

# Housing, Regeneration and Planning



The Scottish  
Government

Linking Opportunity and Need:  
Maximising the Regeneration  
Benefits from Physical  
Investment



social  
research

**LINKING OPPORTUNITY AND NEED:  
MAXIMISING THE REGENERATION BENEFITS  
FROM PHYSICAL INVESTMENT**

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# **SUMMARY**

## **Chapter One: Introduction**

1. In recent years local economies across the UK have enjoyed greater economic buoyancy than for a considerable period of time. However, the gap between the poorest communities and the average has remained stubbornly resistant to change. This imperative to link opportunity and need is the basis of this research.
2. Linking opportunity and need (LOAN) is an approach to capturing the interventions to enable disadvantaged individuals and communities to compete for and access the employment and training opportunities arising from regeneration investments.
3. The concept, in its simplest form, is straightforward as it aims to connect opportunities on the demand side of the labour market to need on the supply side.
4. LOAN tends to focus on employability interventions that are designed to link the employment opportunities of an investment to local unemployed residents, but can be extended to wider local economic development issues.
5. The economic or employment legacy from investments in or close to disadvantaged areas has often been small or non-existent.
6. The variations in LOAN approaches mean that a ‘one size fits all’ approach is not possible.
7. This research does not attempt to generate a generic solution, but sets out to explore and understand the challenges and success factors from a range of good practice approaches, to identify lessons that can potentially help shape future policy and improve our record at linking opportunity and need.

## **Chapter Two: LOAN Case Studies**

8. Selecting the LOAN case studies was a 2 stage process firstly to identify a pool of examples that reflected the variations in investments, opportunities, needs and approaches which demonstrated good practice, and secondly to choose 12 for detailed investigation.
9. Each case study comprises an in-depth review of relevant programme documentation and materials, interviews with the project manager and key staff and interviews with funders and/or partners.

10. The 12 case studies selected were:
  - Glasgow Fort Partnership, Easterhouse
  - Routes to Inclusion, Lanarkshire
  - London Stanstead Partnership, London
  - Quays to Employment, Gateshead
  - Building One Stop Shop, Wembley
  - West at Work, West of England
  - Edinburgh Waterfront, Edinburgh
  - Glasgow Housing Association, Glasgow
  - Raploch Urban Regeneration Company, Stirling
  - Handleman UK, Bolton
  - Hillcrest Housing Association, Dundee
  - Salford Health Investment for Tomorrow (SHIFT), Salford.

### **Chapter Three: Design and Development of a LOAN Approach**

11. To develop a successful LOAN approach there needs to be a comprehensive understanding of both the nature of the '*opportunity*' on offer and the '*need*' in a particular area or amongst specific groups. This knowledge and understanding should form the basis for the design and development of the approach and its subsequent implementation.
12. The types of opportunities that arise from a specific regeneration investment are likely to offer the potential for jobs at the construction stage, end-use stage or both.
13. Although a challenging exercise, a mapping of the scale and timing of investments can be used to indicate the number, type and timing of potential jobs.
14. The identification of need amongst the residents of a particular area of members of specific target groups is critical, although the evidence from the case studies suggests that a detailed understanding of the labour market is relatively weak.
15. Once the opportunity and needs around a regeneration investment have been identified, the LOAN approach can be developed.
16. Although each approach has its own individual context and characteristics, they can be roughly divided into those with a major focus on the construction phase versus those predominantly delivering end-use opportunities.
17. In construction-phase LOAN case study approaches:
  - If the public sector is the developer it holds a strong bargaining position whereby LOAN aims and objectives can be imposed through the procurement process. This can be a mandatory approach supported by the contracting process or a voluntary approach supported by strong contractor commitment.

- If the developers are in the private sector, it is more difficult to persuade them to recruit local unemployed people for their vacancies, but well thought out and supported ‘best endeavour’ agreements can persuade employers to sign up to a LOAN agenda.
18. In end-use LOAN case study approaches it is a voluntary approach that has been taken, built upon strong, mutually beneficial working relationships and shared benefits.
  19. The design and development of a LOAN approach must include a full consideration of how the approach will be resourced. This may be a lengthy process involving much deliberation and negotiation amongst partners.
  20. The 2 main resource issues are staffing and funding.
    - Staffing relates to who will manage and deliver the LOAN approach. The models used in the case studies are either delivered by the individual partners within a LOAN framework, or lead partner delivery or joint team delivery.
    - Funding relates to identifying the full cost of the approach and an understanding of how it will be paid for. The models used in the case studies are grant funding secured through competitive bidding, resources drawn down from mainstream government programmes, financial and/or in-kind contributions from partner organisation or a combination.
  21. All of the case studies are built on collaborative working between organisations, often within a formalised partnership agreement, although the size and form varies.
  22. Working in partnership is a challenge and requires significant time, effort and commitment from organisations. Where possible the partnership process must begin well in advance of the opportunities coming on stream.
  23. The key characteristics of an effective LOAN partnership are:
    - Getting the right partners involved
    - Clarity around aims and objectives
    - Clarity on roles and responsibilities
    - Strong leadership
    - Private sector involvement.

#### **Chapter Four: Implementation of a LOAN Approach**

24. Consideration of how the LOAN approach will be managed to deliver its strategic objectives should be at the forefront of its design and development. A hands-off approach is highly unlikely to deliver success.
25. Although there is some variation in the project management function across the case studies, in general its role is to oversee and drive forward the implementation of the approach, be the designated point of contact, co-ordinate partner activities and monitor project outcomes.

26. The project management function is generally placed in a dedicated, relatively lightly resourced project management team.
27. The skills, qualities and experience of the project management team are of the greatest importance and should incorporate ambition and determination, recognition of the needs of employers and beneficiaries, the ability to manage stakeholders and beneficiaries and their expectations effectively.
28. Working effectively with construction employers is a challenge that must be overcome if opportunities are to be maximised for groups and communities in need. For the case study organisations, the specifics of the challenges differ according to whether the developer is in the public or private sector.
  - A public sector developer holds a strong bargaining position and can impose LOAN aims and objectives on its contractors, although this is best introduced early in the procurement process.
  - When the developer is in the private sector the LOAN agreement is most likely to be on a voluntary or 'best endeavour' basis and puts a greater onus on the public sector to 'sell' the approach. This requires clarity, realistic targets, supply side support, targeted early engagement, mutually beneficial outcomes and industry expertise.
29. Many of the same approaches and processes apply to the successful engagement of end-use employers. To address the specific problems of an unwillingness to commit and competition to secure the employment opportunities, approaches must be professional and customised, with a strong brand and a single point of contact.
30. To sustain employer involvement at either the construction or end-use stage the approaches must deliver on promises, particularly where involvement is on a voluntary or 'best endeavour' basis.
31. LOAN approaches need to develop mechanisms that will successfully engage beneficiaries, likely to include early engagement, strong branding, innovative outreach and building on existing linkages.
32. Sustaining beneficiary engagement, particularly for target groups that are not job ready and may be some distance from the labour market, requires early identification of beneficiary needs, a range of employment-focused supports, alternative options for those with specialist needs and ongoing communication.
33. Although there is a strong interest amongst project managers in the quality and effectiveness of the LOAN approach, there is considerable variation in terms of target setting and formalised monitoring of outcomes.
34. In the main the rationale for monitoring appears to stem from the requirement to report to funders, rather than seeking to capture the progress around outcomes and wider benefits on an ongoing basis.

## Chapter Five: Key Lessons for Success

35. The key challenges that need to be addressed in the design, development and implementation of a LOAN approach identified in the case studies are:
- Getting started, which encompasses selecting an appropriate approach, setting challenging but realistic strategic objectives, getting the timing right, securing the necessary resources, developing an appropriate management structure and engaging with relevant partners.
  - Balancing ‘opportunity’ and ‘need’ by ensuring a focus on the 2 key sets of customers: employers and the community.
  - Fitting in to the wider context, with the LOAN approached embedded into a strategic approach to economic development in the local economy, rather than being viewed as a specific initiative.
  - Engaging effectively with employers.
  - Engaging effectively with target client groups.
  - Sustaining outcomes.
36. Building from these challenges, the key lessons from the case studies that can help to inform the design, development and implementation of a successful LOAN approach are:
- The consideration of fit with existing services, with no requirement to ‘*re-invent the wheel*’, seeking to reconfigure activity and signpost to existing services where possible.
  - Clarity from the public sector from the outset about what it wants from the LOAN approach, with community benefit a key consideration.
  - Strong branding to raise profile, engage employer and motivate beneficiaries.
  - Strong partnership working, with long-term commitment and tangible benefits for all partners.
  - An effective project manager and/or project team.
  - The need to work closely with construction and end-use employers to influence them to hire local people and engage local businesses.
  - Early engagement with employers to ensure the maximum returns.
  - Keeping things simple, with a need for clarity at all stages of the design, development and implementation, particularly in any dealings with employers.
  - Delivering on promises in relation to the level, volume and quality of service, which may require caution in terms of the claims made for the approach.
  - Early engagement with local communities and potential beneficiary groups is needed to raise the profile and highlight the opportunities on offer.
  - A mechanism to signpost individuals in the target client group that are unsuccessful through the LOAN approach.
  - An effective monitoring and performance management system.
  - The approach needs to play to the specific strengths of public and private sector partners.
  - There should be a lasting legacy from the LOAN approach.
  - The successes of the approach need to be widely disseminated.

# CHAPTER ONE INTRODUCTION

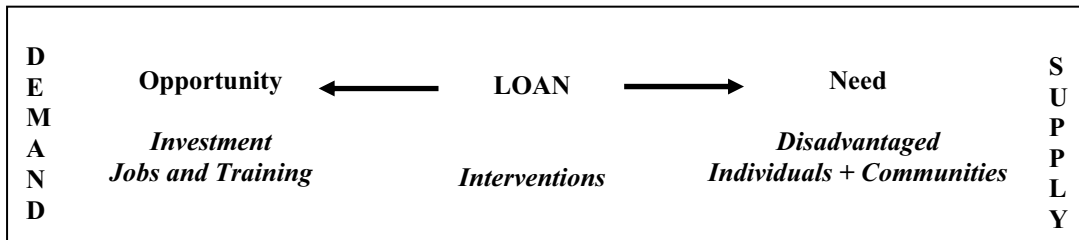
## Introduction

In recent years local economies across the UK have enjoyed greater economic buoyancy than for a considerable period of time. However, the gap between the poorest communities and the average has remained stubbornly resistant to change. This disconnect between economic opportunities, particularly those generating large numbers of jobs, and more disadvantaged communities is a critical issue. It is this imperative to link opportunity and need that is the basis of this research.

## Linking Opportunity and Need

Linking opportunity and need (LOAN) is an approach to capturing the interventions that seek to enable disadvantaged individuals and communities to compete for and access the employment and training opportunities arising from regeneration investments. The approach, in its simplest form, is straightforward as it aims to connect opportunities on the demand side of the labour market to need on the supply side. This is illustrated in Figure 1.1.

**Figure 1.1: Linking Opportunity and Need Concept**



LOAN tends to focus on employability interventions that are designed to link the employment opportunities of an investment to local unemployed residents. However, LOAN can be extended to wider local economic development issues. In such instances, LOAN interventions can build on the opportunities from investments for:

- **The local business base.** Local small and medium-sized enterprises (SMEs) can be supported in accessing sub-contractor and supply chain opportunities stemming from the investment.
- **Area connectivity.** Using the investment as an opportunity for change, transport links can be developed that better serve both the investment and neighbouring communities. This might include improved public transport or road infrastructure.
- **Area profile.** A high-profile investment can be used to promote the image of an area and improve its place competitiveness.

## ***Challenges in Linking Opportunity and Need***

While the approach is simple, the evidence base suggests that delivery has generally fallen short (Campbell and Meadows, 2001<sup>1</sup>; DCLG, 2007<sup>2</sup>; Glass and McGregor, 2000<sup>3</sup>). There have been a large number of investments in or close to disadvantaged areas, but the economic or employment legacy from the development has often been small or non-existent. An important contributory factor is that the number of local variations to every LOAN approach means that a ‘one size fits all’ approach is not possible. Some of the key variations are:

- ***The investment*** can vary from a small scale, fixed-term, one-off development to a large-scale area regeneration project spanning many years.
- ***The opportunity*** can vary from a handful of construction jobs to thousands of end-use jobs.
- ***The need*** can vary from targeting a small number of individuals in a specific client group to residents of multiple disadvantaged communities across a city or region.
- ***The approach*** can vary from a one-off training programme delivered by one organisation to a multi-agency partnership approach consisting of recruitment, training and wider activities.

## **Aims and Objectives**

Under the auspices of the Scottish Centre for Regeneration (SCR), the Scottish Government<sup>4</sup> has commissioned this research with the specific aim to:

*“identify, and explore in detail, good practice approaches taken to connecting regeneration investment to the needs of disadvantaged areas and groups in the United Kingdom”.*

The research does not attempt to generate a generic solution, rather it sets out to explore and understand the challenges and success factors from a range of good practice approaches. Notwithstanding some of the difficulties associated with the transferability of approaches from one context to another, the lessons identified can potentially help shape future policy and so improve our record at linking opportunity and need.

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<sup>1</sup> Campbell, M, and Meadows, P (2001) *What works locally? Key lessons on local employment policies*. Joseph Rowntree Foundation.

<sup>2</sup> Department for Communities and Local Government (2007) *What works in economic development for deprived neighbourhoods?* DCLG: London.

<sup>3</sup> Glass, A. and McGregor, A. (2000) *Braehead Recruitment and Training Initiative: An Evaluation*, Govan Initiative.

<sup>4</sup> This research was originally commissioned by Communities Scotland, a Scottish Government executive agency, which was abolished on 1<sup>st</sup> April 2008.

## Report Structure

The body of the report is organised as follows:

- Chapter 1 explains the context of the research and sets out its aims and objectives.
- Chapter 2 describes the case study selection process and the methodology used to investigate the 12 case studies. An overview of each of the case studies is then given with the specific ‘opportunity’ and ‘need’ identified, a summary of the project activities outlined and the key project outputs recorded.
- Chapter 3 uses the case studies to outline what the design and development stage of a LOAN approach involves. In so doing, the case studies highlight the importance of a clear understanding of the specific ‘opportunity’ on offer and the ‘need’ to be addressed. This is followed by a discussion of the development of the construction and end-use phases of a LOAN approach, the ways in which these can be resourced and the role of partnership working in this process.
- Chapter 4 uses the case study approaches to consider how a LOAN approach should be implemented and managed for a successful outcome. It focuses on the challenges of working with employers (both private and public sector) at the construction and end-use phases and sustaining their engagement longer term. The challenges and approaches to engaging and sustaining beneficiaries are also considered. The importance of monitoring progress concludes the discussion on implementation.
- Chapter 5 summarises the major challenges faced in the successful roll out of a LOAN approach and draws key lessons from the case studies to inform future developments.

The report is supported by a Case Study Appendix, which details each of the 12 LOAN case studies in full.

## **CHAPTER TWO LOAN CASE STUDIES**

### **Introduction**

This chapter describes the case study selection process and the methodology used to investigate the final 12 case studies. An overview of each of the case studies is then given with the specific ‘opportunity’ and ‘need’ identified, a summary of the project activities outlined and the key project outputs recorded.

### **The Case Study Selection Process**

#### ***Background***

Selecting appropriate LOAN case studies was a 2 stage process that sought to select examples that:

- reflected the variations in investments, opportunities, needs, and approaches; and
- demonstrated good practice.

Firstly a pool of potential case studies was identified and from this 12 case studies were chosen for detailed investigation.

#### ***Identification of Potential Case Studies***

The first stage sought to identify 25 potential case studies. The identification of good practice case studies can be difficult because of the ‘boosterism’ that can be associated with the presentation of material published by projects or posted on the Internet. As a result, a combination of research methods was used:

- A trawl of web-based sources using generic search engines and a more targeted search using the websites of central and local government, regeneration agencies, regeneration networks and good practice websites.
- TERU’s and CPC’s own evaluation research work, knowledge and expertise.
- A review of the evaluation research of other consultants and academics.
- Suggestions from TERU’s and CPC’s network of stakeholder contacts.
- Input from the Steering Group.

The data from this element of the research was presented to the Steering Group for discussion in the form of an Interim Report. Each case study was outlined in a pro-forma organised around:

- A project descriptor;
- The regeneration investment – i.e. ‘the opportunity’;
- The targeted beneficiaries – i.e. ‘the need’;
- The partners involved;
- Identified outcomes; and
- The evaluation evidence.

This standardised approach made it possible to read across the case studies and discuss their relative merits and shortcomings.

### ***Selection of Final Case Studies***

The Interim Report formed the basis of the final case study selection process. The aim was to select 12 case studies which would provide the study with a range of investments, opportunities, need, approaches and geographies. A key consideration was to select case studies that varied across:

- **Type.** *Project-based* around specific developments versus *process-based* around partnership arrangements.
- **Project lifecycle.** *Tried and tested* over many years; in the process of *honing their approach*; and others still at an *early stage in their development*.
- **Scale.** Targeting *specific neighbourhoods* versus *wider areas*, such as local authorities.
- **Focus.** *Construction phase opportunities*, *end-use opportunities* or both.

Furthermore, the focus was on approaches that deal with engaging individuals furthest from the labour market and moving them towards being 'job ready'.

### **Case Study Methodology**

On selecting the final case studies, the project manager for each LOAN approach was contacted to see whether they would participate and allow their approach to be used as a case study. On gaining this approval, the following standardised approach was used:

- An in-depth review of relevant project documentation and websites, including annual reports and formal evaluations.
- Semi-structured face-to-face interviews with the project manager and other key project personnel in the lead agency.
- Semi-structured interviews with key funders and public, private or third sector partners.

In terms of the interviews, a standard set of questions was used to ensure that the same issues were covered across the case studies. The questions were grouped under key headings and these same headings have been used to structure each of the case study write-ups contained in the Case Study Appendix. The headings are:

- **Background** – The Opportunity; The Need.
- **The Approach** – Aims and Objectives; Activities and Structure; The Partnership Process; Engaging with Beneficiaries; Engaging with Investors, Contractors and End-Use Employers; Funding; Sustainability of Approach.
- **Assessing Good Practice** – Outcomes and Impacts; Successes; Weaknesses; Improvements; Transferability of Approach.

From the review of project documentation and the interviews, the **key lessons** from each case study have been assessed.

## **Overview of the Selected Case Studies**

### ***Case Study 1: Glasgow Fort Partnership, Easterhouse***

The Glasgow Fort Partnership was set up to maximise the opportunities from the Glasgow Fort retail development for the deprived Greater Easterhouse area. The Partnership has focused on enabling local residents to access the 1,400 jobs created through a recruitment intervention that included an on-site recruitment office, job matching service, jobs fairs and a pre-recruitment training course. In addition, by developing strong working relationships with the centre manager and retailers, the Partnership has also looked at wider opportunities for the local community – such as childcare, health and transport.

### ***Case Study 2: Routes to Inclusion, Lanarkshire***

Routes to Inclusion is a well established process model designed to co-ordinate the many supports on offer to the unemployed and help them engage with job opportunities across Lanarkshire flowing from large scale physical regeneration (such as Ravenscraig), employer expansion and ongoing recruitment needs. The model seeks to engage and prepare clients for work through personal development programmes and community intermediaries, whilst working to support employers through the provision of tailored support followed up with aftercare and workforce development.

### ***Case Study 3: London Stansted Employment Partnership, London***

The London Stansted Employment Partnership (LSEP) delivers a pre-employment training programme and support package (including a travel card and mentoring support) to link the employment opportunities flowing from London Stansted Airport to residents of deprived boroughs in North and East London. Eligibility for the pre-employment training programme is dependent on a security check and a basic skills assessment, but those who do complete the training programme benefit from a guaranteed interview with BAA or another airport employer.

### ***Case Study 4: Quays to Employment, Gateshead***

Quays to Employment is an initiative set up to secure jobs for local people generated from the significant regeneration investment on the Gateshead Quayside, around the Baltic Centre for Contemporary Art, The SAGE Gateshead and the Newcastle-Gateshead Hilton Hotel. This approach was based on the delivery of pre-employment, customised training programmes for hospitality and the arts, one-to-one support and guaranteed job interviews.

### ***Case Study 5: Building One Stop Shop, Wembley***

The Building One Stop Shop (BOSS) aimed to connect local people to the construction opportunities from the new Wembley Stadium. To engage local residents, contractors and sub-contractors BOSS provided training and certification to industry standards from a single, prominent location.

### ***Case Study 6: West at Work, West of England***

West at Work is a partnership set up in response to a series of planned developments across the West of England. The large, mixed-use Cabot Circus development in Bristol is the furthest advanced and the focus of the case study. Opening in autumn 2008, Cabot Circus will create 4,000 jobs and West at Work aims to ensure that residents of Bristol's Neighbourhood Renewal areas can compete for these jobs by engaging with local residents and employers. West at Work's approach is to establish a single point of contact for developers, employers and jobseekers, and develop local training provision to meet employer requirements.

### ***Case Study 7: Edinburgh Waterfront, Edinburgh***

Led by the Edinburgh Waterfront Partnership, 2 mechanisms have been used to link the 9,400 jobs projected jobs from the 25-year regeneration of Edinburgh Waterfront to local unemployed residents. Employer Accords commit developers to use public sector partners in helping to source their labour; and the Edinburgh Waterfront Recruitment Centre (EWRC) has been set up to act as a single point of contact for residents and employers.

