

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

30 JULY 2001

Three Cities Construction Skills Initiative

Report of the Director of Environment, Development and Commercial Services

1. Purpose of Report

To ask the Authority to support the European EQUAL bid that is being developed under the Three Cities Employment Pact with Nottingham City Council and Derby City Council.

2. Summary

- 2.1 Leicester is involved in the East Midlands 3 Cities Employment Pact that aims to create a framework for partnering between the 3 major cities Nottingham, Derby and Leicester. Arising out of this partnership, initial discussions have taken place on developing a three Cities bid under the new EU Community Initiative Programme EQUAL.
- 2.2 The starting point has been the major regeneration and development sites that are programmed to come on stream across the 3 cities in the next few years and the significant employment and training opportunities that will be generated by these activities. These opportunities will take place against a backdrop of skill shortages and a lack of new entrants into the construction sector.
- 2.3 The EQUAL bid aims to address issues of skill shortages and increase the job opportunities within the construction trade to women and ethnic minority groups that are currently under represented within the industry.
- 2.4 The project will build on the Egan Report that highlighted the poor employment record the industry had with regard to employing women and ethnic minority groups and recommended significant change. Out of the Egan Report came the 'Respect for People' Agenda that highlighted Diversity in the Workplace and Career Development and Lifelong learning as key mechanisms for change within the industry.

2.5 The project will achieve the following outputs in Leicester:

- Employ 40 people from targeted groups (women and ethnic communities) per year with a total of 120 beneficiaries over the life of the initiative in construction and allied trades.
- All beneficiaries to achieving CITB recognised qualifications.
- Provide additional training and support for beneficiaries to ensure sustainability of employment.
- Establish a Three Cities 'Code of Practice' to address widening access to industry for disadvantaged groups.
- Provide package of support for employers/contractors regarding section 106 agreements, employment practices, recruitment and use of statutory instruments.

3. Recommendations (or OPTIONS)

The cabinet is recommended to approve the support and involvement of Leicester City Council in an East Midlands Three Cities Equal bid as outlined above.

4. Headline Financial and legal Implications

Financial Implications

The project will require significant matched funding, partners that have been identified as potential matched funding organisations inc.:

- Construction Industry Training Board
- EMDA
- New Deal 18 – 24 and 25+
- Developers
- Learning Skill Councils
- Regeneration Agencies

Nottingham City Council has agreed to be the Accountable Body, the Lead Organisation will be all three authorities working to an inter authority agreement. The financial implications for the authority will be around in kind contributions. The project will require dedicated officer and support staff time.

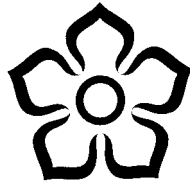
Legal Implications

Local Authorities are still bound by Section 17 Local Government Act 1988 which lists a number of matters, including workforce matters to which regard cannot be had in awarding contracts. There is however a derogation for this for best value requirements. The development of a code of practice based on best value duties is therefore a sound step.

It is assumed there will need to be an inter authority agreement and this will need legal input at the time.

5. Report Author/Officer to contact:

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SUPPORTING INFORMATION

1. Report

2.5 The project will work with the industry in order to meet the recruitment and retention targets, address the future skill shortages and to address the issues raised by the 'Respect for People Agenda'. The project will do this by:

- **Creating a Regional Alliance** - Creating a culture of change will best be served through a regional collaboration with the construction sector. An alliance needs to be created to steer the culture of change agenda and to influence strategy and policy across the region. Partners with significant mutual interest include EMDA, CITB, construction employers, unions, Housing Associations, regeneration agencies and local authorities.
- **Addressing Labour Market Needs** - The industry is forecast to increase in the East Midlands by an average yearly rate of 2.4% over the period 2001 - 2005. This translates into average annual job vacancies of 4,830 over the same period. The project will address this by: a) providing fixed term employment and training opportunities for women and people from ethnic minority groups across the region and then using the 'code of practice' to secure further employment; b) working with the industry to change the employment / training culture to one that promotes inclusion and diversity. This to be addressed by working through the major contractors with the new code of practice and by providing a toolkit of measures for contractors.
- **Developing an East Midlands Code of Practice** - For a number of years Nottingham has developed a 'Code of Practice' regarding the training and employment of disadvantaged groups and individuals within the construction industry. City Challenge implemented a similar Code of Practice and the project will evaluate the current codes and undertake a review in light of DETR guidance 'Best Value and Procurement: Handling of Workforce Matters in Contracting' with a view to implementing an East Midlands Code of Practice.

- ***Providing a sector based positive action project*** - The core of the project will be supported employment for under represented groups based on an employed status training programme within the construction sector. It will be an enhanced New Deal model though not exclusively for New Deal clients. All trainees will be offered significant support and receive initial work based skills training. They will then move into training positions within the wider industry through the implementation of a regional code of practice.
- ***Providing a Package of support*** - The project will provide a package of best practice for clients including the use of 106 agreements, social inclusion practice and statutory instruments. The project will also support beneficiaries by providing a package of support to include mentoring, basic and key skills and personal development.
- ***Cost / Benefit*** - The project will provide the authority with the opportunity to participate in a high profile European project that will change the culture of the construction industry whilst at the same time providing sustainable employment opportunities for disadvantaged groups.