



Constructing Leicester

Employment and skills strategy

July 2015





Leicester – a place to do business

Foreword



I am delighted to endorse this strategy which uses the powers of the council as a planning authority and as a developer to boost skills and assist our local construction industry.

Major developments in the city will be requested to make important contributions towards developing local skills and our local supply chain. We have based this approach on national best practice and are delighted to be working in partnership with the Construction Industry Training Board (CITB).

The construction industry is enthusiastic about this approach and are keen to ensure we all work together to develop the next generation of skilled staff.

We are also aware that there is a local supply chain in the city that needs to be strengthened and I want to make sure the significant investments that are being made by the council and other investors have a real lasting benefit for the people and businesses of Leicester.

Sir Peter Soulsby
City Mayor

Introduction

This document provides an explanation of how the Constructing Leicester employment and skills strategy embeds the requirement for employment and skills plans (ESPs) into the planning and procurement process. This employment and skills strategy has been developed using the National Skills Academy for Construction (NSAfc) Client Based Approach (CBA) guide.

The strategy forms part of a suite of three documents which also includes (see leicester.gov.uk/constructingleicester for further information):

- Constructing Leicester informal guidance note on employment and skills plans
- Constructing Leicester employment and skills plan.

Policy background

At a national level, while the concept of social value and wellbeing has been around for many years (wellbeing powers are included within the Local Government Act 2000), it has recently become more prominent given recent legislation and obligations under the Public Services (Social Value) Act 2012. The Social Value Act requires all public bodies in England and Wales within the defined context to consider:

- how what is proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area
- how, in conducting the process of procurement, it might act with a view to securing that improvement.

Social value can encompass; education, training and skills, work, income, living standards, health, participation and social wellbeing (a positive physical, social and mental).

Under EU procurement law; the Public Contracts Regulations (2006), and the developing case law in conducting the procurement process to deliver wellbeing improvements, councils can only consider matters which are relevant and proportionate. It is important therefore,

for councils to have policy which defines wellbeing and social value priorities.

At a sub-regional level, evidence in the Leicester and Leicestershire Skills Needs Assessment¹ shows that the construction sector has relatively high levels of skill shortages which have a detrimental impact upon organisational performance.

The sharp cyclical shifts in demand for construction pose problems in relation to planning employment and skills demand. The relatively large share of micro-employers and the number of self-employed people in the sector means some people can fall outside of existing skills supply-mechanisms unless they are encompassed within industry supply chains which require people to be trained and qualified.

Given the high levels of replacement demand, and the associated expected growth in output over the medium-term, the sector can potentially provide a large number of entry level training positions aimed predominantly at young people. This would help young people enter the labour market and help address youth unemployment issues. The predicted number of job openings in the construction sector between 2010 and 2020 is 17,000.

¹ Consultation Draft – Skills Needs Assessment for: Leicester and Leicestershire (LLEP Area) MIRA Labour Market, MIRA Technology Park Enterprise Zone (HOST Policy Research)

“Social value is about maximising the impact of public expenditure. It has no single agreed definition, it has been defined as, ‘...looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to procure’”

Social Enterprise UK

At the local level, the Leicester Economic Action Plan (2012-2020) outlines the vision for the city that by 2020 Leicester will be :

“A confident city with a national reputation as a cosmopolitan, creative and academically rich place in which people, businesses and communities thrive and reach their full potential.”

To realise the economic vision for the city, the Economic Action Plan will focus the Council’s activity on 20 priorities which are grouped in to five strategic themes. Priority one in the Leicester to Work theme of the action plan is tackling worklessness and youth unemployment.

As part of its priority to tackle worklessness and youth unemployment, Leicester City Council is committed to delivering training and apprenticeship opportunities through key physical developments for: young people, those not in education, employment, or training (NEETs), and unemployed adults. This will strengthen the supply chain and links with the education sector. New apprenticeships will also be secured via more effective use of procurement powers, through developing programmes linked to major housing and other commercial developments and council-led developments.

To deliver on its commitment to social value and tackling worklessness and youth unemployment, Leicester City Council has adopted the Construction Skills’ NSAfC CBA to developing and implementing an employment and skills strategy on construction projects through on-site training.

Using procurement to promote investment in skills both when awarding new contracts and working with existing contractors, it is recognised that there are opportunities for local government to leverage a significant amount of training and employment opportunities through their powers under planning policy and development control.

The CBA provides good practice guidance on how to incorporate employment and skills requirements into the planning and procurement of construction projects and has provided key guidance for this Constructing Leicester employment and skills strategy.



Objectives

The objectives of the employment and skills strategy are to:

- Contribute towards the council's commitment to the Social Value Act 2012
- Supporting the construction sector to meet future recruitment needs
- Ensuring the impacts from procurement activities benefit the local economy
- Deliver employment training and apprenticeship opportunities for young people, NEETs, and unemployed adults through physical developments
- Contribute towards tackling worklessness and youth unemployment
- Develop links between construction activities and the education sector at all levels.

Scope

This employment and skills strategy will be applied to all relevant procurements and developments that are either:

- valued at £3.5 million and above
- a development classed as requiring a major large scale planning application.

Implementation

The strategy will be applied to both procurement and planning within the above scope where possible, including through:

- Section 106 agreement or condition attached to a planning permission
- Leicester City Council guide to sustainable procurement
- Leicester City Council contract procedure rules.



For each relevant procurement and development, Leicester City Council will create a development-specific ESP containing benchmarked outputs against five employment and skills areas, which also include additional local measures relating to local employment and local spend (See Table One on page four of the informal guidance note on employment and skills plans and Constructing Leicester employment and skills plan available at leicester.gov.uk/constructingleicester).

It is a contractual requirement on the developer/contractor to use the employment and skills strategy as a basis to create an ESP for their development or activity. The ESP will set out how Leicester City Council's benchmarked outputs or contract will be met over the duration of the construction and will have to be approved by Leicester City Council before proceeding to site or commencing work.

Furthermore, in light of post-construction activities (retail jobs created), the Constructing Leicester project board is keen to ensure we target disadvantaged groups such as, for example, care leavers, ex-offenders, single parents and people with disabilities.

Monitoring and reporting

Leicester City Council's Economic Regeneration team will monitor the developer/contractor's progress against the ESP and will also provide support where appropriate.

Developers/contractors will be required to provide regular updates to the Economic Regeneration Team.





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