

Supply Chain Social Value Report

May 2024

A Better Journey

LNER

LONDON NORTH EASTERN RAILWAY

Total **Social Local Economic Value unlocked** by LNER's Suppliers from 2023 to 2024

£21,065,113



Welcome to our Social Value Report for the financial year 2023-2024. This report offers an overview of the Social Local Economic Value (SLEV) generated by LNER's suppliers.

As a company adhering to the Utilities Contract Regulations and Procurement Policy Note 06/20, this marks our fourth year of evaluating the social value of our supply chain. To enhance social value for our people, places and the planet, LNER has lowered our threshold and tenders over £100k will be required to consider social value.

Our focus

Social value in procurement means delivering additional economic, social, and environmental benefits beyond the core requirements of contracts for goods, works, and services. At LNER we recognise our role in enabling social value through our procurement activities. Our goal is to leverage our spending to influence suppliers to deliver not only on their contracts but also provide additional value to our customers and communities along our routes.

To achieve this LNER has appointed Social Value Portal to measure, evaluate, and report on the social value activities of our suppliers.

Themes, Outcomes, and Measures

We've also developed a set of 43 Core Themes Outcomes and Measures (TOMs) that cover all areas, from Jobs, Growth, Social and Environmental to Innovation. These should identify any social value a supplier can offer and deliver, while being a more reduced version to the full 128 measures.

Committed Local Economic Value Social Value

SLEV £85,852,576

Local Economic Value: £75,592,719

Social Value: £10,259,857

Delivered Social & Local Economic Value

SLEV £21,065,113

Local Economic Value: £20,608,045

Social Value: £457,067

Total Contract Value

SLEV £359,064,980

Delivered Social and Local Economic Value Add (%):

5.87%

Local Economic Value Add (%)

5.74%

Social Value Add (%)

0.13%

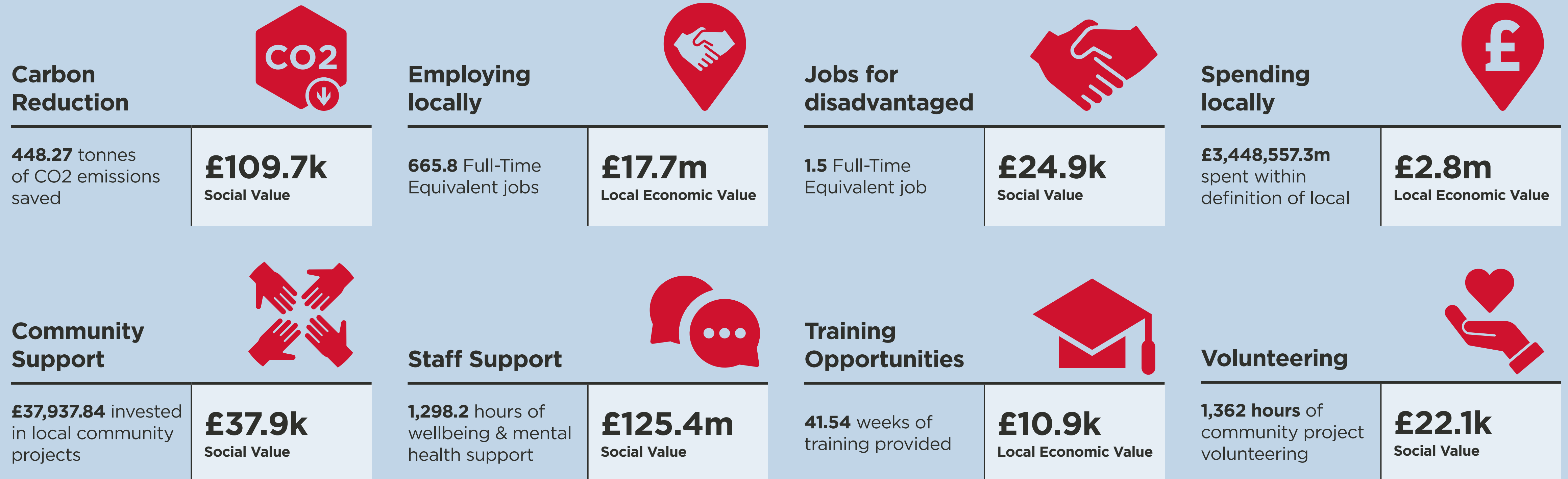
Successful delivery so far

The social value we have generated highlights the extensive impact and benefits delivered to local communities, as well as wider society.