### ***Case Study 8: Glasgow Housing Association, Glasgow***

Glasgow Housing Association (GHA) has placed employment and training requirements in its construction contracts to secure jobs for new entrants from its £630m 5 year investment programme. Contractors are responsible for delivering on the employment and training requirements but GHA and other partners have come together to ensure the recruitment and training provision is available to support the contractors.

### ***Case Study 9: Raploch Urban Regeneration Company, Stirling***

Raploch Urban Regeneration Company (URC) is driving the holistic regeneration of the Raploch estate, one of the most deprived housing estates in Scotland, characterised by high levels of unemployment and deprivation. Through the use of a legally binding Community Benefit Clause at the procurement stage this approach seeks to deliver significant benefits from regeneration around employment and training, opportunities for local SMEs and community development.

### ***Case Study 10: Handleman UK, Bolton***

This case study is an example of a successful LOAN intervention stemming from a company inward investment. On opening new premises in Bolton, Handleman UK Ltd and Bolton Council worked closely together to recruit 180 Incapacity Benefits (IB) clients as part of its total initial recruitment of 600 recruits. Use of the 'License to Skill' job matching tool and well-established local outreach staff were central to its achievements.

### ***Case Study 11: Hillcrest Housing Association, Dundee***

Hillcrest Housing Association (HA) developed and delivered an on-site apprenticeship programme to provide local disadvantaged young people with a route into the construction industry. The programme was linked to Hillcrest's 4-year £4m capital investment programme and was dependent on the contractor sharing Hillcrest's commitment to the programme.

### ***Case Study 12: Salford Health Investment for Tomorrow (SHIFT), Salford***

Salford Health Investment for Tomorrow (SHIFT) is the programme by which Salford NHS aims to modernise its provision – this includes a £200 million redevelopment of Salford Royal Hospital. To secure employment and training opportunities for local residents from the redevelopment, the Trust has worked very closely with the developer to gain agreement on employment and training targets.

Figure 2.1 provides an overview of the LOAN case studies in terms of the opportunity, the need, the scale and focus of the approach, and any outputs.

**Figure 2.1: Overview of LOAN Case Studies**

Case Study	Opportunity	Need	Scale	Focus	Outputs
Glasgow Fort Partnership	£140m shopping centre creating 1,400 jobs	Disadvantaged communities of Greater Easterhouse	Neighbourhood	End-use	Between autumn 2004 and March 2008, 1,730 vacancies filled by the Partnership. 57% were Greater Easterhouse residents.
Routes to Inclusion	Major developments e.g. Ravenscraig, company expansions and ongoing recruitment needs	Disadvantaged groups and communities across Lanarkshire	Local authorities	Construction and End-use	In 2005/2006 more than 6,000 individuals participated in National Training programmes through Routes, with 3,100 progressing towards the labour market.
London Stansted Employment Partnership	Expansion and ongoing recruitment needs of Stansted Airport	Deprived communities in North and East London	Local authorities	End-use	In 3 years, 440 individuals enrolled on the training programme; 264 sustained job outcomes.
Quays to Employment	Gateshead Quayside regeneration projects including The SAGE Gateshead, the Baltic Centre for Contemporary Art and Newcastle/Gateshead Hilton	Deprived communities in the town centre and east.	Neighbourhood	End-use	69 residents gained employment through the Quays to Work initiative and 160 gained accredited qualifications. Through the mainstreaming of this approach more than 300 local residents have secured employment across 20 employers.
BOSS	Wembley Stadium	Deprived communities in North West London, such as Brent.	Neighbourhood	Construction	In 2007/08, 317 people received employment support with 148 entering employment.
West at Work	Bristol's Cabot Circus development creating 4,000 jobs	Neighbourhood Renewal areas in Bristol	Neighbourhood	End-use	Engagement activities started in February 2008 – no outputs to date.

<b>Case Study</b>	<b>Opportunity</b>	<b>Need</b>	<b>Scale</b>	<b>Focus</b>	<b>Outputs</b>
Edinburgh Waterfront	25 year regeneration project creating 9,600 jobs	Deprived communities of North Edinburgh	Local authority	Construction and End-use	EWRC has filled 560 vacancies in first 2½ years – with 30% North Edinburgh residents. Target of 120 construction vacancies filled.
Glasgow Housing Association	£630m 5 year housing investment programme	Disadvantaged client groups and communities in Glasgow	Local authority	Construction	Between Jan 2006 and Sep 2007, 318 or 15% of 2,170 total workforce were new entrants. 1/3 of new entrants are from deprived communities.
Raploch URRC	A £120 million investment including 900 new houses, environmental improvements and a community education campus	Disadvantaged clients on the Raploch Housing estate in Stirling	Neighbourhood	Construction	The pilot project provided 8 training places in total with all 8 gaining accreditation and 7 securing permanent employment. The developer is now contracted to deliver 225 training and employment places over 10 years. In addition, £2m of subcontracted work will be awarded to local businesses, and £900,000 used to support social enterprises.
Handleman UK Ltd	Company inward investment creating 600 jobs	High level of IB clients in Bolton	Neighbourhood	End-use	180 long-term IB clients employed with all sustaining employment at 13 weeks.
Hillcrest Housing Association	£4m housing investment programme	Disadvantaged young people in Dundee and Angus	Local authority	Construction	15 of 16 first apprentice cohort completed skills test and employed. 48 current apprentices.
SHIFT	£200m redevelopment of Salford Royal hospital	Disadvantaged client groups and communities in Salford	Local authority	Construction	Work on hospital redevelopment started late 2007 – no outputs to date.

## CHAPTER THREE DESIGN AND DEVELOPMENT OF A LOAN APPROACH

### Introduction

This chapter uses the case studies to outline what the design and development stage of a LOAN approach involves. In so doing, the case studies highlight the importance of a clear understanding of the specific ‘opportunity’ on offer and the ‘need’ to be addressed. This is followed by a discussion of the development of the construction and end-use phases of a LOAN approach, the ways in which these can be resourced and the role of partnership working in this process.

### Understanding Opportunity and Need

To develop a successful LOAN approach there needs to be a comprehensive understanding of both the nature of the ‘*opportunity*’ on offer and the ‘*need*’ in a particular area or amongst specific groups. This knowledge and understanding should form the basis for the design and development of the approach and its subsequent implementation.

### *The Opportunities*

All the case studies are linked to a specific regeneration investment. The opportunities that arise differ by the type and scale of the investment, but in broad terms are likely to offer the potential for jobs at the construction stage, the end use stage or both. For example:

- A retail development is likely to create construction jobs in a well defined time window, followed by a range of end-use retail jobs;
- A large-scale regeneration project is likely to create construction jobs over a period of years with end-use jobs gradually coming on stream.

Although it is possible at the outset of an investment to estimate in broad terms the type of job opportunities that an investment will bring, it is important to build up a more detailed understanding of the nature of the job opportunities. This is a 2 stage process:

- First, the scale and timing of the investments should be mapped out in detail – e.g. West at Work development Cabot Circus in Bristol is a 140,000m<sup>2</sup> mixed use development to open in autumn 2008.
- Second, based on the investment mapping exercise, an indication of the number, type and timing of potential jobs should be charted – e.g. West at Work development Cabot Circus will create 4,000 jobs, mainly in retail, which will be recruited for up to autumn 2008.

However, there are a number of challenges in achieving this:

- Large-scale regeneration projects, such as Edinburgh Waterfront and Raploch, can be 10 to 20 year projects. Mapping out the opportunities can

therefore be difficult as robust information on developments is largely only available for the first 5 year period, with developments later in the project timeline liable to change.

- Developments involving a number of developers, contractors and end-use employers, such as Routes to Inclusion, brings difficulties in mapping out the opportunities as there is often no one single source of information. A good working relationship with each developer, contractor and end-use employer must therefore be established.
- Full appraisals of the investment can help identify potential job numbers but are not without their pitfalls. Standardised appraisal techniques, such as English Partnership's employment densities and Scottish Enterprise's economic impact guides (English Partnerships, 2001<sup>5</sup>; Scottish Enterprise, 2006<sup>6</sup>), are often used to project the number of jobs to be created by an investment. However, these techniques can only bring about indicative or gross job estimates. Accurate estimates need to take into account potential multiplier, displacement, substitution and leakage effects – and must be built upon information gathered from developers, contractors and end-use employers. As a result, the resources required to conduct a full appraisal should not be underestimated.

### ***The Need***

The identification of need amongst the residents of a particular area or members of specific target groups is critical. Each of the case studies has a designated beneficiary client group and/or target neighbourhood that are to be assisted by the LOAN approach. These include:

- Disadvantaged neighbourhoods such as Raploch, Easterhouse, Gateshead East or specific London Boroughs;
- Disadvantaged target groups such as the long-term unemployed, Incapacity Benefit clients or young people.

The evidence from the case studies suggests that although all of the LOAN approaches have an identified target area or group, in some instances a detailed understanding of the labour market is relatively weak – i.e. little more than '*a neighbouring community characterised by high levels multiple deprivation*'. While labour market studies and local community groups are often consulted during the development of the approach, the approaches are not driven by a full understanding of the need. What is required to accompany the mapping of a development's opportunities is a baseline labour market position statement detailing the precise needs of potential beneficiaries. Key questions to be answered include:

- What is the ***scale*** of the disadvantage/worklessness – how many local residents are out of work?
- What is the ***nature*** of the disadvantage/worklessness – lack of job skills, low employability, lack of support services – such as childcare and transport?

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<sup>5</sup> English Partnerships (2001) *Employment Densities: A Full Guide*. London.

<sup>6</sup> Scottish Enterprise (2006) *Economic Impact Assessment Guidance Note* (version 1.0). Glasgow.

This not only informs partners of the scale and the nature of the challenge, but also enables a more targeted approach to be taken that may include the setting of specific targets around the number of people to be assisted into employment or the development of specific activities to move individuals closer to the labour market. For example, Raploch URC used baseline research and labour market analysis carried out by TERU in 2003, which assessed the potential employment opportunities from the proposed development, to set appropriate targets for the numbers into employment and training. These targets were set at 10% of the total workforce or 157 jobs, whichever was greater.

## **Developing the Approach**

Once the opportunity and the need around a regeneration investment have been identified the LOAN approach can be developed, although identifying the most effective approach for a specific development is not necessarily straightforward. The case studies reflect the wide variety of approaches that have been taken across the UK. Although each approach has its own individual context and characteristics, by way of an overview, they can be roughly divided into those with a major focus on the construction phase of an investment versus those predominantly delivering end-use phase opportunities.

### ***Construction Phase LOAN Approaches***

Of the case studies that have sought to link beneficiaries to construction phase opportunities each has taken a different approach, with the main variations around whether the public sector or the private sector is the developer, and the programmes put in place to enable beneficiaries to compete for the opportunities.

Whether the public sector or the private sector is the developer – i.e. is financing the regeneration investment – is an important determinant of the approach that can be taken. Where the public sector is the developer, it *de facto* holds a strong bargaining position because it can impose its LOAN aims and objectives on its contractors through the procurement process. Two different approaches have been taken here by the case studies: a mandatory approach supported by the contracting process; and a voluntary approach supported by strong contractor commitment.

- ***Mandatory approach.*** Through the Scottish Government Community Benefit in Procurement Pilot (CBIP) Raploch URC and the GHA put in place legally binding community benefit clauses with their appointed contractors who are required to deliver in line with the agreements. This is the strongest bargaining position because the LOAN agreements are set out in the contract and supported in law.
- ***Voluntary approach.*** Hillcrest HA successfully used this approach by appointing a contractor who was fully committed at both the strategic and operational level to the LOAN approach. A voluntary agreement is therefore made but its success is dependent on strong partnership working between the developer and the contractor rather than a legally binding contract.

Where the developers are in the private sector, it is more difficult for public sector organisations to persuade them to recruit local unemployed people for their vacancies, rather than turning to the open market. However, through well thought out and supported voluntary or ‘best endeavour agreements’ contractors can be persuaded to sign up to the LOAN agenda.

- The 3 land-owner developers in the Edinburgh Waterfront have signed an Accord committing them to work with the Edinburgh Waterfront Partnership. This involves the sharing of information on development plans and phasing on a year on year basis. The Edinburgh Construction Academy model is used to upskill local people and in turn the contractors make “*all reasonable endeavours*” to engage in the LOAN approach.
- BOSS used a Section 106 clause to encourage contractors on a ‘best endeavour’ basis to recruit local people where possible. BOSS used its proximity to the site as a strength and worked to deliver appropriate and timely training to contractors.
- Salford NHS Trust worked closely with the appointed developer to agree employment and training targets to secure community benefits from the redevelopment of the Salford Royal Hospital (part of the SHIFT programme). The role of an external consultant was important here in facilitating the discussions so that the agreed targets were acceptable for both the Trust and the developer.

In terms of the programmes for beneficiaries, a range of supply side interventions to provide job skills and work experience has been used to raise the employability of individuals and make them more attractive to construction employers. These interventions include:

- Hillcrest delivering a Modern Apprenticeship programme because it views the 4-year apprenticeship model as the most sustainable route to enter the construction industry.
- Edinburgh Waterfront using the 12-week Capital Build intermediate labour market (ILM) programme as its main recruitment mechanism.
- GHA, though not directly responsible for supply side programmes, encouraging the use of Modern Apprenticeships amongst its contractors and uses the short, employer-led Skill to Build programme for immediate recruitment.
- Raploch URC delivering Modern Apprenticeships, training for technical trades and operatives, and a targeted training programme for women called ‘Breaking the Mould’.

### ***End-Use LOAN Approaches***

The case studies that have predominantly targeted end-use opportunities have not taken a contractual LOAN approach with employers. Instead they have taken a voluntary approach, built upon strong, mutually beneficial working relationships and shared benefits. Across the end-use case studies, similar activities have been used to link beneficiaries to end-use opportunities with each approach providing:

- a job matching service; and
- an industry-specific job preparation programme.

A job matching service identifies the candidates that are most suited to the employer's requirements. Often this involves screening candidates against the skills and competencies set out by the employer. The benefits for the employer are the time and effort it saves them as only the most suitable candidates are put forward to them for interview. The greater the understanding of what the employer is looking for, the more effective this process is and this can be gained from the employers providing a full specification of the skills, competencies and qualities sought. Examples of effective job matching activities include:

- LSEP screened candidates against a security eligibility check (comprising questions about candidate's passport, UK driver's license, age, 5-year work history and agreement to a Criminal Record Bureau check) and a basic skills assessment as prescribed by BAA.
- Bolton Council used the 'Licence to Skill' assessment tool to match candidates' basic skills and personal profile to the vocational skills and company ethos sought by Handleman.

Industry-specific job preparation programmes have been used to up-skill and prepare candidates in line with employers' requirements. Because each programme is customised to the needs of specific employers, the case studies show that programmes vary in their length, activities, delivery agent and connectivity with end-use employers.

- **Length.** Programme length varies from short, sharp programmes of up to 6 weeks; longer courses of up to 13 weeks; to full apprenticeships.
- **Activities.** Programme content varies but they predominantly cover a mixture of an introduction to the industry, first aid, health and safety, wider employability supports (e.g. welfare and benefits advice), mentoring and work placements.
- **Delivery agent.** The programme's delivery agent varies according to employer need, available resources and/or which local agent is best placed to provide the training. Examples of delivery agents include local economic development companies, local Further Education colleges, local authorities and private training providers.
- **Connectivity with end-use employers.** The stronger the employer involvement with the programme the more attractive it is for beneficiaries. The provision of work placements and/or guaranteed interviews for clients completing programmes are some of the ways in which employers have been involved.

## **Resourcing the LOAN Approach**

The design and development of a LOAN approach must include full consideration of how the approach will be resourced. This is often a lengthy process that involves lengthy deliberation and negotiation before a final agreement is reached amongst partners. In essence there is a 2-way process: the approach dictates the resources required but the resources also influence the approach. Looking in more detail at resource considerations, there are 2 main issues that need to be addressed:

- Staffing – what needs to be done and by whom?
- Funding – how much will it cost and who will pay?

## ***Staffing***

Staffing issues relate to who will manage and deliver the LOAN approach and its activities. Across the case studies these are the models used:

- ***Delivery by Individual Partners*** within LOAN framework. Each partner delivers the elements of the approach for which they have individual responsibility. Routes to Inclusion operates successfully in this way. For this approach to work there needs to be a strong partnership in which all of the delivery partners are clear about their roles and responsibilities. There also needs to be effective leadership and an ongoing review process to ensure that clients and employers are being supported and activities delivered at the volume and quality anticipated.
- ***Lead Partner Delivery***. One partner manages and/or delivers on behalf of the partnership. This approach is most effective where the partnership is relatively small and has one clear lead partner. Hillcrest, Quays to Employment and BOSS are all successful examples of this.
- ***Joint Team Delivery***. LOAN activities are managed and delivered by a dedicated LOAN team staffed using secondments from partner organisations. This joint team is then branded under the LOAN name and are often located in shared premises. Joint delivery is effective when partners have the flexibility to share staff, in-kind and/or financial resources and are able to share any positive outcomes. The Edinburgh Waterfront Recruitment Centre is a good example of this model, with City of Edinburgh Council, Jobcentre Plus and Working Links all seconding staff to the on-site recruitment office.

Whichever of these models is used, it is critically important that partners are clear on who is responsible for delivering the different elements of the approach and work to build strong and open relationships.

## ***Funding***

The second resource issue is funding and there are 2 key steps that need to be taken. Firstly a full costing of the approach is required based on the intended activities and staffing and secondly there needs to be a clear understanding of how the approach will be paid for.

The case study LOAN approaches are supported by a range of different funding models which can be broadly categorised into:

- Grant funding secured through competitive bidding;
- Resources drawn down from mainstream government programmes;
- Financial and/or in-kind contributions from partner organisations; and
- Some combination of the above.

### ***Grant Funding***

Grant funding won on a competitive basis through government programmes and/or European monies has supported a number of the LOAN approaches.

- BOSS was funded through the Single Regeneration Budget (SRB) 4, supported by Jobcentre Plus discretionary funding.
- The European Social Fund (ESF) has part funded the Edinburgh Waterfront's Capital Build, 2 posts to link Greater Easterhouse residents to employment in the Glasgow Fort Partnership and the first 2 rounds of Gateshead Quays to Employment.

For some of the case studies this funding served to kick start the approach, which was subsequently rolled out and is now supported through different funding mechanisms.

### *Mainstream Programmes*

Maximising the use of mainstream funds benefits a LOAN approach because mainstream funds are relatively secure so can allow some degree of long-term planning. Familiarity with securing and using these funds also makes them a relatively attractive option. Several of the case studies have sought to maximise mainstream programme monies to fund their approach in part or in full:

- Handleman UK has accessed some Neighbourhood Renewal Funding.
- Raploch URC used Modern Apprenticeships to train up construction recruits.
- Hillcrest funds its apprenticeship training and project management through Modern Apprenticeship funding.
- GHA uses Modern Apprenticeships, Skillseekers and Training for Work (TfW) to support its training activities.

However, mainstream funds are not appropriate for all LOAN activities because they are often too inflexible to meet the demand for short, specific training programmes and other targeted activities. More flexible and responsive funding sources may be needed to fund these types of activities.

### *Financial and In-Kind Contributions*

Financial and in-kind contributions from partners play an important role in funding the majority of the LOAN approaches. These can take the form of financial contributions to support the delivery and management of the programme, staff secondments, staff time to carry out specific tasks and/or facilities and premises. Multiple contributions spread the risk of supporting an approach and ensures buy in from different partners.

- The West at Work Partnership is funded through the Learning and Skills Council and the Regional Development Agency, supported by secondments from Jobcentre Plus and the Learning and Skills Council.
- The management and activities of the LSEP are supported by a package of funding that combines contributions from the London Development Agency, Department of Work and Pensions and the private sector company BAA.
- The National Grid gifted land and facilities for the Edinburgh Waterfront Recruitment Centre.

## Working in Partnership

All of the case studies are built upon collaborative working between organisations, often within a formalised partnership agreement. The key functions of these partnerships have been to:

- Design and develop the LOAN approach. This would include agreeing on the aims, objectives, activities and resources of the approach.
- Bring strategic direction to the LOAN approach.
- Oversee the delivery and implementation of the approach.
- Monitor performance against aims and objectives.

While all the case studies have a partnership in place, partnership size and form varies. In the main, this is tied to the scale of the LOAN approach, for example:

- Hillcrest's focused LOAN approach of 16 apprentices recruited every 15-18 months means it is adequately served by a small, informal partnership comprising Hillcrest HA, the contractor, the main funder, and the construction training accreditator.
- West at Work, as a regional LOAN approach, has a larger partnership that brings together Jobcentre Plus, the Learning and Skills Council, Business West, the South West Regional Development Agency, Connexions and 4 local authorities.

The size and form of a partnership does not determine the success of a partnership, the quality of the partnership working does. Working in partnership is a challenge and developing an effective partnership requires significant time, effort and commitment from organisations. Of particular importance is the time that it takes to form a partnership fit for purpose – which may take several months or even years. Therefore, in planning a LOAN approach, where possible the partnership process must begin well in advance of the opportunities coming on stream.

