



# Constructing Local.

ANNUAL 2024



## Creating Local Impact, Building Lasting Value

A warm welcome to 2024's Constructing Local Annual where we reflect on some of our standout social value moments from the last 12 months, and dive into some of the factors that are shaping our social value strategy and decisions through 2025.

Unbelievably, this is the first time we have developed an annual in my 15 years of heading up social value delivery in Esh, so let's start with setting the scene.



**Social value will always be the difference between 'What we do' and 'Who we are'. It is inbuilt and immovable...**

When it comes to a whole businesses approach to social value delivery not many have a track record that goes as far back as Esh Group's. As a business which was initially founded in a former mining village, Esh Winning, we delivered social value long before the white papers, the Act and procurement policy changes, before CSR Indexing and ESG was pertinent in company governance. Today, through the development of our Constructing Local strategy, social value delivery and a community-focussed ethos remains the bedrock of our culture and an essential part of the way we do business.



## **Our business model is a catalyst for social value delivery...**

We are in a unique position as a major contractor which operates within a relatively small geographical area. Our business is more focused than ever and has the largest pipeline in its history. At any one time we have more than 40 schemes which have social value requirements now or in the future – and we're growing.

Crucially our range of services and diverse client base enable us to take a centralised approach to social value delivery across our regions, which ensures consistency, fosters strong local relationships, allows swift mobilisation and deepens our understanding of both local and regional priorities.

Collaboration plays a key role in seeing social value from different perspectives. We pride ourselves on working with local authorities, combined authorities, registered housing providers, major framework operators, regional Chambers of Commerce and the Institute of Technology – to name just a few – in our bid to continue evolving with local need.



## We are fitter than ever, due to the growth of social value in procurement...

Over the last decade we have seen social value turn from 'the right thing to do' or a goodwill gesture to a formal bid requirement. In the early days, it could make up 5% of a 50% quality mark for example, whereas now it is weighted at 5%, 10%, 15% - even 20% more recently - of the total bid mark.

Policy makers and buyers sustained this growth by placing proxies on social value commitments through frameworks like the National TOMS (Themes, Outcomes, and Measures). We like this – we know where we dropped marks at tender stage, we know where we need to improve and most importantly our client knows what we are contractually committed to when delivering a construction project.



## Devolution is providing a real opportunity for collaboration...

Undoubtedly, the most significant shift in 2024 came out of the May elections, which brought a new Labour government and saw the creation of three new combined authorities. As a result, nearly all of Esh Group's operating regions – North East, Tees Valley, York & North Yorkshire, West Yorkshire, and South Yorkshire – will now benefit from devolved decision-making.

While each combined authority has its own agenda, they all share a commitment to aligning economic priorities with social imperatives such as job creation, skills development, reducing economic inactivity, tackling poverty, supporting local businesses, and advancing decarbonisation – all of which can be leveraged through responsible procurement.

As we work our way through 2025, we will take a proactive approach to their evolving strategies, refining our programmes where required, and engaging in confident collaboration whenever our initiatives support the objectives of our combined authorities.



## Navigating an everchanging procurement landscape...

While our social value team takes responsibility for preparing its own bid responses, we encounter several challenges, the main one being the wide variety of models, tools and calculators out there in the marketplace, competing with the dominant TOMS model. Our clients all use different systems and value outcomes differently. Systems don't talk to each other, leading to a highly complex reporting system.

Pair this with the undervaluation of school engagement, the conflicting valuation of apprentice recruitment and retention, the absence of 'regional' consideration when validating 'local' employment and spend data, an excessive weighting on local procurement, and the lack of accountability for competitors who overcommit at bid stage yet fail to deliver during the contract phase – social value can be complex.



## **Bigger, bolder, more collaborative approach...**

We don't like to stand still here at Esh, and I believe through 2025 we can be bigger, be bolder, and through a more collaborative approach, we can deliver more for students of all ages, our job seekers, our economically inactive, our local businesses, our communities and our employees, by generating maximum value for the billions spent by our clients each year.

