

## **CONSTRUCTION EMPLOYMENT INTEGRATOR**

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### **1.0 EXECUTIVE SUMMARY**

1.1 This report seeks to establish a Construction Employment Integrator for Wirral the aim of which is to provide a mechanism that will ensure that people from disadvantaged groups and areas within Wirral are able to access job and training opportunities in the construction industry.

### **2.0 BACKGROUND**

2.1 The National Regeneration Project was commissioned by the National Employment Panel (now Working Ventures UK) in 2004 to identify how the opportunity for securing jobs in the construction industry for workless and other disadvantaged people could best be realised. It was initiated at a time of significant growth within the Construction Industry and in recognition of the fact that despite low levels of overall unemployment in the country there were a number of areas experiencing persistent concentrations of worklessness often close to areas of high growth resulting from public sector and other spending.

2.2 The CEI approach was subsequently developed and piloted in the North East - after significant consultation with industry representatives, key partner agencies and practitioners from across the country - as a mechanism to co-ordinate interventions that seek to:

- i) use procurement processes and planning to effect change, embedding obligations into public sector contracts to ensure developers, and subsequently contractors address targeted employment and training issues;
- ii) engage with employers and contractors to ensure that recruitment and training provision is more relevant and demand-led – thereby providing the industry with a supply of suitably qualified labour; and
- iii) provide tailored pre-recruitment support and routeways that will enable local unemployed/workless people to access jobs within the industry – through greater integration and more flexible use of mainstream programmes and funding.

2.3 Given the potential benefits of the integrator approach<sup>1</sup> Working Ventures UK are now seeking to roll it out to other areas of the country and potentially other employment sectors.

2.4 Since the original development of the CEI approach there has been a downturn in the economy and aggregate demand for labour in the construction industry has fallen. However given the developmental time required to establish new effective CEI

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<sup>1</sup> Estimates suggest that exchequer savings associated with an unemployed person securing a skilled or semi-skilled moving into construction range from £905-£4,403 for JSA claimants and from £6,336 to £30,821 for IB claimants.

operations, it is appropriate that WVUK should be exploring the roll out of activity at this time to ensure that structures are in place when the economic upturn takes place. Furthermore, given the aim to support access to employment and training for those furthest from the labour market, it can be argued that there is an enhanced need for such interventions during periods of slow economic performance. Therefore, it remains an important objective of the CEI approach that the leverage from public sector led capital expenditure is used to maximise training and employment opportunities for people in disadvantaged areas of the country.

2.5 A Business Plan for the CEI has been prepared by Amion Consulting on behalf of the Council and Working Ventures (UK) and key aspects of it are summarised in the paragraphs which follow.

2.6 The CEI proposal has been supported in its development by the Wirral Economic and Development Skills Partnership, the Learning and Skills Council, Job Centre Plus, the Employer Coalition, the Colleges, Private Sector Developers, Registered Social Landlords, the North West Development Agency and all Council Departments.

### 3.0 STRATEGIC CONTEXT

3.1 The aims and objectives of the CEI will contribute to a number of the key priorities contained within the Regional Economic Strategy for the North West Region. These are shown below in relation to the agencies key 'drivers'.

<b>Improving productivity and growing the market</b>	<b>Conditions for sustainable growth</b>	<b>Growing the size and capability of the workforce</b>
Regional sectors - develop key internationally competitive sectors	Investment – encourage and make better use of, public and private investment in the region	Job Linkages – link workless people and vacancies to improve employment rates
Sustainable consumption and production – develop resource efficiency, sustainable procurement and corporate social responsibility	Community – reduce social exclusion	Local Employment – develop local employment and business start up opportunities in areas remote from growth and areas with low employment rates
Skills and Education <ul style="list-style-type: none"> <li>– tackle lack of basic skills and qualifications</li> <li>– meet skills needs of sectors and growth opportunities</li> <li>– invest in workforce development</li> <li>– develop education infrastructure and skills of the future workforce</li> </ul>		Population change – respond to an older workforce and fewer young people

- 3.2 At a sub regional level there are two strategies that the Construction Employment Integrator will need to take account of – the City Employment Strategy and the emerging Multi Area Agreement.
- 3.3 The Merseyside City Employment Strategy was developed in 2007. It sets out three strategic objectives that will aim to:
- i) increase the supply of suitably skilled labour to meet demand from growth and for replacement labour across the whole travel to work area;
  - ii) build skilled, working communities, eliminating child poverty and increasing opportunity and social mobility; and
  - iii) make a real difference to businesses and communities around the opportunities of European Capital of Culture 2008 and related economic growth.
- 3.3.1 The Multi Area Agreement for Merseyside builds on the work started by the City Strategy Partners in setting worklessness targets for the sub region. The Construction Employment Integrator project will contribute towards these targets and be delivered in line with the principles agreed by the Local Authorities.
- 3.3.2 The corporate plan for Wirral 2008-2011 sets out a vision for the development of the borough for the next 3 years. The Council aims to create a more prosperous and equal Wirral, enabling all communities and people to thrive and achieve their full potential. The CEI will contribute towards the aim.
- 3.3.3 In order to assist the achievement of a more prosperous economy, the Council recently approved its Investment Strategy. It was developed to inform decisions on the use of external public funds and secondly to provide a framework for commissioning projects using Working Neighbourhoods Fund with a focus on:
- Wirral's most deprived communities/locations;
  - Priority groups of residents across the borough; and
  - Creation of employment in the areas of opportunity within the borough and improving accessibility to jobs in neighbouring areas.