The key characteristics of an effective partnership for a LOAN approach, as illustrated by the case studies, are:

- ***Getting the right partners involved.*** The partnership should contain all of the relevant organisations. However, a partnership that is too large can make progress slow. As a result, membership should be kept to those organisations that can bring something to the table – i.e. the most important players.
- ***Clarity around aims and objectives.*** All partners must fully understand and commit to the aims and objectives of the partnership so that they are all working to achieve the same outcomes.
- ***Clarity on roles and responsibilities.*** All partners must understand each other's roles and responsibilities within the partnership. This can come from an agreed operating structure and strong communication between partners.
- ***Leadership.*** Strong leadership is needed to drive the LOAN approach forward. This is a vitally important role and can be played by the project manager, the lead organisation or a small lead partnership group.
- ***Private sector involvement.*** Wherever possible the partnership should contain representatives from the private sector – whether the developer, contractor or end-use employer. Not only does private sector involvement

bring greater credibility to the partnership but it also helps ensure that activities remain focused on delivering candidates that meet employer needs.

## **CHAPTER FOUR THE IMPLEMENTATION OF A LOAN APPROACH**

### **Introduction**

This chapter uses the case study approaches to consider how a LOAN approach should be implemented and managed for a successful outcome. It focuses on the challenges of working with employers (both private and public sector) at the construction and end-use phases and sustaining their engagement longer term. The challenges and approaches to engaging and sustaining beneficiaries are also considered. The importance of monitoring progress concludes the discussion on implementation.

### **Managing the Approach**

Consideration of how the LOAN approach will be managed to deliver its strategic objectives should be at the forefront of its design and development. There is a danger that the detail around management and implementation will be overlooked in the mistaken belief that *'it will just happen'*. Such a hands-off approach is highly unlikely to deliver success. This was clearly recognised by all of the case studies and each has a project management function built into their LOAN approaches.

The project management function varies across the case studies but in general its role is to:

- Oversee and drive forward the implementation of the LOAN approach.
- Be the designated point of contact for the LOAN approach – in some cases acting as a 'gatekeeper' between employers, partners and other organisations.
- Coordinate partner activities.
- Monitor project outcomes.

Where the project management function sits also varies across the case studies, but generally the function is placed in a dedicated project management team. These teams tend to be small (only a project manager plus one or 2 key staff) and relatively lightly resourced but this works well because:

- The team is not the delivery agent, rather it is in place to coordinate and drive the activities of partners. As a result, a small, focused team can adequately perform this function.
- The skills, qualities and experience of the team are more important than its size – outlined in more detail below.
- Significant time, effort and resources are required to get the approach up and running, but the day-to-day management role is relatively minimal. For example, the Hillcrest, Glasgow Fort Partnership and Quays to Employment project managers now successfully manage the LOAN approach as part of wider job remits.

The skills, qualities and experience of the project management team are of the greatest importance – and these should be the main consideration when appointing the team. Ideally, the team should have the following attributes:

- ***Ambition and determination.*** The team must collectively see how the approach will operate best and work hard to achieve this vision.
- ***Recognise both customers – employers and beneficiaries.*** The team must fully understand the needs of both employers and beneficiaries. The range of public sector employability partners involved often means that beneficiaries' needs are well understood. However, the most effective LOAN approaches also have good knowledge and experience of working with employers. For example, BOSS was set up by an experienced tradesman and the Glasgow Fort Partnership's business liaison officer was recruited from a retail background.
- ***Stakeholder management.*** The team's role is to coordinate and drive the activities of partners and this requires strong partnership working skills and the ability to manage stakeholders. A robust partnership structure that is agreed from the outset that clearly specifies the role of the project management team and each partner helps in this process.
- ***Expectation management.*** Stakeholders and beneficiaries can be unrealistic in their expectations of the LOAN approach. Either they expect a greater volume of outcomes than is possible or they expect the outcomes to be achieved immediately. Managing expectations is important and can be achieved through communicating the aims, objectives, progress and outcomes of the LOAN approach to all concerned on a regular basis.

## **Working with Employers**

Working effectively with employers, particularly those in the private sector poses a serious challenge to the public sector, but it is a challenge that must be overcome if opportunities are to be maximised for groups and communities in need. Each of the case studies has successfully engaged with the private sector and the means by which they have done this are outlined below. To structure the discussion, a distinction has been made between engaging with the private sector at the construction phase versus engaging at the end-use phase. This is followed by an examination of the most effective ways of sustaining the relationships with employers.

### ***Engaging with Employers at the Construction Phase***

At the construction phase of a regeneration investment the private sector can be the developer, contractor or sub-contractor. In short its role may determine the scale of the investment and the size, make up and recruitment of the workforce to undertake the development. As a result, particular attention needs to be paid to effective engagement if the benefits are to be maximised for those in need. However, engaging the private sector at the construction phase is recognised as particularly challenging. Indeed some of the case studies, while recognising that there will be some opportunities at the construction stage, have focused their activities on the end-use opportunities because they believe the end-use phase delivers much more in terms of local jobs.

The specifics of the challenges faced in engaging with employers differ according to who the developer is. The challenges have therefore been discussed in relation to whether the developer sits in the public or private sector.

### *Public Sector Developer*

As discussed in Chapter 3, the public sector holds a strong bargaining position when it is the developer because it can impose its LOAN aims and objectives on its contractors. However, to be most effective, GHA, Raploch URC, and Hillcrest all show that the LOAN agenda is best introduced early in the procurement process. This is clearly shown by the GHA approach and using this case study a number of important factors can be identified:

- ***Clarity around aims and objectives.*** For contractors to engage in the process they need to be sure what they are committing to. Therefore, the public sector must be clear in what they are expecting of contractors from the outset.
- ***Early engagement.*** Engaging contractors and making them aware of what is expected of them at the earliest stage is important. GHA have ensured that the community benefit clauses are made clear at the pre-tendering process – i.e. in the Official (OJEU) Notice.
- ***Realistic targets.*** The demands placed on contractors must be realistic. GHA set the 10% new entrant key performance indicator (KPI) because this is viewed as a realistic assessment of what the construction industry can deliver.
- ***Supply side support.*** The recruitment and training provision should be in place so that contractors can deliver on their LOAN commitments. GHA does not provide the supply side support itself but works in partnership with supply side partners to ensure the provision is readily available for contractors.

### *Private Sector Developer*

When the private sector is the developer, it is more difficult for the public sector to influence private sector behaviour with regard to maximising benefits for local people and disadvantaged groups. In such instances any LOAN agreement with the developer or contractor is most likely on a voluntary or ‘best endeavour’ basis. Edinburgh Waterfront, SHIFT and BOSS are all approaches that have engaged the private sector on a ‘best endeavour’ basis, although the approaches do differ in the detail. This puts a greater onus on the public sector to ‘sell’ an approach that the private sector will be convinced by and want to buy in to. To achieve this, the need for *clarity*, *realistic targets* and *supply side support* as discussed in relation to public sector developers all hold true. Early engagement is important here too, though with some additional considerations, as are some other factors:

- ***Early engagement.*** Engagement should not be left until construction has begun because the labour will already be in place and the opportunities lost. Therefore, every effort should be made to engage with the private sector at the earliest stage possible – and this may mean engaging with the developer prior to the contractor being appointed. Early engagement then

allows beneficiaries to be trained and up-skilled in advance of the construction start, which provides a more attractive offer to the private sector. The Employer Accords signed with Edinburgh Waterfront's 3 landowners is a good example of this as the landowners now provide information on future labour market demand and encourage contractors to work with the public sector around LOAN.

- **Target the engagement.** Wherever possible, the aim is to engage with the main contractor at a time when they are planning their workforce requirements for a development. This may come through initially engaging with the developer or approaching the contractor direct.
- **Mutually beneficial.** Having no input into the procurement process, the public sector has no bargaining position to impose its LOAN aims and objectives. Therefore, to engage the private sector the proposed LOAN approach must not only benefit the public sector but more importantly have demonstrable benefits for the private sector. This would include: access to skilled labour; free or subsidised training; and good public relations or corporate social responsibility opportunities.
- **Industry expertise.** To engage with the private sector, the LOAN approach must have full knowledge of the construction industry. For example, BOSS was set up by a fully qualified tradesman with extensive employer connections and a detailed knowledge of different job roles; and SHIFT has appointed a Skills Coordinator using Construction Industry Training Body (CITB) funding to specifically work with construction sub-contractors to meet their recruitment and skills demands.

### ***Engaging with End-Use Employers***

To successfully engage with end-use employers, which can be private, public or potentially voluntary sector, many of the same approaches and processes used to engage employers at the construction phase apply, particularly in relation to:

- Clarity around aims and objectives.
- Mutually beneficial outcomes.
- Industry expertise.
- Early engagement.
- Realistic targets.
- Supply side support.

Though differing slightly in emphasis, all of these elements were effectively demonstrated by the Glasgow Fort Partnership, West at Work, the London Stansted Employment Partnership, Quays to Employment, Routes to Inclusion and Handleman case studies. However, 2 specific issues that can make engagement with end-use employers difficult are as follows:

- **Unwillingness to Commit.** Although there have been some successes such as the Local Employment Partnerships with Jobcentre Plus, there is a reluctance amongst employers to enter LOAN-type agreements that commit them to ringfencing jobs for beneficiaries or allocating a number of vacancies for the public sector to fill. This may relate to an unwillingness to relinquish control over the recruitment process.

- **Competition.** End-use employers can be approached by a large number of employability organisations which are all competing for the vacancies, work placements or work experience opportunities that employers can offer their clients.

To address some of these difficulties the case studies have developed approaches that have the following characteristics:

- **Professional.** To provide a service that can compete with other employability providers, which can include private recruitment agencies, the case studies have all sought to develop a high quality, professional service that meets employer needs.
- **Customised.** Recognising that the employer is a customer, the service provided should be sufficiently flexible to meet the needs of each employer.
- **Strong branding.** Where possible, the LOAN approaches have tried to use a branding that is clearly identifiable with the regeneration investment – for example, the Glasgow Fort Partnership or London Stansted Employment Partnership. This helps employers to clearly differentiate between the dedicated LOAN approach as opposed to other employability organisations.
- **Single point of contact.** To reduce the enquiries and demands on employers, the LOAN approaches have established a single point of contact through which all issues to do with the partnership are directed.

### ***Sustaining Employer Engagement***

The approaches needed to sustain employer engagement at both the construction phase and end-use phases have much in common. Across the case studies, the most important factor raised by project managers was that that the public sector ‘*must deliver what it promised*’. This is particularly important where an employer is involved on a voluntary or ‘best endeavour’ basis as they may choose to withdraw from the LOAN approach if it is not meeting expectations. To give the best chance of success, delivery should include:

- Provision of high quality recruits or trainees to the agreed numbers, specification and timescales.
- A high quality and professional service that responds in a timely fashion to employer demands – ideally with a named contact on the public sector side.
- Regular contact with employers to keep them informed of progress – either through personal visits, phone calls or mailshots.

The delivery of a professional and supportive service to employers, intent on continuous improvement is critical to maintaining an ongoing relationship. Bolton Council with Handleman UK, LSEP with BAA and the Glasgow Fort Partnership with Glasgow Fort retailers have both achieved this with their respective relationships continuing beyond the initial recruitment stage. Looking at the Glasgow Fort Partnership in more depth, it has continually looked to develop and expand its service to employers. For example:

- Handling recruitment of Christmas and staff turnover vacancies.

- Introduction of a workforce development Retail SVQ training programme for Glasgow Fort employees.
- Providing a single point of contact for employers and/or employees to find about wider support services – such as childcare, transport and money advice.

### **Engaging Beneficiaries**

Having secured the opportunities through successful employer engagement, the next challenge is to engage the intended beneficiaries. Not only must beneficiaries be made aware of the opportunity but they must also be sufficiently motivated to seek employment from it. The difficulty for a LOAN approach is that local residents are often unaware of, not interested in or dismissive of the job opportunities. As a result, it is important to develop mechanisms that can overcome this disinterest and successfully engage with beneficiaries. All of the case studies have done this and the main features of their engagement efforts are:

- Early engagement.
- Strong branding.
- Innovation.
- Building on existing connections.

### ***Early Engagement***

Early engagement is critical so that the intended beneficiaries are aware of the opportunities on offer some months before the jobs come on stream. Beneficiaries need to feel part of the development process and this allows them time to find out what skills and qualities the employers will look for – and act to develop these. For example, West at Work began their beneficiary engagement activities connected to Cabot Circus in February 2008 to give people time to get job ready in advance of its opening in autumn 2008. However, the information used must be accurate so as not to raise expectations unrealistically high. This is particularly the case with long-term regeneration projects where job opportunities are staggered.

### ***Strong Branding***

As well as being used to help engage employers, strong branding is important when looking to engage with beneficiaries. Again, wherever possible, LOAN approaches have used the regeneration investment within its branding because it shows that the approach is connected to the regeneration investment and, as a consequence, ‘real’ jobs. Therefore, the regeneration investment itself becomes the engagement tool.

- West at Work uses ‘Cabot Circus’ rather than ‘West at Work’ to promote its activities within Bristol.
- The Glasgow Fort Partnership used a ‘*Look What’s Coming Your Way.....*’ leaflet referring to the Glasgow Fort development rather than the partnership to engage local residents.

The branding is then used on all partnership materials to show that there is one standardised LOAN approach. Materials include the website, advertising, events, and correspondence with partners, employers and jobseekers.

### ***Innovation***

To engage beneficiaries, particularly with many either disinterested in the job opportunities or distant from the labour market, more innovative outreach and engagement methods have been used:

- ***On-site recruitment office.*** Edinburgh Waterfront, Glasgow Fort Partnership, Quays to Employment and BOSS have all used dedicated, on-site recruitment offices to attract local residents (or shoppers in the case of Glasgow Fort) to come off the street and enquire. Location is important as the office should attract sizeable passing trade.
- ***Promotional bus.*** West at Work used a branded Cabot Circus Employment Bus to both promote the opportunities from the development and to offer ‘on board’ information on the training, advice and guidance support available. A similar approach was used by Quays to Employment and the Glasgow Fort Partnership.
- ***Media.*** Quays to Employment and the Glasgow Fort Partnership have both used a wide range of media to engage local residents – including use of local websites, newspapers and radio stations.
- ***Community animators.*** Raploch URC used community animators to successfully engage local residents in all aspects of the development from the design of the houses and streetscape to encouraging local people to take up the training and employment opportunities flowing from the development.

### ***Building on Existing Linkages***

Several of the LOAN approaches seek to build on the existing strong relationships and linkages between potential beneficiaries and locally based organisations:

- Routes to Inclusion through its role as a Community Intermediary can work with partners to engage clients through wider programmes, such as Working for Families, Progress to Work and Stronger Communities.
- GHA have worked closely with Glasgow’s Local Regeneration Agency (LRA) network to source referrals.
- Bolton Council used Working Together, a well-established and trusted community outreach service, to get the message out that there were ‘real’ jobs on offer with a ‘good’ employer to source candidates for Handleman UK.
- BOSS used a wide range of referral sources such as BrentIn2Work, Jobcentre Plus, community groups and outreach workers funded by local Registered Social Landlords (RSLs).
- SHIFT is set to use the existing monthly Job Shops managed by Salford NHS and Jobcentre Plus to promote opportunities from the Salford Royal Hospital redevelopment.

## **Sustaining Beneficiary Engagement**

The above mechanisms show the different approaches that case studies have used to engage beneficiaries. However, once engaged the next challenge is to keep them engaged and sustain their interest until they have secured employment and beyond. This is particularly important in relation to individuals who are not job ready and may be some way distant from the labour market. These individuals may not have engaged with an employability service before but were sufficiently motivated by the prospect of getting a job through the regeneration investment that they sought more information. Therefore, to sustain beneficiary engagement there must be a wide range of supports that can cater towards individuals at every stage of the employability pathway. Across the case studies, the range of supports can be grouped under 4 headings:

- Early identification of beneficiary needs.
- Range of employment-focused supports.
- Alternative options.
- Maintain communication.

### ***Early identification of beneficiary needs***

The ability to identify and then respond effectively and quickly to each individual's support needs is important in sustaining their engagement over the longer term. At this point, clients can then be signposted to the most appropriate supports – whether on to employment-focused supports or referred to another organisation. The 'License to Skills' assessment tool used by Bolton Council to screen candidates to Handleman UK's requirements enabled client needs to be quickly identified and then acted upon.

### ***Range of employment-focused supports***

For individuals close to the labour market, employment-focused supports should be in place to enable them to access the employment opportunities stemming from the regeneration investment. However, there needs to be a range of supports that can serve different individuals depending on how job ready they are. Quays to Employment, the Glasgow Fort Partnership and Routes to Inclusion are good examples here.

- If job ready, individuals may need little more than advice on filling out applications and interview technique.
- If close to being job ready, an industry-specific job preparation programme can help prepare individuals to a job ready standard and give them an idea of what it is like to work in that industry.
- Other employment-focused supports include aftercare provision to help support beneficiaries once in employment or mentoring schemes.
- Information on wider supports should also be provided, such as on childcare, transport, welfare and benefits advice.

### *Alternative options*

For individuals distant from the labour market and/or with specialised support needs, there ought to be mechanisms in place that allow individuals to be referred to alternative and/or more appropriate supports. These might include organisations specialising in client groups with additional support needs or offering basic adult literacy and numeracy courses. Effective referral mechanisms will help maintain the individual's engagement in employability services, which is particularly important if the individual was not previously engaged in employability services.

### *Maintain communication*

Providing periodical updates about the regeneration investment and current and future employment and training opportunities and events maintains individuals' engagement with the LOAN approach. This can not be done with every approach but where LOAN approaches have required individuals to register their interest in the opportunity and so register on a database, there is the opportunity for a phone call or a postal or electronic mailshot.

### **Monitoring the LOAN Approach**

All of the project managers demonstrated a strong interest in the quality and effectiveness of their approach. However in terms of target setting and the formalised monitoring of outcomes there is considerable variation. Although the majority of the case studies record the numbers of employers and beneficiaries engaging with their approach and ultimately securing employment, in the main the rationale for monitoring appears to stem from the requirement for reporting to funders, rather than seeking to capture outcomes on an ongoing basis.

- Approaches supported by legal clauses such as Community Benefit Clauses, which includes GHA and Raploch are particularly strong in monitoring their outputs.
- Approaches that are heavily reliant on mainstream programme or European funding such as Hillcrest HA, Edinburgh Waterfront and Quays to Employment are also required to report their outputs to their funders on a regular basis.

In addition, whilst recognising the importance of qualitative outcomes from the approaches such as improved partnership working, the transfer of learning and shared best practice and the development of enhanced approaches to engaging and sustaining employers and clients, there is little evidence that these are captured formally across the various LOAN approaches.

## **CHAPTER FIVE KEY LESSONS FOR SUCCESS**

### **Introduction**

This chapter summarises the major challenges faced in the successful roll out of a LOAN approach and draws key lessons from the case studies to inform future developments.

### **Challenges for Successful Design, Development and Implementation**

The case studies demonstrate that there are a number of challenges that need to be addressed in the design, development and implementation of a LOAN approach. These are outlined below.

#### ***Getting Started***

Getting a LOAN approach up and running is a major challenge at the design and development stage, requiring careful thought around:

- Selecting the type of approach that responds appropriately to the local context;
- Setting appropriately challenging, but realistic strategic objectives;
- Getting the timing right to ensure enough lead time to organise and deliver the key elements of the approach but not so much that the momentum is lost;
- Securing the necessary resources and recruiting the most appropriate staff for success;
- Developing an appropriate project management structure to drive the approach forward; and
- Engaging with and getting the support of relevant partners that can contribute to the approach, ideally including employers and the community.

#### ***Balancing ‘Opportunity’ and ‘Need’***

A LOAN approach has 2 strands, firstly the ‘opportunity’ and secondly the ‘need’ and careful attention should be paid to both of these aspects. With LOAN approaches the ‘opportunity’ tends to be substantial and highly visible, whereas the ‘need’ may be less clearly articulated. Within a LOAN approach there are 2 distinct customers – employers and the community. The challenge is in ensuring that a focus on both is set out at the beginning and maintained throughout.

### ***Fitting into the Wider Context***

LOAN approaches should not be seen in isolation as specific ‘initiatives’, but should be embedded into the strategic approach being taken to economic development in the wider local economy.

### ***Engaging with Employers***

Engaging successfully with employers and developing a strong 2 way relationship poses a major challenge to the public sector. To be attractive to employers the approach needs to add value to existing employer practices, so it is therefore vital to have clarity around what employers need. Without the support of employers (private and/or public sector) it will not be possible to access the opportunity.

### ***Engaging with Target Client Groups***

The rationale behind LOAN is to deliver tangible benefits through employment to communities and groups in need. Initial engagement and subsequent efforts to sustain clients can be difficult and may require innovative outreach; especially for approaches that are starting up from scratch that have no profile from which to build. If appropriate clients cannot be engaged, the approach will not deliver. Coupled with this there needs to be recognition that the level of support required by many of the target client groups may be very intensive.

### ***Sustaining Outcomes***

LOAN should not be a short term fix, but should seek to deliver sustainable outcomes. Although the scale of this challenge should not be underestimated due to the multiple and complex needs that often characterise those in disadvantaged communities and target groups, sustainability needs to be a central focus of any approach. If clients do not sustain their positions and employers withdraw their engagement with a LOAN approach, then it has failed.

### **Key Lessons from the Case Studies**

Building from the challenges outlined, there are a number of lessons that can be drawn from the case studies that can help to inform the design, development and implementation of a successful LOAN approach. These lessons are not designed to be prescriptive, but present the key areas for consideration.

