot be justified,
- identifies and removes existing and potential barriers, as outlined in 'Recruiting for Success' (see link in **Annex 3**), which result in disproportionate impacts at different stages of the recruitment process (job design, role descriptions, job adverts, application, shortlisting, interview and hire) whether by the *Contractor* or its supply chain (including recruitment/labour agencies),
- engages in outreach activity and publicises vacancies to encourage applicants from a diverse range of groups. This includes how the *Contractor* analyses the local demographic and works with relevant partners to ensure that employment opportunities contribute as effectively as possible to local economic growth and that the workforce used to Provide the Service becomes increasingly reflective of the diverse communities served by the *service*,
- quantitatively and qualitatively monitors and reports on the effectiveness of its attraction, recruitment and promotion activity by protected characteristics,
- gains external verification from a recognised inclusive recruitment specialist of the inclusiveness of its recruitment practice, and
- reviews and supports each of its subcontractors to adopt and implement an inclusive attraction and recruitment policy and action plan in respect of its respective workforces engaged in the performance of the contract.
- collaborates with the *Client* and other suppliers to effectively share good practice, learn from experience and improve the Road Period efficiency and performance in attracting and recruiting a workforce that reflects the diverse communities to be served by the Roads Period.

#### **4.5 Appendix C - Workforce Planning template and guidance**

The workforce planning annual report consists of the following two sections

- progress in the previous 12 months
- plan for the next 12 months

### Progress and current position

- an assessment of the *Contractor's* performance against targets set for the last 12 months with supporting evidence and details explaining any variance from plan
- a workforce diversity profile showing change in the past 12 months and any variance from the plan
- a revised assessment of supply and demand people capacity and capability needed to deliver the works including through the supply chain (at any stage of remoteness from the *Client*) and
- a revised assessment of market intelligence on supply of labour within the market

### Plan for the next 12 months

- a revised forecast of annual gaps in people capacity and capability
- an update of preferred employment and skills solutions to address capacity and skills gaps
- a forecast of annual gaps in people capacity and capability for the duration of the *works*, with quarterly updates and identification of those gaps that are critical using the occupational descriptors (see link at Annex 03),
- a narrative explaining the changes that have been proposed and how they will deliver the intended results.

## 4.6 Appendix D - Reporting template and guidance for apprenticeships

The *Contractor* ensures that the *Service Manager* can identify all apprentices individually appointed under the requirements of the contract and provides a rolling three-month monitoring report to the *Service Manager* within five working days of the start of each calendar month detailing performance against the annual proposal in respect of each apprentice appointed or proposed to be appointed under the contract but who has not completed the apprenticeship, including:

- number of apprenticeships to be started that month,
- actual and planned start dates for existing and proposed apprenticeships,
- postcode of workplace,
- gender,
- ethnicity,
- level of apprenticeship (1 – 7) in accordance with the table 1 below as set out in the UK Government's "[A guide to apprenticeships](#)" publication of March 2019 (and as amended),
- apprenticeship framework or standard,
- occupation of apprenticeship (reported against the standard occupation classification (SOC) 2020 codes,
- category of apprenticeship,

- planned apprenticeship finish date,
- whether the apprentice is still engaged on Providing the Works and
- national insurance number.

The *Contractor* submits their return using the apprenticeship data collection form (see link in **Annex 3**).

Table 1 – Description of apprenticeship levels		
Name	Level	Equivalent educational level
intermediate	2	5 GCSE passes at grade A*-C or 9-4
advanced	3	2 A level passes/ Level 3 Diploma/ International Baccalaureate
higher	4, 5, 6 and 7	Foundation degree and above
degree	6 and 7	Bachelor's or master's degree

## 5 ECONOMIC

### 5.1 Project Bank Account (PBA)

- 5.1.1 NEC Option Y(UK)1 is mandated for all contracts.
- 5.1.2 The *Contractor* ensures that any deeds associated with the Project Bank Account (PBA) are issued with sufficient time to allow the *Client* to apply original signatures and common seals to prevent any payment issues.
- 5.1.3 The *Contractor* ensures that
- there is one original copy of deed for each party to the deed,
  - it issues to the *Service Manager* for the attachment of the *Client's* common seal (if used) and
  - each original copy of the deed has original signatures from the authorised signatories.

### 5.2 Adding a Supplier

- 5.2.1 The *Contractor* ensures that all its supply chain sign a Joining Deed to be paid via the PBA. For any Subcontractor or supplier that declines to join the PBA (having been offered the opportunity) written evidence needs to be provided to the *Service Manager* detailing the reasons why it does not want

to sign up. The *Client* may at any time, contact that Subcontractor or supplier directly to improve their knowledge and understanding of the benefits of PBA's.

### 5.3 Project Bank Account Tracker

#### 5.3.1 The *Contractor*

- registers for access to the form of the Project Bank Account (PBA) Tracker, “the PBA Web Portal” (see link **Annex 3**) and
- completes and submits to the *Service Manager* on a monthly basis
  - a fully populated PBA Tracker detailing payments made by the *Contractor* to its subcontractors (at any remoteness from the *Client*) and
  - PBA bank statements and payment runs to evidence transactions inputted in the PBA Tracker required to reconcile payment dates and payment values for
    - a subcontractor (at any stage of remoteness from the *Client*) paid directly from the Project Bank Account (“PBA supply chain”) and
    - a subcontractor (at any stage of remoteness from the *Client*) not paid directly from the Project Bank Account (“non-PBA supply chain”).

The *Contractor* ensures any data relating to other clients is redacted from the statements before submission in .pdf format.

#### 5.3.2 The *Contractor* explains all variances from the previous month and submits further information to the *Service Manager* in response to any queries raised.

#### 5.3.3 The *Service Manager* monitors the time it takes the *Contractor* to pay its subcontractors (at any stage of remoteness from the *Client*) through the PBA, following deposit of funds into the PBA.

The *Client* calculates the related performance score

- from the date the funds have been deposited into the PBA or
- from the weighted date as set out in the Collaborative Performance Framework (CPF) (see link in **Annex 3**) when funds are deposited into the PBA across multiple dates

that covers the amount due to subcontractors (at any stage of remoteness from the *Client*) joined to the PBA.

#### 5.3.4 If any data/evidence is missing or still required (if not covered in the tracker) spot checks are undertaken directly by the *Service Manager* with the subcontractors (at any stage of remoteness from the *Client*) to verify that they are paid within contractual timeframes.

The *Client* may carry out on its subcontractors (at any stage of remoteness from the *Client*) to assess payment performance to the Named Suppliers.

- 5.3.5 Where the *Contractor* transfers monies from other accounts into the PBA this is stated on the bank statement.