

# BEYOND BRICKS AND MORTAR

## Beyond Bricks and Mortar

“By putting people at the centre of our thinking when planning major developments we can add value by creating new SMEs & social enterprises, develop new skills, reduce economic inactivity and prevent leakage from the local economy”.

### Aims

- To achieve social benefits for local people and businesses from the regeneration activities taking place in the City & County of Swansea.
- Work with Public Procurement to achieve these aims
- Commit Developers & Contractors to these aims with appropriate social benefit clauses in contracts
- Help Develop a Supply Side Mechanism for Others to Contribute & Participate

## Importance of the Initiative

- Works directly towards CCS overall Objectives
- Positive effects on Swansea's Economic Regeneration Strategy
- Direct impact on:
  - Young People Not in Education, Employment or Training
  - Economic Inactivity

### **Social Benefit Clauses can be:**

- Targeted training and recruitment
- Supply chain initiatives
- Community consultation
- Environmental benefits during works and at completion

### **Social Benefit Clauses**

- Not a new concept
- Large Contractors are aware of their obligations
- EU regulations permit them
- Aligned with many National and Local Policies e.g. Wellbeing, Sustainable Communities.

## Previous Experience

Value Wales Pathfinder Project found:

- all three pilot projects successful in either training, recruiting or retaining economically inactive people
- little or no resistance from contractors to meeting 'community benefits / social requirements'
- no significant additional costs were incurred

### **Example: Glasgow Housing Association**

- UK's largest stock transfer – 80500 units
- Neighbourhood renewal is key objective
- £2.9 billion investment programme
- £750m programme 2006-2010
- Social requirements included in the OJEU Notice
- Training requirements in 344 PQQs assessed
- 84 Training Method Statements rigorously scored



### **CONTRACT REQUIREMENTS**

- Every vacancy to be notified to named agencies
- 10% of person-weeks to be delivered by new entrant trainees from named agencies
- Provision of monitoring information in specified form
- Must obtain external funding to pay additional costs
- Method Statement required with the tender

### OUTCOMES

- No lack of bidders
- At PQQ & award stages the best bidders overall also scored higher on Training

After 24 months:

13041 person-weeks work for new trainees

12.61% of total labour usage

Kitchen and bathroom refits @ 15.33% of usage

Electrical re-wiring @9.14% of usage

80% of trainees are apprentices

### The “Can Do” Toolkit

- a resource developed to assist Social Landlords in Welsh Quality Housing Scheme
- focuses on targeted recruitment and training but can also be used to pursue other social benefit clauses.
- contains guidance on using & monitoring clauses
- can be adapted for use in other sectors

### **Beyond Bricks & Mortar Team:**

A dedicated resource to advise and assist in the implementation and monitoring of Social Benefit Clauses.

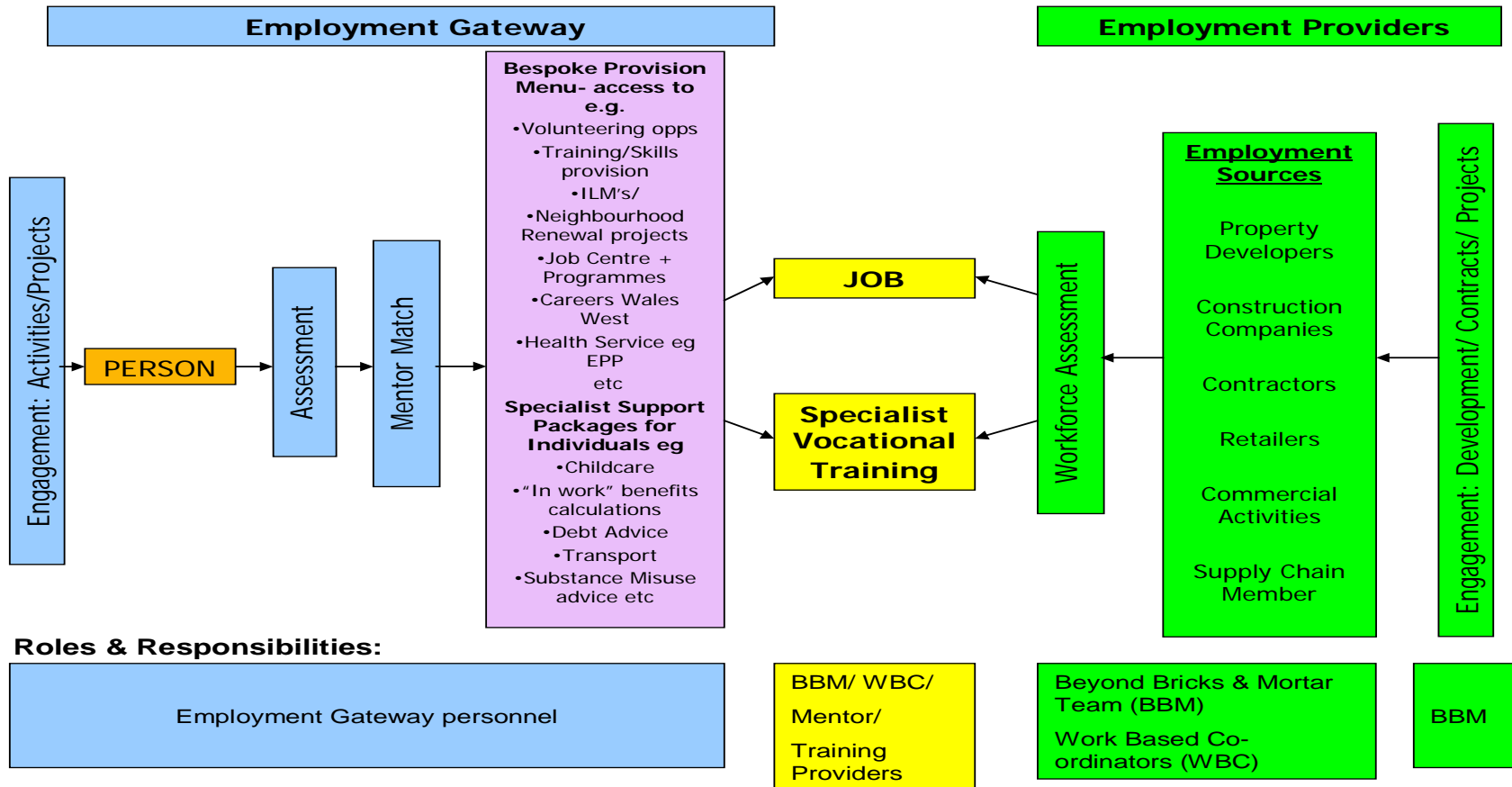
The teams responsibilities will be to:

- Identify Projects for inclusion
- Advise on supply side resources and engagement
- Monitoring and progress chasing on set targets
- Liaising with Work place coordinators

# Swansea 2020

Swansea's Economic Regeneration Strategy

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### Enabling Process

- Engage with key training, education and work placement organisations able to provide clients
- Work with local business to ensure they are fully able and prepared for sub-contracting
- Encouraging the signing of a Charter by all stakeholders to commit to the council's aims

### **ORGANISING THE SUPPLY CHAIN**

- Training and job-matching organisations are the supply-chain for trainees and workers
- What they have available impacts on the costs and affordability, and deliverability
- Design your specification with the supply-chain in mind

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Think of the implications:

- are all works suitable for new entrant trainees?
- how many weeks should each new entrant contribute to the target?
- how many new entrants will benefit & are these available?
- are there problems about continuity?
- is suitable training available, and is this funded



## ESTIMATING THE OPPORTUNITY

1. Estimate the value of labour in the contract (e.g. 40% of total cost?).
2. Divide this by an average weekly labour cost e.g. £600
3. = total labour weeks required
4. Agree reasonable target from new entrant trainees (10% - 20% of total labour weeks)
5. Calculate the target weeks for new trainees

# Affordability & Value for Money

Utilisation of existing schemes will reduce costs and assist contractors in sourcing local people :

- Swansea Working Programme
- Employment Training/ colleges
- New Apprenticeships
- New Deal
- Jobcentre +

### • **LOCAL GOVERNMENT LAW**

- The significance of the well-being power: it is a power to promote sustainability
- Non-commercial considerations: section 17(5)(a) (workforce considerations, training and transfer) and (d) (industrial disputes) NOT since 2002

### **GOOD PRACTICE**

- Appropriate in type & scale for the contract
- Address priority needs in target community
- Fit with the labour/trainee supply set-up
- Use appropriate measure: person-weeks rather than jobs?
- Must be affordable
- Use a pro-forma method statement to get commitment

### **GOOD PRACTICE**

- Check Powers
- Identify policy basis for action (short term)
- Adopt an explicit policy (longer term)
- Include in Business Case
- Include in the core requirements – ensure non-discriminatory
- Include reference in Contract Notices
- Include in PQQ and spec.
- Use in the award process
- Deliver through a 'partnering approach'

### CONCLUSIONS

- Including TR&T in contracts works
- Compatible with legal frameworks (Mark)
- Compatible with good procurement practice
- Compatible with VfM
- A lot of good practice is available
- Working with economic development and training teams is vital
- Their inputs makes this affordable

### LINKS TO GUIDANCE

The 'Can Do Toolkit' prepared for Inform 2 Involve and Rhondda Cynon Taff County Borough Council is available on the i2i website:  
<[http://www.whq.org.uk/i2i/about\\_resources.php](http://www.whq.org.uk/i2i/about_resources.php)>

The Report published by the Scottish Government, and co-written by Mark and Richard Macfarlane, entitled:

*Community Benefits in Procurement*, can be viewed online at:

<<http://www.scotland.gov.uk/Resource/Doc/212427/0056513.pdf>>,

and the related guidance note is available at:

<<http://www.scotland.gov.uk/Resource/Doc/212259/0056492.pdf>>