

Using local labour in construction

A good practice resource book

Richard Macfarlane

First published in Great Britain in November 2000 by

The Policy Press
34 Tyndall's Park Road
Bristol BS8 1PY
UK

Tel no +44 (0)117 954 6800
Fax no +44 (0)117 973 7308
E-mail tpp@bristol.ac.uk
www.policypress.org.uk

© The Policy Press and the Joseph Rowntree Foundation 2000

Published for the Joseph Rowntree Foundation by The Policy Press

ISBN 1 86134 295 0

Richard Macfarlane is an independent consultant and researcher.

All rights reserved: no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the Publishers.

The **Joseph Rowntree Foundation** has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policy makers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the authors and not necessarily those of the Foundation.

The statements and opinions contained within this publication are solely those of the author and contributors and not of The University of Bristol or The Policy Press. The University of Bristol and The Policy Press disclaim responsibility for any injury to persons or property resulting from any material published in this publication.

The Policy Press works to counter discrimination on grounds of gender, race, disability, age and sexuality.

Cover design by Qube Design Associates, Bristol

Front cover photographs kindly supplied by Jo Brown, NECTA Limited, Nottingham

Printed in Great Britain by Hobbs the Printers Ltd, Southampton

Contents

1	Introducing LLiC	1
	Tackling social exclusion	1
	Skill shortages	2
	Developing local firms	3
	Serving business objectives	3
	Choosing the right LLiC approach	3
<hr/>		
2	Legal and policy issues	5
	The government's position	5
	The European position	5
	The local authority position	7
	Clarifying the legal position	8
	How to obtain a commitment to LLiC	8
<hr/>		
3	Codes, contracts and voluntary agreements	9
	Involving the contractor	9
	Specifying the LLiC requirements in the tender	10
	The two-envelope approach	13
	Voluntary codes	14
	Planning agreements	15
	'Build and train' select tender list	16
<hr/>		
4	Labour supply activities	17
	Job-matching	17
	Site-based recruitment centres	20
	A construction employment agency	20
<hr/>		
5	Training	22
	Recruitment of trainees	22
	Pre-site training	27
	Site work	29
	Social and welfare support	31
	Continuing training	33
<hr/>		
6	Local business initiatives	35
	Purchasing and business development initiatives	35
<hr/>		
7	LLiC on maintenance work	39
	Local authority housing	39
	Housing association maintenance contracts	41
	Establishing a small contractor	42
	Internal contracting	43

8 Organisation and funding	45
Organising LLiC	45
Staffing	47
Funding	47
<hr/>	
9 Monitoring and outputs	49
Measuring LLiC outputs	49
Benchmarks	50
<hr/>	
Bibliography	52
Appendix A: Waltham Forest HAT: extracts from LLiC tender clauses (Phase 1)	53
Appendix B: Extracts from the LLiC Requirements – Landport Estate, Portsmouth	55
Appendix C: Liverpool City Council's Local Labour Agreement	57
Appendix D: LLiC scheme monitoring forms	59
Appendix E: Hanlon Computer Systems Skills Register	61
Appendix F: Contacts	63

Introducing LLiC

Tackling social exclusion

The term 'local labour in construction' (shortened to LLiC in this report) covers a wide range of schemes that seek to target the employment impact of construction work. There are a number of rationales for this, and several may apply to any one scheme.

The most common rationale is the reduction of unemployment and social exclusion. The term 'social exclusion' is used to reflect the wider impact that unemployment may have: its link to poverty, educational underachievement, low aspirations and detachment from the labour market. Social exclusion is the result of a number of processes, including:

- changes in the labour market (such as reductions in the opportunities for unskilled and semi-skilled people because of rapid industrial change);
- discrimination (on the basis of race, gender and so on);
- societal changes (such as the increasing numbers of single-parent families);
- physical isolation (such as living in areas with poor transport links to employment centres).

Social exclusion tends to be concentrated in areas of low-cost owner-occupied housing and private rented property (such as old terraced housing), and areas of social housing. In rural areas these types of accommodation are likely to be dispersed.

The high levels of social exclusion is a key issue in attracting public funds for regeneration. Typically, regeneration areas have poor quality housing and/or old and contaminated industrial sites, and high levels of social exclusion. Much of

the regeneration money is spent on the physical environment and involves land clearance, new infrastructure (roads and so on) and building works. A reduction in social exclusion in the area requires a programme of careers guidance, vocational training and support in job-search. It makes sense that the latter programme should include measures to target the jobs and training opportunities arising from the regeneration activities at 'excluded' local people. The first and most visible of these jobs are construction related.

Example 1: Waltham Forest Housing Action Trust

The decision to transfer ownership and management of run-down social housing from a local authority to a housing action trust (HAT) required strong support in a tenants' ballot. Respecting the views of tenants subsequently became a central part of the ethos of Waltham Forest HAT. A key element in this was that the HAT would maximise the number of tenants in employment and, with a planned building programme of £150 million, LLiC was clearly going to be important.

Example 2: Cardiff Bay Training and Employment Group (CBTEG)

"CBTEG is a partnership of training and employment agencies committed to ensuring the benefits of regeneration in Cardiff Bay are available to the local community, primarily through making jobs created available to local residents." (From 'Linking people to jobs' – a strategy of Cardiff Bay Training and Employment Group)

Skill shortages

In the early and mid-1990s the main rationale for LLiC schemes was tackling unemployment and social exclusion, but in the first months of the new millennium an additional rationale has emerged: *reducing skill shortages*. This has made it easier to get the support of developers and construction employers because, for them, labour shortages result in rising wages and inflation, which can threaten profits.

The Construction Industry Training Board Forecast indicates that total employment over the next few years is likely to rise slightly, and that approximately 73,000 new recruits will be required each year to meet this increase and replace leavers (CITB, 1999). These figures include management and professional grades as well as building trades, building specialists and civil engineering operatives.

One interpretation of the Forecast is that the industry requires a modest increase in current training provisions to enable the future labour need to be met. A comparison between 1996/97 and 1998/99 suggests that the number of training places is rising. However, in many areas, the closure of adult training centres has made it difficult for unemployed people to obtain trade skills. This is important because, as Table 1 illustrates, the traditional apprenticeship/traineeship entry route often accounts for less than 50% of the training being delivered. The

intake targets can only be met by attracting and training adults (aged 18+), and by ensuring that all students on full-time vocational courses become employed in the industry at the end of their course.

In the past there has been employer resistance to taking on trainees who did not enter at the age of 16 and progress through a traditional apprenticeship route, and also scepticism about the value of training that does not involve a substantial period of site experience. Problems also arise from the greater use of self-employed labour and payment according to output: there are fewer staff with the time to supervise trainees and 'improvers'. With older trainees the training problems are exacerbated by the need to pay wage levels that cannot be covered by productivity. These barriers to entry may help to explain why 70% of the CITB regions are reporting skill shortages as a problem or concern (CITB, 1999; Regional forecasts).

As can be seen from this report, LLiC schemes can make a major contribution to ensuring that the future labour needs of the construction industry are met by:

- attracting more recruits;
- organising training to industry standards;
- arranging appropriate 'first jobs' for these new entrants to ensure that they become productive workers;
- providing resources to help overcome training gaps and additional on-site costs.

Table 1: Comparison between new labour requirements 2000-04 and current training provision (1998/99)

Trade	Target annual intake (2000-04)		Actual youth intake		Other training intakes		Total training intake (1998/99)	Overall surplus (or shortfall)	
	Number	%	Student	Adults	Student	Adults	Number	%	
Carpentry	10,100	57	2,978	2,605	5,737	11,220	1,120	11	
Bricklaying	6,500	44	1,711	2,110	2,862	6,683	183	3	
Plastering	2,100	27	196	545	557	1,305	(795)	(38)	
Painting	4,600	40	1,185	1,450	1,826	4,461	(139)	(3)	
Operatives	3,300	7	217	110	229	556	2,744	(83)*	
Plumbing	5,500	38	868	1,370	2,078	4,316	1,184	(22)	

* This arises because there is very limited training provided for general operatives at present.

Source: CITB (1999: Tables A2A); Trainee Numbers Survey 1998-99

Developing local firms

In a number of case study areas the LLiC schemes have had more success in placing trainees with local small- and medium-sized contractors than with national firms and their 'travelling' sub-contractors. Supporting the development of these local enterprises is important because of their contribution to both training and ongoing employment for local people. An obvious way of doing this is to help local firms obtain contracts on major new developments. Once good relationships are established with local firms it becomes easier to get them involved in local training and recruitment.

Example 3: The Partnership, Canary Wharf

In just under three years operation the Canary Wharf Business Liaison Manager has been able to identify 179 packages of work worth £133.5 that were won by Tower Hamlets firms introduced through the Canary Wharf local business database.

Example 4: Queens Cross Housing Association, Glasgow

Queens Cross Housing Association offer four-year maintenance contracts which include a contractual requirement that each trade contractor recruit and retain at least one youth apprentice. The first four-year contract covered 1995-99 and resulted in a total of 15 apprenticeships in 12 companies. The second set of contracts have produced another 15 apprenticeships.

Serving business objectives

Finally, we should note that for a number of organisations involved in promoting LLiC schemes the process has helped achieve their own commercial or development goals.

Example 5: Braehead, Glasgow

Capital Shopping Centres have a policy of maximising the use of local labour as an essential part of creating the right profile for their activities in the area in which they are investing.

Example 6: Penwith Housing Association

Penwith Housing Association has been able to offer an exclusive package of social housing development and local training. This has helped the association to expand its activity to three new local authority areas in Cornwall.

Choosing the right LLiC approach

When developing an LLiC scheme it is important to be clear about who the target beneficiaries are, and to identify a building programme that can be utilised.

Identifying the beneficiaries may need some quite detailed work. For example, if the target is residents of a relatively small area (such as a housing estate) then the population profile is important. There may be high unemployment, but if this is mainly among older people or single parents the level of interest in construction work is likely to be low. For a larger area it is important to check:

- *The level of interest in construction work:* How many people are registered at the Jobcentre as seeking construction work (by trade)? How many of these give construction as their main occupation (and have suitable skills and references)? How many would need pre-site training?
- *The level of interest in construction training:* What is the demand from school leavers (check with careers services, the CITB and local training providers)? What are the explanations for this (for example, are young people interested in manual trades work)?
- What local building firms exist, and what are the key business issues they face in accessing work?

With this information it is possible to decide what the primary target of the LLiC initiative should be (for example, unemployed people, school leavers, women, ethnic minorities or small firms?) and therefore what the scheme should provide.

In relation to the building programme it is important to ask:

- What type of construction is it and therefore which trades will be required? High-tech and pre-fabricated buildings will provide less

opportunities for local people.

- What support will the developer give, and are there legal constraints on their procurement processes (see Chapter 2)?
- What is the duration of the development programme, and how certain is this?

This information will help identify the likely scale and range of opportunities for local people, and the key partners that need to be involved if these opportunities are to be successfully targeted.

However, when approaching regeneration bodies, developers and contractors, it is important to be well briefed on the wide range of successful LLiC schemes that currently exist. Even in urban regeneration schemes it is not uncommon to find developers and regeneration officers who argue that helping to tackle social exclusion is not part of their brief, or that LLiC cannot possibly be applied on their scheme. As shown in Table 2, LLiC has successfully been applied on many types of development.

Table 2: LLiC schemes on different types of development

Social housing	Waltham Forest Housing Action Trust Penwith Housing Association London Borough of Lewisham
Housing maintenance	Newcastle Cityworks Queens Cross Housing Association 1066 Housing Association B-Trac Services (Birmingham)
Retail centres	Braehead (Glasgow) Forthside (Stirling)
Civil engineering (roads, tunnel, bridge, barrage)	Cardiff Bay Development Corporation
Industrial 'sheds'	Speke Garston Development Corporation (Liverpool)
Office development	Canary Wharf (London Docklands)
Chemical plant	St Fergus (Aberdeenshire)*
Use of historic buildings	English Partnerships (Greenwich/Woolwich)
Leisure facilities	The Millennium Dome (Greenwich) The Wild Screen (Bristol)

* for a case study see Macfarlane (2000)

Legal and policy issues

The biggest single constraint on the spread of LLiC practices has been uncertainty about the legality of including labour force matters in building contracts issued by public sector developers. Most public bodies are ‘risk-averse’ and are not primarily concerned with employment matters, which makes them reluctant to explore possible opportunities. Some ‘private bodies’ (such as housing associations) are uncertain about their status and how public sector constraints affect them. This reticence may be compounded by a view that any request of a contractor costs money, and so an LLiC scheme would add to the cost.

As will be clear from Chapter 3, there are a wide range of approaches that have been used to increase the provision of training and the use of local labour by contractors. However, given the importance of the perceived legal position in deterring action it is important to start by clarifying the current position.

The government's position

Responsibility for government policy in this area mainly rests with the Office of Government Commerce (formerly the Procurement Policy Team) in HM Treasury. Their position is set out in *Procurement policy guidelines* which state:

It would not be consistent with value for money policy for purchasing power to be used to pursue other aims. (Procurement Policy Team, 1998, Clause 2.4)

There appears to be little interest in examining ways of implementing LLiC that would have no adverse impact on value for money – for example, identifying the additional cost of the LLiC element

and funding this from economic development or training budgets.

However, it is for government departments and other public bodies to interpret the official position and variations in interpretation have permitted LLiC initiatives to operate in the public sector, especially where the developer has a high level of commitment to this activity.

Example 7: Liverpool City Council Construction Charter

Since 1993 Liverpool City Council has invited contractors to sign its Construction Charter. To implement this the City Council requires all contractors submitting a tender for works with a value exceeding £100,000 to submit a separate sealed envelope containing a signed Local Labour Agreement. This is only dated and enacted with the successful contractor after the contract has been awarded. It is a separate legal agreement, not a contract condition (see Appendix C).

The European position

The main concerns relating to Europe are the Treaty of Rome which applies to all individuals and organisations, and the European Commission (EC) Procurement Directives which only apply to works contracts valued at over 5 million Ecus (about £4 million) issued by a public body.

There is no blanket prohibition on the use of local labour clauses in contracts covered by the Treaty of Rome and the EC Procurement Directives. The clearest statement of this position is contained in a discussion document issued by the EC Advisory Committee for Public Procurement in 1989:

Procuring entities are also free, under Community Law, to pursue the goal of reducing long-term unemployment, provided they respect the provisions of the directives and the constraints of the Treaty.... Other categories of unemployment ... almost certainly would be considered by the Court to be an equally legitimate concern. The same probably applies to a broad range of social matters. (Advisory Committee for Public Procurement, 1989, p 5)

Advice issued to public bodies by the UK Treasury (HM Treasury, 1996) does not prohibit LLiC clauses, but does make clear that the criteria for selection of a supplier can only take into account the following matters:

- characteristics that make them unsuitable (such as bankruptcy, criminal records);
- their economic and financial standing;
- their technical capacity and skills/experience.

This position has allowed some public bodies to include a contract clause covering employment and training matters, within a tendering process that does not discriminate against non-UK providers, and where the contract is awarded on the above criteria. Methods that have been suggested for ensuring an equality of opportunity for non-UK firms include:

- use categories of workers that could be provided from anywhere in Europe (such as unemployed people, women, young people, trainees) even though the hope is that they would be recruited locally;
- specify that a proportion of 'new workers' should be local, which allows the existing workforce to be used;
- ensure that all contractors have access to recruitment and training services: this creates equality for non-local contractors (who would not have an existing local workforce) and for contractors that have no experience of UK training arrangements and funding;
- in respect of accreditation, refer to 'industry standards' rather than UK qualifications.

Example 8: Waltham Forest HAT

To implement its policy commitment to LLiC (see Example 1, p 1) Waltham Forest HAT included relevant clauses in its tenders and contracts. The HAT is a public body covered by the Treaty of Rome and the EC Procurement Directives. It sought legal advice on the inclusion of its local labour contract clauses. It was advised as follows:

- EC Works Directive 71/305/EEC details which criteria can be considered (by a public body) in awarding a contract: Article 29 of the Directive has been regarded as permitting local labour clauses as these may be a factor relating to 'the most advantageous tender' for a particular area.
- The HAT should not discriminate against non-UK contractors, that is, the recruitment and training facilities should be available to all contractors submitting tenders.
- The minimum 20% local labour requirement does not fall foul of the EC Directives because 80% of jobs could be available for workers from other member states.
- It is worth taking the risk of incorporating the LLiC clauses, and this could get support from the government on the basis that the whole *modus operandi* for HATs is to "secure and facilitate the improvement of living conditions in the area and the social conditions" (EC Works Directive 71/305/EEC).

The LLiC clauses used were not challenged. The HAT has now moved on to a 'best value' selection arrangement. Effectively, selecting a 'partner' and then negotiating the price for the works. The selection of the partner reflects the high priority given to local employment and other social matters in the redevelopment programme.

As can be seen from Example 8, it has also been argued that if local employment and training is a key objective for the developer then it is legitimate to take this element of its requirements into account in awarding a contract. The same argument could be made in relation to 'best value' procurement under the 1999 Local Government Act.

Contracts subject to the EC Procurement Directives must be advertised in the EC Official Journal through a Contract Notice – the intention to impose a ‘local labour’ clause in the contract must be stated in the Contract Notice. However, it must also be made clear that there is no intention to favour contractors who intend to recruit locally. In the past, the main challenges to local labour clauses have come from the UK government (rather than a contractor) in response to a query that has arisen in the European Commission as a result of information in a Contract Notice.