### ***Fit with Existing Services***

In the design and development of a LOAN approach there is ‘no need to reinvent the wheel’ through the duplication of services that are already available in a local area. Wherever possible, LOAN approaches should seek to use resources that already exist

through reconfiguration of activity and signposting. Not only does this keep costs down but it also avoids unnecessary duplication of activities. At the planning stage there needs to be a review of the existing interventions available to link regeneration areas, disadvantaged groups and SMEs to upcoming opportunities. It is important to assess the extent to which:

- The right services are in place;
- The appropriate volume of services are available;
- These services can be accessed on demand, given the peaks and troughs of activity that tend to characterise a LOAN process; and
- These services are reaching into the appropriate sections of the residential and business community.

Once the extent of existing service provision has been established it is then possible to see to what extent new services and supports are required and/or the potential for the modification of, or the signposting to, existing interventions.

### ***Public Sector Needs to Know What it Wants***

The public sector needs to know what it wants from the LOAN process and more importantly be organised to achieve it. This requires clarity from the outset around the different (and complementary) roles of partners. Community benefit should be a key consideration from the outset of any LOAN approach, with local authorities seeking 'wins' at the planning consent stage.

### ***LOAN the Brand***

Strong branding of a LOAN approach can help to raise profile, engage employers and motivate beneficiaries.

### ***Strong Partnership Working***

Strong partnership working is an integral part of an effective LOAN approach. A long-term commitment to partnership working and networking should be a central consideration from the outset. Where partners lack skills, the partnership should work to build capacity through dedicated activities. There also needs to be recognition that to maintain commitment there must be tangible benefits for all partners flowing from their involvement.

### ***Project Manager and/or Project Team***

The skill set of those engaged in the delivery of the approach is critical. The LOAN approach requires a dedicated project manager and/or small project management team with the right aptitude and experience to drive the effective implementation of the process. Within the team it might be appropriate to allocate roles to handle specific aspects of the approach e.g. a dedicated recruitment manager, a skill co-ordinator or a community benefit manager. They must be strong on:

- People management, to engage effectively externally with contractors, end-use employers, partners and internally with the project team.
- Stakeholder management, to build effective relationships and elicit the necessary support (resource, financial and political) from local organisations.
- Expectation management, to ensure that a realistic set of outputs are identified for the approach that are both challenging but realistic.

Supporting the team there needs to be effective management structures, where individuals are clear about their roles and responsibilities and to whom they report.

### ***Working to Influence Employers***

The LOAN approach must provide the mechanism for working to influence construction and end-use employers to hire local people and engage local businesses. The case studies have demonstrated that it is possible to achieve benefit through the use of community benefit clauses and ‘best endeavour’ voluntary approaches. This requires the development of protocols to promote community benefit and the setting of challenging, but realistic targets for the approach. Irrespective of whether a mandatory or voluntary approach is taken, there should be an early focus on regeneration initiatives, ideally prior to the bidding process.

### ***Early Engagement with Employers***

Early engagement with private sector developers and contractors is critical to ensure that the maximum returns are achieved. This requires a:

- Clear identification of the nature of the opportunities on offer to facilitate the development of an appropriate type and intensity of support for employers.
- Timeline for the flow of opportunities to ensure that the right supports and services are delivered in a timely fashion.
- Recognition that regeneration is not part of the core business of employers. Even in instances where employers are willing or committed to the CSR agenda, they may lack the skills and know-how to deliver.
- Awareness that employers are not a homogenous group and the needs of a private sector construction SME seeking apprentices may be radically different from a large scale retailer recruiting shop floor staff or a NHS Board seeking care staff. This means that approaches must be sensitive, flexible and responsive to organisational demands.

In addition, a successful LOAN approach can deliver business opportunities to local SMEs as suppliers at both the construction and end-use stages of a development. Successful engagement may be through Community Benefit clauses stipulating the level of engagement expected with local businesses or ‘best endeavour’ approaches to give a proportion of the work to local businesses.

### ***Keeping Things Simple***

There is a need for clarity at all stages of the design, development and implementation of a LOAN approach. Keeping things simple is particularly important in any dealings with employers. Where a number of public agencies are involved in a specific development it is critically important that they agree protocols for which agency is to engage with which employer – and how this will be done. This ‘gatekeeper’ role helps to maintain good working relationships and partner commitment.

### ***Delivering on Promises***

To sustain effective engagement with employers it is vital that the LOAN approach delivers on its promises in relation to the level, volume and quality of service that it provides. Any failure in this regard diminishes the trust built up between employer and provider and may result in a withdrawal from the current approach or an unwillingness to engage in the future. This may require caution in terms of the claims made for the approach, for example the number of job-ready recruits that will be delivered.

### ***Engaging with Beneficiaries***

Early engagement with local communities and potential beneficiary groups is needed to raise the profile of any development and highlight the opportunities on offer. Once these opportunities are articulated it is then much easier to respond to demands for assistance from individuals wanting to engage and to work to motivate those who could potentially secure employment given the appropriate training and/or support. Given that many of these individuals are likely to have multiple and complex needs to address prior to them entering the labour market, the earlier in the process that they can be engaged the greater the likelihood of a successful outcome.

### ***Supporting Unsuccessful Beneficiaries***

The LOAN approach may engage with more individuals in its target group than it has the capacity to support. Therefore there needs to be a mechanism in place to signpost these individuals on to other agencies and/or initiatives that can respond to their needs.

### ***Effective Performance Management System***

To assess the extent to which a LOAN approach is delivering on its strategic objectives and making a difference, an effective monitoring and performance management system needs to be in place. This needs to be characterised by a set of key performance indicators, straightforward to collect and comparable over time that will demonstrate progress. This in turn will provide the evidence base to ensure that the approach seeks continuous improvement. Monitoring does not need to be a resource intensive and arduous task. Ideally the monitoring framework should be in place prior to the approach being implemented.

Realistic but challenging targets should be set, based upon a good understanding of the local labour market and the potential of the LOAN approach to deliver benefits to target groups and areas. These targets and the responsibility of who needs to deliver should be clear to all partners with a role to play in the management and delivery of the approach.

### ***Play to the Strengths of Partners***

To get the most from a LOAN process there is a need to play to the strengths of partners. Although this will differ with regard to specific examples in broad terms this means getting the private and public sectors to contribute where they are most able. There may be a need for partners to be ‘creative’ in their approach to some activities, as some partners will be more constrained than others in terms of the contribution that they can make, e.g. statutory rules and regulations. In broad terms:

- The private sector should work towards:
  - Influencing their suppliers and sub-contractors with whom they are likely to have built up a strong working relationship over many years.
  - Helping with the design of training initiatives, ensuring the inclusion of elements critically important to preparing recruits to get them ‘work ready’.
  - Assisting with the delivery of training interventions to provide work experience and relevant skills to potential recruits.
- The public sector should focus on:
  - Extracting benefit through the use of Community Benefit clauses or tightly specified ‘best endeavour’ approaches.
  - Working to join-up services through agreeing protocols for engaging with employers and clients.
  - Leading by example where it is the end-use employer.

### ***Leaving a Legacy***

Although the largest volume of employment opportunities is likely to be in the earliest stages of a regeneration investment, there is potentially significant repeat business due to turnover. This underlines the importance of building strong relationships between employers, intermediaries and the community that can help to fulfil any ongoing need. This will leave a lasting legacy from the LOAN approach, although this may not be sustained on the same scale over the longer term, it will still be in a position to respond and ideally to be ramped up as appropriate to respond to new opportunities coming on stream.

### ***Making the Most of Success***

The successes of a LOAN approach need to be widely disseminated. Where the benefits of an approach can be effectively demonstrated to the public and/or private sector, opportunities for successful roll out of a tried and tested approach are created.

## **Case Study Appendix**

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# CASE STUDY 1: GLASGOW FORT PARTNERSHIP

## Background

### *The Opportunity*

Glasgow Fort is a £140 million, 70-acre retail development in the Greater Easterhouse area of Glasgow. On opening in autumn 2004, the development created 1,400 jobs and has an estimated annual employment turnover of 150 to 200 jobs.

### *The Need*

Greater Easterhouse was the largest and the last of Glasgow's 4 peripheral estates. However, since the 1980s it has suffered from significant depopulation and is one of the most deprived areas in Scotland. It is characterised by high unemployment, low economic inactivity and a poor education and skills profile.

## The Approach

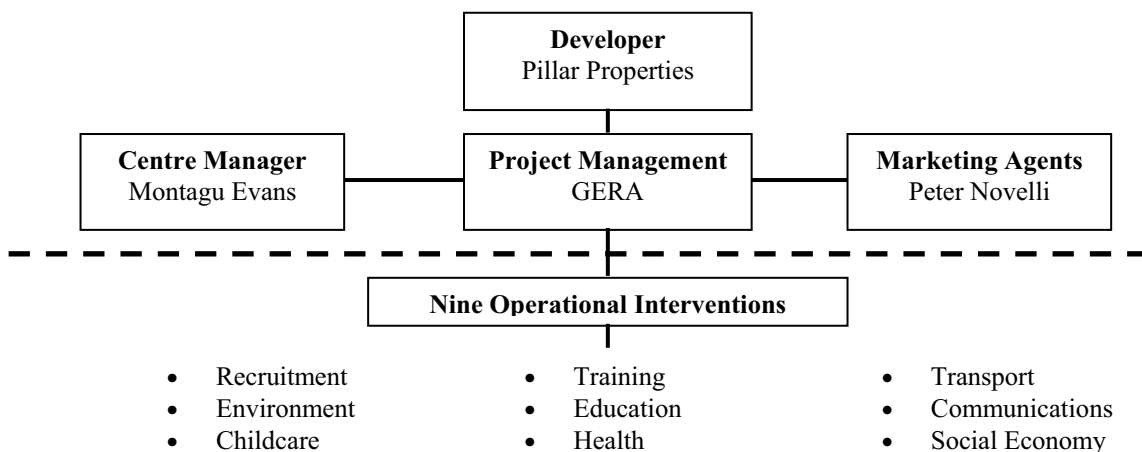
### *Aims and Objectives*

The Glasgow Fort Partnership was set up to maximise the benefits of the development for the local community – principally the employment opportunities. However, the Partnership's activities have been wider with a view to maximising the social benefits and improving the image of Greater Easterhouse through the success of Glasgow Fort.

### *Activities and Structure*

The Partnership's structure has been split between the strategic and the operational and this is illustrated in Figure A1.1.

**Figure A1.1: Glasgow Fort Partnership Structure**



Formalised in spring 2004, the strategic intervention between the local development company (now known as Glasgow East Regeneration Agency – GERA), the developer, the centre manager and the marketing agents has been central to the Partnership’s achievements. The Glasgow Fort partners recognised that GERA’s involvement was a *win-win situation* for them as GERA had:

- Access to a wide pool of potential recruits.
- Links to the wider community so bringing insight to how Glasgow Fort could engage with the wider community.

In terms of linking opportunity and need (LOAN), the joint commitment and trust at the strategic level allowed the Partnership to benefit from the following:

- Use of the official Glasgow Fort brand for all Partnership activities.
- Weblink to the Glasgow Fort Partnership website from the Glasgow Fort website home page.
- Setting up of a dedicated recruitment office at Glasgow Fort.
- Letter of endorsement from the centre manager within the retailer induction packs that gave an outline of the Partnership’s services and contact details.

Of the 9 operational interventions, the recruitment intervention has been the most prominent and a sub-partnership was set up between GERA, Jobcentre Plus, Careers Scotland and John Wheatley College to maximise the employment opportunities. Each brought strengths to the intervention:

- GERA – direct relationship with Glasgow Fort centre manager and retailers; access to wide pool of local labour; and strong links with local organisations.
- Jobcentre Plus – access to wide pool of local labour; and national agreements with some Glasgow Fort employers.
- Careers Scotland – links with local schools and young people.
- John Wheatley College – developed the pre-recruitment Glasgow Fort retail training programme.

Under the branding of the Glasgow Fort Recruitment Team, the 4 partners developed a full recruitment and training service to meet the needs of the local community and Glasgow Fort employers. The services available were:

- On-site recruitment office where residents could register their interest in a Glasgow Fort job and employers notify their vacancies.
- Jobs Fairs – attracting up to 40 employers and hundreds of local residents.
- Free advertising of job vacancies through a variety of channels such as the website, recruitment office, local Jobcentre Plus offices, local newspapers.
- Job matching service by matching residents who have registered their details with job specifications provided by employers.
- Interview support.
- Pre-recruitment and workforce development training programmes.

### ***Partnership Process***

The partnership process has been designed to limit the potentially unmanageable demands on Glasgow Fort from both the Partnership’s 18 member organisations and

external organisations. To overcome this GERA has adopted a gatekeeper role. All requests of Glasgow Fort are to be directed through 2 key personnel: the project manager and the business liaison officer. As a result:

- The number of demands on the Glasgow Fort centre manager and employers are kept to a minimum.
- All demands come via one agreed channel – i.e. the project manager.
- The partnership structure is maintained.

### ***Engaging with Beneficiaries***

A survey of local residents found that, despite construction already well under way, there was a significant lack of awareness and interest shown in Glasgow Fort. A wide range of media has therefore been used to promote the Glasgow Fort opportunities locally. These include:

- Hand delivery of 14,000 ‘Look What’s Coming Your Way.....’ leaflets to all Greater Easterhouse households. Importantly the leaflet promoted the Glasgow Fort brand rather than the employability support services to be more enticing.
- Dedicated 4-page Glasgow Fort supplements in the Greater Easterhouse Social Inclusion Partnership (SIP) area magazine.
- Community websites, local newspapers, radio stations and a double-decker promotional bus.

### ***Engaging with Developers, Contractors and End-Use Employers***

To engage with the developer and centre manager, GERA took a pro-active approach and sought to arrange meetings with key partners to discuss any common ground. Through these discussions, the strategic partnership developed which helped when later engaging with the employers. The letter of endorsement and induction pack, as well as notification from the centre manager when new employers were moving into Glasgow Fort, acted as an ‘in’ for the Partnership. However, in practice, engaging with and maintaining the relationship with the 60 employers on site has revolved around:

- Providing a professional recruitment and training service that meets employer requirements.
- Treating every employer on an individual basis – recognising that different employers have different ways of operating.
- Assisting employers with any wider issues by acting as the interface with the other Partnership operational interventions.
- Maintaining regular contact with employers through attending tenant meetings and making store visits.

### ***Funding***

Funding for this LOAN approach has been relatively light. The project manager has a wider job remit within GERA and the posts of the business liaison officer and a GERA recruitment officer are funded through an European Social Fund (ESF) project.

Jobcentre Plus and Careers Scotland staffing inputs have been diverted from existing funds.

### ***Sustainability of Approach***

Recruitment volumes have inevitably fallen since Glasgow Fort's opening but the Partnership's recruitment intervention has continued – though with a slight change in focus. However, Phase 2 expansion plans for Glasgow Fort have been submitted and the Partnership will be used to fill the vacancies created from that.

- Recruitment efforts centre on filling turnover vacancies with an annual recruitment event in September prior to the Christmas vacancies.
- People interested in working at Glasgow Fort can continue to register with the recruitment service.
- A Retail Scottish Vocational Qualification (SVQ) training programme is now delivered through Microcom Training to support Glasgow Fort employees in their career progression.
- To manage resources effectively, contact with individual employers varies between regular contact and periodic contact – depending on employer preference.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

In terms of recruitment:

- The opening of Glasgow Fort and the initial recruitment surge between autumn 2004 and May 2005 saw the Recruitment Team fill 767 vacancies; 44% of these were Greater Easterhouse residents.
- Between May 2005 and March 2008, a further 967 vacancies have been filled; 66% of these were Greater Easterhouse residents.

In terms of workforce development and again reflecting how the Partnership has evolved, the Retail SVQ training programme has had 34 completers since it began in 2006.

#### ***Successes***

The main successes of the approach are:

- The recruitment figures outlined above.
- Engaging beneficiaries with 2,520 registering an interest by March 2005 and up to 900 attending the jobs fairs. By March 2008, 16,120 applications have been received for Glasgow Fort vacancies.
- Progress made in each of the 9 operational interventions. These include assisting a local social economy organisation to secure landscaping contracts at Glasgow Fort; a *Boots* Childcare Discount Card for local childcare providers; and changes to public transport routes to better serve Glasgow Fort.

- Sustained relationships with the centre manager and the Glasgow Fort employers.

### ***Weaknesses***

The main weakness of the approach are:

- Although some 49 local residents gained employment during the construction of Glasgow Fort, the construction phase is generally viewed as a missed opportunity. The Partnership was not fully operational at that time and contact with the main contractor, Laing O'Rourke, was made at a relatively late stage. If Phase 2 goes ahead, early engagement and a 'best endeavour' clause would be sought from the contractor.

### ***Improvements***

The key improvements identified were:

- The need for earlier and more coordinated activity to maximise the construction phase opportunities.
- An additional key personnel position with responsibility for aftercare services and managing information to and from employers.
- Improved management information systems as there is currently limited information on the retention and progression of recruits.

### ***Transferability of Approach***

While other approaches need not have 9 operational interventions, the LOAN approach used by the Glasgow Fort Partnership could certainly be used elsewhere. While developed here around a retail development, the approach could equally be used in other sectors – such as leisure and hospitality.

### **Key Lessons**

The key lessons to be taken from the approach are:

- The level of commitment and trust shown by the developer and centre managers brings invaluable credibility to an approach.
- It is important to recognise that there are 2 customers – the employers and the local community.
- A dedicated recruitment team is required to handle the large number of vacancies.
- A gatekeeper role helps maintain a Partnership and partners' commitment to it.
- The skillsets of the staff are critically important. In this initiative the leadership, enthusiasm and vision of the project manager, allied to the retail background of the business liaison officer, enabled the key personnel to deliver.

## **CASE STUDY 2: ROUTES TO INCLUSION PARTNERSHIP**

### **Background**

#### *The Opportunity*

The Routes to Inclusion model opens up a wide range of employment opportunities across Lanarkshire tied into large scale physical regeneration investment, employer expansion and ongoing employer recruitment needs. This case study focuses on 3 specific examples; a large scale multi-use development, a new retail development and a company expansion:

- Ravenscraig, is a 20 year, £1.45 billion investment to develop a new town centre. This will include 3,500 new homes, a new train station, retail and commercial developments, a regional sports facility, a new college campus and 2 new schools offering a potential of ‘10,000 jobs on your doorstep’.
- The £40 million Antonine Centre retail development which opened in 2007 created 600 jobs in its 40 outlets.
- Hardnec Flooring, a subsidiary of Westcrowns Contracting Services, directly employs floor laying operatives to lay more than £5 million of flooring per annum, much through Public Private Partnership (PPP).

#### *The Need*

Although the most recent Scottish Index of Multiple Deprivation (2006) showed relatively large decreases of the number of datazones in North and South Lanarkshire falling within the worst 15% in Scotland, significant problems remain around economic inactivity and deprivation for specific groups including the long-term unemployed and those claiming sickness related benefits and disadvantaged communities.

### **The Approach**

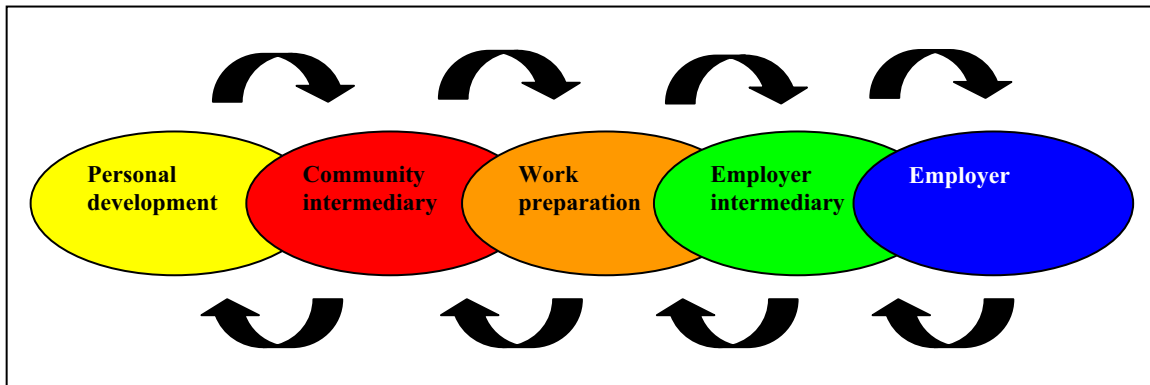
#### *Aims and Objectives*

The Routes to Inclusion Partnership model brings together a range of public and third sector organisations across Lanarkshire with a common aim of moving jobless people towards and into sustainable employment.

#### *Activities and Structure*

The Routes to Inclusion framework has used a systems based approach to develop a ‘pipeline’ to link organisations that support jobless individuals whatever their employability needs. The model has 5 key stages of support each with a different, but complementary focus (Figure A2.1) ranging from personal development through to employment.

**Figure A2.1: Routes to Inclusion Model**



Each stage offers a range of complementary activities, provided by a number of different organisations:

- ***Personal development.*** This element focuses on tackling client barriers, changing attitudes and addressing perceptions of work. These activities are provided by Healthy Working Lives (which seeks to improve the health of working age people) and Health Partnerships through medical referrals and rehabilitation, Pathways to Work advisors located in Jobcentres and some local authority services.
- ***Community intermediary.*** This element is about providing information, encouragement, assistance in overcoming barriers and signposting. These activities are provided through Routes to Work, Routes to Work South (RTWS), regeneration partnerships, social economy organisations and some specialist providers delivering programmes such as Progress to Work which supports individuals with addictions.
- ***Work preparation.*** This element is about delivering confidence building, core skills development and vocational training. These activities are provided predominantly through mainstream programmes including New Deal, Training for Work (TfW), Get Ready for Work, Skillseekers and Modern Apprenticeships by a range of providers including colleges, voluntary and private training agencies.
- ***Employer intermediary.*** This element provides strong links to the world of work through candidate screening, customised training, job matching and recruitment support. These activities are delivered by a range of organisations through established connections and employer partnerships.
- ***Employer.*** This element works with employers to improve job retention through aftercare, monitoring and workforce development. These activities are delivered by a range of organisations based on credibility, trust and effective partnerships with employers.