This year, LNER has greatly increased its commitments, with a committed social value amounting to £85,852,576, and 58 Live projects. Additionally, LNER has delivered a total social value of £21,065,113, significantly exceeding our target of £6 million.

In 2022-23, the Jobs Theme saw the most value delivered by a substantial margin. This year, all 4 other Themes have seen major increases in delivery. The Environment Theme saw the biggest increase, increasing from £58 in 2022-23 to £131,632 in 2023-24, with LNER's suppliers able to reduce their emissions by 448.27 tCO₂e and save 70,362.9 car miles. This expanded delivery across the themes means that Growth, Social, Environment and Innovation now account for 16% of the total Social Local Environment Value delivered in 2023-24.

Key Performance Indicators (KPIs)



LNER and the Social Value Portal

LNER uses a measurement and reporting framework that is aligned with the National social value measurement framework – TOM System.

LNER has partnered with Social Value Portal (SVP) since 2020 to establish a mechanism to evaluate, measure and report social value generated by our suppliers.

Suppliers can demonstrate their positive actions to society, economy and environment using the National Themes Outcomes and Measures (TOMS) framework – a system developed with the National Social Value Taskforce that is the result of extensive consultation across local authorities and public sector organisations. LNER has tailored the full list of TOMs and created LNER TOMs that reflect our priorities and values.

SVP supports LNER with the quality assurance of data. It is important to note that different projects are at different stages within their life cycle. Delivery data and evidence will be added through the life of a project, ahead of a quarterly review by SVP for each material activity recorded against measures in the LNER TOM System. Some projects included within the dataset for this report still require additional evidence in order for their data to be fully validated. The purpose of the quarterly reviews is to assess whether LNER's suppliers have consistently applied the methodology that underpins the TOM System to measure the social value that they have delivered through these projects thus far. →

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**Social Value
Portal**



Turning activity into SLEV

Financial proxy values have been attributed to measures within the system, allowing organisations to report their overall contribution to society in financial and non-financial terms. By reflecting real needs of communities, the measures enable a positive contribution towards economic, social and environmental wellbeing.

Defining the impact radius

For LNER, 'Local' was defined as the local authority boundary(s) of the station(s) where works will be delivered. For multi-station projects, 'Local' was defined as a 10-mile band, either side of the rail line, between the stations where the works will be delivered. This definition ensures that LNER makes the most impact on the communities we serve.

Local Economic Value and Social Value

Local Economic Value (LEV): Local Economic Value is the monetised value of local jobs and local spend resulting in additional economic value locally. It works under the assumption that the jobs and money spent are simply being diverted from other areas therefore this value is only displaced rather than created.

Social Value (SV): Social Value is the monetised value of additional benefits created for communities and society directly.






There are three measures in LNER core TOM System which relate to Local Economic Value:

1. No. of full time equivalent direct local employees (FTE) hired or retained for the duration of the contract (NT1)
2. Total amount (£) spent on local supply chain (NT18)
3. Total amount (£) spent through contract with local micro, small and medium enterprises (MSMEs) (NT19)

Projects and suppliers with the highest % delivered against targets

Project	Supplier	% Delivered 2023-24
Café Bar Vinyl Re-design	Stewart Signs Ltd	111%
External Audit Services	PWC	153%
Passenger/Staff Transport - Taxis	CMAC Group	361%
Social Media and PR Agency - Specialising in Chinese Markets	The Guanxi Group	159%
Station Security - Lot 4	Amulet	141%
Waste Management Services - Lot 1	Veolia	111%