The local authority position

Local authorities are not only covered by the European framework, but also by specific constraints introduced in the 1988 Local Government Act, now amended by the 1999 Local Government Act.

Section 17 of the 1988 Act states that local authorities and some other public bodies (see below) must undertake their functions in relation to any proposed or existing contract:

without reference to ... the terms and conditions of employment by contractors of their workers, or the composition of, the arrangements for promotion, transfer or training of, or other opportunities offered to, their workforces. (1988 Local Government Act, sections 17[1] and 17[5a])

The Act is very comprehensive. For example, under Clause 17(7) it appears that you cannot require a contractor to use ‘non-commercial matters’ in the selection of suppliers and subcontractors, and under Clause 19(10) a public authority is deemed to have used non-commercial considerations if they ask a potential contractor questions relating to a non-commercial matter, or submit a draft tender or draft contract containing non-commercial matters to them. On the other hand, there is no body of case-law that helps to clarify what this all means. As discussed in Chapter 3, local authorities have devised ways of satisfying the requirements of the 1988 Act while still engaging the contractor in a LLiC programme.

Example 9: Extract from the London Borough of Tower Hamlets *Guidance for contractors*

Tower Hamlets is an area of high unemployment (20%) and associated deprivation. Therefore Tower Hamlets ... asks any successful Contractor to use their best endeavours to ensure that at least 20% of the construction and related works should be undertaken by local residents. The Council has set up the Local Labour in Construction (LLiC) Team within the Housing Department to help contractors reach the target.... The Council's LLiC Scheme is a separate voluntary agreement, and in accordance with the Scheme Information, tenderers are invited to complete the attached Method Statement ... and present it at the pre-contract meeting. (The *Guidance* is included as an appendix to the Tender for Council works contracts.)

The Act is quite specific about the bodies to which it applies. From Schedule 2 we can see that these include local authorities, Urban Development Corporations, Passenger Transport Authorities, and a number of other bodies. Section 19(6) of the Act extends the application to a public authority that is carrying out relevant functions for a local authority under Section 101 of the 1972 Local Government Act.

Further, the 1999 Local Government Act has provided the Secretary of State (at the Department of the Environment, Transport and the Regions) with the power to make an order:

for a specific matter to cease to be a non-commercial matter for the purposes of section 17 of the LGA 1988. (1999 Local Government Act, clause 19)

This is important because it creates the statutory framework for allowing local authorities to introduce social clauses into contracts and to take these into account in awarding the contract, where this matter is agreed by the Secretary of State. It is understood that the government has been seeking advice from a ‘social partners group’ coordinated by the Local Government Association as to what matters might be made the subject of such an Order, but there appears to be no immediate intention to introduce an Order.

Clarifying the legal position

In establishing an LLiC scheme or programme it is important to be clear about the legal situation of the developers that will (hopefully) get involved. These are the organisations that will actually place the contract.

If there is a single developer, consultation with its legal advisor will be required. If a programme aims to utilise contracts being placed by several developers, it will be necessary to develop a model which can be adapted for use by each developer. The developers may seek their own legal advice and decide how to implement the model.

Example 10: Manchester LLiC Charter

In Manchester the City Council developed a *Procedures manual for contractors* to implement the *Towards 2000 together* LLiC Charter (Manchester City Council, nd). This was used on City Council developments, but also adopted by other major developers, such as Manchester Airport and Manchester Millennium (redeveloping bomb-damaged areas).

In seeking legal advice it is important to consider which questions to ask. A useful approach is to use the examples set out in this report to draft a set of contract proposals (contacting other LLiC schemes to obtain more detail if necessary), and then to seek legal advice on the risk of action being taken against the organisation if such a contractual approach is used. This 'risk-analysis' method may elicit a different response from asking how local employment matters can be included in tenders and contracts.

In developing an approach to contracting it is also important to consider whether there are policy expectations or financial conditions that derive from the funding bodies. Insofar as these exist they are likely to arise from concerns about value for money, and may be satisfied by the adoption of a process which clearly identifies any additional cost related to the LLiC scheme, and shows how this can be funded from other sources.

How to obtain a commitment to LLiC

Despite the somewhat discouraging legal context many LLiC schemes have been established. To be successful each has had to find a way of encouraging contractors to recruit local trainees and employees. For some this has proved quite unproblematic because the legal advice has been that they are not constrained by the EC Procurement Directives or the Local Government Acts. Other schemes have needed to develop ways of accommodating the legal constraints and a review of different approaches is set out in Chapter 3.

Good practice

- Use the examples given in this report to draft proposals for obtaining a formal commitment to LLiC by contractors.
- Seek legal advice on the risk to the developer(s) if such a proposal is used.

Codes, contracts and voluntary agreements

Involving the contractor

LLiC schemes require the involvement of construction employers if they are to achieve their aims. This is because:

- they (or their sub-contractors) will need to employ or provide site experience for the local recruits;
- the promise of employment is essential if unemployed people are going to be persuaded to join the scheme and stick with the training they need to become good long-term employees in the industry.

There are two approaches to obtaining the contractors involvement: voluntary and contractual. It is difficult to compare the effectiveness of these approaches, in part, because the outputs achieved will be a consequence of a number of factors and, in part, because voluntary schemes often have very poor monitoring requirements (there are no means of requiring the contractor to produce regular and verifiable monitoring information).

Many schemes have started on the basis of a voluntary agreement and then sought to move to a contractual approach in order to achieve better outcomes. However, when a training-based LLiC scheme establishes a good reputation they may find it easier to place trainees with small- and medium-sized local contractors on a voluntary basis, than large contractors (and their sub-contractors) on a contractual basis. Voluntary placement is likely to be less successful when there is a downturn in the construction industry: LLiC schemes were originally developed because it was so difficult for unemployed people to access the industry at a time when labour demand was low.

Example 11: The Manchester Experience

In 1993 Manchester City Council, the Construction Industry Training Board (CITB), Manchester Training and Enterprise Council (TEC) and the Employment Service came together to launch the Manchester Employment in Construction Charter. Developers and contractors operating in the City were invited to sign the Charter which asked them to use their 'best endeavours' to recruit workers, trainees and sub-contractors based within six miles of the development site, or within the City of Manchester. Over 300 firms signed the Charter, but as a voluntary agreement it was difficult to monitor and evaluate. In 1996 a new Charter was adopted (by the Towards 2000 Together Partnership) that includes the following statement:

"We will use our best endeavours to ensure that a minimum of 10% of the total on-site workforce ... will be residents of ... Manchester. We will outline our approach to the recruitment of local labour in our contract tender submissions through the completion of a Training and Employment Method Statement." (Charter Statement)

This is implemented through a Procedures Manual for Contractors (Manchester City Council, nd) that specifies what is required, including the monitoring arrangements (see p 13).

It seems likely that LLiC outputs from contractual schemes will be greater and more verifiable than those from voluntary schemes, over the long term.

Another reason for taking a more formal, contractual approach is the creation of equality and fairness in the tendering process. The main thrust behind both the European and the domestic

legislation in respect of procurement is to ensure competition on equal and appropriate terms. This is best achieved by specifying what is required (in respect of LLiC) in the tender and expecting each applicant to deliver this. Furthermore, if you want a contractor to deliver the LLiC requirements, they should be allowed to include a price for this in their tender. The use of codes and ‘best endeavours’ clauses leads to less clarity and less equality in the tendering process because each applicant will find it difficult to calculate the costs that they will incur to satisfy an ill-specified requirement. A likely response is that they will choose to not reduce their competitiveness by including an LLiC cost and, subsequently, will not deliver any LLiC elements that will increase their costs.

Specifying the LLiC requirements in the tender

It follows from the above discussion that the best approach is to clearly specify in the tender which LLiC outputs are required. The legal and policy position of the developer will determine where this is possible, and how it is to be done (see Chapter 2).

Example 12: LLiC clause in Braehead sub-contracts

“The sub-contractor must notify the Braehead Recruitment Centre of any vacancies he [sic] may have for operatives and staff with a view, where possible, to employing suitable local labour.” (Bovis Construction for Capital Shopping Centres, Braehead, Glasgow)

As Example 12 shows, the tender clause can be very simple, although the lack of detail meant that, at Braehead, the outcomes relied heavily on the development of a good relationship between the sub-contractor’s site staff and the Braehead Recruitment Centre.

Most LLiC clauses are more substantial. They are either included as part of the Preliminaries element of the tender, or set out in an Appendix which is referred to in the Preliminaries. Example 13 describes the requirements included in the tender documentation used by Speke Garston Development Company on Merseyside, either in their own contracts or in those being developed by private companies.

Appendix A includes an extract from the contract documentation used by Waltham Forest HAT in the first phase of development. This is quite explicit in specifying:

- the overall LLiC targets;
- recruitment arrangements;
- the provision for trainees on site;
- the inclusion of costs;
- terms and conditions of employment for local people;
- the monitoring requirements and responsibilities.

Appendix B sets out the key elements of an approach developed for Warden, Portsmouth and Swathling Housing Associations for the redevelopment of the Landport Estate in Portsmouth. Here the quantity surveyors (Currie & Brown) introduced a provisional sum arrangement to cover the cost of the local recruitment and training requirements. This sum was calculated for each tendering firm on the basis of information provided in the tender. The tender evaluation was done both with and without the inclusion of this LLiC cost. This arrangement provided a measurable commitment from the contractor, and a means of calculating their entitlement to payments from the provisional sum as the contract progressed. It explicitly makes it the contractor’s responsibility to obtain the compliance of sub-contractor, and protects the employers (that is, the clients) from any claims that the contractor might seek to make (such as those arising from the poor performance of the local labour).

In other cases a prime cost sum has been provided for the LLiC element. This fixes the total sum that is available to the contractor for meeting the LLiC requirements, but since the same sum is included in each tender it has no impact on the variations in the tender sums received. This approach may be favoured where the developer has a fixed budget (for example, grants obtained) available for the LLiC element.

Example 13: Speke Garston Development Company (Liverpool) – contract requirements for local labour and training

Item	Detail
Trainees	To employ a specified number of local trainees who have completed pre-site training (typically to NVQ Level 2).
Equal opportunities	Encouragement to use sections 37 and 38 of the 1976 Race Relations Act to take positive action to encourage and facilitate applications for training and employment from ethnic minorities.
Payment and working conditions	These must be at least equivalent to those provided for other similar workers on site.
Experienced workers	A 10% target for the employment of fully productive local residents (measured in person-weeks). Contractors are encouraged to use the local labour register provided, and give seven days notice of vacancies.
Local firms	Include local firms on sub-contract tender lists and provide local firms with an equal opportunity in the tendering process. Speke Garston has a register of local firms.
Costs and funding	A statement making it clear that the contractor must cover all costs associated with the local labour requirements, and is responsible for seeking external funding if required.
The Contractor's responsibility	A statement emphasising that the Contractor is responsible for employment matters, obtaining the involvement of their sub-contractors, and providing monitoring information for the whole site.
The Employer's (ie the client's) responsibilities	A statement that the contractor is responsible for evaluating the competence of any people or firms referred to them by the Employer or their agents.
Labour forecast	A requirement to provide the Development Company with a labour forecast immediately the contract is signed.
Monitoring	A requirement to maintain a labour register using a standard form, submit monthly summaries to the Employer, and provide access for routine inspections and verification work.
Management	A statement that the local training and recruitment will be reviewed at the monthly site meetings, and that the Contractor can be required to attend separate meetings to discuss the scheme.
Disputes	Clarification that the Contractor is responsible for resolving any disputes with local employees or sub-contractors, but any unresolved disputes (about the requirements) between the Contractor and the Employer will be dealt with under the arbitration arrangements for the contract.
Contractor's statement of intent	A statement that the Contractor will comply with the training and employment requirements, which has to be returned with the tender.
Standard documentation	A labour register, monthly summary form, list of sub-contract firms invited to tender.
Definition of local	A map showing the areas regarded as 'local' for the purposes of the requirements.

Portsmouth Housing Association has also used contract clauses to specify its requirements on a Youthbuilding scheme, where a central purpose was to engage socially excluded young people in training and work. It would be difficult to achieve this without ensuring that the contractor was 100% committed to the goals.

Example 14: Portsmouth Housing Association Youthbuilding Scheme – summary of Employer's requirements (for the Youthbuilding element)

Part of the work was to be undertaken by trainees (aged 18-24) who had already been selected by the client. These would work under a project-based training manager employed by the client, but responsible to the contractor.

The contractor was to employ the trainees once they had completed their 12 months on New Deal, up until the end of the contract. Pay was set at industry rates, but a wages subsidy of £127 per week was available.

The client and the contractor were to agree packages of work to be undertaken by the trainees, either independently or in conjunction with contractor's staff. 'Trainee works' were to be charged on a material only basis by the contractor.

In addition to the training manager, the contractor had to make other staff available to lead or supervise the trainees.

The contractor was to provide additional site accommodation for the trainees (a serviced mess-room), the training manager and a welfare support worker, including both male and female washrooms.

The building programme had to be planned to accommodate the trainees over a 12-month period, allowing for the work undertaken by trainees to take three times as long as similar tasks done by a skilled person.

There is, however, a tension between the desire to specify clearly what is required, and a concern that if the specifications are too long the contractor will not give them sufficient attention. Example 15 provides a contrasting approach.

In some situations, development bodies who are constrained by EC procurement directives and/or domestic legislation are successful in promoting LLiC because most of the construction is commissioned by private 'inward investors'. Both the Cardiff Bay Development Corporation and the Speke Garston Development Partnership have taken steps to encourage private developers to implement LLiC through their tenders.

Example 15: Tender clauses used by Cardiff Bay Development Corporation (CBDC)

General requirements in respect of local labour

The Contractor is, wherever possible, to employ local labour. In order to ensure sufficient access to job opportunities by local people CBDC will provide a Central Recruitment Service on site. The Contractor is to allow in clause A36/255 for accommodation and attendances.

General requirements in respect of training of local labour

The Contractor is to allow for the costs involved in employing at least one trainee recruited from a local customised training course for each of the trades within the construction of the scheme. The Contractor shall, prior to the commencement of the Works, provide the contractor's agent (CA) with a schedule of the proposed trainee appointments. The Contractor shall attend monthly meetings with a local training body to be nominated by the CA with a view to contributing towards the planning of local training provision as it affects the availability of labour for the performance of the contract. The Contractor shall provide a six-monthly report to the CA on the availability and effectiveness of employing local labour.

Example 16: Implementation at Speke Garston

Speke Garston Development Company Ltd (on behalf of the Partnership) has developed mechanisms to maximise the local labour achievements by inward investors. There are four elements to this:

- the Development Company's Project Managers introduce the LLiC 'model requirements' to inward investors and make sure that the latter meet with the Partnership's Construction Training Manager: no agreement with a potential investor proceeds without a commitment on local employment;
- further meetings take place with contractors at the tender stage, and throughout the contract;
- the Partnership's Jobs Training and Education (JET) centre is responsible for labour supply and training initiatives;
- the Partnership Board receive regular reports on the LLiC achievement on each site: they have taken action at the highest level where sites are not fulfilling their local labour commitments.

The two-envelope approach

Some local authorities and other bodies covered by the EC Procurement Directives and/or the 1988 Local Government Act have adopted a two-envelope approach. This involves:

- setting out the LLiC requirements either through a code or in the Preliminaries;
- requiring the submission of an LLiC agreement or method statement in a separate sealed envelope with the tender;
- undertaking the tender appraisal and contractor selection process without opening the LLiC envelope;
- once the contractor is selected, including their offer (that is, the contents of the second envelope) as a contractual condition.

Both Liverpool and Manchester City Councils operate this type of approach, but using collateral agreements rather than clauses in the construction contract. The Liverpool arrangements are set out in Appendix C.

In Manchester the LLiC requirements are introduced through a Construction Charter and a Procedures Manual for Contractors who sign the Charter. The contractor is invited to sign a deed of agreement and submit a (labour) method statement with their tender. The latter includes a labour forecast indicating the number of operatives required for each week of site operation (by trade) and the number and duration of the training opportunities it is prepared to offer (by trade).

The deed includes the following statements that are important in accommodating the legal constraints on procurement faced by the council:

The contractor has voluntarily and entirely without compulsion endorsed the purposes of the Construction Charter and agreed to implement them.... (Procedures Manual)

In the event that any term condition or provision of this Agreement is held to be a violation of any applicable law statute or regulation the same shall be deemed to be deleted from this Agreement and shall be of no force and effect and this Agreement shall remain in force and effect as if such term ... had not originally been contained in this Agreement. (Deed of Agreement, clause 4)

The deed of agreement is collateral to the main contract, so that the council has the power to terminate the construction contract if there is a breach of the agreement.

In the event the contractor is in breach of this Agreement the Council shall be entitled to treat such breach as a fundamental breach of the (construction) Contract and may exercise all or any of its rights or remedies against the Contractor under or in respect of the Contract as if the breach was a breach of that Contract. (Procedures Manual, section 3.2).

This agreement is incorporated into the construction contract using the following clause:

The Employer and the Contractor have entered into a contract of even date herewith whereby the Contractor has agreed to take steps to implement the Manchester Employment in Construction Code. (Procedures Manual, Appendix 3)

The above clause continues with reference to the collateral nature of the agreement, and the employers right of determination.

Voluntary codes

In other areas a code is adopted as a statement of intent, and as a basis for obtaining the voluntary cooperation of the developer and contractor.