The model offers a coherent framework for Lanarkshire that links those in need with opportunities arising from both one-off large scale developments and ongoing vacancies caused by turnover and/or expansion. To show the scope of this process based approach, the following examples illustrate how the model has been used to link opportunity and need through the provision of bespoke support in 3 different contexts. These examples are only illustrative and do not represent the range of support on offer.

- ***Ravenscraig/Gartcosh.*** Employers do not often actively seek to recruit local labour, but given the shortages of skilled labour and increasing wages, construction employers are now more willing to partner with the public sector. As part of the procurement process for letting construction contracts, Scottish Enterprise Lanarkshire (SEL) provided all contractors with information about the Routes to Inclusion framework during the pre-qualification and tender stages. Contractors were invited to outline the ways in which they could make a contribution. Although contractors were under no obligation to recruit local people, a commitment to this approach represented one of the criteria on which proposals were to be judged. This approach was tested using the Ravenscraig Social Charter on the Ravenscraig/Gartcosch site. Balfour Beattie, one of the Ravenscraig subcontractors delivering a £25 million project, is providing 100 training places for the long-term unemployed.
- ***Antonine Centre.*** Support focused on the Work Preparation and Employer Intermediary stages of the model to assist with the recruitment of end-use employees, predominantly in retail. The Cumbernauld Retail Consortium comprising North Lanarkshire Council (NLC), SEL, Jobcentre Plus, Routes to Work and Cumbernauld College hosted a job fair to attract more than 1,600 applicants for 600 jobs. They worked closely with the key employers including Dunnes Stores, Tesco and Woolworths to facilitate the recruitment process and provide a short retail skills training course. Unsuccessful candidates were all added to the Routes to Inclusion caseload and followed up.
- ***Westcrowns Contracting Services Ltd*** is a Scottish Enterprise account managed company who have experienced difficulties recruiting skilled employees for their flooring business (Harndec). The SEL Account Manager brought this to the attention of Scottish Enterprise's Learning and Skills team and they facilitated a meeting between SEL, South Lanarkshire Council (SLC), RTWS and the company to discuss what support could be offered to ease their recruitment difficulties through effectively linking workless people to the opportunities within the company. The support provided encompassed the Community Intermediary, Work Preparation, Employer Intermediary and Employer stages of the RTI model resulting in the design, development and delivery of a bespoke 12 week floorlaying training programme which combined soft skills and vocational training with the company guaranteeing jobs to all programme completers – RTWS delivered the soft skills training and John Wheatley College delivered the vocational training. 42 people attended an open day, 24 clients were invited to interview and 14 clients commenced training. 13 of the clients successfully completed the 12 week programme and were offered employment with Harndec.

### ***The Partnership Process***

The key partners involved in Routes to Inclusion are SEL, Careers Scotland, Communities Scotland (now absorbed into the Scottish Government), Jobcentre Plus, NLC, SLC, NHS Lanarkshire, the Lanarkshire Colleges and the voluntary sector. At a strategic level partners work together on an ongoing basis to avoid duplication. At

an operational level, partners come together on a project by project basis as appropriate depending on the demands of a specific development.

With such a diverse membership, developing trust and effective lines of communication are vital for establishing and maintaining effective partnership working. A willingness to recognise all partners as equal is required. To ensure benefits are felt by all, positive outcomes can be claimed by all partners involved.

### ***Engaging with Beneficiaries***

Engaging with potential beneficiaries is central to the success of the Routes to Inclusion model and clients are provided with a customised response to help them move towards the labour market. Clients are supported once they have secured employment through a dedicated aftercare service as required.

Extensive efforts are made using a variety of advertising channels such as leaflets, newsletters, information events and raising the profile through partner organisations including Jobcentre Plus, Lanarkshire Colleges and the voluntary sector. This builds on the success of Lanarkshire's Working, set up by the Routes to Inclusion Partnership a few years ago, as a promotional tool to help engage the hardest to help. A dedicated member of staff was employed to promote the message that 'work is good'. In addition a programme of activities was designed to promote the employability message to frontline staff in the local authority and other partner agencies.

### ***Engaging with Investors, Contractors and End-Use Employers***

Successfully engaging with employers holds the key to securing job opportunities for clients. Although there is some variation on a project by project basis, the generic approach is to build strong relationships as early as possible in the development process. The practical and financial support that can be provided to employers during the pre and post recruitment phase in training and selecting potential recruits needs to be outlined from the outset.

- For the Ravenscraig development, information events have been organised by Construction Lanarkshire using the Ravenscraig Supply Chain Database to present local small and medium enterprises (SMEs) with the opportunity to get involved with the development.
- For the Antonine Centre the large stores including Dunnes and Next were approached at the planning stage. All contacts with the stores were made through the Cumbernauld Retail Consortium to avoid employers being giving conflicting information.
- For Harndec from the formation of the employability working group (SEL, SLC, RTWS, John Wheatley College and Harndec themselves) this bespoke programme was designed to meet the specific needs of the employer and to support the company's growth plans. Such was the success of the pilot programme that the company have run a similarly successful programme for their glass business (Reglit) and intend to run another floorlayer programme in the immediate future.

## ***Funding***

Funding packages are put together on a project by project basis using mainstream funding e.g. TfW, grant applications and partner contributions. There will be considerable variation in the make up of the funding package depending on which element(s) of the Routes to Inclusion model is the focus of the intervention.

## ***Sustainability of Approach***

The Routes to Inclusion framework has been refined over several years and is sustainable over the long-term. It can respond very quickly, potentially within a matter of weeks, to any opportunity coming on stream. As a model it is flexible and can be tailored to address the needs of jobless people and employers at any stage of the employment pipeline.

## **Assessing Good Practice**

### ***Outcomes and Impacts***

In 2005/2006 more than 6,000 people across Lanarkshire participated in activities delivered by the Routes to Inclusion Partnership, with 3,100 of these progressing towards employment.

### ***Successes***

The key successes of the approach are:

- The clarity that the model provides for organisations in terms of where they 'fit' in the employment pipeline.
- Its strong brand with partner buy-in.
- That it is a voluntary, co-operative approach that has built strong relationships between public and private sector partners.
- Its quick response times, in getting in at the planning stage to build relationships and outline potential support.
- Its appeal to employers, responding quickly to their need and tying in to their corporate social responsibility (CSR) agenda.
- The fact that the Routes model is well understood as it is part of the staff induction process across partner organisations.
- The shared ownership of targets across partner organisations, which in turn relate closely to Scottish Government targets.

### ***Weaknesses***

The main weaknesses of the approach are:

- There is a danger that clients can be lost in the system because of the large number of organisations delivering support.

- There is no contractual obligation for employers to deliver community benefit.

### ***Improvements***

The key improvements identified were:

- To engage more effectively with employers through demonstrating tangible benefits, including delivering on CSR.
- The need to get smarter with planning applications, which means actively seeking out information and opportunities coming on stream and/or developing a system in which new projects trigger a pro-active contact from the planning department.

### ***Transferability of Approach***

In terms of being a process based model based on effective partnership working along a 'pipeline', there is scope for the model to work in other locations; however the trust between partners has been built up since the early 1990s and would be potentially difficult to replicate in the short term elsewhere.

### **Key Lessons**

The key lessons to be taken from the approach are:

- The model is sufficiently flexible to be responsive to one off-developments or ongoing opportunities which differ by sector, scale and location.
- The importance of strong partnership working between organisations that transcends individuals.
- All partners need to get something out of their involvement.
- A willingness to get behind a single, strong brand helps to raise its profile and reduce confusion.
- To engage employers there is a need to add value to existing employer practices.
- The importance of not over promising to employers and delivering in line with any agreements made.

## **CASE STUDY 3: LONDON STANSTED EMPLOYMENT PARTNERSHIP**

### **Background**

#### *The Opportunity*

London Stansted is the third busiest airport in the UK and currently employs 11,600 staff, which could rise to 23,200 jobs in 2015 if expansion plans go ahead. However, recent expansions to the airport and its rural location have led to airport employers experiencing recruitment and retention difficulties. Employment opportunities at the airport include retail and catering, hospitality (hotels and leisure), baggage handling, and security.

#### *The Need*

The focus of the London Stansted Employment Partnership (LSEP) is on deprived areas in North and East London that sit within a 40 mile radius of the airport. Particular areas include the London Boroughs of Enfield, Haringey and Waltham Forest, which are characterised by high unemployment and inactivity.

### **The Approach**

#### *Aims and Objectives*

The overall aim of the LSEP is to promote and connect the employment opportunities at Stansted Airport to residents of North and East London.

#### *Activities and Structure*

The LSEP's activities centre on a 4-week pre-recruitment training course which, if completed, guarantees an interview for a job at Stansted Airport. The course has the following features:

- Candidates have to first pass an eligibility check and basic skills assessment to be accepted onto the course.
- The course covers issues such as airport security, health and safety, customer service, interview technique and job applications.
- The course is held in East London but includes a visit to the airport.
- Weekly one-on-one mentoring sessions run alongside the training sessions.

After completing the course, those who are recruited receive a travel card which entitles them to free travel between Tottenham Hale (in North London) and Stansted Airport stations for one year. For those not recruited, additional support is available to help them apply for local retail or hospitality jobs. For all participants, mentoring support remains available.

The LSEP is managed by a steering group consisting of:

- Urban Futures – a North London-based regeneration agency.
- London Development Agency (LDA).
- BAA – Stansted Airport operator and main employer.
- Jobcentre Plus.
- London Boroughs of Enfield, Haringey and Waltham Forest.

Urban Futures is responsible for the day-to-day management and provides the one-on-one mentoring support to participants. Reporting to the LDA, Urban Futures has 2 full-time staff on this project: the Partnership Manager and Mentor.

The training course is delivered by a Department for Work and Pensions (DWP)-commissioned private training provider, and it has 2 trainers, a job broker and a support worker assigned to the course.

### ***The Partnership Process***

The current LSEP approach builds on a series of previous initiatives aimed at addressing recruitment and retention difficulties at Stansted Airport by reaching out to deprived communities in Harlow and North and East London. These include an initial cooperation agreement between BAA and Harlow College and 2 separate partnerships set up in 2001 with London Boroughs in the Thames Gateway area and in North London respectively. These 2 partnerships merged in 2004 to become the LSEP.

The management and funding structures have caused a number of challenges for the partnership – with no clear line management between the project manager and the training provider.

- Urban Futures, the project managers, are funded by and accountable to the LDA. It therefore works to LDA targets of employment sustained for at least 13 weeks – with equal status attached to jobs based locally or at Stansted Airport.
- The training provider is funded by and accountable to DWP. It therefore works to DWP job entry targets, which include the aim of the majority of jobs being Stansted Airport-based. For the DWP, the link with the airport was the key asset of the programme.

The LSEP partnership tried to address these challenges by bringing together the different funders and discuss possible ways forward, but tensions were accentuated when targets were not being achieved.

### ***Engaging with Beneficiaries***

The vast majority of candidates are referred through Jobcentre Plus. However, to reach out to a wider number Urban Futures has taken a pro-active approach which includes:

- Advertising in local papers.
- Distributing leaflets in public places.
- Sending e-flyers to their network of 300 partner organisations.

- Organise presentations in community venues.

Individuals interested or referred to the project are then invited to attend an open recruitment day. Here, they have to undergo the eligibility check and basic skills assessment – with successful candidates able to enrol on the training course.

- The eligibility check comprises questions about whether they have a passport or UK driver’s license (the only documents accepted by BAA for identity checks); their age; whether they could provide a 5-year checkable and referenced history; and whether they would agree to a Criminal Record Bureau check.
- Eligible candidates then proceed to a basic skills assessment.

Turnouts are often high at these open recruitment days with up to 100 individuals, but drop-out rates are also high at both the eligibility check and basic skills assessment. Eligibility barriers are either real or perceived: for example, getting the 5-year history is often straightforward even for individuals without any employment history during those 5 years, but many feel they will not be able to deliver this. Individuals not enrolled on the course are signposted to basic skills provision or, in the case of referral by Jobcentre Plus, referred back to Jobcentre Plus.

### ***Engaging with Investors, Contractors and End-Use Employers***

BAA has been strongly involved in the development of all Stansted Airport LOAN approaches and has supported the LSEP project throughout both financially and by championing the scheme among other airport employers. The credibility of having BAA so closely involved has enabled:

- Jobcentre Plus, who until recently managed a Jobcentre Plus on the airport premises, to manage the employer liaison aspect of the project in cooperation with BAA.
- 20 to 30 employers, many of which are larger employers, to sign up to service level agreements with the LSEP project. The agreements commit employers to offer guaranteed interviews to LSEP course participants that apply for a job in their organisation.

### ***Funding***

Total funding for the LSEP project amounts to about £250,000 per year and is funded by the LDA, DWP and BAA, with some match-funding from participating local authorities. This breaks down as:

- £100,000 for Urban Future’s project management and mentoring support.
- £65,000 for the free travel cards.
- £50,000 for the training provision – costed at £652 per unit cost, with 70% paid on course enrolment and 30% on securing employment (job start).

### ***Sustainability of Approach***

The training provider's DWP contract ended in March 2008 and has not been renewed. However, LDA and BAA are committed to a future project: the Stansted Academy. To help fund the project, 2 options are being considered:

- The East of England Development Agency – as Stansted Airport is in its operating area.
- Employers – as alternative recruitment mechanisms (e.g. agency support) can be expensive.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

The 3-year LSEP project enrolled 440 individuals onto the training course at approximately 15 participants per course. In the first 2 and a half years, 264 completers sustained job outcomes at 13 weeks – of these 60% were based at Stansted Airport; 40% elsewhere. Overall, outcomes are lower than the LDA and DWP targets and the perception is that the project has not achieved its potential.

#### ***Successes***

The successes of the LSEP approach are:

- Employer commitment to the programme. As well as offering guaranteed interviews, employers were closely involved in the design and delivery of the training course – for example BAA staff deliver the airport security module – ensuring relevant course content.
- The role played by Jobcentre Plus. Not only did it provide large numbers of referrals but also gave candidates a benefits waiver to allow them to engage in more than 16 hours per week of training.
- Linking an opportunity to communities some 40 miles away by providing free travel cards. After one year, recruits can then benefit from an airport commuter scheme with an 80% price reduction for airport employees.
- Mentoring support enabled more targeted, personalised support and guidance in addition to the training modules.
- While the employment outcomes are lower than hoped, there are examples of rapid career progression amongst some LSEP completers.
- Airport recruitment processes are strict and time-consuming but the LSEP has recognised this and presents to employers trained and eligible candidates. Employer feedback suggests high levels of satisfaction.

#### ***Weaknesses***

The key weakness of the approach is the general sense that the project has underperformed in terms of job outcomes, which can be put down to a number of possible factors:

- As discussed, the unclear line management structures between the project manager and the training provider and different sets of targets.
- The quality of the training provision with the provider experiencing high staff turnover and organisational instability. The relatively small size of the training contract may have put off a more experienced provider.
- Airport expansion has not moved forward as quickly as anticipated – leading to lower than anticipated employment opportunities.
- Candidates are reluctant to sign up to shift work (including early morning and late nights) – particularly where childcare is an issue.
- Despite the free travel card, travel remains an issue for many candidates as individuals question why they should travel to the airport to work for a particular employer that is also based locally.
- The time lag between completion of the course and the guaranteed interview (in some cases as long as 4 weeks) can make it difficult to maintain momentum.

### ***Improvements***

The key improvements identified in response to some of the weaknesses outlined above, that have been discussed by the Partnership are:

- Including the training provider in the project steering group and closer working between the DWP contract manager and local Jobcentre Plus district staff.
- Better alignment of training provision to recruitment spikes at the airport.
- Greater promotion of the advantages of working at the airport amongst participants, which include staff discounts, a good working environment and employment progression opportunities.

The new project, the Stansted Academy, builds on lessons learnt and will take a slightly different approach. North and East London residents will still access a 4-week training course, mentoring support, a guaranteed job interview and a free one-year travel card. However, the course will now be delivered at Stansted Airport with the aim of:

- Giving participants a better sense of what travel to and from the airport is like and challenge perceptions of transport as a barrier to employment.
- Giving participants a chance to interact with other employees at the airport, including former project completers.
- Enabling greater interaction between the project management and airport employers – so offering agency-like recruitment and human resource support to employers.

Crucially, the new project will also have a different management structure with Urban Futures responsible for both the project management and delivery of the training.

### ***Transferability of Approach***

The LSEP (and looking forward the Stansted Academy) could be adopted in other airports and both Heathrow and Gatwick airport are looking at setting up a similar

initiative. However, the pre-recruitment training course model and guaranteed interviews could be used in other sectors, such as retail and leisure and hospitality.

### **Key Lessons**

The key lessons to be taken from this approach are:

- Strong employer commitment is crucial to a successful LOAN approach. For example, BAA brought financial support, employment opportunities and credibility to LSEP.
- Clear line management structures are of great importance to a partnership approach.
- A bespoke training course must meet both employer needs and participant needs. LSEP achieved this with strict eligibility tests for employers and one-to-one mentoring support for participants.
- The strict eligibility criteria and basic skills requirements meant high drop out rates. It is therefore important to have supports in place for those who are unsuccessful – such as referral mechanisms to other employability provision.
- LOAN approaches do not have to be limited to areas neighbouring an investment. LSEP shows that using transport schemes, e.g. the travel card, LOAN approaches can target disadvantaged communities some 40 miles away.

## **CASE STUDY 4: QUAYS TO EMPLOYMENT GATESHEAD**

### **Background**

#### *The Opportunity*

The Gateshead Quayside Development encompassed the extensive redevelopment of the waterfront through the construction of the Baltic Centre for Contemporary Art (£46 million), The SAGE Gateshead (£70 million), the Gateshead Millennium Bridge and the Newcastle Gateshead Hilton. These developments offered significant opportunity for local employment in the arts and hospitality industries.

#### *The Need*

The legacy of the decline in heavy industry and coal mining in the area has led to depopulation, and high levels of unemployment and deprivation in many of Gateshead's communities.

### **The Approach**

#### *Aims and Objectives*

This approach is designed to open up employment opportunities to local unwaged and unemployed individuals from capital regeneration schemes in Gateshead. It aimed to raise career aspirations and break the cycle of inter-generational unemployment in the most depressed wards.

#### *Activities and Structure*

Gateshead local authority has achieved significant success in using culture as a tool for economic development, since the commissioning of Anthony Gormely's Angel of the North in the mid 1990s. Quays to Employment initially operated between 2002 and 2004. It was a flexible, employer-led, targeted recruitment and training programme, customised to the specific needs of the employers recruiting within the new waterfront development.

The programme was delivered by the Economic Development Service within the local authority, which has a staff of 15 comprising of 2 Senior Economic Development Officers and 13 employment support workers. Having a personal touch is considered critical and clients were supported by the same individual throughout.

The programme was designed to raise employability and increase the motivation to work amongst participants. Following pre-screening and selection, participants were offered short, sharp and accredited training (approximately 4-6 weeks) through the partner organisation Gateshead College. Potential recruits for the Hilton participated in their internal 5 week training programme 'Spirit of Hilton'. The training was

intensive, challenging and related directly to the demands of the jobs participants were hoping to secure. In addition, potential recruits for:

- The Baltic Centre for Contemporary Arts were able to participate in Art Appreciation sessions and visited Tate Modern in London.
- The SAGE Gateshead visited the premises, spoke to personnel staff about working in the industry and participated in music workshops.

On successful completion of the intensive training programme all participants were offered a guaranteed job interview.

### ***The Partnership Process***

The partnership approach is critical to the success of the programme. The partners were Jobcentre Plus, Gateshead College, Connections (Careers Service) and the employers, with Gateshead Council taking the lead. The partnership was built on existing good relations between public sector partners and a concerted effort to work effectively and efficiently with the private sector. Regular meetings kept all partners informed of progress.

### ***Engaging with Beneficiaries***

Engaging with beneficiaries was challenging, because many were long-term unemployed and faced multiple barriers to employment. An extensive marketing campaign was undertaken to raise the profile of the developments on the Quayside and the potential job opportunities. This included adverts in the local Jobcentre Plus, shop windows and the local newspaper, a recruitment bus which travelled into the various communities and an Open Day. This was not a hard sell approach, but was based on raising interest in the development as whole and helping individuals to see where they could have a role to play.

The careful design of the programme ensured that the training and support offered to clients responded to their complex needs. Jobcentre Plus worked to overcome the 16 hour rule by putting training provision through their short course provision, thus allowing clients to do up to 30 hours training. They were also flexible about signing on times. Clients were supported at all stages of the programme from their initial engagement, through the training period and into employment.

### ***Engaging with Investors, Contractors and End-Use Employers***

The Regeneration Team within the local authority engaged with the key partners at the start of the development. This ensured that a programme could be devised that was tailored specifically to the needs of all of the employers. Attention was paid to delivering what employers wanted in terms of volume and quality at the right time. Employers were only asked to guarantee an interview, so their level of commitment was minimal. The approach was focused on negotiation, with extensive employer consultation and input to the process and not a legal tie-in. Informal aftercare was provided if required.

