

REPORT TO: Employment Learning and Skills Policy and Performance Board

DATE: 21st September 2009

REPORTING OFFICER: Strategic Director, Environment

SUBJECT: Mersey Gateway and the Construction Employment Integrator Model

WARDS: Boroughwide

1. PURPOSE OF REPORT

- 1.1** The Board will recall receiving a report on the 9th March 2009, regarding employment opportunities associated with the Mersey Gateway. The Board asked for regular updates and this report sets out the latest position and introduces the Construction Employment Integrator Model initiative which will be used to assist in securing employment and training opportunities in construction for local people.

2. RECOMMENDED: That the Board

- 2.1** **Considers the progress made on identifying how employment and training opportunities resulting from the Mersey Gateway can be secured for local people.**

3. BACKGROUND

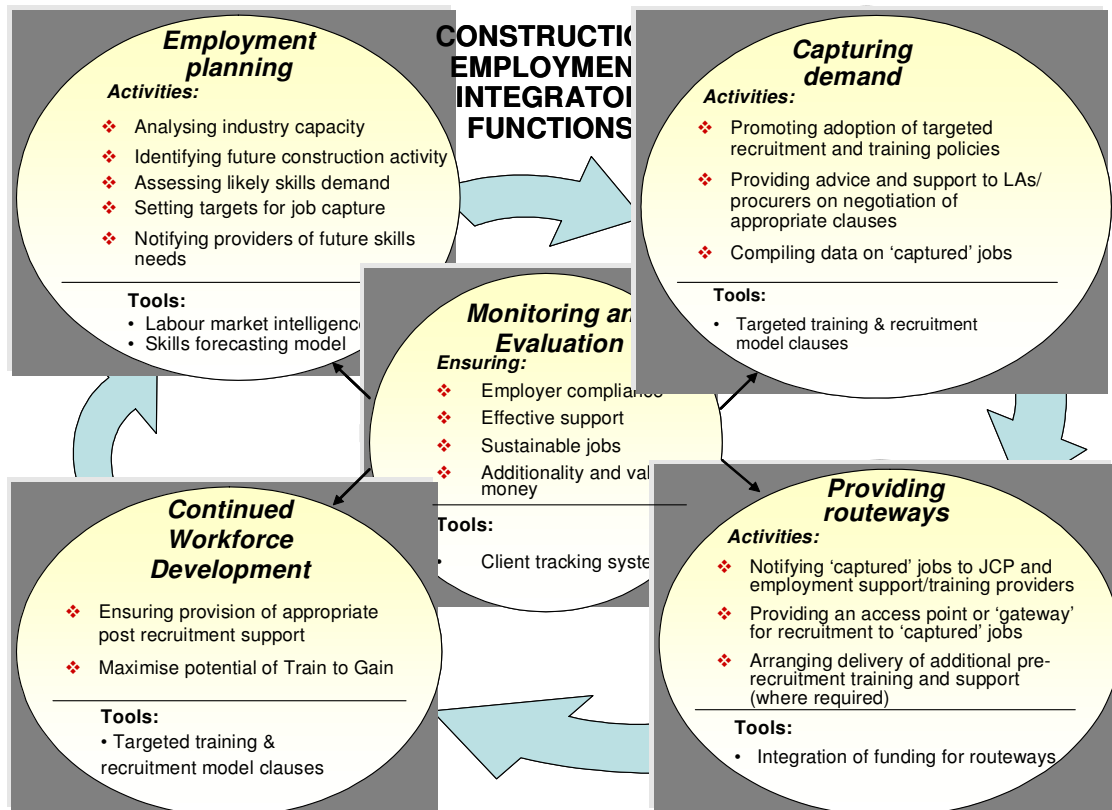
- 3.1** The Inspector formally closed the public inquiry on 28 July. He will report his findings to the Secretaries of State for Transport and Communities and Local Government, along with a recommendation as to whether the project should proceed. A decision is expected early in 2010. Following the public inquiry, the priorities are now focused on the land acquisition programme and procurement/tendering arrangements, in order that the project can be progressed quickly, when the government announces its decision, assuming the decision is favourable.
- 3.2** Work is underway to ensure that the process to appoint a Concessionaire to build and operate the Mersey Gateway, hits the ground running when the Secretaries of State announce their decision. A procurement workshop, chaired by the Chief Executive, was held on 13 July to discuss the council position on a number of key aspects of

the project, which included agreeing the project plan and identifying further work that will be required.