Example 17: Stirling Council's Code of Practice

Aim	25% of construction jobs should go to local unemployed residents
Process	A Joblink scheme to screen workers and provide operative training
Finance	Grants offered to contractors who employ Joblink participants; currently £40 per week for six months
Suppliers	Database of local companies: contractors asked to use where practicable
Monitoring	Weekly labour returns requested
Conclusion	Contractors asked to commit themselves to the code

Stirling Council is a key partner in a public-private joint venture development called Forthside which is expected to generate approximately 550 construction jobs. The joint venture company is committed to maximising the job opportunities for Stirling residents, especially unemployed people residing in priority areas. To achieve this it includes the following clause in the tender for each contract:

Stirling Council operate a Local Labour Agreement in which tenderers are requested to join and make a voluntary commitment to their code of practice. Information on the Agreement and the obligations imposed upon tendering contractors in the operation of the Agreement are included with the information pack contained within Appendix K. (Tender Preliminaries, Clause M)

The Appendix K referred to includes information on the Stirling Joblink scheme and a requirement that a prediction of the labour and sub-contractor requirements is sent to the Council's agents with the tender. Standard labour requirement forms are provided: one for direct employment, another for sub-contractors and another for the labour required for each sub-contractor. The contractor's participation in the scheme is encouraged through early information and a pre-contract meeting between the contractor and the council's Joblink coordinator. The main contractors have been willing to participate, but the involvement of the sub-contractors requires regular chasing.

Hull has recently reduced its Code of Practice for Training and Employment from a 20-page document to a single A3 sheet. This is a voluntary code which aims to establish an ethos of local recruitment among firms in the construction sector, including contractors, sub-contractors and suppliers. Companies are asked to sign a simple statement:

I/We agree to adopt the principles and actions stated in the Hull Local Labour Initiative Code of Practice for Training and Employment.

In practice the code is a tool for developing a relationship with the employer, and it is through this relationship, and the subsequent marketing of specific services, that local training and employment opportunities are obtained.

Example 18: Hull Local Labour Initiative Code of Practice

- The basic principle is that participating companies will seek to offer employment and training opportunities to local people in the first instance.
- The Code of Practice is purely voluntary, and therefore not contractually binding, but establishes an ethos for employing local people.
- *Locality*: in construction developments and major regeneration areas within the city, the Code suggests that, ideally, 15% of the workforce will live within a two-mile radius of the site and 80% will live within the Hull travel-to-work area.
- *Eligibility*: the participating company's function has to be construction related, and includes all manufacturing, supplies and services.
- *Responsibility*: the participants agree to notify Hull Local Labour Initiative (LLI) of any job vacancies; these are then passed on to all the Local Economic Initiatives in the City. The Local Economic Initiatives hold registers of suitable applicants who are matched to the employer's job specifications.
- *Grant assistance*: Hull LLI assists employers to access relevant grant support which may be available for recruitment, expansion or start-up, subject to availability.
- *Partnerships*: Hull LLI was a founder member of the Hull Employment Consortium and manages several projects under the Environment Task Force Waged Option for New Deal. Hull LLI is nationally recognised as a model of good practice and has established firm links with both national and European partners.

Example 19: Section 106 agreement in Tower Hamlets

It is not possible to include a local labour initiative as a condition of granting planning permission. However, on certain developments, it is possible to include such a requirement as part of a section 106 agreement attached to the planning permission. (Extract from a report to the London Borough of Tower Hamlets Planning and Environmental Services Committee, 25 June 1997)

These powers allow the local authority and the developers to enter into an agreement whereby the developers agree to undertake (or provide money for public agencies to undertake) works that are necessary to make the development acceptable. They are most typically used for the provision of utilities, roads and environmental improvements beyond the boundary of the development site, where these provisions are essential to permit the development of the site. However, their use for training and employment matters is permitted where the parties agree, or where the requirements are related to a planning purpose and relate to the development site. Recent analysis suggests that tackling unemployment and social exclusion is a 'planning purpose' (see Macfarlane, 2000).

In Greenwich the council has entered into over 17 planning agreements, which have together raised over £1.7 million for local training and job-matching services. This funding is used to support the activities of a local agency – Greenwich Local Labour and Business – which provides training for local people, job-matching to contractors requirements, capacity building and in-service training for local firms, and comprehensive monitoring of outcomes. This agency plays a key role in ensuring that developers honour their commitment to employing local labour. It does not set targets for each development, but works with the developers, contractors and sub-contractors to maximise the number of job opportunities that are filled by local people, and the number of sub-contracts that are won by local firms.

Planning agreements

Some local authorities have started to use their planning powers under section 106 of the 1990 Town and Country Planning Act (section 75 of the equivalent 1997 Act in Scotland) to require developers to target the training and employment impacts of their development at local people. This includes construction jobs and end-user jobs. The power can also be used to obtain funds for training and recruitment linked to the development site.

Over the first 28 months of operation the agency helped 1,500 Greenwich residents obtain work (many in construction), and 118 local firms won sub-contracts with a value of £9 million.

Example 20: Use of planning agreements in the London Borough of Greenwich

Over time the Borough has identified a number of employment-related elements for possible inclusion in the section 106 agreement. Developers are typically required to:

- endorse the activities of Greenwich Local Labour and Business and be fully committed "to ensuring that local people and businesses are able to benefit directly (from the development)": they have to agree to 'cascade' the above commitment to contractors and end-users;
- give prior notice of local employment and business opportunities;
- provide monthly monitoring information, including data on each worker's gender, ethnicity, any disability and area of residence;
- provide a (serviced) on-site recruitment and/or training facility (on larger sites only);
- pay to the council a training sum "to support the recruitment, employment and skills development of potential employees for the development from the London Borough of Greenwich". (from Macfarlane, 2000)

Good practice

- Look at ways to clearly specify your LLiC requirements (either in the tender or in a code distributed with the tender) so that contractors know what is expected when they price the work.
- Provide a mechanism to enable the local labour agency to develop a positive relationship with the developers and their contractors at the earliest opportunity.
- In the long term, a contractual approach is likely to be more effective than a voluntary approach, because it is easier to obtain (and respond to) monitoring information, and outputs are more likely to be maintained even when trading conditions mean that labour demand falls.

'Build and train' select tender list

Nottingham City Council has developed a 'build and train' category within its select tender list. This is for use in situations where the proposed task includes both a physical outcome (that is, a building) and a social outcome (that is, training and employing people from a specific community).

The category was created by advertising within the Nottingham press for firms that wished to be included. To date only one firm (a social enterprise) applied. They were awarded the first contract within the category: the provision of some work in the building of a new community centre. This was part of a SRB programme, and recruiting local unemployed people was a key requirement.

Labour supply activities

In the last two chapters the focus has been on obtaining employment and training opportunities from contractors and sub-contractors. This is the labour demand side of LLiC. However, even where there is a high level of commitment to local recruitment, it is unrealistic to expect the contractor to:

- give local labour a high priority relative to other aspects of the contract, such as, cost, quality, timetable;
- take action to identify and motivate unemployed and often unskilled people, and organise the necessary training programmes and so on.

So, the implementation of the LLiC commitment relies on good labour supply activities being organised by the client or, more likely, by public sector agencies.

The labour supply activities clearly need to be designed with reference to the aims and priorities of the LLiC scheme or programme. In this chapter the focus will be on the recruitment of local skilled and experienced workers. This will contribute to local economic development by ensuring that some of the investment in local construction work is used to pay wages to local people, which then circulate in the local economy. There is also an important PR spin-off when the development is seen to benefit local people. Subsequent chapters will focus on adult and youth trainees, and small businesses.

Job-matching

If the LLiC requirement includes a commitment to engaging local people it is important to set up a dedicated job-matching service for contractors. In

most areas the usual Jobcentre provision is not adequate because:

- it cannot respond quickly enough – in the construction industry labour may be needed within 24 hours of notification;
- staff may not be experienced in assessing the site-readiness of people putting themselves forward for site work;
- there is a low expectation among construction employers that people referred by Jobcentres will be appropriate;
- it is not possible to develop and maintain relationships between the recruitment advisors and site staff because the former do not usually have site knowledge and experience (which undermines their credibility) and do not have the time for regular site visits.

For a one-off LLiC project it may be possible to work with the local Jobcentre to provide an enhanced provision. However, in larger construction programmes and area-wide LLiC schemes (targeting a range of sites) a dedicated job-matching provision can be established (see below).

Example 21: Joblink in Stirling

Joblink is a targeted recruitment initiative established by Stirling Council, the Employment Service and Forth Valley Enterprise (the local enterprise company). It aims to develop a skills database and customised training which will enable inward investors to target their recruitment at local people – especially at unemployed people living in one of nine priority areas (with high unemployment).

There are approximately 4,000 people from across Cardiff and South Glamorgan on the Cardiff Bay skills database. However, only about 2,000 of these are considered 'active' (that is, they are site-ready and make contact when looking for work). Of these the majority do not live in the local Cardiff Bay area: staff suggest that there are only about 100 tradesmen resident locally, and interest in construction work has declined as alternative types of employment have become available.

Before being included on the database an applicant is interviewed by the job-matching team. Assessment is based on who they have worked for, their response to questions about their trade, whether they have tools and safety clothing (indicating recent activity), and the staff's views about their motivation. However, in practice the job-matching is not done using the database: staff have a chalk-board where they list (by trade) people who have 'phoned in to say they are available for work. Thus, they are selecting from a changing group of perhaps 150 people who they know are motivated and available. After vacancies have been filled staff contact the employer to check that the referrals did turn up (checking motivation), and are performing satisfactorily (checking skills/experience). This helps to maintain the credibility of the service and provide good output data.

In the early years of the redevelopment of Cardiff Bay many of the opportunities were on sites where there was a contractual commitment to employing local labour (see Example 15, p 12). Now most of the jobs are on sites where no such commitment is operated, and vacancy information comes from marketing the services to contractors, sub-contractors and employment agencies (by site visits). During the operational period the labour market has also changed substantially: there is now a labour shortage (so many contractors are keen to use the service) and the demand for construction work from local residents has declined.

The two-person job-matching team has a construction background. They have a target of 1,100 job placements per year, but are currently achieving 150 placements per month. Where suitable Cardiff Bay residents are available they are given priority. In nine years of operation it has placed over 10,000 people into construction jobs, most of them outside of the Bay area. Where a job cannot be filled from the Cardiff area,

the search will be widened to other Jobcentres – the team try to fill every vacancy.

A potential danger of job-matching from a self-selecting list is that the most pro-active and reliable workers will tend to be referred to site ahead of the less-motivated, which could reduce the effectiveness of the service in targeting the long-term unemployed.

In nearby Bristol the job-matching is based in On Site Bristol, a dedicated area-wide agency. The team includes a secondee from the Employment Service who provides a job-matching service for construction employers. The staff have two databases: a Hanlon system (see Appendix E) which includes information collected by On Site which is used for job-matching, and one provided by the Employment Service (which can only be used by the secondee) which picks up new 'construction' registrations from Bristol Jobcentres. The operation is similar to that in Cardiff, but where people repeatedly refuse jobs or fail to turn up, their employment status is checked on the Employment Service computer and those who are registered unemployed are reported to benefit officers. There is no sympathy for people who use On Site as evidence that they are available for work, if they are not actually prepared to take jobs.

In 1998, On Site Bristol placed 273 people in work from the register. In 1999 the team received about 30 job opportunities per week. Their ability to fill these vacancies depends on the duration of the job (people are reluctant to take short jobs) and on the volume of work in the trade at the time.

Liverpool's Employment Links is an agency providing recruitment services for employers in a range of sectors, while targeting recruitment at residents of the 11 Pathway areas in the City. The construction team includes seven staff: a manager, three link officers, a database coordinator and two support staff.

Access onto the local labour register is done via local Jobcentres and a network of eight outreach offices in the partnership areas. Employment Links has trained 15 officers in these recruitment centres to interview the candidates; checking their training (and certificates), their previous work history and any training requirements. This data is sent to the central register. When a vacancy arises all suitable candidates are referred to the site and the contractor is responsible for selection.

Example 22: On Site Bristol – job-matching service

Function	Activity
Database	Both the Hanlon programme and the Employment Service's LMS programme are used (on separate computers).
Registrations	<ul style="list-style-type: none"> • People registering at Bristol Job Centres are automatically recorded • People calling at local sites are referred to the register • Word of mouth referrals
Interviews	Each person is interviewed to check where they have worked, and who for, their trade skills (and certificates)
Job-matching	<ul style="list-style-type: none"> • Regular site contact to promote the register: vacancies are faxed in • Telephone people to check availability and interest in the vacancy • Give interested people the site contact
Follow-up	<ul style="list-style-type: none"> • Check who turns up with the site • Regular visits to site to maintain relationship and check performance

Example 23: Liverpool Employment Links' construction activities

Service	Details
Obtaining job opportunities	Helping developers to specify their LLiC requirements and obtain contractors commitments – a local labour agreement is often used
Encouraging employers' actions	<p>Contacting contractors to offer the job-matching service</p> <p>Maintaining contact with site staff</p>
Job-matching	Developing a database of construction labour and referring suitable candidates to site for selection
Monitoring	Inspecting and verifying contractors' site labour registers, and reporting to the developers on cooperation and outcomes

Example 24: Cardiff Bay on-site recruitment offices

Activity	Description of services
Referral point	People approaching the site looking for work are referred to the recruitment office, saving the contractor time
Skills register	A skills register is maintained, incorporating people approaching the site, and referrals from Jobcentres, construction training providers and community employment agencies
Marketing	Daily contact with contractors and sub-contractors makes it easy to market the job-matching service
Job-matching	A rapid job-matching service enables the contractors' vacancies to be filled within 24 hours
Re-registration	When contracts finish the local employees can easily re-register to find further work

Site-based recruitment centres

On large sites it has been found helpful to establish a recruitment office on the site. In Cardiff Bay the first such office was established in 1990 using accommodation provided and serviced by the contractor (see Example 15, p 12). This approach was extended to other large sites and at the peak of construction there were seven staff providing site-based recruitment services, all seconded from the Employment Service.

The key difference between the operation of the site office and other Jobcentre services is the speed of turnaround – many vacancies can be filled within 24 hours. Through the site office the Employment Service is able to obtain and fill vacancies in a sector where it normally does very little business.

A construction employment agency

Stratford Labour Hire in East London operates as a not-for-profit employment agency supplying staff to contractors, primarily in the construction sector. It employs the people involved, and charges them out to employers at a premium of approximately 30%. The premium includes employers' National Insurance and holiday pay (providing four weeks per year), producing an average net premium of about 10%. In practice, charge-out rates are adjusted to reflect market expectations: a lower mark-up is placed on unskilled jobs (5-7½% net

premium) and a higher one on professional jobs (12½-15%). The net incomes are used to pay the project's operating costs.

When a placement is offered a permanent job the agency charges the new employer a placement fee. This is typically about £250.

The project operates a Hanlon skills database. Applicants are placed in one of three categories:

- *Site/job ready*: for those who have appropriate qualifications and can show evidence of several years relevant work experience.
- *Improver*: recent qualifiers from training establishments who do not have sufficient site experience to fit the above category.
- *Trainee*: someone participating in (or prepared to undertake) training at a recognised training establishment.

Applicants who do not fit into any of the above categories are given careers counselling, and either entered as a trainee or referred to other sources of advice and guidance. Trainees and improvers are offered to employers (and paid) at rates that reflect their skills and productivity.

The agency currently has about 1,400 construction workers registered. It places about 200 people in work per year and has about 300 people on site at any one time. It is not known how many of the registered people are 'live', but a significant

number of them contact the agency when they are seeking work.

Stratford Labour Hire currently has sales of about £4 million per year. This produces a surplus of about £200,000 per year, of which one half pays for the agency's operating costs and half pays for training activities. Most of the clients are local authority direct labour organisations. To get this public sector work Stratford Labour Hire typically has to enter a competitive tender, with the critical element being the wage cost and the premium they intend to charge.

The preference for public sector clients has arisen because they are reliable payers. A key issue for the recruitment agencies is cash-flow, as the employees are paid weekly and clients are invoiced monthly. The agency cannot afford to do business with commercial companies who may delay payment. This problem limits an approach that could otherwise do much to feed local people into jobs on major local developments, both in social housing and commercial construction sectors of East London.

As far as is known, there are no other LLiC agencies operating in this way, although many private sector agencies operate in the construction sector.

Good practice

- To maximise local job opportunities organise a dedicated job-matching service for construction employers
- Where there is a substantial programme of construction there are benefits for the Employment Service in being involved: they get access to jobs they would not otherwise obtain and fill
- It is critical that the suitability and experience of the people offered to employers is properly assessed: this is best done by people with good trade experience and an understanding of the construction industry
- There must be a follow-up on people offered to site: did they turn up for interview and to start, and was their performance good?
- There must be regular visits to sites to develop and maintain relationships with contractors' and sub-contractors' staff
- There needs to be a process which allows rapid job-matching, for example, capacity for jobs to be faxed in and telephone or pager contact with potential workers
- In practice, much job-matching is done from manually-created lists of people who have recently made contact to say they are available for work (rather than from computer databases): this increases the response rate but may disadvantage those local people who are not well organised or well motivated
- Aim to fill every vacancy: if local people are not available use neighbouring LLiC schemes or Jobcentres to find labour for the contractor

Training

If a key aim of LLiC is to tackle long-term unemployment and social exclusion it will be essential to include construction training in the programme. Experience in a number of areas suggests that over 50% of those registered as seeking construction work have no recent experience in the industry and are probably looking for any sort of unskilled work. Others will have recent experience, but are unlikely to have suitable qualifications.