Delivered £SLEV Breakdown by Theme: 2022-23 Comparison

Project		2022-23 £SLEV	2023-24 £SLEV	Inc / Dec
 Jobs	Promote Local Skills & Employment	£21,624,274	£17,778,132	↓ Decrease
 Growth	Support Growth of Responsible Regional Business	£1,916,955	£3,071,357	↑ Increase
 Social	Healthier, Safer and more Resilient Communities	£4,642	£59,892	↑ Increase
 Environment	Decarbonising and Safeguarding Our World	£58	£131,632	↑ Increase
 Innovation	Promoting Social Innovation	£386	£24,100	↑ Increase



In this annual report, the delivery data provides a snapshot of Social Value delivery specifically within the reporting year. Conversely, Social Value target data encompasses the broader scope of the project's entire duration, capturing commitments set from project initiation to conclusion. Therefore, when assessing progress against targets, we ascertain the proportion of Social Value achieved within the reporting year relative to the overarching project objectives. This approach facilitates a nuanced evaluation of both short-term achievements and the project's long-term trajectory.



Expansion of social value

Over the past year, LNER has greatly expanded the delivery of Social Value by suppliers, driven by our consistent efforts to support and engage with them.

During this period, we have increased our communications with our suppliers, providing them with access to social value resources and hosting the second LNER social value webinar. We have incorporated social value in to contract management training sessions and collaborated with other areas of the business to align supply chain social value with broader company initiatives, such as the customer community investment fund.

Additionally, LNER has fostered partnerships with a local university to explore opportunities for enterprise growth with local businesses and VCSEs, indicating a commitment to regional economic development and community engagement.

Beyond direct engagement with suppliers, LNER has taken the role of a supply chain social value advocate within its sector, working closely with other Train Operating Companies (TOCs) such as Northern, Southeastern Railway, and TransPennine Express as well as other industry organisations.

This collaboration aims to enhance the integration of Social Value into joint procurements, ensuring a collective commitment to creating positive social impact.

As some contracts with significant social value deliverables conclude this year, there are new opportunities for suppliers to contribute to the welfare of our people, places, and planet. We have also awarded several new contracts this year and are eager to see the social value these suppliers will deliver.

Notably the rolling stock procurement contract stands out for its substantial Social Value commitments. The supplier has already initiated projects aligned with these objectives in the first quarter of the contract term.

This demonstrates a tangible increase in Social Value initiatives over the past year, highlighting LNER's dedication to fostering positive social impact through our partnerships and procurement practices.

Social value in action – Zinc Consult



As a valued customer who has benefited from Zinc’s consultancy services, I’m delighted to highlight the positive impact of their recent initiatives. Zinc, an SME headquartered in Leeds, specialises in providing consultancy services to LNER.

Their recent contract award in this area further strengthens their reputation as a trusted industry partner. In line with our commitment to transparency and social responsibility, we are eager to showcase Zinc’s efforts to create meaningful contributions to both individuals and communities.

One significant aspect of Zinc’s consultancy services is their proven track record of successful projects with LNER. Zinc distinguishes itself by offering a comprehensive service comparable to larger firms, while maintaining the personalised attention and cost-effectiveness of a smaller, agile organisation. Their focus on hiring local talent not only strengthens the community but also ensures a deep understanding of the intricacies of LNER projects spanning the entire East Coast Mainline.

Additionally, Zinc’s commitment to local employment positively impacts the surrounding area. By hiring locally, employees contribute to the growth of the local economy by spending their salaries within the community. Furthermore, Zinc’s dedication to community service is evident through initiatives such as Charity Days, where team members actively participate in local activities like cleaning up litter in York City Centre.

In addition to their consultancy services, Zinc demonstrates a strong commitment to nurturing talent in the industry. As a result of their collaboration with LNER, they have dedicated efforts to providing valuable training opportunities to local students and professionals. In 2022 Zinc hired a student from Heriot-Watt University in Edinburgh, and in 2022-23 provided year-out placement training for a student at Nottingham Trent.

This includes MRICS chartered team members providing RICS specific structured training, to support their application for professional competence. They have an excellent track record of providing high-quality, one to one training, where students contribute to live projects, not just a behind-the-scenes role.