- 3.3 The procurement timeline is dependent on the date of the governments announcement, however, assuming it is confirmed early in 2010, publication of the councils intention to seek bids for the construction of the Mersey Gateway, in the Official Journal of the European Union (OJEU), would follow in late March/early April, followed by pre-qualification of bidders and evaluation of the bids before entering into dialogue with preferred bidders in mid/late July. This will lead to the appointment of the Concessionaire in 2011, when construction will begin, with completion in 2014.
- 3.4 To ensure that suppliers are made aware of the opportunities arising from the Mersey Gateway project, the team will be hosting a supplier workshop(s), following announcement of the governments decision, targeted at businesses who are interested in becoming a supplier to the project, specifically during the construction phase, although there will be opportunities post construction, supporting the ongoing operation of the bridge and the associated infrastructure. The team has already been contacted by a number of businesses wishing to state an interest and all these are being recorded.
- 3.5 The Mersey Gateway Project team are currently working with colleagues in the Economic Regeneration Department, to identify ways in which the Mersey Gateway procurement arrangements can assist in securing employment and training opportunities in construction for local people, using the Construction Employment Integrator Model initiative.
- 3.6 Recent work carried out nationally by Working Ventures UK has led to the development of a concept referred to as the 'Construction Employment Integrator' (CEI) and following the delivery of a pilot project in the North East, the approach is now being rolled out in a number of areas across the country including the Wirral at a local level. Colleagues from the Learning and Skills Council brought the model to the attention of the Employment, learning and Skills SSP which requested an assessment of its potential use in the Halton area.
- 3.7 The overall aim of the CEI is to provide a mechanism that will ensure people from disadvantaged groups and areas are able to access jobs and training opportunities arising in the construction industry. In particular, and in line with the national objectives, the CEI will achieve this by:
 - using procurement processes and planning to effect change, embedding obligations into public sector contracts to ensure developers, and subsequently contractors address targeted employment and training issues;

- engaging employers and contractors to ensure that recruitment and training provision is more relevant and demand-led – thereby providing the industry with a supply of suitably qualified labour; and
- providing tailored pre-recruitment support and routeways that will enable local unemployed/workless people to access jobs within the industry – through greater integration and more flexible use of mainstream programmes and funding.

3.8 The diagram below provides an overview of how the model works.



3.9 The CEI essentially aims to match the demand for labour with the supply from the local community (in particular priority groups and areas). Colleagues at the Learning and Skills Council have identified the following as key elements of the Construction Integrator Model process. The key functions relate to:

(i) Employment Planning

Identifying potential construction opportunities in the area and assessing the potential demand for training and employment opportunities that could be accessed by local residents. This is done using a 'skills forecasting model' and will identify specific employment opportunities and provide the intelligence needed for training providers to ensure they offer appropriate demand-led training.

(ii) Capturing Demand

This is achieved through the introduction of targeted recruitment and training policies and incorporation of clauses into contracts and development agreements. Richard McFarlane is the leading specialist in the adoption of Targeted Recruitment and Training clauses, and has worked extensively with Local Authorities throughout the country to change procurement policy and embed the use of TRT clauses in pursuit of social inclusion objectives. Working in conjunction with Anthony Collins Solicitors, who also have a team specialising in public procurement policy, they have developed toolkits for a number of areas which outlines the stages involved in developing legally robust contracts. The 'toolkit' which is tailored to local circumstances sets out the following:

- policy and legal frameworks;
- activities undertaken to achieve targeted training and recruitment;
- model procurement procedures; and
- model contract clauses.

In Halton it is envisaged that clauses will be needed that specify:

- 1) the number of training opportunities that will be expected to be delivered over the lifetime of the projects (which will be calculated based on the total spend figure);
- 2) the percentage of new employment opportunities that will be notified to the Halton Employment Partnership (Halton's one stop shop for all recruitment/employment needs); and
- 3) % of work that will be advertised to local sub contractors?

(iii) Providing Routeways

These provide the training and skills development programmes through which local people gain the necessary competencies to meet the projected demand. This will largely rest on commissioners of mainstream services (in future the Skills Funding Agency) providing courses that the research shows are needed. Where gaps are identified, locally developed programmes will need to be developed.