There are several reasons why the provision of training is important:

- With increased on-site mechanisation and off-site pre-fabrication the number of unskilled jobs on construction sites is continuing to decline.
- Recent innovations aimed at improving health and safety on sites (for example, regulations which make the developer jointly responsible with the contractor for health and safety on site) means that all workers will soon need to have their skills accredited, to have current health and safety certificates, and to have current plant operating 'tickets' where appropriate.
- Gaps in the construction labour market are for skilled workers – only by training will local people achieve long-term employability.
- The industry is reluctant to employ people who have not entered as school-leavers, partly because in the past many older (18+) entrants have been inadequately trained.

However, good quality construction training takes time and is expensive. This makes it unattractive for many training providers, and in many areas there is no appropriate training provision. This is an issue that many LLiC schemes need to tackle

early: it takes time to organise appropriate training and the building work will not wait!

Recruitment of trainees

In most areas apprenticeships for school leavers are organised by the industry training bodies, principally the CITB. However, the number of apprenticeships they can offer depends on the number of local firms willing to take on an apprentice. As can be seen in Table 1 (p 2), this often results in far fewer apprentices being recruited than the industry needs. The balance of the industry's new recruits need to come from other sources.

Interest in construction work varies between different communities. In some areas a stronger tradition of manual trades survives: in others the cultural or peer-group norms make construction work a less favoured option. These variances are exacerbated by:

- the perception of construction as providing insecure and poorly paid work and poor working conditions – local skills surveys suggest that typically no more than 10% of men are interested in construction work, and perhaps 1-2% of women;
- the bad experience that many unemployed people have had of training: in the past people have been coerced on to low quality schemes that have not resulted in a job;
- a lingering perception of construction as an industry for which you do not have to be trained.

Low levels of interest in construction work and a low commitment to training can make it difficult

to recruit trainees. Even where there are high levels of unemployment, interest in construction opportunities should not be taken for granted.

In existing LLiC schemes, recruitment for training programmes may include:

- regular displays and attendance in Jobcentres to explain what is available;
- regular briefing of Jobcentre and New Deal advisers, and careers advisers;
- promotional events in shopping centres and other places with a high population throughput (for example, doing a building display to attract interest);
- taster sessions in the training environment so that people can try it out: for example, in Lewisham women-only taster days are organised;
- press articles and items in local authority and tenants' newsletters.

Just distributing leaflets will not be sufficient, although once the training programme is established and trainees progress to work, 'word of mouth' will begin to generate interest.

In both Bristol and Tower Hamlets the LLiC teams have sought to attract more school-leavers into training. On Site Bristol have developed a training management function and use their contacts with local firms to increase the number of apprentices taken on. In 1999, 73 school-leavers obtained an apprenticeship on the scheme.

Example 25: On Site Bristol – apprentice recruitment process

Action	Process
Generating interest	Close working with careers services to access careers teachers in schools Organise small-group events in every secondary school, including business games, talks and industry visits
Recruitment	Applications are received – 300 in 1999
Interviews and assessments	All applicants take the CITB test which is marked immediately and results fed back into an interview; selection is based on a mix of test results; motivation and evidence of a stable family background
Pre-vocational training	Selected trainees attend a three-week college course operating for site hours (8.00am-4.30pm) Health and safety and some basic tool training is provided, using college funding Trainees only receive a £5-per-day travel allowance Trainees that miss more than four full days (apart from notified sickness) do not proceed
Selection by contractor	Local firms are asked to take trainees on the basis that On Site prepare and manage the paperwork, and resolve personnel and other training/performance issues Success in placing trainees relies on the good reputation of On Site with contractors
Initial employment	Trainees become the contractor's employees for a six-week trial period, paid at industry rates (currently £83.20 per week)
Training	If the appointment is confirmed the trainee starts day release at college The programme is timed to coincide with the start of the college year

In Tower Hamlets the LLiC team have developed the 'Construction challenge', a two-day workshop for 32-36 secondary school children which aims:

- to encourage young people to look at a career in the construction industry;
- to help develop links between education and the construction industry;
- to give young people the chance to sample trade skills in an enjoyable way;
- to show the stages involved in building a house.

A workshop is organised for every secondary school in the borough. Each event costs about £2,000 and is mainly funded through company sponsorship. In addition, the local authority and local contractors provide the speakers and the tradespeople that work closely with the students. The approach is now being extended to an 'Engineering challenge' which involves the construction of a bridge and aims to generate interest in the professions involved with construction.

Example 26: The 'Construction challenge' programme

Day one

Morning

- Self-appraisal exercise: students look at their current skills
- A guest speaker talks about career path planning
- Students split into groups and look at how people reach their individual careers
- A guest speaker from planning or surveying talks about building regulations, maps and design
- Groups choose a site and design a floor plan for a house

Afternoon

- A guest speaker talks about the importance of site safety
- Students work together to produce a site safety poster
- Students complete a 'spot the danger' questionnaire
- The students form two groups, each sets up a 'Construction challenge' building company and gives it a name
- The students allocate roles within the company, and produce a business plan
- The groups order materials to build their house

Day two

Morning

- Trade advisors give an insight into their particular field (such as plumbing, carpentry, brick-laying) to the students who have been allocated these tasks in the business plan
- Each group collects the materials they ordered and checks the 'delivery'.

Afternoon

- The groups use their trade skills to build a flat-pack house
- The house is assessed for quality, cost and its potential profit if it was placed on the market
- Participants evaluate the progress they have made as individuals and a team

Example 27: Typical Carey Consulting 'build and train' recruitment programme

Stage	Activities
Promotion	Press and community advertising, leading to exhibitions with staff attending at Jobcentres and relevant community facilities
Application forms	Used to check eligibility (in relation to funding sources), the need for training, and the level of interest
Initial discussions	An individual discussion with each applicant to explain how the project works; what is provided and expected; the position on unemployment benefits (their net financial position should they participate); whether the applicant wants to proceed
Partner interview	A shortlist of applicants is interviewed, and the partners (that is, the developer, college project coordinator and so on) select a group
Pre-induction meetings	6-8 group meetings set on different days and at different locations, with access becoming increasingly difficult. The aim of this is to provide more information about the programme and the trainees, and to test the trainee's commitment
Selection	The project coordinator selects the starting group, and 'reserves'

Where an LLiC project requires a high level of commitment and motivation, particular care may need to be taken in selection of trainees. Penwith Housing Association in Cornwall has worked with Carey Consulting on a programme that has involved up to 10 trainees working on housing development sites. From the contractor's point of view this has worked because of the high level of motivation and pre-site training and support given to the trainees. This is a reflection of the careful selection process used.

In contrast, the Nottingham adult training programme obtains most of their 60 new trainees each year through New Deal referrals. Many recruits have poor skills and a range of social, welfare and motivational problems. The scheme does not apply any selection criteria, but compensates for this by providing good welfare support and mentoring.

LLiC schemes are typically targeted at people who would otherwise find it difficult to access construction training and work. For school-leavers a critical selection issue is the CITB entry test which requires a good basic level of literacy and numeracy. Young people who fail this cannot

progress to training managed by the CITB, and where there are more young people seeking apprenticeships than firms willing to offer places, even people who pass the test will not enter the industry.

In response to this Tower Hamlets LLiC team have developed 'Pathway to Skilled Employment' which aims to help lower-achieving young people to obtain and complete a Modern Apprenticeship or traineeship. It builds on the LLiC team's strong contacts with schools (via the 'Construction challenge') and their contact with contractors working locally (via the team's monitoring work), to provide an extra level of pre-site training and assessment, and a training opportunity that would not usually be available to these young people. The LLiC team plays a crucial role as initiator, as independent mentor for the young people and as a problem solver.

The initial training starts on the Monday after GCSE exams finish. In this period (which is paid for by the local TEC) the trainees only receive their fares plus £2.00 per day for lunch. Completion of an NVQ 1 during this unpaid period is seen by potential employers as a sign of

Example 28: Tower Hamlets Pathway to Skilled Employment programme

Process	Timetable	Participants	LLiC team's role
Promotion	November-March prior to recruitment	LLiC team Schools Careers service	Organise and deliver the activity
Recruitment	January-May	LLiC team and applicants	Interview and select
Initial training	June-September (12-16 weeks)	Laing's Training Centre and trainees Trainees aim to obtain NVQ Level 1 and the relevant trade entry tests	Mentoring Organising apprenticeships with contractors
Modern Apprenticeship	September onwards (for three years)	Contractor and trainee CITB acts as training manager and makes training payments where trainee has passed the 'entry test' during initial training	Mentoring for both trainee and employer Finding new employer if necessary

commitment. Prior to starting on site they receive a basic tool-kit: this is on loan for the first year but then becomes their own.

Once the trainees join a company they participate in the normal industry training routes (such as day release) with the expectation that they will complete an NVQ 2 within 12 months and NVQ 3 before the end of their apprenticeship/traineeship. The CITB 'Youth New Entrants' arrangements are used to provide a route for young people to become trainee general construction operatives, rather than craft trainees.

On Merseyside the Speke Garston Development Company developed a pre-recruitment training approach for school-leavers. This was initially developed with several sheet-cladding contractors because many of the new buildings have sheet-cladding. They agreed to offer Modern Apprenticeships to local young people who successfully completed a pre-recruitment course, including passing the CITB entry tests.

The six-week pre-recruitment training was based as Bolton College and funded by the Speke Garston Partnership. The cost was £1,380 per trainee and included an outward bound week. Recruitment was done through local agencies in Speke, and a high priority was given to ensuring

that both parents and participants were fully committed to the scheme.

A total of 12 trainees started the course, 11 completed the pre-recruitment training and were recruited as apprentices; eight are known to be employed after 12 months.

Example 29: Speke Garston's roof sheeting and cladding induction course – key elements

- General induction
- Health and safety, site safety, roof safety
- Use of hand tools and material handling
- Introduction to terminology, regulations and responsibilities
- Sheeting and cladding: induction, and practical skills
- Factory and site visits
- Scaffolding: introduction, theory and practical skills
- One week of outward bound activities (in the Lake District)
- Fitness assessments
- Practical tests on using and handling materials
- Written tests on site safety and handling materials

This approach is now being broadened into a programme that will provide pre-apprenticeship training for school-leavers in a range of trades.

The Young Builders Trust ... works with disaffected youth, through site-based vocational and empowerment training aimed at enhancing employment opportunities through building homes for themselves and others in need. (Young Builders Trust, 1998, p 2)

In Havant, Portsmouth Housing Association developed a Youthbuilding project with help from the Young Builders Trust. The scheme was targeted at disaffected young people and aimed to help them obtain basic vocational skills (perhaps to NVQ Level 1) and 'employability' skills, from which they might progress to a traineeship or apprenticeship.

The trainees were engaged first through a New Deal full-time education and training option (that is, on a Benefit Plus basis). After 12 months they were employed by the contractor on an 'improvers' rate of £140 per week. Off-site vocational training was offered: four days per week in the pre-site period and two days per week thereafter.

Throughout the programme time was spent on basic skills and life-skills training. There were also team-building activities, including outward bound in the Lake District and more local activities. In retrospect the project felt it should have done more team-building activities and less life-skills work. Furthermore, although the activities were fun they did not put the participants under stress which meant that behaviour patterns were not exposed and, therefore, were not adequately confronted.

In general attendance was poor (between 60-70%) and productivity on site was poor, especially when working as a group. It was felt that performance improved when the trainees were working with the contractor's staff, rather than their peers. Of the nine trainees who started on site, one left to take up a job and two are being retained by the contractor and will continue training. The remaining six are being given job-search support and could progress if an employment opportunity can be found through the Portsmouth area-wide LLiC scheme.

Pre-site training

With the exception of school-leavers it is expected that people seeking work on construction sites will have undertaken basic training (in health and safety, use of scaffolding, lifting and basic tools and so on) and have some degree of productive capacity. Pre-site training is therefore vital for people who cannot demonstrate that they meet these criteria.

In the past, the provision of training for people who missed the school-leavers apprenticeships, has been through training centres. In the 1970s these were run by the government, in the 1980s they were privatised and in the 1990s they largely disappeared. The main problem is that the provision of training to construction industry standards is expensive and takes time. With limited budgets most training providers have focused on other industrial sectors. The result is that in many areas the only construction training available is in colleges which provide training for apprentices.

LLiC schemes have found problems in using these facilities because they cannot meet the required specifications. For example:

- continual (or at least monthly) intakes, and flexible progression times to sites: colleges are often organised around an annual intake and three college terms;
- fast progress through the curriculum in order to cover most elements of NVQ 2 in about six months: this is a challenge to college departments which are designed for day release training;
- continuous assessment for NVQ accreditation, and a willingness to accept site work as evidence of achievement;
- continuous and rigorous monitoring and reporting of attendance and performance, which is necessary to overcome problems of low motivation and to provide evidence to funding bodies;
- a positive attitude towards the potential of the trainees: college tutors may see the unemployed as poor quality workers and/or disruptive.

These are significant barriers to adult (18+) entry to construction training, and may take several years to overcome.

Example 30: Adult Training Centres – Portsmouth

In Portsmouth the pilot LLiC programme identified that the local college was not geared up to deliver all-year training for long-term unemployed people. The problem was alleviated by establishing three new adult training centres. All are run by the college, but with an ethos, operating times and staff terms and conditions of service which are different from the rest of the college. Two are located close to target recruitment areas, and one close to the main harbour development site.

Training programmes commence at four- or six-week intervals. The training centres do not close for long holidays, which facilitates a 'roll-on/roll-off' training programme. The block entry allows initial training (health and safety, access platforms and equipment) to be done in a group, which is more cost-effective. Trade training in bricklaying, carpentry and joinery, painting and decorating and general construction operations is available through individual learning programmes. In addition, two bespoke courses in interior refurbishment (a multi-skill course) and interior design and decoration (leading to self-employment) are offered.

The LLiC team (which is part of Hampshire TEC) holds the funding for the training and enters into contracts with the providers. This client role is considered important in obtaining appropriate training provision (such as, weekly attendance and progress reports). LLiC staff attend the training centres daily to monitor attendance and deal with any concerns from the trainees or staff. This level of involvement is seen as imperative. It is helping to change the approach of some of the 'traditional' tutors who were considered to be unsupportive towards to unemployed adults.

In Lewisham the Community Refurbishment Scheme (CRS) has overcome the pre-site training problem by establishing a dedicated training centre. The trainees all start in September to coincide with the college entry. They spend six months in full-time pre-site training. During this time they spend one day at college and four days in the training centre. Here they do more practical work under the guidance of a qualified trade tutor, and get help on basic skills (literacy and numeracy) and any social or welfare problems.

Waltham Forest HAT operated a construction training centre for a number of years. However, after several years there was a fall in demand for training in their target population (which was limited to three housing estates), and alternative training arrangements were found.

After five years of operation, the Nottingham City Wide Construction training programme has developed an intermediate labour market project (NECTA) to help overcome the problems of initial assessment and training. NECTA takes on building and environmental works contracts and employs new entrants to the adult training programme on these sites. The training is provided on site by working with an experienced tradesperson, and through off-site training at a local college. Initial training is provided in essential skills (health and safety, scaffolding, use of abrasive wheels and power tools) and then trainees go onto an NVQ trade training programme. A range of basic skills courses are also available (literacy, numeracy, ESOL, IT, communication skills).

The supervisors are all experienced tradespeople who are committed to their training role. They are all trained as NVQ assessors and therefore understand the training requirements. However, success in their role requires specific characteristics as there can be challenging behaviour from the trainees: the job requires self-confidence, firmness, tolerance and the ability to cope with considerable frustration.

The trainees stay with the company until both they and the NECTA staff feel that they are ready to move into a conventional employment situation, that is, they are committed to construction work, have established good work habits and have some useful trade skills to offer. The conventional site opportunities are either negotiated by the council's City Wide Construction team, or sought by the individual in response to advertised vacancies.

Example 31: Lewisham CRS programme

Stage	Activity	Trainees' funding
Pre-site training	26 weeks in the CRS training centre (four days each week) and college (one day each week) covering health and safety, trade skills, and basic skills	Benefit Plus, either through New Deal full-time education and training option (18-24), or Work Based Training for Adults (25+)
Site employment	Employed by CRS but based with a contractor (free of charge) Attends college on day release	Paid by CRS: currently £140 per week, rising to £160 and £200
Progression	Ongoing employment by existing contractor or another (with CRS help)	Employer pays wages, or return to unemployment

Site work

There are two key issues about the progression from pre-site training to site employment: timing and low productivity.

Timing

Timing problems usually arise from two circumstances:

- delays on site which mean that the work opportunities do not arise at the point where the pre-site training finishes (for example, when the college closes for a holiday);
- the duration of the work on site varies for each trade, and it may not be possible to provide a trainee with sufficient site experience to become fully productive.

These timing problems may be handled by allowing for some flexibility in the length of time trainees remain in the training centre. In Cornwall the Penwith Housing Association schemes have a flexible arrangement with the college: if site work is delayed or dries up, the trainee returns to full-time training while more work is found. This is possible because in this scheme the trainees are employed by the housing association, using grant funding.