**Challenge accepted!**



**Darush Dodds**  
Director of Corporate Affairs  
and Social Value



## About Constructing Local

**'Constructing Local' captures our belief in delivering added social, economic, and environmental value for our clients and their communities, extending well beyond the construction project itself. Simply put, it's about supporting local people and local businesses, and enhancing the environment around our sites.**

Driven and delivered by our social value team, through our Constructing Local strategy we tailor commitments relevant to the area we are working and our client's priorities through a suite of 30 programmes aligned with six 'E' themes: **Employment, Education, Engagement, Economy, Employees, and 'Even Greener.'**

By setting realistic yet impactful goals at the bid stage, delivering on our promises, and providing clients with tangible evidence, we pride ourselves on delivering one of the most extensive and impactful social value offers in the industry.

2024  
Constructing Local  
Highlights

In 2024, we delivered

**£53.9 million**

of social value which equates to an average 17% social return on investment (SROI)\*



\*TOMS methodology, not externally verified

# Employment

We prioritise the employment of local people and have a range of initiatives which allow us to upskill and reskill people from all backgrounds. We are firmly committed to training apprentices, supporting our Armed Forces community and providing opportunities for those furthest from the job market.



Through our Local Employment Monitoring (LEM) system, we recorded local employment of treble our target on our Sheffield Road Cycleways and Maltby Bus Corridor project, delivering 9 Full Time Equivalents.



**8%**

Esh Group has been awarded gold accredited membership via The 5% Club's esteemed 2024-25 Employer Audit Scheme for our commitment to Apprenticeships.

Beth joined Esh in September 2023 and is studying a degree apprenticeship in quantity surveying. Having worked as an Apprentice Quantity Surveyor at another construction company previously, Beth joined Esh as an Assistant Quantity Surveyor and is flourishing in her role.



**3,235**

T Level placement hours delivered

In August 2024, we launched our Summer Work Experience Programme. 10 young people aged 14-16 years old spent a week at our headquarters and were given an insight into different roles from several volunteers across the group, as well as visiting Bishop Auckland Bus Station.



Technical Manager for Esh's new build affordable housing team in Yorkshire, Matthew Bland, recently opted to return to university to underpin his career with a Construction Management degree.



Over the course of the last 10 months, we have supported Paul as he prepares to leave the Royal Marines and wanted to gain valuable experience within H&S during his leave periods shadowing Tony Carroll across the Tyne Bridge and Stockton Waterfront schemes as part of our Soldiers to Sites scheme.



**640**

hours dedicated to training and upskilling individuals not in education, employment or training.



Our LEM system on the Springmoor Grange School site recorded that 90% of the workforce were North East residents and we supported 24 veterans on site. This helped us achieve a 27% SROI.

Through our LEM system, we recorded that 100% of operatives on the Promotion House refurbishment scheme were North East residents, with over a third being County Durham residents.

## Education

We deliver a suite of award-winning programmes that cater for every age group, help to change outdated perceptions of the construction sector, inspire the workforce of the future, introduce students to relatable positive role models, develop transferable employability skills and share the diverse range of rewarding careers the construction sector has to offer.



Our Construction Academy partnership with RNN gained momentum, helping them to set up T Levels in construction and business and becoming an employer academy to offer mock interviews, transferrable skills, and innovative projects for students.



We announced our Investor Partnership with Skills Street and delivered taster sessions from April 2024.



Our second year exhibiting at 'North Star Science School' hosted at Gulliver's Valley Theme Park in Sheffield.



**28,640**  
students engaged overall



**CECA NE Going the Extra Mile Award**  
Building My Skills 2023/24



**532**  
students Engaged across our Northumbrian Water projects



**2,600**  
students Engaged from our partnership with NECA

Our second year exhibiting at the 'Get Up To Speed with STEM' event which saw 5,000 students come through the doors of the Magna Science Adventure Centre in Rotherham.