In summary, Zinc Consult’s commitment to excellence extends far beyond consultancy services, embodying a dedication to community enrichment and talent development. By prioritising transparency, social responsibility, and genuine engagement, Zinc Consult exemplifies the transformative potential of responsible business practices. We look forward to witnessing their ongoing positive impact as a result of the LNER contract for our people, places, and planet.



Social value in action – Lorne Stewart



As a valued partner of Lorne Stewart, we are excited to showcase the impactful initiatives undertaken in collaboration with LNER. Lorne Stewart, a national company specialising in delivering sustainable and bespoke integrated facilities service solutions.

The award of the retender of LNER facilities management services not only reinforces the strong relationship between our two companies but also underscores our shared passion for creating meaningful change. In line with our dedication to transparency and social responsibility, we are proud to showcase Lorne Stewart's efforts in driving positive change within our shared ecosystem.

The renewed partnership has empowered Lorne Stewart to expand its team, exemplifying its commitment to equality, diversity, and inclusion. By hiring two females onto the contract and increasing staff from within station communities, Lorne Stewart is not only fostering a diverse workforce but also creating opportunities for individuals to thrive within their communities. Lorne Stewart's commitment to environmental sustainability is evident through its proactive measures to reduce carbon footprint and enhance operational efficiency.

Implementing programs to minimise vehicle travel and optimise delivery management, including investing in tool bases at each station, showcases Lorne Stewart's innovative approach to sustainable practices. By surpassing targets and utilising 100% recycled materials, Lorne Stewart sets a new standard for environmental stewardship within the industry.

Lorne Stewart prioritises the development of future talent by offering apprenticeships and career opportunities within the FM industry. Through initiatives such as employing a plumbing apprentice from Newcastle and providing training to college students, Lorne Stewart not only invests in the future workforce but also empowers individuals to pursue rewarding careers.

Lorne Stewart places a strong emphasis on the wellbeing of its employees through comprehensive training programs and competitive remuneration packages. The introduction of Lorne Stewart's wellbeing program, encompassing health, wellness, and mental health initiatives, reflects its commitment to fostering a supportive work culture.

Ensuring that all staff members are paid above the real living wage further demonstrates Lorne Stewart's dedication to fair compensation and socioeconomic prosperity.

Lorne Stewart actively engages with charitable organisations and educational institutions to make a positive impact within the community. By partnering with charities that support ex-offenders in employment and delivering career talks in collaboration with institutions like Leeds College of Technology and Community Leeds After School Support (CLASS), Lorne Stewart contributes to skill development and career advancement within the local community.

In conclusion, Lorne Stewart's efforts and dedication to sustainability, inclusivity, and community engagement sets a commendable example for the industry. Through collaborative partnerships, innovative ideas, and a persistent commitment to social responsibility, Lorne Stewart continues to drive positive change for the LNER contract, leaving a lasting impact on our people, places, and planet.

Customer Community Investment Fund

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Supporting communities along our route

The LNER Customer and Community Investment Fund (CCIF) supports charities and communities located within 10 to 15 miles of the train route we serve.

The LNER route starts at Inverness and Aberdeen in the north, calling at Edinburgh, Newcastle, Durham, Darlington, York, Doncaster, Newark, Peterborough ending at London King's Cross with numerous intermediary station stops along the East Coast mainline. LNER also operates train services from London King's Cross to and from Leeds and Wakefield, in addition to Middlesbrough, Bradford Foster Square, Harrogate, Skipton, Hull and Lincoln.

The Customer and Community Investment Fund provides vital funding for small and medium sized projects that deliver positive impact to issues that are important to us. These include mental health, education and employability skills amongst marginalised groups, diversity and inclusion, as well as environmental sustainability.