### ***Funding***

The 2002-2004 programme was funded through 2 rounds of ESF monies with matched funding. The programme is resource intensive, but high quality so outcomes are sustainable. The estimated cost is just under £1,000 per job.

### ***Sustainability of Approach***

This approach has been developed over the last 10 years and is an integral part of the local authority's Economic Development Team response to regeneration investment, employer expansion and recruitment needs. Staff are employed by the local authority and are allocated to initiatives such as Quays to Employment on a project by project basis as appropriate.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

69 local residents secured employment through the Quays to Employment programme and 160 gained accredited qualifications.

#### ***Successes***

The main successes of this approach are:

- The approach was built on more than 10 years local authority experience of delivering this type of programme, continually reviewing and refining the approach.
- The multi-skilled team with its range of backgrounds, flexible approach and excellent communication skills ensured a quality programme.
- High staff retention through good working conditions, commitment to staff training and a structured career path.
- Employers were successfully engaged in the programme from the outset. They were offered a complete bespoke package of support from advertising vacancies, through screening potential candidates, training, recruitment and aftercare.
- Jobcentre Plus was flexible in their approach to supporting clients.
- An effective and innovative marketing approach created a high level of interest in the community for the positions on offer.
- All clients are treated as individuals. This approach successfully motivated and engaged clients with multiple and complex needs and moved them into sustainable employment.
- Clients who were unsuccessful in gaining employment following completion of the demand led training were offered additional assistance to find employment with other employers.
- Excellent working relationships with partner organisations.

## ***Weaknesses***

The main weaknesses of this approach are:

- Delays on the construction side, particularly the 7 month delay to the Hilton, caused difficulties for those individuals who had been offered employment, who were unable to start work as scheduled. Support was given to help some clients find alternative employment.
- Although Jobcentre Plus was a willing partner there is still a limit to how flexible they can be with their funding contribution.
- The type of funding stream used constrains who can be supported by the programme as there may be postcode restrictions that apply.
- There was a relatively high turnover of individuals recruited through the programme within the first year, with recruits finding it difficult to make the transition from long-term unemployment to full time employment.

## ***Improvements***

Key improvements identified were:

- The need to deliver training as close as possible to the project completion dates to overcome the difficulties associated with timescale slippage.
- A greater focus pre-recruitment on preparing individuals for the practicalities of work (in addition to job skills training) such as how to manage money, address issues with transport and colleagues and more aftercare support would help to sustain outcomes over the longer term.
- Greater opportunities for beneficiaries to engage with their potential employers at pre-recruitment stage would help them to identify more strongly with the organisations and make them more likely to stick with the jobs.
- There is scope for using the approach to recruit for more highly skilled, higher waged positions, as opposed to predominantly entry level jobs.
- Although a voluntary approach has produced significant results to date, a more proactive approach through the introduction of legally binding contracts in public sector procurement could potentially deliver more.
- There is a need to incorporate Targeted Recruitment and Training clauses into the Council's Planning and Procurement processes to increase employment and training opportunities for residents.

## ***Transferability of Approach***

The success of the approach led to the rolling out of the programme across the whole of the borough (any beyond to other Tyne and Wear Authorities) and into different industrial sectors including retail and health care. Recent years has seen the replication of the programme to involve 20 employers and secure jobs for more than 300 local residents, for example:

- The new NHS Surgical Treatment Centre at the Queen Elizabeth Hospital in Gateshead used the approach to train and recruit care assistants, housekeepers, catering and domestic staff and clerical workers. 33 individuals secured employment. This employer-led model was facilitated by the partnership that was set up between the Economic Development

Service and the Northumberland and Tyne and Wear Strategic Health Authority. This pilot programme has served to inform the development of the Strategic Health Authority's recruitment framework.

This approach will be used for future developments including the planned redevelopment of Gateshead Town Centre and the Gateshead Quays Phase 2, with its mix of housing, retail and leisure uses. There is nothing particularly sophisticated in the approach, but successful roll out is dependent on getting the right staff in place.

### **Key Lessons**

The key lessons to be taken from the approach are:

- There must be tangible benefits for both employers and employees.
- Where the benefits of pilot programmes can be effectively demonstrated to public and /or private sector employers, opportunities for successful roll out are created.
- Local authorities can act as a key catalyst for change in a local area, which in turn can impact on the wider regional economy.
- A dedicated, multi-skilled programme team ensures that the needs of employers and clients are fully understood and can then be appropriately addressed.
- The need to pay decent wages and negotiate good working conditions to retain staff.
- Support for hard to help clients needs to be high quality, intensive and supportive.
- Approaches should be continuously fine tuned at every occasion they are delivered.
- Approaches should not be seen in isolation, but where possible embedded in the wider strategic approach to economic development across an area.
- Project managers must be prepared to be creative in approach, recognising where partners are constrained e.g. by statutory rules and regulations and where it is possible to make a difference.

## **CASE STUDY 5: BUILDING ONE STOP SHOP (BOSS)**

### **Background**

#### *The Opportunity*

Building One Stop Shop (BOSS) was established in 1999 in preparation for the construction of the new £840m Wembley Stadium, which was one of a number of large construction projects in West London. The increasing number of construction opportunities brought good rates of pay and an employment structure accessible to previously unemployed people if appropriate pre-employment support was provided.

#### *The Need*

The London Borough of Brent has high levels of social and economic disadvantage with higher unemployment and economic inactivity rates than the London average. A further feature of Brent is that it is recognised as the ‘most ethnically diverse local authority area in the country’ with Black and Ethnic Minorities constituting 55% of Brent's population (Office of National Statistics, 2006).

### **The Approach**

#### *Aims and Objectives*

The aim of BOSS is to take maximum advantage of the construction opportunities by putting in place customised education, training and on-site work experience to assist local people into long-term sustainable positions within the construction sector.

#### *Activities and Structure*

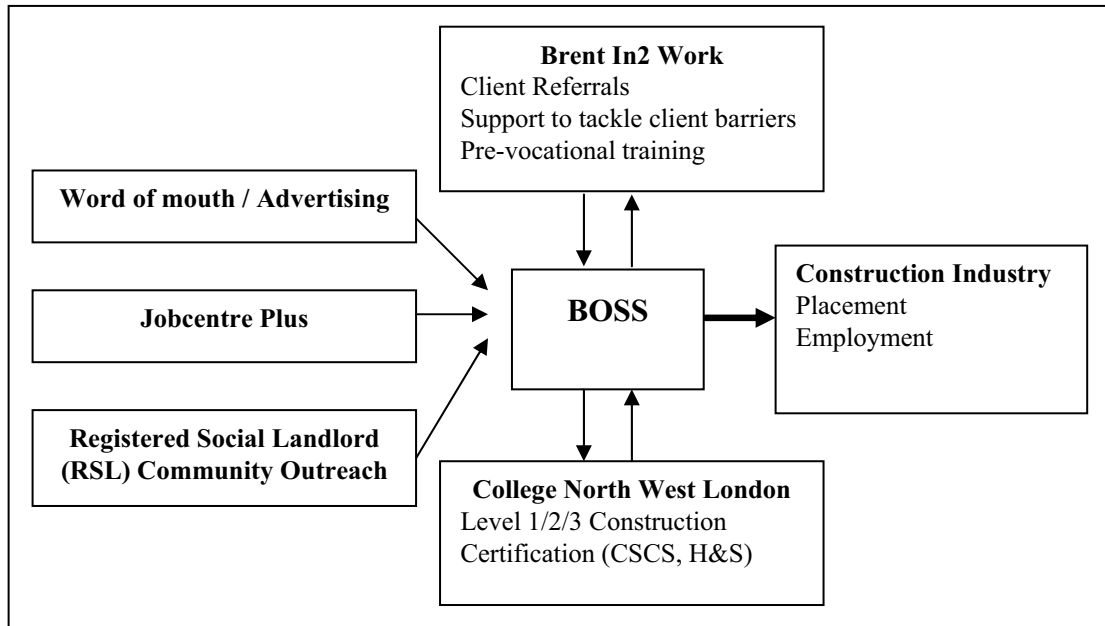
BOSS is staffed by people with a strong understanding of the construction industry and its recruitment needs. Therefore, by working in close partnership with employers and the community, BOSS is able to offer:

- Accurate advice to candidates on what is needed to get a construction job – for example, type and length of training required.
- Quality training closely allied to industry standards.
- Preparation for clients so that they are job ready and have the right attitude for working on a construction site.

BOSS has in place a flexible training fund that allows them to provide a package of training (including non-certificated) courses that employers are looking for.

Figure A5.1 shows where BOSS sits within the wider organisational structure. Broadly, client referrals come from a wide range of sources and training is provided in conjunction with the College of North West London (CNWL) before clients are moved into construction jobs and placements.

**Figure A5.1: BOSS within Organisational Structure**



***The Partnership Process***

BOSS was originally led by the North West London Training and Enterprise Council (NWL TEC) but, during the transition from TECs to Learning and Skills Councils (LSCs), Brent Council became the natural home for the project and this has continued in the Council-led BrentIn2Work. BOSS has benefited from using BrentIn2Work’s services to address any client preparation requirements – this means that no client is turned away and issues surrounding soft skills, motivation and punctuality are addressed from the start.

BOSS works closely with a number of other organisations including CNWL, Business Link, Construction Industry Training Body (CITB), Jobcentre Plus, Wembley Stadium ltd and Multiplex (the prime Stadium contractor) as well as a number of voluntary and community groups. Local Registered Social Landlords (RSLs) have increasingly been involved in community-based outreach linked to local employment in construction and maintenance contracts on their housing stock.

***Engaging with Beneficiaries***

Engaging beneficiaries has been a strength of BOSS with the project receiving a constant stream of clients. BOSS is a highly recognisable brand in North West London and this can be put down to:

- The high profile of Wembley Stadium in the local area and the close relationship BOSS had with the stadium contractors.
- The estate-based activities of BOSS and BrentIn2Work, which promoted the employment prospects within construction (for example wages and

progression opportunities) and the numerous examples of local people getting “good” jobs in the industry.

- A wide range of referral sources, which included word-of-mouth, Jobcentre Plus, community groups, housing associations and CNWL. Outreach workers funded by local RSLs have also been successful in engaging local people.

### ***Engaging with Investors, Contractors and End-Use Employers***

The main construction contract included a Section 106 clause which encouraged contractors on a “best endeavour” basis to recruit local labour wherever possible. However, all partners recognised that the type of fixed-price contract used for the Stadium provided little room for manoeuvre as the focus was on construction being as quick and efficient as possible. A further difficulty in gaining contractor commitment was staff turnover within the contractors as this meant BOSS often had to build a new relationship with the contractor, which took time.

In practice, BOSS’ ability to engage effectively with contractors centred on its location and being able to meet the recruitment and training needs of contractors. In terms of location:

- BOSS is located close to Wembley Stadium (at the end of Olympic Way) and close to CNWL. Employers therefore liked the fact that their employees could access training on their doorstep – particularly with CNWL accredited to deliver Construction Skills Certificate Scheme (CSCS) cards and is a Centre for Vocational Excellence in construction.
- BOSS also had an office on-site. Although BOSS was already very close by, a presence on-site was seen to be essential in generating interest amongst sub-contractors.

In terms of meeting the recruitment and training needs of contractors, BOSS is able to meet the needs of all work types – varying from specific elements of the build (joinery, plastering, brick laying, etc) to painting and other finishing activities (especially when trained to work on platforms at height). A key part of the offer is that BOSS can offer training through its flexible training fund that was not typically funded by the LSC, such as non-certificated courses. In general, only contractors undertaking highly specialised work tend not to see the need to engage with BOSS.

### ***Funding***

BOSS was originally funded through the Single Regeneration Budget (SRB) 4 Building a Future in North West London scheme and Jobcentre Plus discretionary funding. However, it is now funded through a combination of European Social Fund (ESF) Objective 3, London Development Agency (LDA), LSC and Brent Council funding. Sustaining funding for different elements of the BOSS training package has been an issue – particularly with changing policy priorities of key funders.

- The LSC has shifted funding away from lower level training (foundation and Level 1) which has created a funding difficulty for BOSS as it previously trained clients to Level 1 and then onwards to Level 2 if sufficient commitment was shown by the candidate. However, the removal of LSC

Level 1 funding due to the courses reputation for limited progression has taken away an important bridge for more deprived clients.

- LDA and ESF priority areas have meant that funding is focused on specific pockets of deprivation rather than Borough-wide initiatives. This has thus limited the pool of potential clients from across West London.

### ***Sustainability of Approach***

The sustainability of BOSS can be put down to its good reputation with employers and clients. The project's understanding of the construction industry has meant that clients have been appropriately prepared and then matched to employers' requirements. However, looking forward, the tension between funding for vocational training (now heavily focused on Level 2 and certificated courses) and accreditation and preparation of more clients living in more disadvantaged areas (which is the focus of LDA/ESF funding) means BOSS is finding it harder to achieve its initial aims.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

In 2007/08, 317 people received employment support:

- 268 of these received some form of training leading to 97 achieving qualifications.
- 148 (47%) were placed into employment.

#### ***Successes***

The main successes of this approach are:

- Its strong focus on meeting the skills and competences needed in construction industry.
- Its focus on the progression opportunities within the industry has helped to ensure that outcomes are sustainable.
- The project's ability to engage with beneficiaries using a wide range of referral sources. RSLs have played a key role in engaging residents from deprived estates.

#### ***Weaknesses***

The main weaknesses of the approach are:

- Effectively engaging employers remains hard work even when access to appropriate labour is tight. Section 106 clauses do not require participation, therefore any relationship with employers takes time to develop.
- The difficulty in sourcing funding for accreditation and short-courses, which employers frequently look for.

## ***Improvements***

The key improvement identified is:

- A change to the funding criteria, with BOSS ideally wanting funding to train to Level 1 qualifications and to support clients from the wider West London labour market rather than the most deprived neighbourhoods only. This has not damaged the recruitment of clients in the short term but may affect BOSS' ability to progress individuals and may ultimately limit their appeal to employers.

## ***Transferability of Approach***

BOSS as an approach could be used to benefit other major construction developments but it is important that any project has the wider partner services available, such as BrentIn2Work and CNWL, so as to provide a comprehensive service to employers and clients.

## **Key Lessons**

The key lessons that can be taken from this approach are:

- Timing – starting 2 years before the start of the Wembley Stadium construction allowed time to build client qualifications so as to provide employers with a tangible offer.
- Working with employers – highly successful in engaging with employers due to its strong focus on addressing the skills and competences needed in construction industry. This has meant that when BOSS wants to talk to contractors about employing their clients they tend to listen.
- Working with beneficiaries – BOSS focused on instilling the right attitudes in clients from the outset to prepare them for work on a building site.
- Partnership arrangements – BOSS was able to draw upon partners services including those of BrentIn2Work. BOSS is therefore able to refer any individuals who they think are not yet ready to start in construction. Once people have been through the support they are able to return to BOSS.

## **CASE STUDY 6: WEST AT WORK**

### **Background**

#### *The Opportunity*

West at Work is a partnership that is developing LOAN approaches connected to a series of major developments across the West of England. The most advanced development is Cabot Circus in Bristol and is the focus of this case study. Cabot Circus is a 140,000 m<sup>2</sup> mixed use development comprising a major shopping centre, a 13 screen cinema complex, restaurants, bars and cafes, office space, and affordable homes. It will open in autumn 2008 and create approximately 4,000 new jobs – the majority being in retail.

#### *The Need*

The Cabot Circus LOAN approach targets Bristol's Neighbourhood Renewal areas, namely Southmead, Lockleaze and Lawrence Weston (known as 'The Northern Crescent'), St Paul's, Easton and Lawrence Hill, Knowle West, and Hartcliffe and Withywood.

### **The Approach**

#### *Aims and Objectives*

The West at Work partnership aims to ensure that local people, in particular those furthest away from the labour market, receive the guidance, training and support they need to take advantage of the jobs being created by the developments across the West of England. A model of client and employer engagement that can be applied to the different developments is being developed. The main elements of the model are:

- a single point of contact to developers and employers; and
- training and client support provision tailored to employment opportunities.

#### *Activities and Structure*

In advance of the Cabot Circus opening in autumn 2008, the client support package was launched in February 2008 to give candidates sufficient time to get job ready. The package consists of 3 training types with each branded as a step towards a retail job in Cabot Circus. The 3 training types are as follows and are all delivered in community locations:

- Provision of community learning offering basic skills support.
- Soft skill development – for example, communication and team-work skills.
- A 2-week, pre-employment retail training course designed in close collaboration with the end-use employer(s). There is a guaranteed job interview for course completers.

### ***The Partnership Process***

The West at Work partnership was established in 2002 and brought together Jobcentre Plus, the Learning and Skills Council (LSC), Business West, the South West of England Regional Development Agency (RDA), Connexions and the 4 local authorities. Initially progress was slow because there was no dedicated funding or central support team. This changed in 2005 when the LSC and RDA each committed £1 million to West at Work and this led to:

- the recruitment of a Central Support Team; and
- the establishment of the Key Site Task Force, tasked with developing a model of engagement for the different development sites.

In February 2007, a smaller Cabot Circus Delivery Group was set up to apply the model to the Cabot Circus retail centre.

The Central Support Team has taken a number of seemingly small but important steps in the partnership process. They have:

- Developed a service directory. This informs partners of each other's activities and help develop a single point of contact
- Commissioned labour market research. This has included research on local employers' views of training provision, which has helped challenge and change partners' current provision
- Provided project management training to partners. Project management *Prince2* training has been delivered to partners in a joint 2-day session so as to help in the effective delivery of the West at Work approach.

### ***Engaging with Beneficiaries***

The centre-piece of the client engagement is the clearly branded Cabot Circus Employment Bus. The bus has been transformed into a mobile community engagement point offering one-stop-shop information about all training, advice, guidance and support available to access the Cabot Circus retail employment opportunities. This bus operates in conjunction with existing community engagement information points and they encourage clients to use it when it comes into their neighbourhood.

### ***Engaging with Investors, Contractors and End-Use Employers***

Bristol Alliance, the main developer of the Cabot Circus site, is responsible for engaging with end-use employers. Principally this is done through its Tenant Recruitment Manager and Account Manager, both of whom are seconded from Jobcentre Plus. In discussions with employers about locating in Cabot Circus, the training and support provided by West at Work is promoted. West at Work is now accepted by Bristol Alliance and all local employability organisations as the accepted partnership structure in which to operate. Initially, Bristol Alliance was approached by around 30 employability organisations and this was seen as unmanageable.

In addition to end-use employers locating in Cabot Circus, the West at Work partnership is also looking to engage with employers that move into the premises vacated by those employers moving to Cabot Circus. This is because Cabot Circus will attract a number of 'upmarket' employers who may be less likely to consider entry level candidates, while the employers who move into their former premises may be less selective in their recruitment criteria.

There has been little engagement with the Cabot Circus construction contractors. There were 2 main reasons behind this:

- The partnership was not fully operational in time to target the construction phase.
- The partnership came to realise that there were relatively few direct job opportunities in construction and decided to concentrate on job opportunities in the local small and medium enterprise (SME) supply chain.

In future, the partnership will look to use section 106 clauses in construction contracts to gain employer commitment to employing local people. This is being used in the construction phase of the Southgate development in Bath, which is another of the West at Work target developments.

### ***Funding***

Funding for the West at Work partnership comes from the LSC and the RDA (£1.1 million each). This covers the salaries of the Central Support Team, as well as some pump-priming funding. Funding for all client engagement, training and support activities and employer engagement activities comes from the existing budgets of partners and Bristol Alliance provides the partnership with Cabot Circus marketing materials. Staff secondments are an important part and examples include:

- Jobcentre Plus has seconded one full-time post to the Central Support Team and provides staff to man the Employment Bus.
- The LSC have seconded a part-time post to the Central Support Team.

From April 2008 onwards the LSC are investing a further £1.8m in European Social Fund (ESF) co-financed funding for the next 2 years of the project.

### ***Sustainability of Approach***

The whole approach is built around the notion of sustainability – i.e. West at Work aims to develop an engagement and partnership working model that can be applied to other key developments across the West of England. Indeed, lessons learnt from the Cabot Circus development are already informing the approach to the Southgate Centre development in Bath.

The sustainability lies in partners' support and commitment to the partnership. The fact that partners view the links that West at Work has with Multi-Area Agreement partnerships and recognise that their involvement will help them achieve their employability targets means they are expected to provide ongoing funding and in-kind support through their mainstream budgets.

## *Assessing Good Practice*

### *Outcomes and Impacts*

West at Work is very much a forward looking case study with client activities only beginning in February 2008. There have not been any employment outcomes to date.

### *Successes*

The main successes of this approach are:

- The strong partnership working to date with partners actively contributing to West at Work's aims;
- The Prince2 project management training, which has helped assign ownership and responsibility of specific activities to partners, which should in turn aid implementation; and
- Lessons learned from the Cabot Circus development have been successfully transferred to the Southgate Centre.

### *Weaknesses*

The main weaknesses of the approach are:

- The length of time taken to develop a West at Work identity/brand – this includes website, letterheads and business cards; and
- The lack of a central West at Work location – the Central Support Team work from different locations, housed in Jobcentre Plus or LSC premises.