Another common pattern is for LLiC schemes to develop relationships with a number of developers or local contractors, so that there are a range of potential sites available at any one time. The schemes in Lewisham, Portsmouth and Penwith all started with the aim of placing trainees on a limited number of large sites, but have moved to placing them with a number sites or contractors. This may work more easily when there are skills shortages: at other times it may be important to ensure that a range of contractors have a contractual commitment to taking the trainees.

Low productivity

Problems of low productivity are also likely to be eased when there is a skill shortage: contractors are willing to sustain the trainees on site until their output improves because they would find it difficult get other labour. Another approach is to provide a wages subsidy to help compensate the contractor for:

- the low productivity relative to the level of wages that have to be paid under the Working Rule Agreement and Minimum Wage legislation;
- other costs associated with taking on trainees, for example, the loss of production from other tradespeople who are supervising the trainees, for spoilt materials and abortive work, and for extra administration.

Example 32: Summary of wages subsidy arrangements

LLiC scheme	Wages subsidy arrangement
Lewisham	Trainees provided free on site for 18 months
Penwith Housing Association and Carey Consulting	Trainees provided free on site for 6 months
Reidvale Housing Association	Pay £4 per hour extra to maintenance contractors who take on an apprentice
Nottingham City-wide Construction	£80 per week for up to 52 weeks
Hull	£30 per week subsidy for 26 weeks
Portsmouth LLiC Scheme	A subsidy which reduces from £104 to £42 per week over 26 weeks (see Example 33)

The arrangements for the wages subsidy vary with the nature of the LLiC scheme and the scale of public funding that is available.

In the Lewisham CRS the trainees are employed within the council's regeneration department and placed free of charge with contractors. The same approach is used by Carey Consulting with the Penwith Housing Association projects. This makes it relatively easy to obtain a contractors cooperation, but makes the schemes relatively expensive.

In Portsmouth the wages subsidy helps to compensate the employer for the initial low productivity of the employees, but since the subsidy reduces each six weeks there is an incentive to increase the employees' productivity. There is a wages subsidy agreement for each trainee: this is an official Council Order which

identifies the employer, the employee, the sums to be paid and the agreed period of employment. To obtain payment the employer must pay wages in accordance with the improver rate in the Working Rule Agreement (about £140 per week), provide weekly monitoring forms and submit an invoice. If a contractor finds they cannot retain a trainee, that person will be offered to other employers with the remainder of the wages subsidy. Before placing trainees on site the LLiC staff carry out a health and safety inspection. Even though there is no legal duty of care for employed adult placements, the LLiC will not place trainees on a site that does not meet the required health and safety standards.

In Glasgow, Queens Cross Housing Association introduced four-year maintenance contracts but required each contractor to employ at least one local apprentice. In the first round of contracts they offered wages subsidy for the local apprentice: 100% in year one, 80% in year two, 75% in year three and 50% in year four. These employers were also obtaining CITB grants towards the training costs (but not the wages costs, as that would have been 'double funding'). In the second round of contracts Queens Cross succeeded in persuading the contractors to recruit the apprentices without any subsidy.

Nottingham City Wide Construction operates a training support fund for its adult trainees. This makes available a wages subsidy sum of £80 per week (£4,160 per year) that is paid to an employer with the trainee's agreement. The aim of this arrangement is to give the trainee some

Example 33: Portsmouth and South East Hampshire tapering wages subsidy

Weeks	Duration	Rate	Total cost
1 to 6	6 weeks	£104	£624
7 to 12	6 weeks	£78	£468
13 to 18	6 weeks	£62	£372
19 to 26	8 weeks	£42	£336
Total			£1,800

Example 34: Nottingham's training support fund agreement – requirements of each party

City Wide Construction	Trainee	Employer
Administer the grant on behalf of the trainee	Comply with the terms and conditions of employment	Offer at least 52 weeks employment at agreed wages
Supply a tool kit and pay college fees	Attend college and other courses agreed in the training plan	Ensure on-site and off-site training as set out in the training plan
Monitor the trainee's progress – at least monthly	Reimburse the cost of tools and training fees if leaving the programme in first 26 weeks	Participate in monthly reviews with City Wide Construction and the trainee Ensure trainee's timesheets are signed and returned monthly Reimburse City Wide Construction for tools and college fees when the trainee completes 26 weeks employment

degree of control over their training programme: the employer does not get paid until the trainee agrees that the terms of the support fund agreement have been met. This ensures that they are allowed time off for training, and are given appropriate work and supervision on site.

It should be remembered that many contractors will be able to obtain grant payments from the CITB towards the costs of apprenticeships and some in-service training for adults. Funding schemes change and information on what grants are currently available can be obtained from local CITB offices.

Typical sources of funding for the wages subsidies are government urban regeneration programmes, and the European Social Fund.

Social and welfare support

Success in enabling the long-term unemployed and underachieving young people to enter the construction industry relies, in many cases, on the availability of social and welfare support. This will be of increasing importance as unemployment levels fall and most of the easily employable people get jobs, and in schemes which are targeting the most difficult-to-place local residents.

Some of the most successful schemes seek to develop a long-term relationship between the project staff and the trainee. In the early days of training and employment it is essential that project staff know where the participant should be (for example, at college or on site) and where they are. If the participant cannot be located then action must be taken immediately (for example,

Example 35: Portsmouth HA Youthbuilding – recruitment issues

Key recruitment issues were:

- high debts levels: some young people "couldn't afford to participate";
- latent aggression that was not identified through the 'fun' teambuilding exercises, but quickly emerged in stressful situations;
- the 'creaming' effect of New Deal, so that most of the referrals were people that could not be placed elsewhere.
- A high proportion of the Youthbuilders had social problems (such as offending behaviour, substance abuse, homelessness). The scheme would have been easier to manage with a different mix of participants, but this would have betrayed its intentions which were to tackle social exclusion among young people.

Example 36: Nottingham City Wide Construction (CWC) social and welfare support activities

Activity	Provider	Procedures
Recruitment and progression	CWC training coordinator	Ensure training and personal development plans are developed with trainee Manage the training and social/welfare support processes
NECTA employment	NECTA welfare officer	Weekly progress review involving the trainee, the supervisor and the welfare officer Daily support and problem resolution
College training	CWC support worker	The college pay CWC to base a support worker in the college; the worker visits each training session, maintains attendance records, monitors trainee progress and sorts out problems for the trainee or the employer
Site employment	CWC training coordinator	Negotiates placements Conducts monthly review with the trainee and the employer Sorts problems for either party

going to their home, or challenging the participant when they do reappear). Regular contact with the participants while they with at the training provider or on site will help to ensure that they remain motivated, that the trainer or employer is providing what they agreed, and that disputes or problems encountered by the participant are dealt with before they lead to either dismissal or a walk-out.

Continuity is also important. In Lewisham the trainers who work with the participants during their first six months continue to meet their trainees on site or in the training centre. As tradespeople and qualified trainers they are also able to challenge inappropriate training practices. In the Carey Consulting build and train model a key element is the appointment of an apprentice supervisor who supports the trainees in both work and non-work issues, organises their work and training programmes with the contractor and college, provides on-site assessment for NVQ, maintains weekly records of attendance and performance, and generally resolves problems for the trainees, contractor or college. If the trainee is absent from site or college without agreement, the supervisor is quickly out to their home to find out why.

The Carey schemes also benefit from the appointment of a welfare officer who is based in

the college. This person provides life-skills training and access to literacy and numeracy support, and also helps address social problems (such as substance abuse or homelessness) and benefits issues. They also organise additional training if site work stops (for example, due to bad weather).

In Nottingham a key element in the success of the scheme is the level of progress monitoring and social and welfare support provided by the City Wide Construction team and NECTA. This support:

- helps the trainees to overcome social, welfare and motivational problems that are a barrier to both learning and employment;
- helps the college to meet the specific needs of people who are not typical of their trade trainees;
- gives employers the confidence to take on a trainee: they know the trainee will get support and that alternative employment will be found if necessary.

Although the trainers/employers have initially been reluctant to give time to the formal monitoring meetings required by City Wide Construction, over time they appreciate the benefits in trainee performance which is produced. In particular, if problems are identified

and solved the wastage factor in the recruitment and training programme is reduced.

A high proportion of the trainees in Newcastle Cityworks require some form of social and learning support. This is provided by a team of five training support officers (servicing 250 trainees and apprentices). The team is responsible for recruitment and induction, managing the trainees' individual training programmes (including formal reviews and so on) and supporting the trainees on non-work matters. The latter have included bereavement, drugs, homelessness, family issues, money and benefits: these are all issues that can lead to a trainee dropping-out. Cityworks makes great efforts to ensure that this does not happen – their drop-out rate is between 10% and 20%. Several of the support officers have formal counselling skills, and all have access to a database of specialist agencies that can provide support.

Continuing training

LLiC schemes which enable local or underachieving school-leavers to obtain a Modern Apprenticeship or a CITB traineeship do not have a problem with continuing training as the trainees fit into the industry's main access route. However, a problem facing trainees who miss the youth entry routes is that the completion of even an NVQ Level 2 will not be achieved without a commitment to ongoing training. Although the time required will vary between trades and between individuals, the experience of a train and build project in Gosport (Portsmouth Housing Association) was that this requires approximately 120 days of off-site training. This level of qualification is considered to be the minimum: the industry regards a full trade qualification as NVQ Level 3.

There are few LLiC schemes that can ensure the long-term training of participants. The Lewisham Community Refurbishment Scheme has the advantage of a two-year training period in which the trainees are fully funded and employed by the project rather than by contractors. In this period they can ensure continued day release training. In Nottingham the funding extends for one year. Three methods of enhancing the prospect of continuing training for adult entrants are:

- placing trainees with local small- and medium-sized contractors who will provide permanent employment and therefore have an interest in their workforce development;
- encouraging a commitment to achieving NVQ Level 3 among the trainees;
- working with the employers and the CITB to ensure that the employer can receive CITB attendance and achievement grants for their adult trainees.

Small employers may need help in setting up and managing the systems that allow CITB funds to be claimed. On Site in Bristol has some experience of this in relation to plant operator training as well as youth apprenticeships.

Greenwich Local Labour and Business has focused some of its training effort on upskilling local people. One aim of this training is to increase the earning capacity of local residents, either by helping them to obtain a qualification (for example, the earnings of an experienced building operative can increase from £5.00 per hour to £8.50 per hour if they obtain a plant operating ticket) or by increasing their productivity. As well as plant operating courses they have provided short courses in speed-painting, speed-bricklaying, scaffolding and streetworks. Other courses have been run in response to changing legislation, when experienced workers need a new certificate to be able to continue working. Over 200 people have completed short-course training over an 18-month period.

The Greenwich agency has easy access to funding (see Example 20, p 16) and can allocate this quickly. It provides training for unemployed people (but they do not have to be long-term unemployed) and people employed by local firms. Firms have to pay 30% of the cost of training their employees.

Example 37: Portsmouth and South East Hampshire adult training programme

Activity	Tasks	The LLiC team's role	Duration
Recruitment	<ul style="list-style-type: none"> • Outreach • Publicity • Initial interview by Job Centre or New Deal advisor • Referral 	<ul style="list-style-type: none"> • Organising outreach events • Producing leaflets • Links with ES 	
Assessment	<ul style="list-style-type: none"> • Assessment by the training provider • Previous site work and a genuine commitment are key requirements 	<ul style="list-style-type: none"> • Provide induction talk and help with assessment 	1 week
Pre-site training	<ul style="list-style-type: none"> • Health and safety training and progress through an individual training programme in a workshop environment • Elements of NVQ 2 achieved 	<ul style="list-style-type: none"> • Contract with college • Have a presence in college • Monitor attendance and progress • Sort out problems 	16 weeks
Site employment	<ul style="list-style-type: none"> • Employment on site with a wages subsidy • Day release at training provider to continue NVQ 2 	<ul style="list-style-type: none"> • Identify employers and negotiate subsidy agreements • Monitor 	26 weeks
Ongoing employment	<ul style="list-style-type: none"> • 40% stay with their placement employer • Others seek work through LLiC register 	<ul style="list-style-type: none"> • Help with job-search • Market a skills register (with ES staff) 	

Good practice

- Recognise that recruitment is likely to be an initial and an ongoing problem: it will need early planning and continuing effort
- Identify the training needs of the target group (for the LLiC initiative) early: it will take time to identify suitable training
- Draw up a training specification and be rigorous in checking the ability of the local training providers to meet this
- Obtain control of the training money or get the support of key funders, so that the contract with training providers can be properly enforced
- Training supervisors need to be qualified tradespeople, committed to working with the target participants, trained as trainers and assessors (for NVQ), self-confident and patient
- To ease the problems of timing the move to site, ensure that there is flexibility on the date participants must leave the training centre, and develop relationships with a wide range of employers and sites
- To ease problems of low initial productivity of trainees provide funding (such as a wages subsidy) to the employing contractor
- To maximise the retention rate (of the trainees) in both training and employment it is vital to provide welfare, mentoring, progress monitoring and problem-solving support
- Try to establish a commitment to ongoing training in both trainees and employers
- Do not overlook the opportunities for short-course training

Local business initiatives

Purchasing and business development initiatives

In a number of areas a high priority has been given to securing contracts from large developments for local firms. There are a number of rationales for this:

- increased workloads will increase employment for local people;
- developing a strong relationship with local firms (by providing them with services) makes it easier to encourage the recruitment of trainees, including the long-term unemployed;
- the initiative is organised by a business or business development agencies.

The Hull Local Purchasing Initiative aims to help local, regional and national developers and

Example 38: Hull Local Purchasing Initiative (HLPI) – services to members

Directory	Inclusion in the HLPI directory which is updated annually and distributed to all members plus 110 of the largest 'potential purchasers' in the area
Local recruitment	Membership of Hull Local Labour Initiative offering a recruitment service and a wages subsidy for recruiting local unemployed people
Procedures	Assistance with contractual and employment legislation, and health and safety procedures
Training	Organising training and accreditation in business, management, safety and technical skills, either through group courses or by identifying suitable training organisations: members typically get a 33% contribution to course costs
Business consultancy	Business health checks and support on specific issues: this is either provided by HLPI staff or through a grant towards external consultancy (typically 50%)
Market information	A weekly listing of potential contracts obtained through information from planning authorities (within a 60-mile radius) and the <i>Official Journal of the European Communities</i> .
Promotion	Approaching major developers and outside contractors to promote the directory and the local labour initiative
Financial guidance	Help with VAT, payment problems, credit ratings and tax issues
Benchmarking	Operating a 'considerate builder scheme'
Newsletter	Regular issues in which members can include items about their innovations or achievements
Events	The construction exhibition: a two-day programme of seminars on current issues, and a chance to meet other local companies

construction companies to work with locally-based sub-contractors and suppliers, and a local workforce. The initiative currently has 430 member companies which pay an annual subscription based on the number of employees: most members employ between two and 15 people, and pay either £100 or £150 per year.

The Hull scheme shares a project director and finance team with the Hull Local labour Initiative, producing a comprehensive approach to LLiC. It seeks to maximise the volume of local construction work that is undertaken by local companies (professional, engineers, contractors, sub-contractors, component manufacturers, general merchants and training providers), and maximise the number of local people that fill vacancies in these providers.

Greenwich Local Labour and Business provides business development support for local companies. This involves a business diagnosis, business advice, and training for management and operatives. The business development work is sub-contracted to a business development agency that can offer a wide range of advisors who have an Institute of Business Advice qualification. The agency has over 400 local companies on its database and, when contracting opportunities are identified via the developer's section 106 planning

obligations (see Example 17), business advisors identify suitable companies, contact them to see if they are interested in the work and put forward the selected local firms for consideration by the developer or main contractor.

In its second phase of development in London Docklands (starting in the mid-1990s) Canary Wharf Group Plc committed itself to ensuring that local people and firms had opportunities for obtaining work in the construction or end-use of the development. This decision reflected a corporate commitment and a willingness to respond to the concerns of the local authority (Tower Hamlets). To implement the commitment the company appointed a local business liaison manager who developed a database of local businesses. Using business and telephone directories, local firms were identified and interviewed to obtain information for a one- or two-page company profile. This is used to identify suitable firms for tendering opportunities. The database currently includes 350 construction-sector companies, including contractors, professional firms and specialist suppliers. Most of these are based within Tower Hamlets or the surrounding boroughs, although the list includes some non-local firms that have a significant local workforce (for example, from previous local contracts).

Example 39: Greenwich Local Labour and Business (GLLaB) – list of services

GLLaB's services to local residents	GLLaB's services to local businesses	GLLaB's services to employers, developers and main contractors
<ul style="list-style-type: none"> • Recruitment service: matching people to local job opportunities • Advice, guidance and skills assessment • Arranging and funding training • Preparation for interviews 	<ul style="list-style-type: none"> • Free recruitment service, matching skilled workers to business requirements • Advice and information on contracting and tendering opportunities • Referral of companies to developers and main contractors • Business support to help local companies win contracts and meet quality standards • Arranging training for new and existing employees 	<ul style="list-style-type: none"> • Access to local contractors and suppliers • Access to a skilled local workforce, backed up with customised training • Free recruitment service

Source: GLLB (nd)

As a Canary Wharf employee the business liaison manager has privileged access to the project development staff. This has been critical in getting early information about tendering and other business opportunities. Over time the manager has developed good relationships with key staff and developed the necessary skills to identify suitable local firms to put forward for consideration in the tendering process. By developing relationships with a wide range of companies tendering for work (many not local), the manager is now approached to identify local suppliers.