(iv) Monitoring & Evaluation

The principal contracting body must be committed to overseeing that community benefit clauses are honoured throughout the construction sub-contracting chain. Monitoring and evaluation will therefore be key to ensuring that this contract compliance is taking place in addition to workforce development to ensure that once individuals move into employment opportunities they are able to continue training and progressing within the company.

- 3.10 In order to work in the industry there is a prerequisite to have a Construction Skills Certification Scheme (CSCS) card. To qualify for a CSCS or affiliated card, workers must prove their competence, by

achieving an NVQ and demonstrate that they meet the minimum standard of health and safety awareness by passing a Health and Safety Test. Construction Skills (the industry training board) provide help for employees to secure the CSCS card through On-Site Assessment and Training (OSAT). OSAT helps experienced workers get the qualifications to prove they can do the job by turning existing skills and experience into a recognised qualification which confers eligibility for the card. Construction Skills also provides supported training beyond the Construction Skills Certification Scheme

- 3.11 As part of the CEI roll out, Working Ventures UK are keen to support a small number of pathfinder areas with Business Planning support through their contract with AMION Consulting based in Liverpool. Following an initial meeting with Working Ventures UK and AMION Consulting, brokered by the LSC, Working Ventures have confirmed that they are happy to support Halton Borough Council in establishing a CEI with business planning assistance from the consultants. The two most significant projects over the next few years to which the CEI could apply is the Mersey Gateway and Building School for the Future. In addition the Primary Capital Partnership, 3MG and Widnes Waterfront will offer substantial opportunities.
- 3.12 A workshop session for the relevant council departments (i.e. Regeneration, Procurement, Financial Control) regarding the use of TRT clauses and how these could be embedded into the council's procurement policy has already been held and the immediate next steps in the development of this model in Halton include -
- Development of a register of other potential construction projects;
 - Development of a formal Business Plan;
 - Exploration with Wirral around the potential benefits of joint working on the model; and finally

4. RESOURCE IMPLICATIONS

- 4.1 Working Ventures is funded through the Department for Work and Pensions. Their main asset is their national network of employer coalitions, which are dedicated to opening careers for people disadvantaged in the labour market. Working Ventures will fund 100% the development of the CEI Business Plan, including the workshop led by Richard McFarlane.
- 4.2 Once the CEI is rolled out across the authority, resource implications will, in the main, be related to staff time. Existing arrangements through the Halton Employment Partnership would be accessed to implement the CEI and both WNF and LSC funding sources will be maximised in terms of matching supply and demand.

5. POLICY IMPLICATIONS

- 5.1 The Community Strategy and Council Corporate Plan have key objectives relating to raising skills levels throughout the adult population and also to promote and increase the employability of local people. The use of the model is viewed as a good way of taking these agendas forward in relation to the construction industry.

6. OTHER POLICY IMPLICATIONS

None

7. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 Children and Young People in Halton

There is a clear opportunity here to promote the construction industry within schools in Halton. In addition, there are also potential opportunities for actively promoting those young people who are NEET.

7.2 Employment, Learning and Skills in Halton

The Halton Employment Partnership (HEP) already offers a joined up employment, learning and skills service to individuals and businesses. Working with local companies, it can develop bespoke pre employment programmes to support recruitment to growth sector areas. Additionally, the HEP can offer businesses a full recruitment and training service, drawing on the expertise from the range of HEP partner agencies. To this end, local residents (with a focus on priority groups) have access to a range of pre employment support services designed to give them the skills needed to gain employment in the appropriate sector.

7.3 A Healthy Halton

None known at this stage

7.4 A Safer Halton

None known at this stage

7.5 Halton's Urban Renewal

The model is designed to link with the major regeneration projects that are already underway and with those that are planned. As such, the Urban Renewal programme will form an essential part of the planning process for the use of CEI.

8. RISK ANALYSIS

- 8.1 The CEI guarantees real employment opportunities for Halton residents. Failing to implement the CEI within Halton's construction procurement processes could mean that the employment opportunities could go elsewhere (e.g. out of borough; contracted in from outside of the UK; etc).

9. EQUALITY AND DIVERSITY ISSUES

- 9.1 Implementation of the CEI within HBC's construction procurement processes would offer local residents a fair and equal chance of obtaining employment locally. Specific targeting of priority residents would ensure that employment opportunities were a real option for all people, regardless of their starting point.