### *Improvements*

The key improvements identified are:

- The need to ensure dedicated funding is in place from the start as the Central Support Team was not set up until 2005, yet the partnership formed in 2002; and
- The need for greater strategic direction and drive provided to the partners and the Central Support Team as this was lacking from the start – so compromising progress. The recruitment of a strategic champion (at director-level) has provided this.

### *Transferability of Approach*

Transferability sits at the heart of the approach. The West at Work model will be used across the West of England's key developments with the lessons learned from each further informing the model.

## **Key Lessons**

The key lessons that can be taken from this approach are:

- Develop a clear point of contact for developers, employers and clients.
- Ensure a seamless support pathway is provided for clients so that all local residents can compete for future jobs.
- Strong branding is important for partners, employers and clients to buy-in to the approach.
- Effective and innovative outreach is of benefit when engaging clients – as shown by the promotional bus.
- Ensure partners fully understand what each partner is responsible for and delivers.
- Provide training where partners do not have the required capabilities – for example, Prince2 project management training was provided to help partners in the project management process.
- Learn from past experiences to continuously refine and develop the approach.

## **CASE STUDY 7: EDINBURGH WATERFRONT**

### **Background**

#### ***The Opportunity***

The Edinburgh Waterfront is a 25 year project which will regenerate 680 acres of largely derelict, former industrial land into a sustainable and desirable place to both live and work. The plans state the project will create:

- 9,400 jobs.
- 1 million sq ft of commercial space.
- 260,000 sq ft of retail space.
- 5,300 new homes.
- 2 new schools and a new campus for Telford College (completed in 2007).

#### ***The Need***

The Edinburgh Waterfront development neighbours the deprived communities of Granton, Muirhouse and Pilton in the north of the city. These communities made up the former North Edinburgh Social Inclusion Partnership area but have recently been integrated into the larger Forth Neighbourhood Partnership.

### **The Approach**

#### ***Aims and Objectives***

The aim of the approach, led by the Edinburgh Waterfront Partnership, is to connect unemployed Edinburgh residents to the construction and end-use jobs created by the Edinburgh Waterfront project.

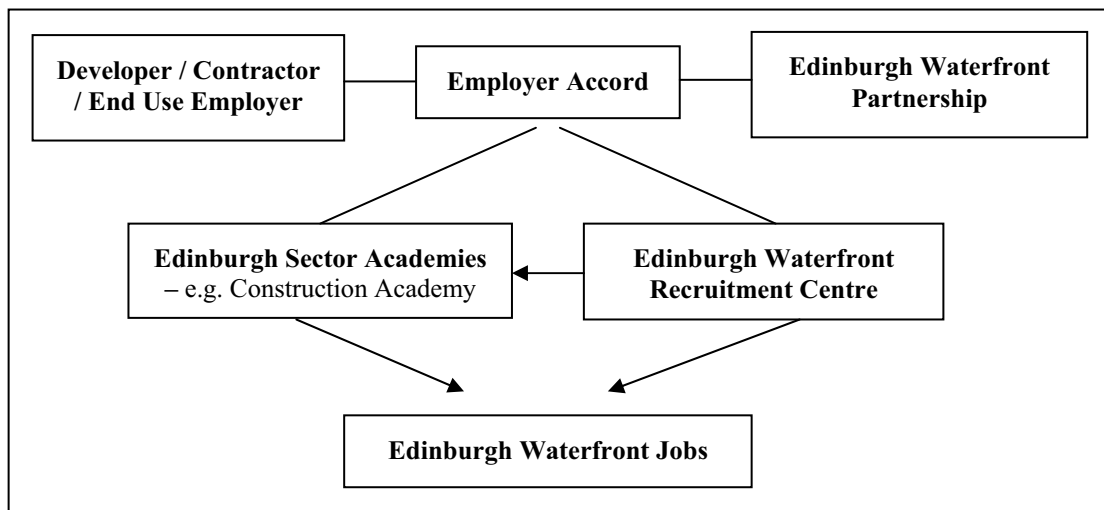
#### ***Activities and Structure***

To link local people to the Edinburgh Waterfront's job opportunities, 2 connected interventions have been put in place:

- Employer Accords.
- The Edinburgh Waterfront Recruitment Centre (EWRC).

The timeline of the Edinburgh Waterfront development means that the LOAN approach has so far focused on construction opportunities to date. Figure A7.1 illustrates the Edinburgh Waterfront LOAN approach.

**Figure A7.1: Edinburgh Waterfront LOAN Approach**



### *Employer Accords*

Employer Accords have been developed by the City of Edinburgh Council’s Economic Development team to secure construction employment and training opportunities from significant investment programmes across Edinburgh. The Accords are voluntary service level agreements that commit developers and contractors on a ‘reasonable endeavour’ basis to maximise the recruitment of local labour.

In the Edinburgh Waterfront, the 3 land-owner developers (Forth Ports, National Grid and Waterfront Edinburgh Ltd) have signed up to an Accord which commits them to work with the Edinburgh Waterfront Partnership. This involves:

- Sharing information on development plans and phasing – enabling partners to map out on a year by year basis future labour market demand.
- Making ‘all reasonable endeavours’ to encourage all land purchasers, contractors, subcontractors and employers to engage with the LOAN approach.

To meet the labour demand emanating from the Accord, the Edinburgh Waterfront Partnership uses the existing Edinburgh Construction Academy model to upskill local people. The Construction Academy is a citywide employer-led collaboration that coordinates training provision to give local people the best opportunity of filling local opportunities. It oversees 4 construction programmes that are delivered by the Council managed Capital Skills vocational training centre. The 4 programmes are:

- Pre-Get Ready for Work programme.
- Get Ready for Work programme.
- New Deal Environmental Taskforce.
- Capital Build intermediate labour market (ILM) programme.

In terms of LOAN, Waterfront employers recruit from the Capital Build programme – as it is the closest to the labour market. Participants on the other 3 programmes aim to progress onto the Capital Build programme. Capital Build operates as:

- a 6 to 12 week-waged course – depending on employer requirements; and
- is split between training to certificate standard in construction disciplines and work experience on Council construction and maintenance contracts.

Capital Build is open to any unemployed Edinburgh resident aged 18 years old or over. However, in terms of LOAN:

- The programme is open to all Edinburgh residents and not just North Edinburgh residents.
- Applicants must be unemployed but there are no restrictions on how long they have been unemployed – i.e. it could have been for one day.
- Applicants must pass 2 interviews which test aptitude and motivation to working in the construction industry – therefore successful applicants are likely to be closer to the labour market.

As result, the Capital Build programme may not impact exclusively on North Edinburgh residents or those who are further from the labour market. Unsuccessful applicants are assisted in finding alternative employment or training opportunities.

#### *Edinburgh Waterfront Recruitment Centre*

The EWRC is the local point of contact for residents to find out about Waterfront and citywide jobs and for Waterfront employers to post jobs. A database is maintained of both jobseekers and jobs to help match vacancies. The EWRC is based in the new Telford College campus and comprises a small team from the Council, Jobcentre Plus and Working Links. In terms of the Waterfront's construction opportunities:

- The Accord commits Waterfront employers to use the EWRC as its first choice for recruitment.
- For registrants who require additional training, the EWRC manages the recruitment process to the Capital Build programme.

The Council's Economic Development Team manages the LOAN approach with different members of staff managing the Employer Accord, the Construction Academy, and the EWRC.

#### ***The Partnership Process***

The Edinburgh Waterfront Partnership has taken around 2 years to develop and consists of:

- City of Edinburgh Council.
- Scottish Enterprise Edinburgh and Lothians (SEEL).
- Capital City Partnership.
- Forth Neighbourhood Partnership (formerly North Edinburgh Area Renewal).
- Telford College.
- Three developers.

The Council has been the main driver and the level of commitment and determination it has shown has been crucial to the achievements of the Partnership.

### ***Engaging with Beneficiaries***

Locally, people can access Waterfront employment information at the EWRC. In 2007, close to 1,200 clients had registered on its database but an SQW (2007)<sup>7</sup> evaluation of the EWRC questioned whether it is fit for the purpose of helping a large number of people into jobs. The evaluation highlighted:

- The EWRC's location is unlikely to attract any passing trade.
- Its premises – a portacabin – are small with little privacy for clients.
- The EWRC is not linked up to the Jobcentre Plus server.

Across the city, Edinburgh's Joined Up For Jobs strategy enables clients of partner organisations to be referred to the EWRC.

### ***Engaging with Developers and Contractors***

The developers have signed up to the Employer Accord but in terms of LOAN the challenge is to secure commitment from contractors. To secure this commitment, the Partnership's focus is on delivering a service that provides skilled recruits when required. There are 3 key components here:

- The developers have mapped out a detailed year-by-year chart of labour demand by trade and occupation to help in the planning of future training provision.
- The approach has realistically targeted 5% (or 120) of predicted annual construction vacancies to ensure delivery against their commitment.
- The Capital Builds programme has been designed to meet employer requirements.

### ***Funding***

The 4 construction training programmes delivered through the Capital Skills vocational training centre cost approximately £675,000 per annum. Two-thirds of the funding comes from the Council with the remainder through European Social Fund (ESF) and national programme monies. The EWRC costs around £70,000 per annum with the funding coming from the Council, SEEL and Jobcentre Plus. Its land and facilities were gifted to it by the landowners National Grid.

### ***Sustainability of Approach***

The Edinburgh Waterfront LOAN approach is now well established and could potentially operate for the duration of the development.

- The 3 landowners have signed up to the Employer Accords and are committed to encouraging their contractors to engage with the LOAN approach – with some success.

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<sup>7</sup> SQW (2007) *Evaluation of Edinburgh Waterfront*, SQW Consulting, Edinburgh

- The Construction Academy through the Capital Build programme is successfully delivering skilled recruits to meet employer requirements.
- The EWRC is in place and is likely to have a greater role to play with end-use jobs beginning to come on stream – for example Morrisons Supermarket has agreed to recruiting through the EWRC due to its national agreement with Jobcentre Plus.

## **Assessing Good Practice**

### ***Outcomes and Impacts***

Through the determination of the Council, the Edinburgh Waterfront LOAN approach is now delivering strong outcomes. In its first 2 and a half years, the EWRC has filled 560 vacancies – though these are not just Waterfront vacancies. Around 30% of these have been North Edinburgh residents. In construction, the combination of EWRC job ready registrants and Capital Build completers has enabled the 120 vacancy target to be met. The Capital Build programme has had very strong outcomes with all of its 60 completers to date entering employment.

### ***Successes***

The successes of the approach are:

- Through the Employer Accords and the Construction Academy, the approach has successfully captured construction phase opportunities.
- The EWRC has enabled a local, Edinburgh Waterfront entry point to the provision that exists at the Edinburgh level – for example the Construction Academy.
- The approach has had strong outcomes to date and this is likely to continue.

### ***Weaknesses***

The main weaknesses of the approach are:

- In terms of LOAN, the approach is not specifically targeting areas or groups of need.
  - The Council, SEEL and the Capital City Partnership view the Waterfront developments as part of a city-wide strategy and as such have not targeted North Edinburgh residents. Local groups would like a greater focus on North Edinburgh residents.
  - The necessity of delivering quality labour to employers means that individuals closest to the labour market are benefiting most.
- Successes are largely depending on the commitment of specific partners.
  - The success of the partnership appears overly dependent on the commitment of one partner – City of Edinburgh Council.
  - Maximising the employment opportunities from the Waterfront Employer Accords is dependent on the developers' commitment to the

LOAN approach cascading to their contractors – which could be a tenuous working arrangement.

- There is no single project manager with different Council Economic Development Team employees managing the Employer Accords, the EWRC and the Construction Academy. While they are all from one partner organisation, the lack of one single strategic overview of the approach as a whole may hinder progress.

### ***Improvements***

The key improvements identified are:

- The use of legally enforceable rather than voluntary ‘best endeavour’ local labour agreements. This was vetoed as being open to legal challenge but may be pursued in the future.
- Gaining earlier commitment from all partners to the LOAN approach.
- Increasing the profile and capacity of the EWRC to attract and serve a greater number of local residents.

### ***Transferability of Approach***

The Council has now used the Employer Accord model to secure construction opportunities from 5 other Edinburgh developments and will seek to use it to secure end-use employment and training opportunities. Other sectoral academies, such as the retail and public sector academies, would be used to meet employer demand. However, an EWRC-type recruitment centre would only be used with a similar large-scale development.

The approach’s transferability across the UK is less clear because this LOAN approach is very specific to Edinburgh’s local economic development infrastructure.

- The use of employer agreements to maximise employment opportunities and an on-site recruitment centre for both jobseekers and employers can be replicated.
- However, the academy structure is unique to Edinburgh and would take significant resources to replicate elsewhere.

### **Key Lessons**

The key lessons identified from the approach are:

- Partners must be fully committed to the approach from the outset if it is to deliver outcomes from the early stages of a development.
- A branded, on-site recruitment facility attracts both jobseekers and employers – but it must be fit for purpose.
- The approach has been realistic in the number of vacancies it can deliver – for example 5% of construction vacancies. This ensures the quality of the service is not diluted in meeting over-ambitious targets.
- The year-by-year mapping exercise of future employment demand helps guide employability provision.

- Ensure coherent project management arrangements are in place across the whole LOAN approach.

## **CASE STUDY 8: GLASGOW HOUSING ASSOCIATION**

### **Background**

#### *The Opportunity*

Glasgow Housing Association (GHA) is currently undertaking a 5-year £630m investment programme in its housing stock and is committed to ensuring employment and training opportunities from this investment are captured by the unemployed. The construction opportunities available include electrical rewiring, environmental improvements, kitchen and bathroom installations, roofing and cladding, and demolition.

#### *The Need*

The intention is for new entrants to the construction industry to benefit from the opportunities created, with a particular desire for unemployed Glasgow residents to benefit – many of whom live in Scotland's most deprived communities.

### **The Approach**

#### *Aims and Objectives*

The aim is for 10% of the total workforce required to fulfil GHA's investment programme to be new entrants. A new entrant is defined as an individual in the following categories:

- Recruited after leaving an educational establishment or a training provider.
- Non-employed and seeking employment that includes on-site training and assessment, off-site training, or a mix of the 2.

EU Procurement rules mean GHA cannot stipulate that new entrants are from Glasgow or other specific areas. However, the supply side mechanisms developed with Scottish Enterprise Glasgow (SEG), Glasgow's Local Regeneration Agency (LRA) Network and Construction Skills aim to ensure that a significant proportion of the new entrants will not only be Glasgow residents but also from Glasgow's deprived communities.

#### *Activities and Structure*

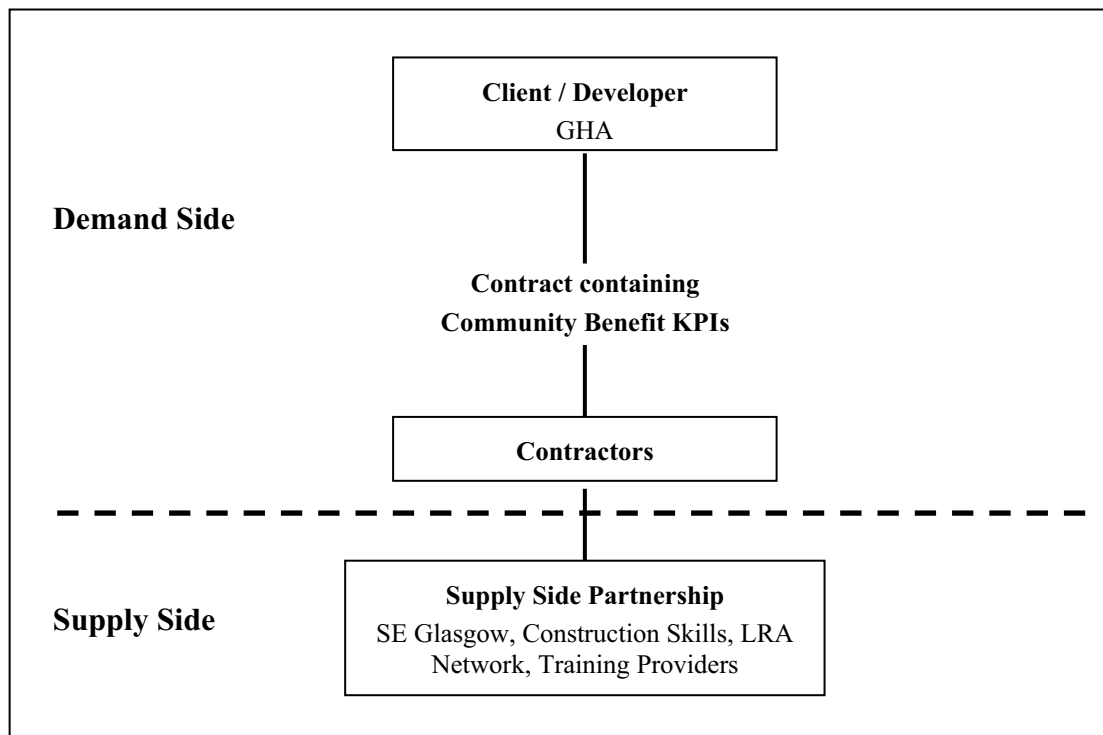
The delivery of the approach is 2-sided:

- From the demand side, GHA places a contractual requirement on the contractor to deliver against a number of community benefit key performance indicators (KPI) – and above all the KPI that new entrants constitute 10% of the workforce.

- From the supply side, GHA, in collaboration with SEG, the LRA Network and Construction Skills, has put in place recruitment and training supports to assist the contractor in achieving the KPI.

Figure A8.1 illustrates the organisational structure of the GHA LOAN approach – distinguishing between the demand side and the supply side.

**Figure A8.1: GHA LOAN Approach Organisational Structure**



#### *Demand Side Activities*

The contracting process drives the whole approach. The process is managed by GHA's Procurement Team but with strong input from the Regeneration Team.

- The Official (OJEU) Notice contains a statement on employment and training expectations.
- The Pre-Qualification Questionnaire (PQQ) then contains 5 questions on employment and training – and these are then scored.
- If successful at the PQQ stage, an Employment and Training Method Statement is required in the submitted tender – this includes how the contractor would deliver on the 10% new entrant KPI.
- The GHA Regeneration Team scores the Employment and Training Method Statement and is represented in the GHA interview and selection process for contractors, e.g. for the New Build investments, there was a Community Benefit Panel made up of Local Housing Organisation (LHO) tenant representatives.

To ensure delivery against the community benefit KPIs, the Regeneration Team closely monitors contractor performance. The community benefit KPIs are listed below:

- Number of person weeks delivered by new entrants (broken down by apprentices and trainees) – and what percentage this represents of the total person weeks and numbers on the contract.
- Number of person weeks delivered by work experience placements – and what percentage this represents of the total person weeks and numbers on the contract.
- Number of vacancies notified to (supply side) agencies named by GHA.
- Number and percentage of vacancies filled by candidates referred by the (supply side) agencies named by GHA.
- Number of people working on the contract who are undergoing training.
- Number of people who complete a qualification accepted by GHA while working on the contract.

### *Supply Side Activities*

A key element of the approach is that the contractor is responsible for resourcing and delivering on the contract's employment and training requirements – not GHA. To assist the contractor, a supply side of employment and training services has been put in place with SEG the main intermediary. SEG is well placed to support contractors because it delivers the Construction Skills Action Plan on behalf of the Scottish Enterprise Network. It supports contractors by:

- Engaging with contractors to identify skill requirements and training opportunities from the GHA contract.
- Identify, and if necessary, broker the development of appropriate training programmes.
- Provide and/or facilitate the provision of funding for these training programmes.

The main training programmes available to contractors are:

- National training programmes – most notably Modern Apprenticeships (MAs).
- Skill to Build – a short, sharp skills programme customised to the needs of the employer. Skill to Build is managed by Glasgow South East Regeneration Agency (GSERA) on behalf of the LRA Network.

### *The Partnership Process*

Leaving aside the relationship with the contractors, the key partnership is between GHA and the supply side agencies. The challenge has been that the original model did not intend the supply side to be composed of a number of agencies, rather there was to be a single supply side interface in Construction Glasgow. Construction Glasgow was set up as a recruitment intermediary between the contractor on one side and construction training providers and jobseekers on the other. However, following an evaluation of Construction Glasgow, it was closed in 2006. Its closure has meant

significant effort has been required to ensure the supply side meets the needs of GHA and its contractors.

### ***Engaging with Beneficiaries***

GHA refers contractors to Glasgow's LRA networks to help in the recruitment of new entrants. Through this it is hoped that many of the new entrants will be from Glasgow's more deprived communities. The 2 community benefit KPIs that request information on the number of vacancies notified to and people recruited through named (supply side) agencies, which include the LRAs, strengthens this commitment.

### ***Engaging with Contractors***

Securing contractor commitment to the employment and training requirements is the main challenge with this approach. To bring about this commitment, the employment and training requirements are made clear at every stage of the procurement process. Furthermore, a presentation from GHA and SEG was made to potential contractors on the employment and training requirements and the supply side provision available.

### ***Funding***

The model is effectively funded through existing mainstream budgets and is explained below. However, the resources in terms of the time, effort and strategic commitment to the model across key organisations should also be recognised.

- A number of staff within GHA have contributed a great deal of time and effort to developing the Community Benefits approach. This includes 2 dedicated members of staff managing and monitoring the community benefit KPIs. One manages the relationships with the contractors, while the other (a part-time post) oversees the performance measurement information.
- Training and support services are principally funded through Scottish Enterprise's mainstream programmes – Training for Work, Skillseekers and MAs – with some additional funding through the European Social Fund for Skill to Build.