In February 2024, we launched our second Construction in the Curriculum workshop. The science session provides an insight into a day in the life of an Environmental Designer, putting real-life scenarios under the lens and showcasing the direct links between the curriculum and construction careers. The lesson plan is based on the carbon neutral Hebburn Tr-Station.

In January 2024, we began the roll out of new Get into STEM Water workshops across our Northumbrian Water partnership schemes. In the new activity-based session, students in Key Stage 2 gained an insight into sustainable water management systems and how building methods are changing to promote sustainable living.

In June 2024, we partnered with the North East Combined Authority to enhance our outreach using our Get into STEM kits. We trained up six Careers Champions from schools across the North East, and created six new kits which have helped us inspire and educate hundreds more students.

# Economy

We support local economies by maintaining strong relationships with local subcontractors and suppliers, with a Group-wide target to spend 80p to the £1 with those based in our operating region. Every scheme we deliver provides an opportunity to support local businesses. We are committed to tackling late payment by advocating the Fair Payment Code, a national drive to promote good payment practices, tackle late payments and support SME cash flow.



We worked with RNN Group, Barnsley & Rotherham Chamber of Commerce, Wentworth Woodhouse and Rotherham Council culminating in a social value awareness event in South Yorkshire.



**£1.96m**  
invested back into the Rotherham economy

We delivered 127% of our local spend target on Broom Road.



**£3m**  
local spend in Rotherham

We delivered £1,336,598 of local spend within Rotherham on the Sheffield Road Cycleways and Maltby Bus Corridor project.



Esh became members of Barnsley & Rotherham Chamber of Commerce.



We donated six tablets to support digital connectivity to VCSE and SME businesses based in Rotherham.



We delivered a 'Demystifying Social Value' series with Civil Engineering Contractors Association (CECA) North East and the North East Procurement Organisation (NEPO), through an online Lunch & Learn session, and an in-person workshop. The work aimed to support contractors and NEPO on the launch of the 2024 framework.



**116%**  
of local spend target delivered in North East

We delivered 116% of our local spend target for the North East on our Hebburn Tri Station project.



**43%**  
total spend reinvested in Durham area

We delivered 125% of our local spend target on our Springmoor Grange project, with 43% of the total spend being reinvested in the Durham area.

# Engagement

We are committed to our clients and their communities, delivering meaningful engagement which makes a real difference to local people. We work collaboratively to provide grant and volunteering support, keep residents safe and informed, and reduce anti-social behaviour.



**60**

Students supported through our Better Learners Better Workers partnership.



RNN Group's Agriculture students visited site at Rotherham Riverside to design our Lighthouse Homes Garden in preparation for the delivery of the YOR4Good Fund project in 2025.



RNN Group Design Surveying and Planning T-Level students attended a site visit at Sheffield Road Cycleways.



Over 90 hours of volunteering were donated by staff on the Stockton Waterfront scheme. Volunteering activities included revamping the community gardens at John Whitehead Park.



**£78,463**

donated to charities and community groups in our operating areas



**808**

volunteering hours have been donated by Esh staff to support charities and community groups across the North East.



We sponsored Rotherham Hospice's 'Reindeer Run' for £2,000 and our Riverside site operatives raised a further £200. This enabled the hospice to raise over £40,000 of funding.

We donated over £4,000 to Rotherham Hospital and Community Charity to brighten up the Neonatal Unit, making the area more homely for the families in its care.

500 hours of volunteering were donated to support the Military vs Cancer Armed Forces vs The North annual rugby event at Kingston Park in June.

As part of National Association of Women in Construction's (NAWIC) Future Female Leaders programme, we have supported a group of 12 Middlesbrough College students with workshops from volunteers across the group, as well as a site visit to our Stockton Waterfront project.

