

# Taunton Deane Borough Council

**Executive - 12 October 2011**

## **Proposal to Adopt a Client-based Approach to Delivering Construction Skills in Taunton Deane**

### **Report of the Economic Development Specialist**

(This matter is the responsibility of Executive Councillor Norman Cavill)

#### **1. Executive Summary**

- 1.1 Officers are seeking the Council's approval to work with other Somerset local authorities and ConstructionSkills to adopt a Client-Based Approach (CBA), to deliver employment, apprenticeships and training through their major construction projects.

#### **2. Background**

- 2.1 Construction projects are increasingly recognised as an opportunity to deliver recruitment, training and other social benefits, including improving the local skills base. Many Local Authorities and other public sector bodies are already using charters, voluntary agreements and contract clauses to achieve this, tying developers and construction companies into delivery of a minimum number of skills and employment opportunities.
- 2.2 ConstructionSkills is the Sector Skills Council and Industry Training Board for the Construction industry. The Client-Based Approach (CBA), adopted by ConstructionSkills and the National Skills Academy for Construction, provides a toolkit to deliver employment, apprenticeships and training for public sector clients through their construction projects. Based on successful National Skills Academy for Construction projects, it includes all of the necessary components to deliver opportunities on any new-build or repair and maintenance contract, including 16 benchmarks that have been 'employer approved'.
- 2.3 Somerset Local Authorities already have some experience of negotiating education, employment and skills outcomes for local people through the Project Taunton and Building Schools for the Future contracts. The CBA would build on Project Taunton's 'Taunton Protocol' by putting firm, measurable outputs into construction contracts.
- 2.4 Whilst the Key Performance Indicators (KPIs) and benchmarks developed for the CBA apply to construction contracts only (including new build and maintenance)

there is the potential to work together with other Sector Skills and Training bodies to develop a set of KPIs and benchmarks for non-construction contracts.

- 2.5 The KPIs and benchmarks, approved by employers within the Construction sector, may also be used to support the Local Authorities to justify and secure s106 contributions for education, employment and skills through the planning process. Officers will liaise with colleagues in Development Management with a view to extending the CBA approach to all major construction projects in the Borough, depending on its success in relation to the Council's own projects.
- 2.6 In Taunton Deane there are a number of significant infrastructure projects on the horizon, for which the Local Authority (TDBC or SCC) will be the client. These include the Taunton Northern Inner Distributor Road, Taunton Town Centre Redevelopments, and Superfast Broadband Delivery. Each project would have a dedicated Employment and Skills Plan, submitted by contractors, with 16 KPI's and associated benchmark targets. Assuming that 70-75% of costs associated with these schemes are construction costs and using ConstructionSkills benchmarks, the NIDR and Superfast Broadband contracts alone could generate a minimum of 15 apprentices, 30 local jobs, 20-30 NVQ's and multiple links to local schools for work placements and curriculum activities.
- 2.7 The Corporate Scrutiny Committee considered this item at its meeting on 6 September 2011 and supported the proposal.

### **3. Proposal**

- 3.1 ConstructionSkills has approached the Council to adopt a Client Based approach to its major construction projects. The approach would be embedded in all contracts above £1m and would open up the opportunity for the Council to apply for National Skills Academy for Construction Status.
- 3.2 Working alongside the other local authorities in Somerset Officers propose that the Council:
  - Confirms its commitment to jointly adopting the CBA and applying for National Skills Academy for Construction Status;
  - Revise the necessary procurement policies and processes to embed the CBA;
  - Maintain ongoing dialogue between Procurement services and Economic Development Teams across the County to explore the adoption of social value clauses in all future contracts.
- 3.3 Should other Councils in Somerset also sign up it is proposed that the County Council's Economy Group be requested to provide the administration of the scheme. This will ensure that:

- Each Local Authority can calculate the education, employment and skills benefits that can be expected from construction contracts;
- The KPIs and expectations of any contractor in Somerset are consistent across the County;
- The Authorities make best use of existing officer resources and avoid duplication of effort.

#### **4. Author's Comment**

- 4.1 In adopting this approach, the Council can strengthen its commitment to generating and safeguarding jobs within the local economy, supporting a rebalancing of the economy and providing leadership to other public, private and voluntary and community sector organisations.
- 4.2 Officers are keen to progress and implement the CBA alongside the County Council and other District Councils in Somerset. However, should any one of those potential partners encounter difficulties in adopting the protocol it is important that Taunton Deane is not delayed by that partnership approach.
- 4.3 It is inevitable that the majority of contracts will not run in parallel with the academic year. Therefore, particularly when apprenticeships are offered, it will be vital to make timescales explicit.

#### **5. Finance Comments**

- 5.1 ConstructionSkills offers a Management Information System called SPONSA (Skills Plan of the National Skills Academy), which facilitates data collection, and enables the benefits of best practice sharing and benchmarking against other clients and projects. It has a nominal charge of £3000 per annum but Officers will only subscribe if joint purchase of the system with Somerset County Council is possible. That cost would be met from the existing Economic Development budget.

#### **6. Legal Comments**

- 6.1 There are no legal implications directly arising from this report.

#### **7. Links to Corporate Aims**

- 7.1 This proposal links to the Regeneration Aim of the Corporate Strategy.

#### **8. Environmental and Community Safety Implications**

- 8.1 There are no direct environmental or community safety implications arising from this report.

#### **9. Equalities Impact**

- 9.1 The Client Based Approach will strengthen the Council's commitment to enabling people from a disadvantaged background and people who are from a

background of deprivation and a low income to access skills and employment opportunities.

## 10. Risk Management

<b>Risk</b>	<b>Low/Medium/High</b>	<b>Mitigating Action</b>
Benchmarks are set at too high a level and act as a disincentive to development	Low	The benchmarks proposed by ConstructionSkills have been drawn up after close consultation with construction employers. If the CBA does act as a disincentive the Council will be able to disengage from the programme.

## 11. Partnership Implications

11.1 Other local authorities in Somerset have been similarly approached by ConstructionSkills, so a partnership approach with those authorities would make practical sense. In addition to Taunton Deane Borough, this will also support the Heart of the South West Local Enterprise Partnership and the Somerset Employment and Skills Board to achieve their priorities for job creation, economic inclusion and skills, as well as providing opportunities to develop local supply-chains.

## 12. Recommendation

12.1 That the Council adopts the Client-based approach to ensure delivery of employment and skills opportunities in all major construction projects in which it has a controlling influence, and authorises Officers to progress an application for National Skills Academy status.

**Contact:** David Evans  
Tel. 01823 356545  
Email: [d.evans@tauntondeane.gov.uk](mailto:d.evans@tauntondeane.gov.uk)