In just under three years of operation the business liaison manager has been able to trace £133.5 million in contracts going to local firms due to an intervention by the project. This represents a total of 221 packages of work, of which 90% were for sums of under £1 million. Other referrals will have produced local contracts which are difficult to track. The operation is now part of a wider local labour initiative (the Partnership) and works closely with the Tower Hamlets LLiC team which provides the construction job-matching and monitoring services.

Example 40: Local business database information – Canary Wharf

- Contact information
- Company history
- Main work and specialisms
- Size and makeup of workforce, and number of local employees
- Turnover
- Insurance cover, health and safety policies
- ISO 9002 and other quality standards
- History of work in Canary Wharf
- Recent contracts: date, project, client, status, value

Example 41: Canary Wharf – the process of targeting work at local firms

Stage	Activity
Identification	Building relationships with project managers in the developer companies to get early warning of new projects
Planning	Obtaining the tender events schedule (the timetable) for each development and identifying the critical dates for tendering each trade Discuss opportunities with the project manager
Tender list	Identify suitable firms (trade and experience, size and financial capacity, existing workload); discuss the tender with the firm; present a company profile of suitable firms to the project manager (who then does further research and decides which firms to obtain pre-qualification information from, and which to invite to tender)
Tender stage	Contact each tendering firm to offer information about potential local suppliers and sub-contractors
Appointment	Contact the successful firm to offer ongoing support on local suppliers and local labour information
Monitoring	Obtaining information from the project manager on which firms they considered using, which local firms obtained contracts and their value

Good practice

- A small business initiative (in construction) is an important element in an LLiC scheme because it helps to develop a strong relationship with local firms who will provide long-term employment
- To maximise the local business opportunities it is important to work closely with the main developers (to gain early information about contract opportunities), and gain their respect for the quality of the firms put forward
- Provide capacity building, business management and staff training for the local firms
- Integrate the small firms' work with the new-entrant training and job-placement activities

LLiC on maintenance work

In many neighbourhoods with high levels of unemployment and deprivation one of the largest expenditures is on housing maintenance carried out for the local authority and/or housing associations. Since these dwellings are where many of the socially excluded live, the social landlords may be keen to link their maintenance spending to local employment initiatives.

The nature of maintenance work will condition the scale and focus of any LLiC involvement. Key issues are:

- Much of the expenditure is in electrical and heating work that must be carried out by qualified engineers.
- Most tasks are carried out by single operatives: at best one apprentice could be placed with them.
- In recent years there has been increased use of low-maintenance materials which has reduced routine maintenance such as painting and decorating.
- External maintenance work tends to be cyclical and does not provide permanent employment.
- Work in occupied homes may be considered unsuitable for employees with a criminal record.
- Refurbishment work tends to be repetitive and limited in scope, and may not provide an adequate range of experience for a trainee.

Nevertheless, there are a number of interesting examples that can be considered.

Local authority housing

In many local authority areas maintenance work is contracted to a council-owned direct labour organisation. These have traditionally had apprenticeship programmes, although recruitment was targeted at the best of the applicants rather than at a disadvantaged group.

In Newcastle-upon-Tyne, Cityworks typically has 40 apprentices (although at present it has 63) in a construction workforce of between 520 and 620 people. The number and distribution of apprentices across trades is based on projected workflows and anticipated vacancies due to retirement. Apprentice recruitment is from Newcastle residents who pass the CITB aptitude test, although there are access routes for people who are enthusiastic but fail the test – they can go on other three-year training schemes (see below) and transfer into an apprenticeship later.

The apprenticeships last for 3-4½ years (depending on the trade). A CITB indenture is used and the participants have employed status. In the first year they are paid a reduced rate of £42 per week; after this they are paid at local authority rates. The arrangements are supported by trades' unions who wish to see a continuation of good quality training. The trainees attend day release training and are expected to achieve NVQ Level 3 before the end of their apprenticeship. Apprentices get their work experience with tradespeople. Since much of the work is housing maintenance a 1:1 ratio is common. The trade operatives are paid an additional weekly sum for

supervising the apprentice. It is left to their discretion whether they share productivity bonuses.

The progress of the trainee is monitored through quarterly reviews: one with the apprentice and a training support worker, and another with the apprentice and the supervisor. Trainees are not placed with trade operatives who are reluctant to provide support, or who merely exploit them. About 90% of apprentices are subsequently employed by Cityworks.

Cityworks receives youth training funds from Tyneside TEC to support the programme.

The City Council ... has long been convinced that the lack of employment and training opportunities for young people leads to alienation, crime, vandalism and also contributes to the breakdown of social cohesion. (City of Newcastle)

Since 1995 Cityworks has also managed a range of other youth training programmes. These have been targeted at 16- to 24-year-olds, with a bias

towards younger people. Recruitment is targeted at unemployed young people from urban regeneration areas of the city. The schemes are funded from external sources, typically SRB and Tyneside TEC. European Social Fund funding is not used, but New Deal funding is used where the employee is eligible. Most schemes are based on the following principles:

- Targeted recruitment (not selecting the best qualified candidates)
- Three-year temporary employment contract (with no guarantee of ongoing employment)
- Graduated wages: £42 in year one, £82 in year two and £106 in year three
- Work placement in a wide range of occupations within Cityworks
- Provision of literacy, numeracy and job-search skills
- The opportunity to pursue NVQs

Thanks to intensive social and welfare support (see pp 31-3) the retention rate in the programme is between 80% and 90%. Of those completing, about 65% progress to permanent employment: others go on to full-time education or training. However, one problem with the commitment to a

Example 42: Newcastle Cityworks training programmes in construction*

Scheme	Duration	Number of trainees	Activities
Apprentices	3-4½ years	63	Indentured trade apprentices
Youth employment and training	3 years	90	Participants work with Cityworks teams including construction, landscape, gas servicing, estimating Intake – 30 per year
Community Action Training Initiative	3 years	12	Provides gardening and decorating services for elderly and infirm residents in social housing in SRB areas
Women in Construction	1 year	14	Provides pre-recruitment training for women in construction skills, with work experience in Cityworks
Bridge to Work	1 year	18	Provides one year's employment in Cityworks for older unemployed people with previous construction experience and/or training
Total		134	

* Cityworks also provides training in childcare, administration and a New Deal Environment Task Force Programme

three-year programme is that the cost per job is high relative to one-year programmes.

In the London Borough of Tower Hamlets the Council has just let four maintenance contracts that include a request that the contractor "... use their best endeavours to ensure that at least 20% of the construction and related works should be undertaken by local residents". The LLiC Team is expecting to work with the contractors to ensure that these targets are achieved, but it is too early to report on progress.

In Portsmouth, contractors undertaking maintenance work for the council were asked to sign the LLiC scheme's Code of Practice, and are regularly asked to provide jobs for adult trainees coming out of the training centre (see Example 30, p 28).

Housing association maintenance contracts

Although many housing associations have been involved in LLiC initiatives on new-build programmes, there are relatively few examples on maintenance work. One of the reasons for this is that, with the exception of associations that have taken over the entire stock of local authority housing in an area, housing association properties tend to be smaller in number and more widely dispersed. This means that the general maintenance work supports relatively few jobs, and the association's contract may be only a small part of the total workload of larger contractors.

However, in Glasgow there have been two initiatives that focused on persuading the contractors to take on local apprentices.

Queens Cross Housing Association manages 3,000 housing units in the Maryhill area of north-west Glasgow. They have a history of local economic development and, after a poor experience of trying to get contractors on new-build programmes to recruit local people, they looked at the potential of using their £1 million-per-year maintenance expenditure for this purpose. Initial feasibility work identified two problems:

- a lack of training management experience within the small contractors they used;

- it was inappropriate to ask contractors to make a four-year commitment to an apprentice as part of a one-year maintenance contract.

In response the association decided to offer four-year maintenance contracts which included a contractual requirement that each trade contractor recruit and retain at least one youth apprentice. The first four-year contract covered 1995-99 and resulted in a total of 15 apprenticeships in 12 companies. The second set of contracts have produced another 15 apprenticeships.

Apprentices are registered with the CITB and are paid normal trade rates. In the first scheme, Queens Cross provided a wages subsidy: 100% in year one, 80% in year two, 75% in year three, 50% in year four. This was funded from a City Council Urban Programme Grant. In the second set of contracts no funding is offered but the contractors have agreed to participate, in part because they have been able to expand and in part because they have established the necessary administrative and supervision arrangements. It appears that the contractors can obtain other training grants (for example, from the industry levy) to support their training activity, provided that the grants do not contribute to trainee wages (which would be considered double-funding).

Reidvale Housing Association utilises a team of self-employed tradespeople to undertake its maintenance work: a plumber, an electrician, three joiners and a landscape contractor. Each is employed on an annual (renewable) contract which guarantees them 35 hours per week. They have to provide equipment, but materials are purchased through a housing association account. The association is prepared to pay a higher hourly rate (an extra £4 per hour) if the contractor engages an apprentice, and agrees to employ them for the duration of the apprenticeship. The contractor needs to meet all the employment and training costs of the apprentice. The contract states that preference should be given to local young people, but as no labour-supply support is provided recruitment is left to the contractor.

The scheme has been operating for many years, with approximately four trainees in post at any point in time. These are typically retained for three or four years. At present five contractors have taken on an apprentice, and the annual cost to the association is £36,400.

Establishing a small contractor

Two housing associations have helped establish a small contracting firm to undertake some of their maintenance. The most substantial of these is Thorpete Associates Ltd, which is a subsidiary of Leicester Housing Service Ltd – a charity linked to Leicester Housing Association. The motivation for this initiative was the delivery of a quality gas-servicing operation at a time when the main service supplier (British Gas) was increasing its prices and new legislation required all gas appliances to be re-certificated with each change of tenancy. The example is relevant because it could be used to provide local employment and training opportunities, and because approximately 60% of the profits are gift-aided back to the charity where they could be used to support training.

Thorpete Associates Ltd started with the recruitment of experienced British Gas staff who were being offered redundancy. Initially, 80% of its work was for Leicester Housing Association that entered into a three-year negotiated gas service contract at below market rates: after four years the growth of other business has reduced this to 35%. The company now services 14,000 homes in an area stretching from Chesterfield to Northampton, and east for about 40 miles from the M1 motorway. The staff of the company has grown from seven to 26; many of these work from home, covering a local 'patch'. The paperwork involved in handling approximately 1,500 jobs per week means that 25% of the staff are clerical. The company has taken on two apprentices, but faces difficulties with training because of the lack of suitable training courses. It is anticipated that more Leicester-based apprentices will be recruited.

B-TRAC is a not-for-profit company set up by the tenants' and residents' committee of Black Country Housing Association in 1996. It is based in Blackheath in the south-west of Birmingham and aims to provide training and employment opportunities (in maintenance) for tenants of the association (and their families), in an area in which surveys showed that 85% of tenants were not employed.

B-TRAC has always had to compete competitively for its work, although initially it was able to obtain work with a price equivalent to that paid to other contractors. It is paid at an agreed labour rate per hour, plus materials and a handling charge. It currently has contracts with three housing associations but it is not yet producing the levels of income needed to pay adequate wages to all of its staff. Key reasons for this are:

- it is competing with sole-traders and small companies that do not support the office and training overheads of B-TRAC;
- it does not have management with the experience to compete for additional business and lead the expansion of the enterprise.

The company feels that it is operating on the margins of viability and has not been able to expand the employment and training opportunities to the extent to which it hoped.

There have also been problems in recruiting suitably skilled workers from the 'target' tenants – of the current workforce, four are from this group and four are tenants of other client associations. The workforce includes two CITB indentured apprentices (in carpentry and joinery), a third trainee (in gardening) is placed with the company by a training scheme.

Example 43: Services delivered by B-TRAC

Activity	Description	Employees
Property maintenance	Undertaking routine, urgent and emergency property repairs for three housing associations	Three operatives Two apprentices
Gardening	Work on 23 sites throughout the year	One operative One trainee
Cleaning*	Communal cleaning at one site	One part-time cleaner

* Excludes window cleaning which is sub-contracted

Internal contracting

In Hastings, 1066 Housing Association (which took over 4,500 local authority properties) has recently established Green Machine – a grounds maintenance team employed directly by the association. This is the third 1066 initiative that aims to employ their tenants: other projects include part-time tenant care-takers and a part-time decorating team.

Green Machine provides about 65% of the association's grounds maintenance work, and does daily inspections of its 38 play areas. It was developed by two temporary staff:

- The grounds maintenance coordinator developed the client side of the activity: disaggregating the work in the existing specification (prior to re-tendering) and developing Green Watch, a network of tenants who help monitor standards in their area
- The Green Machine coordinator developed the groundwork team, organised training and work in two pilot areas, and prepared the tender for future work.

When the three-year grounds maintenance contract was re-tendered it was split into basic work and specialist work requiring large machines and/or specialist skills. Green Machine tendered for the basic work. Their price was close to the lowest commercial tender, but since VAT at 17.5% would be added to the latter, the in-house tender was 15% cheaper overall. (Unlike a local authority, a housing association cannot reclaim the VAT it pays out, but, as an in-house team, Green Machine would not need to charge VAT.)

Example 43: 1066 grounds maintenance contract

- Mow the grass 10 times per year
- Dig and weed beds once per month
- Prune shrubs and plants when necessary
- Edge up borders when necessary
- Cut hedges twice per year
- Litter-pick hedge bases once per month

Green Machine employs five operatives (all unemployed tenants) plus a coordinator. They have full-time employment contracts (with 1066), working 37 hours per week. This is in contrast to many groundwork contractors who use variable contracts and casual staff to cope with seasonal variations in the workload. Green Machine copes with the variations by careful planning and, with the client's permission, the omission of work when it is not essential. It was intended that the staff would attend training at a local agricultural college, and achieve an NVQ Level 2. However, the trainees found the training unsuitable for the type of work they were doing and preferred short-course training.

When Green Machine took over the grounds maintenance contract there were problems arising from:

- a backlog of work left by the previous contractor;
- their inexperience in managing the large volume of work;
- insufficient equipment;
- bad weather;
- a requirement to take on extra housing association work.

However, after several months the problems were overcome and tenant satisfaction ratings improved. In retrospect a more tapered transition from the previous contractor would have been helpful.

1066 have so far targeted their recruitment at tenants, for example, by advertising posts through the tenants' newsletter and through residents' association meetings. However, there have been concerns about how this targeting fits with the association's current recruitment policies which favour open advertisements which could attract non-tenants.

Good practice

- Identify the potential workload and design a scheme that is suitable for it (for example, a youth apprenticeship programme)
- Adopt an approach to contracting that maximises influence with the contractors, and provides sufficient continuity for them to commit themselves to a training programme
- Specify the training and local labour requirements in the tenders so that all applicants compete on equal terms
- Seek additional funding to cover training-related costs, at least in the initial years when the training infrastructure may need to be developed by the contractor
- If VAT charges cannot be recovered, consider the benefits of doing work in-house

Organisation and funding

Organising LLiC

The construction industry is complex. It involves a number of stages, a range of professions and organisations, and a degree of uncertainty and risk that is not present in many other industries. An LLiC initiative can complicate the process and the relationships involved, and add to the uncertainty and risk. Because of this, it is important to have an approach that is well considered, and to have staff and resources that are dedicated to organising and monitoring implementation.

The organisation and staffing of an LLiC initiative will vary with the scale of the scheme, the range of activities it is supporting, the availability of funding and whether there are existing organisations that want to be included.

Example 44 shows that there is a wide variety of local arrangements for the promotion and delivery of LLiC. However, from these arrangements we can identify a number of common patterns:

- Most schemes have one or more people dedicated to promotion and/or implementation and monitoring
- There is usually involvement from the 'client' for the construction work: it is important to have the 'leverage' of the purchaser (and their development staff) behind the project
- Delivery is organised through a partnership of agencies that can contribute their expertise and/or resources: typically, this includes the local authority, the Employment Service and the local TEC

- It is not unusual for recruitment and assessment activities to be done by one or more community-based agencies, sometimes including local Jobcentres
- Some projects have used consultants to manage some or all of the delivery, others deliver with in-house teams.

There is some experience which suggests that it is easier to maintain quality control in a scheme if all aspects are managed through a single organisation. For example, in both Bristol and Cardiff Bay it was considered important that each person being put forward for employment had been interviewed and assessed by the construction personnel who were operating the job-matching service. In contrast, Liverpool's Employment Links relies to a greater extent on non-specialist staff in a number of local employment agencies to assess people's skills and experience. The contractors are expected to take full responsibility for assessing their recruits. In both the Portsmouth and the Carey build and train projects a key element is that the LLiC scheme controls the training budget and contracts with a college to deliver to an agreed specification. If this specification is not met the funding can be withheld. This has been critical in ensuring that the colleges change their operations to suit the adult training scheme.