#### 4.0 THE DEMAND FOR THE CEI

- 4.1 The CEI Business Plan has mapped the projected construction activity across the public and private sectors in Wirral over the next ten years.
- 4.2 This mapping has included specific initiatives such as the Housing Market Renewal Initiative new build programme, Registered Social Landlord new build activity, Council programmes [such as Building Schools for the Future & Highway works], private sector gap funded projects, developments in Wirral Waters and Woodside, together with externally funded regeneration projects such as New Brighton Phase 2.
- 4.3 The current economic downturn is affecting a number of construction projects and their timescales but the business plan identifies that there is sufficient activity from the public sector to establish the CEI and if it is established now then the initiative will be in operation when the economic upturn takes place and, therefore, Wirral can maximise for its residents the training and employment opportunities which will result from increased construction activity.

## 5.0 AIMS OF THE CEI

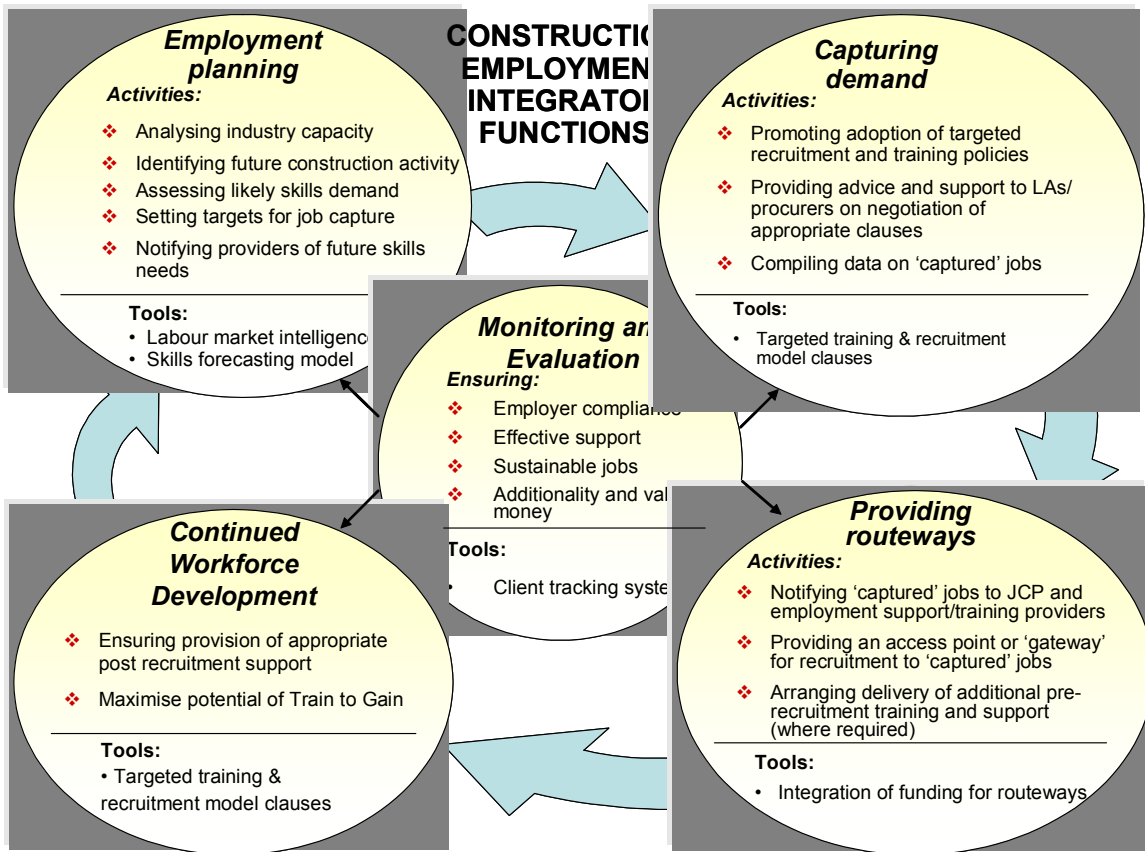
5.1 *The aim of the Construction Employment Integrator is to provide a mechanism that will ensure people from disadvantaged groups and areas within Wirral are able to access jobs and training opportunities arising in the construction industry.*

5.2 In particular, and in line with the national objectives, the CEI will seek to:

- use procurement processes and planning to effect change, embedding obligations into public sector contracts to ensure developers, and subsequently contractors address targeted employment and training issues;
- engage with employers and contractors to ensure that recruitment and training provision is more relevant and demand-led – thereby providing the industry with a supply of suitably qualified labour; and
- provide tailored pre-recruitment support and routeways that will enable local unemployed/workless people to access jobs within the industry – through greater integration and more flexible use of mainstream programmes and funding.