Our Themes

Theme	No of Projects	Total £
Mental Health	12	£286,128
Education and Employability	4	£58,695
Diversity and Inclusion	5	£85,188
Environment and Sustainability	2	£91,000
Overall Total		£521,011

Customer Community Investment Fund Themes

The first three themes are paired with the Community Investment Strategy. A materiality assessment was conducted, and these key issues were identified as being most relevant to our colleagues, customers and stakeholders. They are Mental Health, Education and employability skills and Diversity and Inclusion.

Environmental Sustainability sits outside the community investment strategy but as a responsible business, we believe the fund should help manage and reduce our environmental impact while, supporting the communities along our route to do the same.

Mental health

We're aiming to create a culture of positive mental health, bringing people and communities together and taking positive action to prevent suicide.

Education and employability skills

We're focusing on building skills, promoting employability and education amongst marginalised groups by investing in the skills needed today and in the future.

Diversity and inclusion

We support diverse and inclusive community projects, creating opportunities for learning and improving the social mobility of vulnerable groups.

Environmental Sustainability

We're supporting environmental projects and encouraging sustainable mobility, for our customers and communities. There are three areas CCIF applicants were asked to focus on, which are outlined below:

- Biodiversity – Rewilding projects, creating new or extending existing wildlife corridors and regenerating urban spaces
- Sustainable Travel – Projects encouraging communities to travel more sustainably, to and from LNER stations.
- Waste Reduction and the Circular Economy – We're open to projects to reduce or convert waste into reusable assets.

Case Studies

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Findhorn, Lossie & Nairn Trust

Overview

Ecosystems and communities in and around the River Findhorn in the Scottish Highlands have welcomed funding from our Customer and Community Investment Fund. It's already helping to restore the natural habitat and protect salmon.

The problem

The Findhorn, Nairn and Lossie Rivers Trust looks after all three rivers. Experts monitoring the Findhorn River have seen salmon numbers decline in recent years and they believe rising water temperatures caused by climate change, may be a factor.

The solution

Through the 'Findhorn Watershed Initiative', the Trust is developing more native woodland along the riverbanks to help shade the water during the summer and hopefully lower water temperatures. With funding from us at LNER, the team has installed monitoring systems to gather ecological data. They've carried out fish and invertebrate surveys and collect information from river temperature loggers, to monitor progress and improvements.