Example 44: LLiC organisations

Area	Organisational approach
On Site Bristol	A partnership between the City Council, TEC and Employment Service (ES) (with support from the CITB, Chamber of Commerce and English Partnerships) Includes an ES secondee
Tower Hamlets LLiC team	A team within the Council housing department It also provides services to other LLiC agencies, such as the Partnership in Canary Wharf
Liverpool Employment Links	A partnership between the City Council, TEC and ES It promotes LLiC to developers and provides job-matching and monitoring services
Lewisham	Organised by staff in the Council's economic development department Delivery is contracted through the regeneration department
Cardiff Bay	The Development Corporation promotes to developers Delivery support is provided through a consortium of local employment and training agencies The ES provide job-matching services
Nottingham	City Wide Construction is part of the training and employment work of the Council's development department It has two ES secondees NECTA is a social enterprise, with community membership
Braehead	Outputs are achieved through an on-site recruitment centre, which is run by a partnership of councils, colleges, development agencies, training and recruitment agencies (including ES), and the private sector
Stirling	Operated through the City Council, working with the ES
Waltham Forest HAT	Operated by the development team and construction manager (Bovis) Job-matching provided by in-house community-based employment agencies
Penwith Housing Association	Carey Consultants are contracted to organise and deliver the scheme The association employs the trainees
Speke Garston	The development company employs a part-time consultant to promote and oversee LLiC The Speke Garston jobs and training centre are responsible for recruitment
Hull	Two teams offering local business support and LLiC, are managed by a single director
1066 Housing Association	In-house operation, but with separate people acting as client and service delivery manager
Portsmouth LLiC team	A partnership between Hampshire TEC, the ES and four local authorities
Portsmouth Housing Association	The activity is undertaken in-house by staff in the new business development department
Newcastle	Run by the Council's Cityworks on its contracts
Manchester	Promoted by a partnership of the City Council and key developers, Manchester TEC and the ES Contract implementation is organised by each developer Training is organised by the TEC

Staffing

The number of dedicated staff and their functions will depend on the scale and focus of the LLiC activity, but also on the problems facing the target beneficiaries. As the earlier chapters have illustrated, there are some projects achieving excellent results with limited staff inputs (for example, the 30 apprenticeships achieved by Queens Cross Housing Association, or the £137 million in contracts for local firms achieved by the Canary Wharf project). Both of these had no more than one full-time equivalent worker dedicated to the scheme. However, neither scheme was trying to place long-term unemployed people into training and work. Where this is the priority (for example, in Nottingham, Lewisham, Portsmouth and Penwith) much greater staff input is needed and, because support and management needs to be ongoing, the staffing needs will increase with the number of trainees in the scheme.

Because of this variation in aims and local circumstances it is difficult to be prescriptive about staffing numbers.

Staff skills also need to take account of the aims of the scheme. Key considerations are:

- Staff with recognised construction skills and experience will be treated with more respect by construction professionals and site staff
- If the focus is training it is important to have staff who are accredited as trainers and NVQ assessors, and have a construction training background
- Schemes targeting long-term unemployed people need to provide social welfare support and advice (including advice on benefits)
- All schemes need good database systems and operations for monitoring outcomes and accounting for the use of funding

However, one danger in appointing staff with a close association with the industry (or perhaps with established training practices) is that they may give too high a priority to the values and practices of their colleagues in the industry, and not give sufficient priority to challenging and changing these so that the needs of the target beneficiaries can be met.

As the case studies show, some schemes meet

their staff and skills needs by obtaining funding and employing dedicated workers within a single organisation. Others employ some staff and obtain secondees (for example from the Employment Service) to provide other skills. Others obtain the skills by networking; some skills are in-house, but other skills are obtained by using 'complementary' services provided by other organisations.

Funding

The case studies have revealed a wide variation in the scale and source of funding for LLiC. In many projects the costs are shared among a number of agencies, and are not easily identified. For example, the Liverpool City Council scheme is serviced as part of the work of officers managing the select tender list and individual council developments, while the labour supply and monitoring activities are handled through a range of multi-functional agencies supported by the City Council, Merseyside TEC, the Employment Service and various Single Regeneration Budget (SRB) programmes.

The scale of the local provision is heavily influenced by the availability of funding; schemes can only expand to tackle a wider range of needs if funding sources can be identified (although some simple low-budget schemes have been very effective). This is especially true of adult training and placement schemes where the training and support costs are high. However, the availability of funding will, to some extent, reflect the priority given to LLiC. Both the Lewisham and Portsmouth schemes are based on substantial funding streams written into SRB programmes; in Lewisham the budget is approximately £1 million per year.

Where private companies have promoted an initiative there is rarely any funding made available (although they may provide site facilities) unless, as in Greenwich, there was a section 106 Planning Agreement that obtained funding for training and employment. An important characteristic of this funding is that it can be used very flexibly.

Elsewhere there are schemes that have asked contractors to price the LLiC element, and the additional cost can be identified. In the Landport scheme in Portsmouth (see Appendix B) the

Example 45: Potential funding sources for LLiC

Project	Main sources of funding
Lewisham Community Refurbishment Scheme	SRB and Estate Action
Penwith Housing Association	SRB and European Social Fund
NECTA in Nottingham	New Deal, European IGLOO Transnational Project, payment for work done
Canary Wharf Ltd	Funded by the development company
Newcastle Cityworks	Newcastle TEC and SRB, plus City Council and Cityworks
Reidvale Housing Association	The association's maintenance budget
Tower Hamlets LLiC team	The Council's housing budget
Portsmouth Landport Estate Scheme	SRB, Hampshire TEC, The Housing Corporation Innovation Grant, and the development budget
Greenwich Local Labour and Business	Section 106 Planning Agreements, European 'Adapt' Fund (for small businesses)

tendered sum for training and employing 12 unemployed adults and achieving 50% local labour was £54,000, which represented approximately 1.6% of the contract price. The total cost, including training, professional fees and administration was calculated as £127,000.

Good practice

- It is vital that staff time be dedicated to promoting and implementing the LLiC scheme: the scale of the staffing and financial requirements will be determined by the scale and focus of the LLiC scheme
- The funding available will reflect the priority being given to LLiC, and will partly determine what is achievable
- When a high priority is being given to tackling long-term adult unemployment it is important to develop a strong dedicated team and a significant budget
- Where possible, the LLiC project should be able to control the budget so that it can ensure a quality service (for example, from training providers)
- Projects which include staff with qualifications and site experience in construction will command more respect with developers and contractors, and will be able to ensure a better quality service
- Early attention must be given to monitoring and financial records since this is critical to securing funding

Monitoring and outputs

Measuring LLiC outputs

LLiC schemes involve the allocation of additional resources (to achieve benefits for a target community), so it is important to set targets for what is expected and to measure the outcomes against these targets. However, since construction sites are temporary and much construction employment is short-term, it is also important to consider how best to measure the impact of an LLiC initiative.

Example 45: Bute Town Link Road (Cardiff Bay) LLiC outputs

Number of vacancies offered to site office	297
Total number of vacancies filled	289
Number of inner-city residents placed	154
Number of disabled people placed	19
Number of ethnic minority placings	66
Number of residents of CBDC area placed	76
Number of trainees placed	27

Source: Cardiff Bay Training and Employment Group

Schemes with a strong involvement from the Employment Service tend to measure the number of people who are placed in a job. For example, in Cardiff Bay, the Employment Service monitors the employment outcomes through a follow-up phone call to see whether people sent to site were offered a job. However, they cannot get information on who remains on site and what proportion of the total workforce the target workforce represents. This means that they cannot report on:

- The duration of the job: was it just a few days, or was it ongoing?

- Whether the recruit was from a high-priority group (for example, local unemployed people)
- Employment of local people other than through the job-matching service (for example, apprentices, existing skilled people including those already employed by local sub-contractors)
- Whether the LLiC scheme is changing the recruitment patterns: are a higher proportion of the target group being employed?

In Braehead this problem was overcome with the cooperation of the main contractor. As on many large developments, the site security arrangements required each worker to be recorded and given a site pass. The security records were analysed to identify where the workforce lived. This information was prepared for the client and, as such, reflects their priorities rather than those of the labour supply agency which might have asked for more detailed local information.

Example 46: Analysis of residence of Braehead construction workers

Distance from site	Number of people	% of workforce
5 miles or less	637	23.3
6-10 miles	638	23.4
11-15 miles	298	10.9
16-20 miles	255	9.3
21-40 miles	512	18.8
Over 40 miles	391	14.3
Total	2,731	100.0

Source: Bovis Construction Site Pass Records

In schemes where the LLiC requirements are specified in the tender or contract it is important to specify what monitoring information is required. This is especially important when additional funding is being provided (for example, a wages subsidy for adult trainees). A typical approach is outlined in Appendix D. This requires the weekly completion of two forms:

- a weekly site labour record which records the total labour on site;
- a local labour register which provides specific information about local employees: anyone living in the local area who is working on the site – whoever they are employed by.

This information will allow local labour to be measured in person weeks, and by different categories. It will also allow the local labour element to be expressed as a percentage of the total labour usage on site, measured in person weeks. This approach was used in the Landport Estate (see Appendix B) where targets were set for local labour usage as a percentage of all labour used, for the number of local adult trainees to be employed and the total number of weeks these adult trainees were to be employed on site. The monitoring information also allowed the employer's agent to verify the claims for 'training related payments' made by the contractor.

Example 47: Landport Estate (Portsmouth) LLiC outputs

	Target	Actual number*	Actual %
Total labour used		1,087	
Local labour†	50%	580	53
Adult trainees	12	12	
Trainee time on site*	192	135	

* In person-weeks; † Portsmouth postal codes and City Council tenants living in other areas

It is important to be able to verify that LLiC monitoring information is not being falsified. If site security data is being used it is important that this gives both the home address and any local address. In other situations it can be made a requirement that the contractor retains documentary evidence confirming the home address of each worker they regard as local (for

example, a driving licence, the address part of a bill or bank statement). Alternatively, the LLiC worker or employer's agent can ask to talk to the local person. If a local job-matching register or training scheme is involved it should be possible to verify most local workers through this.

Benchmarks

This report has not sought to evaluate different approaches. Such an exercise would be complicated – even where LLiC schemes look similar they can have a different size of catchment area and a different population profile. However, it will be useful to indicate some benchmarks that appear achievable by different approaches, when they are applied with some rigour.

In city-wide schemes which seek to maximise the number of local people employed on site (including skilled workers and trainees, new employees and existing employees who live locally) it appears that a target of 50% local labour is achievable (Portsmouth, Liverpool). In similar schemes which focus on a single estate, or perhaps a borough, a target of 25% local labour is achievable (Waltham Forest HAT, Greenwich Local Labour and Business).

In job-matching schemes where the measure is the number of job-placements achieved it appears that roughly 30 placements per week can be achieved with two officers (Cardiff Bay and Bristol). Obviously, this depends on a substantial programme of construction work and contractors willing to recruit via the office.

Adult training schemes which provide a substantial period of pre-site or initial training (perhaps 26 weeks), and supported placement on site (for perhaps another 26 weeks) achieve 65-75% job outcomes (Lewisham, Nottingham, Portsmouth, Penwith). The recommended ratio of social welfare officers to trainees in schemes that focus on the socially excluded is roughly 1:50 (Nottingham, Newcastle).

On an intermediate labour market approach the ratio of tradespeople to trainees is roughly 1:4 (NECTA in Nottingham, Portsmouth Housing Association). On contractor-based schemes it should be possible to accommodate three adult trainees per £1 million in building cost (Portsmouth).

On maintenance work it should be possible to achieve one apprenticeship per contractor for each four-year period, assuming the apprenticeship lasts four years (Reidvale and Queens Cross Housing Association).

Systemise for results

Most of the LLiC schemes referred to in this report achieved good outcomes over a sustained period. To achieve this requires:

- Determination
- A well-designed approach, appropriate for the local context
- Establishing systems that ensure a routine and rigorous set of processes
- Good progress-chasing, so that all parties know that they have to fulfil their commitments
- Appropriate monitoring of progress and outcomes
- Adequate funding and staffing

Bibliography

- Advisory Committee for Public Procurement (1989) *The Beentjes doctrine: Possibilities and limits: a discussion document*, Brussels: Commission of the European Communities.
- Cardiff Bay Training and Employment Group (no date) *The road to local jobs*, Cardiff: Cardiff Bay Training and Employment Group.
- CITB (Construction Industry Training Board) (1999) *Construction employment and training forecast 2000-2004*, Bircham Newton: CITB Research Department.
- Deane, R. and Morrow, G. (no date) *Innovation and good practice key note – 1066 Green Machine*, Hastings: 1066 Housing Association.
- GLLaB (Greenwich Local Labour and Business) (no date) *Creating local jobs and business opportunities for the new millennium*, London: GLLB.
- HM Treasury (1996) *An introduction to the EC Procurement Rules*, London: HM Treasury.
- Manchester City Council (no date) *Towards 2000 together: Local employment in the construction industry: Contract implementation: Procedures manual for contractors*, Manchester: Manchester City Council.
- Macfarlane, R.A. (1998) *Local labour in construction good practice guide*, Ruislip: Warden Housing Association Ltd.
- Macfarlane, R.A. (2000) *Local jobs from local development*, York: York Publishing Service.
- Procurement Policy Team (1998) *Procurement policy guidelines*, London: HM Treasury.
- Young Builders Trust (1998) *Youthbuilding UK*, Alton: Young Builders Trust.

Appendix A: Waltham Forest HAT: extracts from LLiC tender clauses (Phase 1)

Heading	Tender requirements
Employer's objectives	<p>...working with Tenants to develop houses, people and communities.</p> <p>... to maximise the number of residents in employment.</p>
Employment	<p>Statistical information regarding the availability of tenant/resident employees will be available from a dedicated ... guidance and placement service available at each of the HAT estate offices...</p> <p>In all cases, vacancies must be filled through the estate guidance and placement service before recourse to other means of recruitment. However, responsibility for the suitability or otherwise of applicants will remain with the contractor or sub-contractor.</p> <p>The intention is that a minimum of 20% of the total personnel weeks expended in the execution of the works will be executed by tenants of the Estate.</p>
Local purchasing	<p>WFHAT intends that 20% of all materials and goods purchased shall be through the local economy and the contractor will be required to provide a Method Statement of how they will implement this requirement and to clearly and separately identify such ... [additional] ... costs if any are incurred.</p> <p>The contractor will be required to submit a copy of any proposed tender lists to the Construction Manager for inspection, prior to the tender enquiries being issued.</p> <p>... prior to the appointment of any supplier or sub-contractor, the contractor shall provide a report showing (i) the tender sum submitted by each tenderer together with an indication of the preferred tender price, and (ii) the additional amount, shown as a %, between the preferred tender sum and those of local companies indicated in the tender list.</p>

Heading	Tender requirements
Training of operatives	<p>WFHAT are to establish a construction training centre... Where trainees will be expected to obtain a recognised qualification. However, neither WFHAT or the Construction Manager will guarantee the availability of candidates for training and subsequent employment...</p> <p>The trainees, on completion of their training at the centre, will be offered work placements with the contractor (or their sub-contractors) at a cost to the contractor of £50 per trainee week for a period of 12 weeks. During this period the trainees will undertake a recognised programme of training.... The scheme will initially be offering carpentry and joinery, bricklaying and general construction operative training. This will be reviewed ... to reflect the contractor's trade requirements at any particular time.</p> <p>On completion of their training and work placement periods the contractor and/or any sub-contractors will be obliged to assess the operatives' capabilities and experience for the purpose of offering employment ... at wage rates comparable to 95% of the Working Rule Agreement rates for a further 12 weeks. The operatives are then to be considered for full-time employment ... until such time as the work element ... [trade] ... is completed.</p> <p>The number of operatives from the training programme employed by the contractor or sub-contractors should be ... a minimum of 10% of the total person-weeks expended on the works. This is in addition to the 20% use of local labour.</p> <p>The management of the site-based training programme ... will be the responsibility of the contractor.</p>
Costs and disruption	<p>The contractor's tender, via the Method Statement requested in clause A30/505, shall allow for all costs associated with the employment of trainee labour at this site and their agreement to this undertaking will be incorporated into the Contract documents.</p> <p>The contractor will be responsible for ensuring that all works executed by trainees reaches the specified standards and for the re-instatement or replacement as required of all defective work and/or materials.</p>
General obligation	<p>The trainees are to receive the same protection and benefits under the legislation regarding health and safety at work and insurances etc together with the conditions of the appropriate Working Rule Agreements etc as applies to other workers on site.</p> <p>The acceptance of these terms and conditions as part of the main contract, will not in any way prejudice or affect the Employer's rights as stated in the contract conditions, nor shall they form the basis for any claims for additional costs or charges.</p> <p>The contractor shall offer to the Employer's training supervisor a right of access to the trainees at all times.</p>
Labour record	<p>Provide each week for verification by the Employer's Agent a record showing the number and description of the ... persons employed on or in connection with the Works on each day of that week, including those employed by sub-contractors. The contractor shall be required to maintain a register showing the names of all employees, their address and the positions in which they are employed. Statistical information will also be provided which will show the number of persons employed plus information on their gender, ethnic origin and/or disabilities. Details ... [of the above] ... will be presented as a monthly return or at such other intervals as the Employer may require, for the duration of the contract.</p>

Appendix B: Extracts from the LLiC Requirements – Landport Estate, Portsmouth

Employer's Requirements – local labour in construction

The Contractor is required to comply with the LLiC requirements as detailed within Addendum F of these Employer's Requirements. All costs incurred by the Contractor in complying with this provision are deemed to be included within the Contract sum and identified separately on the Tender Sum Analysis.

It is the Contractor's responsibility to obtain the cooperation and compliance of sub-contractors and/or take whatever other actions are necessary to achieve the local labour targets and other matters as set out in the LLiC Employer's Requirements.

A briefing meeting with the LLiC Scheme Coordinator has been scheduled for 8 January 1997, to ensure that the full implications of the LLiC requirements are understood. The Contractor should arrange a suitable time on that day with the Employer's Agent: the briefing will take about one hour.