## 6.0 THE CEI FUNCTIONS

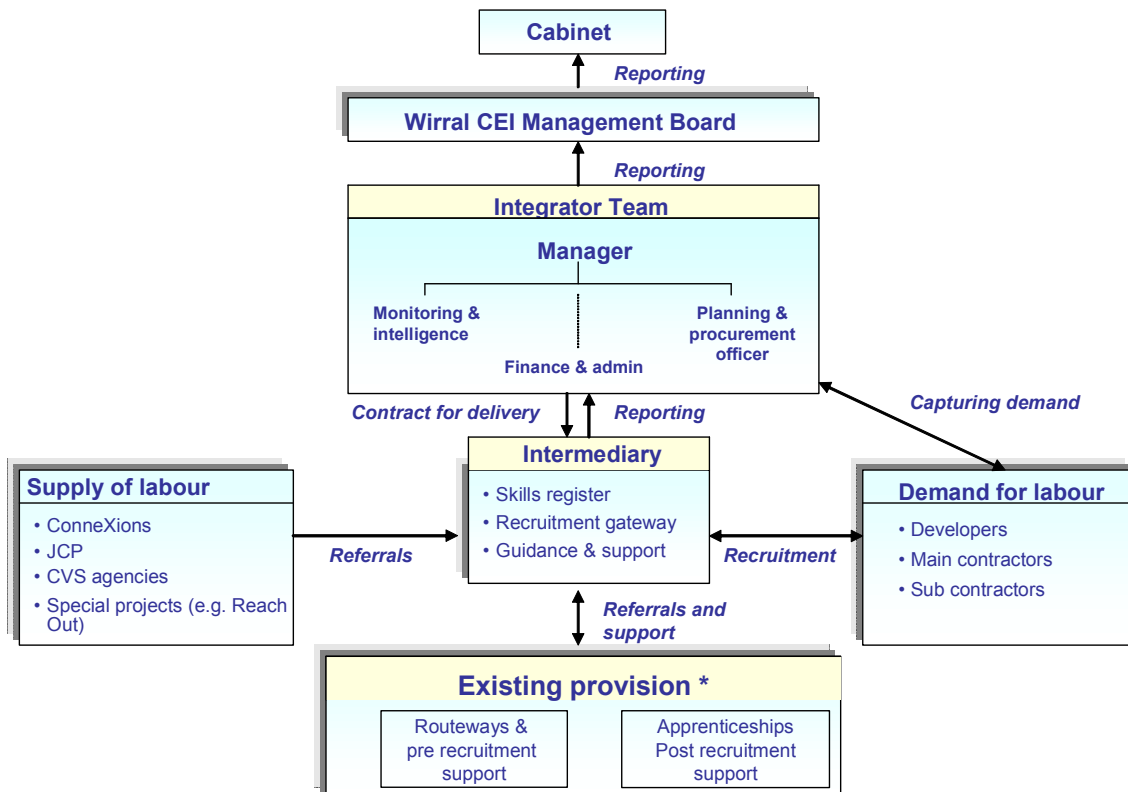
6.1 The diagram below provides a summary of the integrator functions.



## 7.0 THE DELIVERY STRUCTURE FOR THE CEI

7.1 The delivery structure is set out in the diagram below.

### Wirral Construction Employment Integrator (CEI) delivery structure



\* Where necessary, on the advice of the intermediary, new provision may be contracted for in order to fill gaps

## 7.2 The key points to note are as follows:

- The CEI will report to Cabinet and to the Council's partners through the Wirral Economic Development and Skills Partnership;
- The CEI Management Board will be operational in its focus and will have representatives from officers of the Council, the North West Development Agency, the Learning and Skills Council, Job Centre Plus, Employer Coalition, Construction Skills and the construction industry;
- The Integrator Team will be employed by the Council as the Council will be the lead organisation for the CEI project. Job descriptions have been prepared as part of the Business Plan and if Members approve the CEI project then a report will be taken to Employment and Appointments Committee in June 2009;
- The Intermediary will be secured through a competitive tendering process based upon a specification which has been prepared as part of the Business Plan;
- The "existing provision" which will provide routeways and pre-recruitment support and apprenticeships and post recruitment support will be funded by agencies including the Learning and Skills Council and this will bring added value to the CEI project.