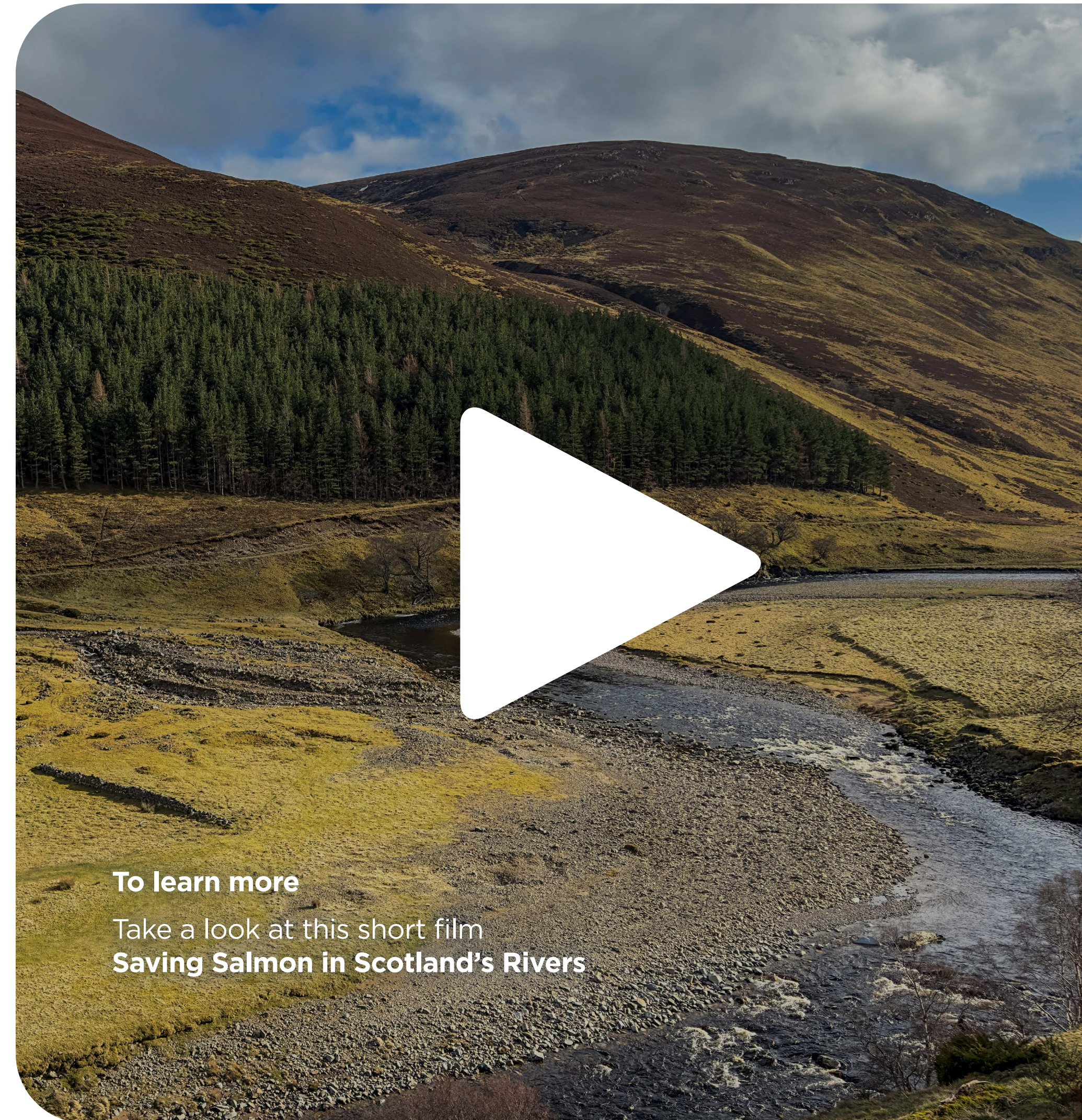
Involving the community

The team has also been working with the local community, training volunteers to help protect the river for future generations. Building on the understanding that nature recovery is as much about people's connection with nature as it is about hands-on restoration work, the Findhorn Watershed Initiative community engagement programme brought local people together of all ages, to connect to and learn about the river, its cultural heritage, wildlife and landscapes.

They explored the lost nature-related Gaelic placenames, songs and stories. Giving us a glimpse into the flora and fauna that once thrived along the river. Learning how its ecosystems have changed over time and discovering the best way to restore them.

LNER's support over the past 12 months has been invaluable. We've developed an important body of ecological and cultural baseline data and information which will help us target our work with the Findhorn Watershed Initiative to maximise positive impact for the landscapes, wildlife and communities of the upper River Findhorn catchment area into the future."

Bob Laughton, Director at the Findhorn, Nairn and Lossie Rivers Trust.



To learn more

Take a look at this short film
Saving Salmon in Scotland's Rivers

The 'Next Door But One' initiative

Overview

Based in York, Next Door But One is a LGBTQ+ and disability-led theatre company, promoting creative skills and encouraging community cohesion, particularly with those who face barriers to accessing theatre.

The problem

Young adults who are neurodiverse or have learning difficulties needed to experience real life scenarios to equip them with general life skills, so they can cope with different situations they might come across every day.