The Employer recognises that the engagement of 'adult improvers' and 'youth trainees' (as defined in the Addendum) may result in higher costs. To compensate, in part at least, for such costs a Provisional Sum will be added to the Tender price to cover 'training-related payments'. This Provisional Sum will be arrived at by the Contractor completing the schedule contained within the Tender Sum Analysis and will form part of the Tender. Claims for 'training-related payments' will only be accepted where the Operating Rules set out in Addendum F have been fully complied with.

The LLiC Requirements include:

- 50% of the total labour time required to complete the contract is to be provided by local residents, of which half should be from the core area indicated in the map in Addendum F;
- a minimum of 12 employed-status local adult trainees must be provided with a total of 240 weeks of pre-site training, 192 days of in-service training, and 192 person-weeks of employment on site;
- at least two local firms must be included in each sub-contract or component supply tender/pricing list;
- local means postal code areas PO1 to PO6 inclusive for individuals, and Portsmouth, Havant, Gosport and Fareham (LA areas) for firms;
- a LLiC Method Statement is to be provided and weekly monitoring forms are to be completed.

LLiC costs

The total cost of any claims for the cost of fulfilling the Employer's Requirements for local labour in construction must not exceed the LLiC Provisional Sum. No claims for costs (direct, indirect or consequential) above the LLiC Provisional sum will be accepted by the Employer in relation to the LLiC Scheme and implementation arrangements.

Payments from the Provisional Sum will only be made where:

- the Employer or their Agents are satisfied that the Contractor has made due efforts to achieve the targets set; and

- where the Operating Rules for training-related payments have been complied with; and
- where the monitoring forms have been duly and accurately completed and provided to the Employer or their Agent.

Training-related payments for each trainee will be calculated on the basis of rates included in the Tender Sum Analysis. In estimating the ... [latter] ... rates Contractors should take into account ... the wages set out in the Working Rule Agreement ... and grants payable by the CITB. The Employer is not prepared to contribute towards the cost of trainee-status pre-site training.

The agreement of LLiC Targets and a LLiC Provisional Sum does not comprise or imply any promise on the part of the Employer or their

Agents to provide local labour, local trainees and/or local firms. Any action taken by the Employer to broker relationships between the Contractor and local individuals/firms does not imply and should not be deemed to imply that the Employer or their agents considers the individuals/firms as suitable for engagement by the Contractor or sub-contractors. Such a judgement remains the responsibility of the Contractor or sub-contractor.

The Contractor should note that while it is the firm intention of the Employer to implement the LLiC scheme on this project, various aspects of the scheme are subject to sanction and funding by Government agencies. Should either not be forthcoming, then all or some aspects of the LLiC Scheme may be omitted.

Source: Currie & Brown, for Warden, Portsmouth and Swathling Housing Associations

Calculation of the LLiC Provisional Sum

	£
<p>A Allow here for all costs that will be incurred through the organisation and management of LLiC operations, including recruitment, trainee management, and providing monitoring information and all other work set out in Addendum F.</p> <p>Cost per week £ x person-weeks</p>	
<p>B Provide for training-related payments for trainees, allowing for additional management and supervision, materials wastage, low productivity and (where appropriate) the cost of in-service training. To be eligible for a payment the trainee must have employed status and be paid (as a minimum) in accordance with the working Rule Agreement.</p> <p>Adult Improvers (weeks 1-6 of employment) 2 carpenters x 6 weeks at £..... 2 bricklayers x 6 weeks at £..... 2 plumbers x 6 weeks at £..... (and so on up to 12 trainees) Subtotal A £.....</p> <p>Adult improvers (weeks 7-12) Subtotal A x 75%</p> <p>Adult Improvers (weeks 13-16) Subtotal A x 40% x 66%* * adjusted because on four weeks rather than six</p>	
C The calculations in B were repeated for other categories of local trainees	
D Contingency Sum	
E Total	

Note: This text is derived from the Richard Macfarlane Model LLiC Scheme, © Richard Macfarlane

Appendix C: Liverpool City Council's Local Labour Agreement

Liverpool City Council Construction Charter

Employment and training in City Council Construction Contracts

I/We hereby agree to enter a Partnership with Liverpool City Council to promote the employment and training of established residents of the City of Liverpool within City Council construction contracts, through the adoption of the provisions of a Local Labour Agreement.

Name of company.....

Address.....

Signature..... Name.....

Position..... Date.....

Since 1993 Liverpool City Council has invited contractors to sign its Construction Charter. To implement this, the City Council requires all contractors submitting a tender for works with a value exceeding £100,000 to submit a separate sealed envelope containing a signed Local Labour Agreement. This is only dated and enacted with the successful contractor after the contract has been awarded. It is a separate legal agreement, not a contract condition.

The £100,000 threshold contract value is the point where (under Standing Orders) the contract is supervised centrally within the Council (rather than by a Council department). This facilitates the easy operation of implementation procedures by Council's Contract Supervising Officer.

Local Labour Agreement

This Deed made on (date)
between (company)
whose registered office is at (address)
and Liverpool City Council is made between the parties hereto in connection with
..... (name of contract)

I/We agree that if my/our tender is accepted by the City Council I/We will ensure that the project adds value to the local economy by maximising employment and training opportunities for established residents of the City of Liverpool by:

- a) Notifying Employment Links (ELS) ... of any vacancies generated by the project, at the same time or in advance of recruitment from other sources.
- b) Working with ELS, to identify specific positive action programmes, in support of equal opportunities, where these are applicable.
- c) Ensuring that local companies (where suitable companies exist) are represented on subcontract and supply tender lists (Local companies being those located in an area having an "L" postcode prefix).
- d) Ensuring that the provisions of this agreement are transmitted to sub-contractors and suppliers involved in the project, where appropriate.
- e) Ensuring that all our employees are suitably trained and where ever possible/viable, employing trainees on appropriately approved courses.
- f) Provide reasonable access for representatives of ELS who may from time to time visit our contract works to check the labour register and:
 - i) promote their services to sub-contractors
 - ii) offer advice on training grants and employment subsidies, where available
 - iii) provide information on local companies
 - iv) seek feedback on recruits/trainees.
- g) To provide information on labour and sub-contractor utilisation, as specified in the Labour and Sub-contractor Monitoring Procedures, Guidelines for Site Management.

In witness whereof the parties hereto have executed this deed the day and year first before written. Executed as a deed by the Employer hereinbefore mentioned namely Liverpool City Council.

.....

Head of Legal Services

and as a deed by the contractor hereinbefore mentioned namely:

.....

by fixing hereto its common seal in the presence of: OR acting by a director and its secretary/two directors whose signatures are here subscribed:

Director Director

Director Director

Director Director

Note: This contract is governed by Section 17 of the 1988 Local Government Act

Appendix E: Hanlon Computer Systems Skills Register

The Skills Register is a user friendly computer system that matches people to jobs and training opportunities based on the skills that they possess. The matching process is very quick and accurate. The Skills Register is an essential tool for organisations who wish to assist disadvantaged jobseekers back to work and to provide an effective recruitment service to employers.

At the heart of the system is a register of skills. These are recorded by sector in a simple hierarchical structure. Experts from each occupational sector have created the skills lists, which are comprehensive and easy to use. Transferable skills are highlighted where appropriate.

The system produces questionnaires that can be used to record the people and job information, before guiding the user through the data entry process in a user friendly manner. The Registers provide a standard template to describe skills and this can be applied to both people and jobs. There is no ambiguity and the matching process is therefore very accurate.

The Skills Register provides useful analysis of the level of skills that exist within the client target group. When compared to the local jobs market, skills gaps are highlighted, which can be used to develop training policy. It is also very useful in attracting inward investment as it quantifies the most important asset of any community – the skills of the people.

Add Skills

Skill Group	Register	Segment	Detail	Include?	Grade
<ul style="list-style-type: none"> All Core Skills Educational Attainment Experience Miscellaneous Training Qualifications 	<ul style="list-style-type: none"> Construction Engineering Food Production General Health & Caring Hotel & Catering Information Technology Manufacturing (Eng) Office & Clerical Retail Textile Warehousing/distribution 	<ul style="list-style-type: none"> Bricklaying Carpentry Concreting Electrician General Builder Groundworking Labouring / Mate Painting & Decorating Pipe / Drain Laying Plant Operative Plastering Plumbing/ Gas Fitting Professional / Technical 	<ul style="list-style-type: none"> 1st Fix 2nd Fix Cut / Traditional Roofs Fencing Kitchen Fitting Maintenance Carpenter Shop Fitting Shuttering Window Fitting Wood Machining Workshop Joinery 	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

Current Skills				
Group	Register	Segment	Detail	Grade
Experience	Construction	Sector	Roads & Bridges	A
Experience	Construction	Specialism	UPVC Fixing	A
Experience	Construction	General Operative	Form Working	E
Experience	Construction	Bricklaying	Chimneys	B
Experience	Textile	Sector	Leather & Plastic PVC	C
Experience	Information Technology	Function / Role	IT Manager	C
Experience	Information Technology	Function / Role	Database Administrator	A
Training Qualifications	Construction	Bricklaying	City & Guilds / N V Q	
Miscellaneous	Construction	Bricklaying	Apprenticeship Served	

Client: Susie Dickinson

QuickCode:

Keyword:

The Skills Register includes a powerful reporting module that provides analysis of skill levels of jobseekers and those required in the jobs market, an analysis of positive outcomes, caseload analysis and reports for specific purposes.

For further information contact Kevin Hanlon or David Hammond at:

Hanlon Computer Systems Ltd
Rodney House
Castle Gate
Nottingham NG1 7AW

Tel 0115 959 0077
Fax 0115 941 7432
Email info@hcs-ltd.co.uk

Appendix F: Contacts

These contact details were correct at the time of going to press; however, there is quite a high rate of change in personnel and locations

1066 Housing Association

Robin Deane
1066 Housing Association
PO Box 1066
Hastings
East Sussex TN34 1WY

Tel 01424 781210
Fax 01424 781255

Braehead Shopping Centre, Glasgow

Bob Baldry General Manager Braehead Kings Inch Road Glasgow G51 4BN	Carol Ross Braehead Recruitment Centre Braehead Park Kings Inch Road Glasgow G51 4BN
---	---

Tel 0141 885 1441
Fax 0141 8854620

Tel 0141 885 6007

Bristol On Site

On Site Bristol
Bordeaux Quay
Cannons Road
Bristol BS1 5UH

Tel 0117 934 9455
Fax 0117 927 6604
Email onsite.bristol@virgin.net

B-TRAC Services Ltd

Paul Bannan
B-TRAC Services Ltd
1 Causeway
Blackheath
West Midlands B65 8AA

Tel 0121 559 0934
Fax 0121 559 0040

Canary Wharf Partnership

Gaye Harrington
Local Business Liaison Manager
The Partnership
4th Floor, Jack Dash House
2 Lawn House Close
Isle of Dogs
London E14 9YQ

Tel 020 7364 6164
Fax 020 7364 6192

Cardiff Bay Development Corporation

Chris Ashman DTZ Marchmount House Dumfries Place Cardiff CF10 3RJ	Liz Court Cardiff Bay Development Corporation Baltic House Mount Stuart Square Cardiff CF1 6DH
---	---

Tel 029 2026 2219
Fax 029 2048 8924

Tel 029 2058 5858

Carey Consulting Build and Train

Steve Carey
Carey Consulting
Suite 2, Bellevue Mansions
22 Bellevue Road
Clevedon
North Somerset BS21 7NU

Tel 01275 343589
Fax 01275 872192
Email careybat@msn.com

Construction Industry Training Board

Bircham Newton
King's Lynn
Norfolk PE31 6RH

Tel 01485 577577
Fax 01485 578176

Greenwich Local Labour and Business

Roger Richmond
Greenwich Local Labour and Business
16 Warren Lane
Woolwich
London SE16 6BR

Tel 020 8316 5731
Fax 020 8316 5182

Hanlon Computer Systems Ltd

Kevin Hanlon or David Hammond
Rodney House
Castle Gate
Nottingham NG1 7AW

Tel 0115 959 0077
Fax 0115 942 7432
Email info@hcs-ltd.co.uk

Hull Local Labour Initiative

Wendy Powell
Project Manager
Haworth House
202 High Street
Hull HU1 1HA

Tel 01482 229986
Fax 01482 594200

Hull Local Purchasing Initiative

June Herrera
Hull Local Purchasing Initiative
34-38 Beverley Road
Hull HU13 1YE

Tel 01482 611858
Fax 01482 229100
Email June@HLPI.co.uk

Lewisham Community Refurbishment Scheme

Mark Brayford CRS Coordinator London Borough of Lewisham Capital House 47 Rushey Green London SE6 4BA	Charmaine Brouard Lewisham Direct Team CRS Craft Training Centre Deptford Strand London SE8 3AG
---	--

Tel 020 8314 6398 Fax 020 8314 3042	Tel 020 8692 1999 Fax 020 8694 6648
--	--

Liverpool Employment Links

Geoff Williams
Employment Links
17 Seymour Street
Liverpool L3 5PE

Tel 0151 707 9710
Fax 0151 707 9711
Email geoff.lightfoot@xpress.org.uk

Manchester City Council

Angie Libman
Economic Initiatives Group
Manchester City Council
9th Floor, Town Hall Extension
Albert Square
Manchester M60 2LA

Tel 0161 234 1515
Fax 0161 236 5405
Email angie.libman@notes.manchester.gov.uk

Newcastle Cityworks

Will Haughan
 General Manager
 Cityworks Directorate
 Atkinson House
 Cypress Avenue
 Fenham
 Newcastle upon Tyne NE4 9JJ

Tel 0191 228 0666
 Fax 0191 211 6817

Portsmouth and South East Hampshire LLiC

Michael Barber
 Construction Project Manager
 Harbour Regeneration Employment Programme
 135 Queen Street
 Portsea
 Portsmouth PO1 3HY

Tel 023 9242 1127
 Fax 023 9243 3632

Nottingham City Wide Construction

Peter McGuire	Joe Brown
City Wide Construction	NECTA
27/31 Carlton Road	3A Cardwell Street
Nottingham	Nottingham
NG3 2DG	NG7 6FW

Tel 0115 915 0398	Tel 0115 911 3093
Fax 0115 924 3417	Fax 0115 911 3094

Queens Cross Housing Association

Ian Hughes
 QC Consultants and Project Managers Ltd
 Suite 12, Firhill Business Centre
 74-76 Firhill Road
 Glasgow G20 7BA

Tel 0141 576 0210
 Fax 0141 576 0211
 Email QC@crossworks.demon.co.uk

Penwith Housing Association

Trevor Bailey
 Penwith Housing Association
 67 Morrab Road
 Penzance
 Cornwall TR18 2QT

Tel 01736 331799
 Fax 01736 331647

Reidvale Housing Association

Rob Joiner
 Director
 Reidvale Housing Association
 13 Whitevale Street
 Glasgow G31 1QW

Tel 0151 554 2406

Portsmouth Housing Association

David Thompson
 Development Manager
 Portsmouth Housing Association
 247 Fratton Road
 Portsmouth PO1 5PA

Tel 023 9289 2384
 Fax 023 9264 6754
 Email david.thompson@phagroup.org.uk

Richard Macfarlane

Research and Project Development
 149 Chamberlayne Road
 London NW10 3NT

Tel 020 8964 2416
 Fax 020 8964 2416
 Email macfarlanesalt@compuserve.com

St Fergus, Aberdeenshire

Terry Lloyd
Mobil Services Co Ltd
Technology Department
Mobil Court
3 Clements Inn
London WC2A 2EB

Tel 020 7412 4643
Fax 020 7412 4844
Email j_terry_lloyd@email.mobil.com

Speke Garston Development Partnership

Peter Caffry
JET Centre
85-87 South Parade
Liverpool L24 2SE

Tel 0151 448 1131
Fax 0151 448 1915

Stirling Council

Pamela Brown
Environmental Services
Stirling Council
Viewforth
Stirling FK8 2ET

Tel 01786 442990
Fax 01786 443199
Email fraseri@stirling.gov.uk

Stratford Labour Hire

David Issacs
53-55 The Broadway
Stratford
London E15 4NB

Tel 020 8221 1066
Fax 020 8221 1077

Thorpete Associates Ltd

Peter Thorpe
Thorpete Associates Ltd
The Annex
133 Loughborough Road
Leicester LE4 5LQ

Tel 0116 224 1111
Fax 0116 224 1110

Tower Hamlets LLiC Team

Dave Packman
LLiC Tower Hamlets
316 Poplar High Street
London E14 0BB

Tel 020 7364 1127
Fax 020 7364 1120
Email llic316@hotmail.com

Waltham Forest Housing Action Trust

Marilyn Taylor
Orient Regeneration
4th Floor
Kirkdale House
7 Kirkdale Road
London E11 1HP

Tel 020 8539 5533
Fax 020 8539 8074

Warden Housing Association

Kumar Sivakumaren
Malt House
281 Field Lane
Eastcote
Middlesex HA4 9XQ

Tel 020 8868 9000
Fax 020 8852 2398

Young Builders Trust

Steve Carey
Chief Executive
c/o Carey Consulting
Suite 2, Bellevue Mansions
22 Bellevue Road
Clevedon
North Somerset BS21 7NU

Tel 01275 343589
Fax 01275 872192
Email careybat@msn.com