## 8.0 STAFFING STRUTURE AND KEY RESPONSIBILITIES

### Wirral CEI staffing structure and key responsibilities

Post	Main role
CEI manager	To manage the delivery of the Wirral CEI project and ensure that there is a supply of suitably qualified labour (from disadvantaged groups and areas) to meet the 'captured demand' from developers and construction employers in the area.
Planning and Procurement officer	To work with key developers and other procurement agencies to capture the demand for employment and training opportunities through the use of Targeted Training and Recruitment (TRT) clauses and policies.
Monitoring and Intelligence officer	To monitor contractor compliance and client progression and ensure that demand intelligence is effectively shared with training providers to facilitate the provision of demand led training.
Finance and administration	At this stage it is envisaged that Wirral Council will provide the necessary administration and financial support required by the team.
Intermediary organisation	To manage the recruitment, training and placement of individuals into the construction training opportunities captured by the CEI team and ongoing monitoring of progression.

## 9.0 PERFORMANCE MONITORING AND REPORTING

9.1 As referred to earlier, the CEI will need to provide regular monitoring and performance management information in order to continually review the effectiveness of the approach. It will be essential to gather information regarding the cost and the numbers accessing and retaining jobs in the industry (by sector and occupation) through the interventions of the integrator.

9.2 The monitoring and intelligence officer will be responsible for establishing an overall CEI monitoring system and the process by which contractors and the intermediary organisation will report. This information will be crucial for a number of reasons:

- to ensure performance is on track;
- effective targeting and engagement of the 'client' group;

- to provide an indication of the responsiveness of the training;
- to ensure contractors are complying with their recruitment targets; and
- to ensure that individuals continue to receive training support, post recruitment.

9.3 This output monitoring information will be supplemented with feedback from employers and trainees to ensure that trainees are acquiring the right type of skills and quality of training required by the industry.

## 10.0 PROPOSED OUTPUT

10.1 The proposed outputs are set out in the table below:

<b>Outputs</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Outcome based</b>			
Training opportunities committed via targeted recruitment and training agreements	30	50	100
Employment opportunities filled by the intermediary	40	70	140
% filled by hard to help groups currently disadvantaged in the labour market:			
- training opportunities	75%	80%	85%
- employment opportunities	50%	60%	75%
Residents from target groups/areas receiving continued training and gaining qualifications	60%	70%	80%
Residents from target groups/areas remaining in work after 13 weeks.	60%	70%	80%

## 11.0 FINANCIAL IMPLICATIONS

11.1 The costs of establishing and running the Integrator for a period of three years amount to £885,955. It is proposed to fund all these costs from the Working Neighbourhoods Fund which is part of the Council's Area Based Grant.

11.2 As the CEI becomes established a contribution from other agencies and the construction industry will be sought to expand its activities further into the construction sector and potentially into other sectors.

## 12.0 STAFFING IMPLICATIONS

12.1 The CEI will require an Integrator Team to be established by the Council which will comprise of a CEI Manager, a Planning and Procurement Officer and a Monitoring and Intelligence Officer. These posts have been fully costed in the Business Plan and a report recommending the establishment of these will be taken to Employment and Appointments Committee in June 2009.

12.2 The Finance and Administration support will be provided from existing resources within the Council's Regeneration Team.

## 13.0 EQUAL OPPORTUNITIES IMPLICATIONS

13.1 The CEI identifies an opportunity for securing employment in the construction industry for workless and other disadvantaged people who are furthest away from the labour market.

#### **14.0 COMMUNITY SAFETY IMPLICATIONS**

14.1 There are none arising directly from this report.

#### **15.0 LOCAL AGENDA 21 IMPLICATIONS**

15.1 There are none arising directly from this report.

#### **16.0 PLANNING IMPLICATIONS**

16.1 There are none arising directly from this report.

#### **17.0 ANTI-POVERTY IMPLICATIONS**

17.1 The CEI will enable those with no or low incomes to access employment in the construction industry and this will have a positive effect on reducing poverty.

#### **18.0 SOCIAL INCLUSION IMPLICATIONS**

18.1 The CEI will target people who are workless and form disadvantaged groups and this will promote social inclusion.

#### **19.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

19.1 This report has implications for all Wards.

#### **20.0 BACKGROUND PAPERS**

20.1 The confidential Business Plan for the CEI was used in the preparation of this report.

#### **21.0 RECOMMENDATIONS**

21.1 It is recommended that:

- i) the Construction Employment Integrator as set out in this report is established in Wirral.
- ii) the Director of Regeneration submits a report to the Employment and Appointments Committee in June 2009 to establish the posts for the Integrator Team.

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