The solution

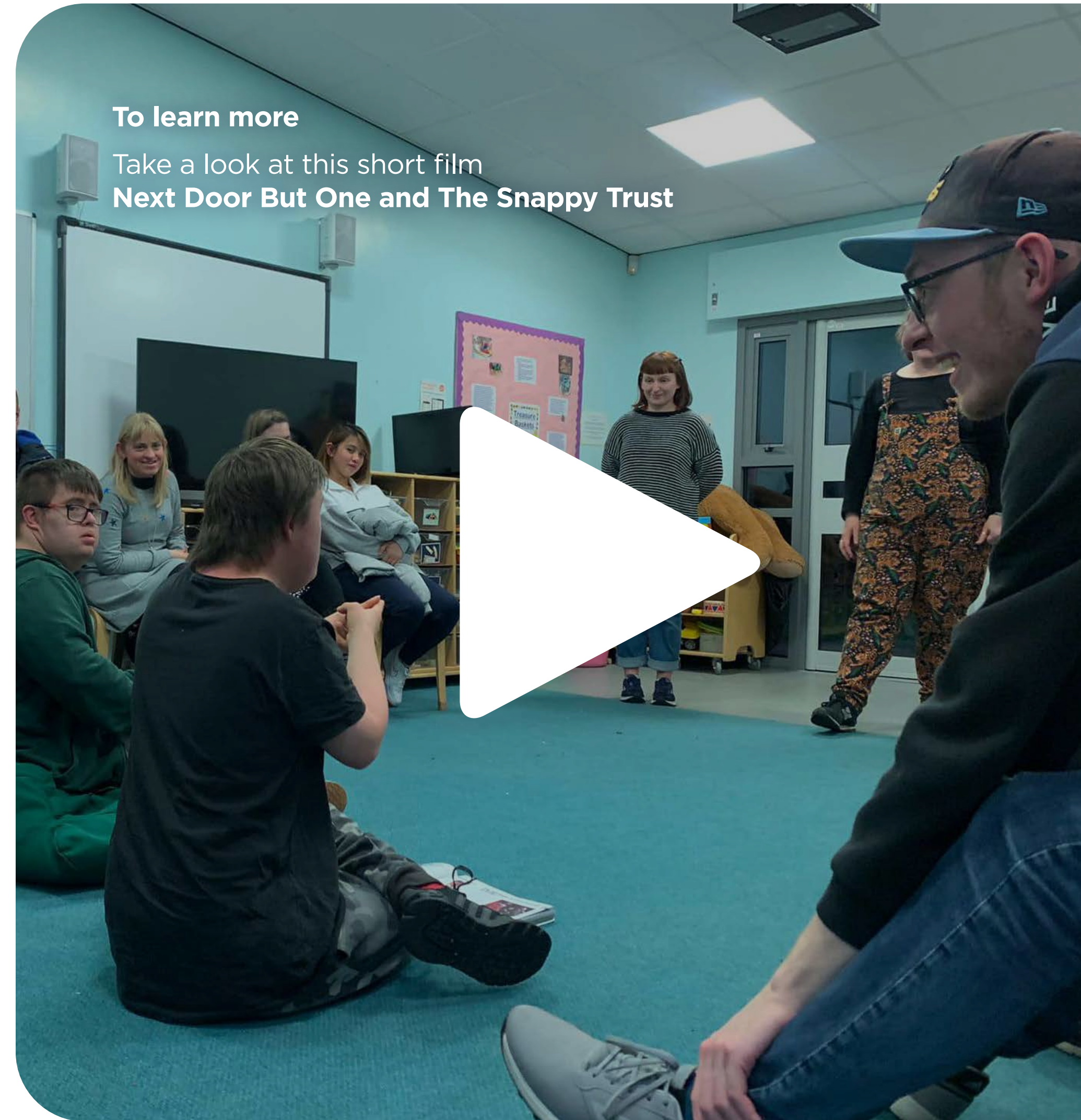
Through the Customer and Community Investment Fund we've helped finance a year-long programme of workshops called 'Rehearsal for Life'. They were delivered in partnership with The Snappy Trust and were based on real-life experiences. The young people are presented with challenging scenarios which they can ask questions about and work through, stepping into the drama themselves to practice those interactions and embed learning through their own daily experiences.

The scenarios touch on topics like travelling safely, managing finances and seeking help when exposed to unhealthy relationships or bereavement.

Ultimately, it's about helping to equip these young adults with better communication tools, improved personal resilience and the skills and knowledge to look after themselves or seek support when needed. It's a great project which has been hugely successful.

To learn more

Take a look at this short film
Next Door But One and The Snappy Trust



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If you have anything to share, we'd genuinely love to hear from you.

Email us: customers@LNER.co.uk

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