The Tyne Bridge site team took part in NE1's Dragon Boat Race in September 2024 to raise money for Newcastle Hospitals Charity. Over £1,000 was raised for the charity.

# Employees

Our employees and supply chain partners are invaluable in what we do. We provide comprehensive training, mental health, wellbeing, and safety support to ensure a happy, engaged and productive workforce.



**6.2m**

steps taken by Esh employees for Mental Health Awareness Week

11 teams took part in our campaign during Mental Health Awareness Week. Developed in line with the 'get moving' initiative, we challenged our employees to form teams and see who could walk the furthest throughout the week.



**Five**

'Make it Visible' Lighthouse Tours

Across the north east, we hosted 5 Make It Visible Tours from the Lighthouse Construction Industry Charity. Site teams received talks and signposting for the charity which offers mental health, wellbeing and financial support to construction workers across the UK.



**2,600**

Weeks L2+ training delivered for Esh staff and our supply chain.

The Tyne Bridge project hosted the 'Never Throw in the Towel' campaign in August 2024. As a qualified barber, Anthony Hutton provided a unique opportunity to get men talking without pressure through a haircut in the barber's chair, which several of the team volunteered for.



**£3,165**

raised for Lighthouse Club Charity



Together, a team of nine staff volunteered to take on the National Three Peaks challenge in aid of the Lighthouse Construction Industry Charity. The challenge saw volunteers complete Ben Nevis, Scafell Pike and Snowdon within 24 hours in June 2024. The group raised £3,165 in total.

Two teams from across the Group were entered in 2024's Army Business Challenge Day. Both teams were put through their paces, learning unique teambuilding skills, and finding out more information on what the reserve forces can offer them.

## Even Greener

We are committed to achieving net zero emissions by 2050 by taking achievable steps towards an Even Greener operating model. This includes providing our clients with low carbon construction solutions, trialling and adopting greener processes, products, fleet and fuel solutions, and supporting our supply chain to accurately measure and reduce their carbon footprint.



**57 tonnes**

of hard to recycle waste was also diverted from landfill and recycled into Biomass fuel.

Trinity Enterprise Zone was awarded the ICE NE Robert Stephenson Awards 2024 'Project of the Year', with a special reference to the Social Value on the project, and work in the community. The site set up an on-site processing system which saw more than 34,000m<sup>3</sup> of excavated material, segregated, crushed, screened and re-used on site.



Esh Group was awarded the 'Carbon Conscious Award' at the 2024 Northumbrian Water 'Going the Extra Mile (GEM)' awards for its 'Even Greener' Strategy.



**84%**

reduction in idling time measured during a four-month trial

18 HGV tippers took part in an idling crackdown initiative with the drivers encouraged to think about their impact on the environment. Idle time in construction is when vehicles, equipment, machines, or assets are waiting to perform a task with the engine ticking over – ultimately using more fuel which in turn generates higher emissions.



**470 tCO<sub>2</sub>e**

saved in eight months through the use of social hybrid power generators on site



**14,608 tonnes**

of clay re-used on site at Stockton Waterfront



**60%**

reduction in carbon emissions at Beech Hill in Halifax through an on-site crush, screen and re-use facility.

Solar hybrid power generators and battery storage units are being trialled across our sites as part of our drive to reduce carbon emissions. These alternative power solutions use sunlight as a power source via an array of solar photovoltaic panels or utilise electricity stored in a battery, reducing the reliance on fossil fuels for sites which are unable to connect to the grid.

Re-use of material on site where possible is a key priority as we take steps towards a more sustainable operating model. Owing to the site's topography, 8,000m<sup>3</sup> of clay has been excavated and re-used at Stockton Waterfront.

At the Beech Hill affordable housing development in Halifax, extensive remediation and enabling work was required when work first got underway and over 30,000m<sup>3</sup> of material was excavated. The material was recycled on site and delivered a saving of 321 tCO<sub>2</sub>e.



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