### ***Sustainability of Approach***

The approach has been operating successfully since 2005 and is now being extended to the GHA's £300m new build programme. GHA has also looked at other employment and training opportunities linked to its activities. In particular, it has developed a 26-week intermediate labour market (ILM) Environmental Employability Programme for the unemployed. The 'community janitor' programme links specifically to the environmental upkeep of GHA properties and surrounding land.

## **Assessing Good Practice**

### ***Outcomes and Impacts***

In the period of January 2006 to September 2007, a total workforce of 2,167 was needed to fulfil GHA contracts. 318 or 15% have been new entrants – though the proportion varies from contract to contract and requires continued liaison with contractors. Of the 318 new entrants, a third are from the most deprived communities.

### ***Successes***

The main successes from the approach are:

- It is seen as the most significant use of employment and training requirements in construction contracts in Britain (Scottish Government, 2008<sup>8</sup>).
- The number of jobs and training opportunities created for new entrants have been strong and above the 10% target. This is a significant achievement as construction jobs are often difficult to capture.
- The joint commitment from GHA's Procurement and Regeneration Teams has ensured the employment and training requirements are monitored throughout the relationship with the contractor – from procurement through to contract completion.
- The commitment shown by GHA, SEG and other key partners has enabled the model to proceed despite the closure of Construction Glasgow.

### ***Weaknesses***

The main weakness of the approach is:

- As a LOAN approach, and due to EU procurement rules, the model is unable to target specific disadvantaged clients or communities beyond the definition of a new entrant. However, the role played by the LRAs has sought to address this and a third of the new entrants have come from Glasgow's most deprived communities.

### ***Improvements***

Linking the supply side to the needs of contractors is an ongoing challenge. The closure of Construction Glasgow means that constant improvements are sought amongst partners to ensure the availability of the required type and amount of training.

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<sup>8</sup> Scottish Government (2008) *Community Benefits in Public Procurement*. Edinburgh.

### ***Transferability of Approach***

Increasing Government support for the use of community benefit clauses in the procurement process means that the GHA model can more readily be adopted elsewhere. Major public investment programmes – for example, housing, schools and hospitals – would be clear opportunities.

### **Key Lessons**

The GHA approach works well but it is a process that requires ongoing commitment from all partners involved. The key lessons are:

- The client, GHA, has used its position to push the employment and training requirements throughout the procurement process and backed this up through the monitoring of the community benefit KPIs.
- The supply side has been fully recognised as crucial to the success of the model. Strong partnership working between GHA, SEG and other partners has ensured that there is the range of provision available to meet the demands of different contractors.
- Because it is the enabler rather than the provider, the number of dedicated staff within GHA is relatively small but there is full buy-in to the approach at the strategic and operational levels.

## **CASE STUDY 9: RAPLOCH URBAN REGENERATION COMPANY**

### **Background**

#### *The Opportunity*

The comprehensive regeneration of the Raploch estate in Stirling involves around £120 million of housing renewal and public realm development over 10 years. As part of the Scottish Government's Community Benefits in Public Procurement Pilot (CBIP) Programme the development provides significant opportunity for local people and businesses.

#### *The Need*

The Raploch estate is one of the most deprived housing estates in Scotland, characterised by high levels of unemployment, low levels of achievement and significant poverty and deprivation that has steadily worsened over the last 25 years.

### **The Approach**

#### *Aims and Objectives*

Raploch Urban Regeneration Company (URC) Ltd set up in 2006, formalised the existing partnership of key public and private sector bodies including Stirling Council, Scottish Enterprise Forth Valley, Forth Valley NHS, Communities Scotland and the community in the area, with an aim of driving forward holistic regeneration. The URC has a strategic and integrated focus on the 5 'P's of Property, Place, Partnership, Prospects and People.

The URC procured 2 key contracts through the CBIP programme:

- A £1.3 million, 6 month contract for the Stirling Western Access Road (SWAR).
- The contract to secure a private sector development partner to realise the vision for Raploch. This partner would *'be expected to embrace the concept of sustainable development and community benefit and will be required to work with partners to deliver employment/training opportunities and other Community Benefits'*.

#### *Activities and Structure*

There was a desire to capture social and economic benefits from the SWAR. Those responding to the public notice were required to provide a method statement outlining their intent to participate fully in a Community Benefits Working Group, provide 13 weeks structured training and job entry support for at least 4 trainees, notify vacancies in advance of open recruitment, agree to interview appropriate candidates put forward

by local agencies and supervise and monitor trainees to an appropriate standard. Trainees were funded through the mainstream programmes of New Deal for 18 to 25 years and Training for Work matched with European Social Fund monies, with no costs incurred by the employer. They were provided with customised training through the Joblink programme operated by locally based Employment Connections.

For the second contract, to secure a private sector development partner for the 10 year project, a Community Benefit clause was included at the procurement stage. Tenderers had to provide evidence of previous involvement and/or commitment to training and employment initiatives in a Pre-Qualification Questionnaire (PQQ). Following scoring 3 Invitations to Tender (ITTs) were issued outlining specific community benefit requirements, to be read *prior* to the full contract bids.

The Community Benefit clause had 3 key strands:

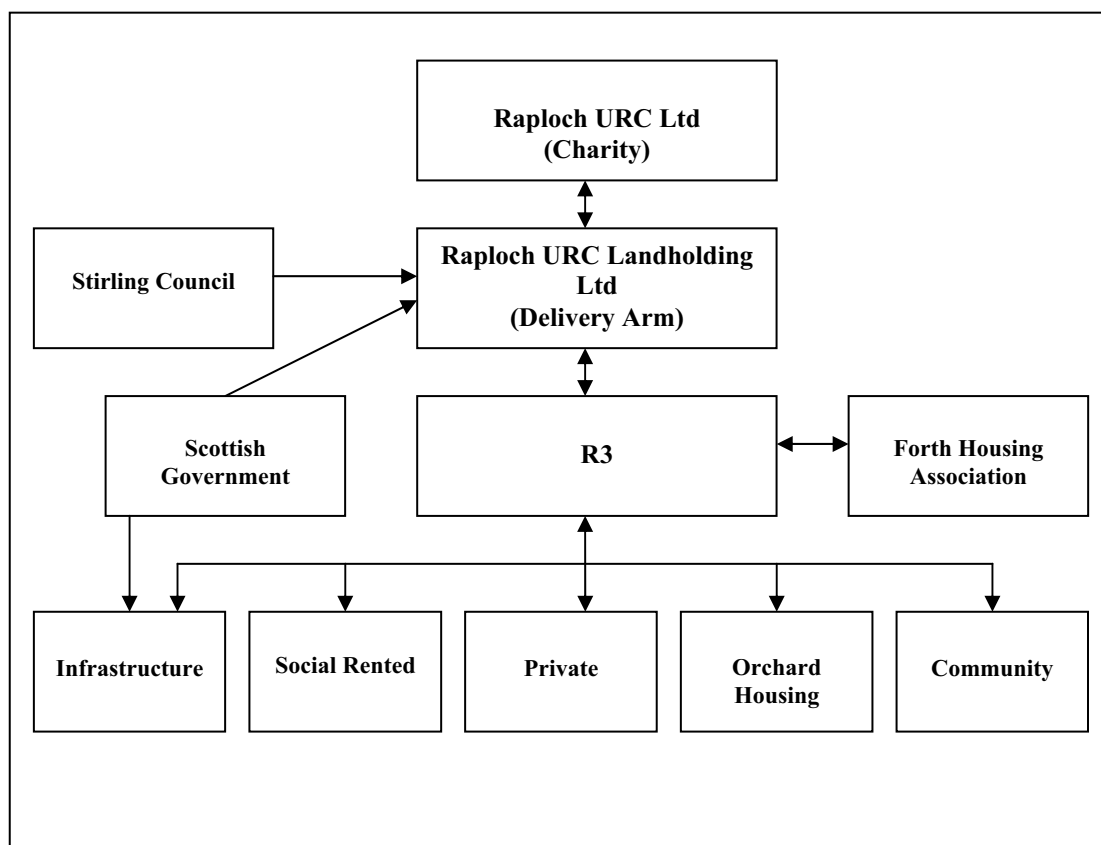
- Training and Employment
  - New jobs amounting to 10% of total workforce or 157 jobs (whichever is the greater) made available to school and college leavers, the unemployed and the disabled.
  - Access to a wide range of accredited construction opportunities.
- Benefits to Construction Businesses
  - Best endeavours to maximise opportunities for local companies to act as subcontractors, and willingness to engage with Forth Construction. Procurement guidance and support will be given to local companies.
- Community Enterprise
  - An investigation into potential social enterprise opportunities and how these could be supported towards sustainability.
  - Training opportunities and employment vacancies available for community businesses.

Alongside Finance, Technical, Legal, and Innovation issues, Community Benefit formed 10% of the total weighting of the evaluation criteria. The successful contractor was Raploch Reinvented Regenerated (R3), a joint initiative between George Wimpey East Scotland Ltd and Cruden Homes (East) Ltd, who received the second highest score in terms of Community Benefit.

Targeted recruitment and training is at the heart of the approach, with opportunities for Modern Apprentices, general building operatives, plant operators and training places. To widen industry access the *Breaking the Mould* programme targeted at unemployed women and supported by childcare provision, provided 12 places to undertake trade tasters in carpentry and joinery, plumbing, and painting and decorating.

Figure A9.1 shows the financial and contractual links and the structure of the Raploch URC that has been established to deliver the developments. It is constituted as a company limited by guarantee, with any project surpluses available for reinvestment. It is governed by a Board of Directors, which includes community representation.

**Figure A9.1: Raploch Delivery Framework**



***The Partnership Process***

Raploch URC is a formal partnership comprising key public and private sector partners and the community. Partners meet on a monthly basis and are provided with monthly written reports on site progress.

***Engaging with Beneficiaries***

Engaging with beneficiaries is a central but challenging aspect of this approach. Community animators have been used to access as wide a range of people as possible, newsletters have been distributed and regular meetings held to communicate information relating to changes in the neighbourhood and potential job opportunities. The community have been consulted in the design and development of Raploch, are well informed about all the new developments, and have access to an on-site resource centre to provide information to the local community on social and private housing opportunities. There are around 40-50 local people actively engaged in the community umbrella organisation the Raploch Community Partnership.

### ***Engaging with Investors, Contractors and End-Use Employers***

The URC's Head of Social and Economic Regeneration will work closely with R3 to ensure that key objectives of the Community Benefit Clause are met. In addition, R3 have created a new role within the company and employed a project manager with the specific responsibility for the delivery of the community benefits agreed in the contract. In addition they are funding 2 posts, a Recruitment Manager and a Recruitment Administrator located on site to help match sub contractors with local people and source appropriate training.

R3 and Forth Construction (funded by Scottish Enterprise and formerly Communities Scotland) are working in partnership to ensure that local construction companies are in a position to tender for work through being fully informed of the opportunities coming on stream. As part of the Community Benefit Clause, local construction companies can access training in procurement through Forth Construction, to help them to secure contracts.

### ***Funding***

The funding for the URC is provided directly by the Scottish Government. The estimated cost of each apprenticeship training place is around £40,000. Construction Industry Training Body (CITB) grants assist with the cost of this and other general operative training place costs are covered using mainstream programmes.

### ***Sustainability of Approach***

This approach will be used in Raploch throughout the 10 year development period. Over the longer term, Community Benefit clauses will be increasingly used in public procurement, so building capacity in this area places contractors in a strong market position.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

The Community Benefit outcomes to be delivered by the contractor and subcontractors are monitored against a set of key performance indicators.

- The SWAR contract initially provided 4 accredited training places to long-term unemployed individuals and then further 4 were recruited. All 8 recruits achieved their accreditation and 7 secured permanent employment.
- To date not much has been delivered in relation to the second contract as it is early days, but R3 has signed up to delivering:
  - 225 training and employment places over the 10 year development; 100 operatives, 100 training placements and 25 full apprenticeships.
  - Mentoring and business development support to local small businesses.
  - £2 million of sub-contract work or 5 contracts for local businesses.
  - £900,000 of support and mentoring for local social enterprises.

## ***Successes***

The main successes of the approach are:

- The legally binding approach which ensures delivery of benefits.
- The effective application of the key lessons learned from the SWAR contract that informed the roll out of the approach.
- Provision of high quality, appropriately skilled recruits with no cost to the employer.
- Wider community benefits including extensive community involvement, capacity building and development.
- Development of good relationships between the URC and the contractor, including the Community Benefits working group offered a critical discussion forum for raising issues and receiving support.
- The involvement of Forth Construction, a forum dedicated to assisting the local construction sector through providing information, training and procurement support.
- The commitment of R3 in appointing a project manager, and funding 2 additional posts to deliver the community benefit.
- Demonstrable benefits for all partners.

## ***Weaknesses***

The main weaknesses of the approach are:

- In analysing the tenders, some confusion amongst potential contractors was apparent with regards to the cost associated with community benefit.
- The significant challenges associated with recruiting appropriate unemployed, so the approach is vulnerable to changes in the labour market, as targets are set based on local labour market statistics.
- Although support is provided through Forth Construction, there are still significant challenges in identifying appropriate opportunities for subcontractors to engage and supporting them to deliver community benefits.

## ***Improvements***

The key improvement identified was:

- To make it less daunting for potential contractors, there is a need for greater clarity and wider dissemination of the requirements of the Community Benefit process.

## ***Transferability of Approach***

The clarification and legal guidance available around maximising community benefit in procurement makes the adoption of this approach for public sector agencies in

Scotland relatively straightforward, provided that there is the willingness and capacity to deliver.

## **Key Lessons**

The key lessons to be taken from the approach are:

- Community benefit as a requirement in procurement delivers substantially more than would have been anticipated by a voluntary arrangement.
- An opportunity to ‘pilot’ an approach prior to rolling it out allows for lessons to be learnt and subsequent improvements to be made.
- A strong partnership between the developer and contractor with clarity around partner roles, responsibilities and available supports effective delivery.
- The appointment of an individual to manage the delivery of community benefit in the construction company demonstrated a serious commitment and helped to drive the process forward.
- The Community Benefits Development Manager had extensive experience of both the local area and working to fund, design and deliver customised training and job matching to employers.
- The supply of appropriately trained potential recruits was vital in sustaining the support of employers.
- There is a need for a robust and transparent monitoring system that keeps track of the delivery of Community Benefit. This is administered by the Recruitment Manager and Administrator.
- As built into the process and individual job descriptions, there is a need to ensure that progress is reviewed on a regular basis and any lessons disseminated amongst partners.

## **CASE STUDY 10: HANDLEMAN UK RECRUITMENT PROJECT**

### **Background**

#### *The Opportunity*

Handleman UK Limited is a company that supplies home entertainment products to a range of retail outlets, including supermarkets, high street stores and motor service stations. In early 2007, the company won a large UK contract and decided to open a new distribution centre on an industrial estate in Bolton. 600 jobs would be created by the centre.

#### *The Need*

Bolton is ranked the 50th most disadvantaged of the 354 English local authorities and, despite strong economic growth recently, has a high economic inactivity rate. The priority moving forward is to engage inactive groups into the labour market, especially those concentrated in estates to the east of the town centre.

### **The Approach**

#### *Aims and Objectives*

The aim of this LOAN approach was to secure employment opportunities from Handleman's large-scale inward investment for local people, in particular economically inactive residents in East Bolton. By means of context, Bolton has a good track record of attracting businesses to its Economic Development Zone in the west of the District but there has been some concern that the jobs created were not impacting on residents in neighbouring disadvantaged areas.

#### *Activities and Structure*

The approach developed through the joint commitment and expertise of Handleman and Bolton Council.

- Handleman had previous experience of large scale recruitment from their sites in North West England and were keen to be as inclusive of the local community as possible within the context of a very competitive business environment. As a result, they approached Bolton Council's employment and skills unit with a request for assistance in recruiting new employees.
- Bolton Council is very pro-active in engaging with local businesses and has supported an extensive employer engagement network (Business Bolton) and staff work closely with MIDAS, the inward investment agency for Greater Manchester. As a result, it is accustomed to working with inward investors.

Working together, a pre-recruitment programme aimed at recruiting 180 long-term Incapacity Benefits (IB) claimants from the initial recruitment of 600 people was put

together. The programme built on a training approach used in North West England called “Licence to Skill”. This is a job matching process which helps inform both potential recruits and employability partners what the company is looking for. It assesses:

- The vocational aspects of the jobs – such as skills, duties and responsibilities.
- The culture and ethos of the company by assessing current employees’ self image, motivation, job emphasis and behaviours whilst under pressure.

Potential recruits then undertook a basic skills and personal profile assessment (using a commercial HR tool) to compare them against what the company and occupational profile was looking for. The results of the profiling were available on the same day, with the candidates whose profile matched that of the job role put forward to Handleman for interview. Overall, some 200 people were interviewed and 180 of these were offered employment. Each new recruit then underwent an enhanced induction programme with the company which again emphasised what was expected of employees and the organisation’s wider culture.

### ***The Partnership Process***

The key partnership has been between Handleman and Bolton Council, with each committed to the LOAN approach. More widely, partnership working is a key theme in Bolton and the Council enjoy good relations with key partners such as Jobcentre Plus and the Learning and Skills Council (LSC) through developing the Local Area Agreement: *Bolton Vision*. While Bolton Council has taken the lead on this project, Jobcentre Plus and other partners have been involved in its planning and delivery.

### ***Engaging with Beneficiaries***

To engage beneficiaries, an existing community outreach service *Working Together* which already operated in, and was trusted by, deprived communities was used. Surveys found that 60% of those recruited by Handleman had had some contact with the outreach service and had gained an understanding of the employment opportunities. Indeed, once word got around that ‘real’ jobs were on offer with a ‘good’ employer, the project had no problems in meeting their targets. Other potential recruits were sourced through Jobcentre Plus and other training providers.

### ***Engaging with Investors, Contractors and End-Use Employers***

The relationship between Handleman and Bolton Council was 2 way:

- Handleman were keen to have a good reputation amongst the local Bolton community and, from previous experience in the North West of England, were aware that a proportion of their new staff would come from workless groups.
- Bolton Council was keen to work with Handleman as part of their welcome service for potential inward investors.

This relationship was cemented by the commitment of Council senior officials and senior management at Handleman. Maintaining these connections can be onerous, especially as relationships have to be re-built when senior staff in the company move on. However, such an investment of time and effort is essential in delivering an effective programme of support.

### ***Funding***

Funding for the LOAN approach has predominantly come from existing funds, for example through a mixture of regeneration and Neighbourhood Renewal Funding. In addition, Bolton Council has for some years invested in higher levels of business support staffing to maintain a higher level of engagement with local businesses. This has been in the belief that good partnership relations are at the core of effective delivery.

### ***Sustainability of Approach***

The Handleman inward investment is something of a one-off opportunity centred on meeting initial recruitment demand. However, Handleman have approached Bolton Council to help them fill their temporary positions to address peak demand because the recruits secured through the Council are seen as more reliable than through the employment agencies they have used.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

Just over 200 candidates were put forward for interview and 180 people secured job offers. Of these, all were long-term Incapacity Benefit claimants and all sustained employment at 13 weeks. Furthermore, anecdotal evidence suggests that these recruits have exemplary attendance and low sickness rates and many have since been promoted within the company.

As a result of this approach, Bolton has taken a major step in achieving its Public Service Agreement (PSA) target of 225 long-term IB claimants into employment.

#### ***Successes***

The main successes from the approach are:

- It is relatively simple.
- The recruitment outcomes – particularly in being able to recruit long-term IB claimants.
- The ongoing relationship between Handleman and Bolton Council with temporary positions to be filled through the approach.
- Essential infrastructure was already in place – therefore additional funding and services were not required.

## ***Weaknesses***

The main weakness identified is:

- The approach can only react to potential employment opportunities. Since the Handleman project, Bolton Council has been involved in discussions with other employers who are seeking to expand their operations in the Borough.

## ***Transferability of Approach***

The Licence to Skill job matching approach could certainly be applied to other recruitment interventions. There are 2 elements here:

- In the short term, the Licence to Skill approach adds value to the matching process particularly as more could be done in 'standard' placement programmes to fully understand the culture of employers and communicate to potential recruits what is expected of them.
- However, the Licence to Skill approach does require the employer to invest time and commitment to the approach and this means it is more appropriate for the recruitment of significant numbers of employees as it is hard to justify its use for a small number of job opportunities.

## **Key Lessons**

The key lessons from this approach are:

- The use of Licence to Skill informs both potential recruits and the employability agencies what the employer is looking for.
- The importance of well-received and trusted outreach services who can inform workless people about the jobs and encourage them to get involved if it is 'right' for them.
- Good relationships at a senior level have helped smooth the process and made partners more willing to take a risk.
- Long-term commitment to partnership and networking with employers can pay clear dividends in securing opportunities from investments such as this.

## CASE STUDY 11: HILLCREST HOUSING ASSOCIATION

### Background

In 2002, Dundee-based Hillcrest Housing Association (HA) developed an apprenticeship programme linked to a 4-year £4m housing investment programme. The target client group for the programme were local disadvantaged young people.

### The Approach

#### *Aims and Objectives*

The Hillcrest apprenticeship programme aims to provide disadvantaged young people with a route into sustainable employment in the construction industry. In total, 16 apprenticeships are created per programme – 8 joiners and 8 bricklayers – with the aim of 15 completing their 4-year apprenticeship. Over the 4 years, 4 programmes have run creating 64 apprenticeship places.

#### *Activities and Structure*

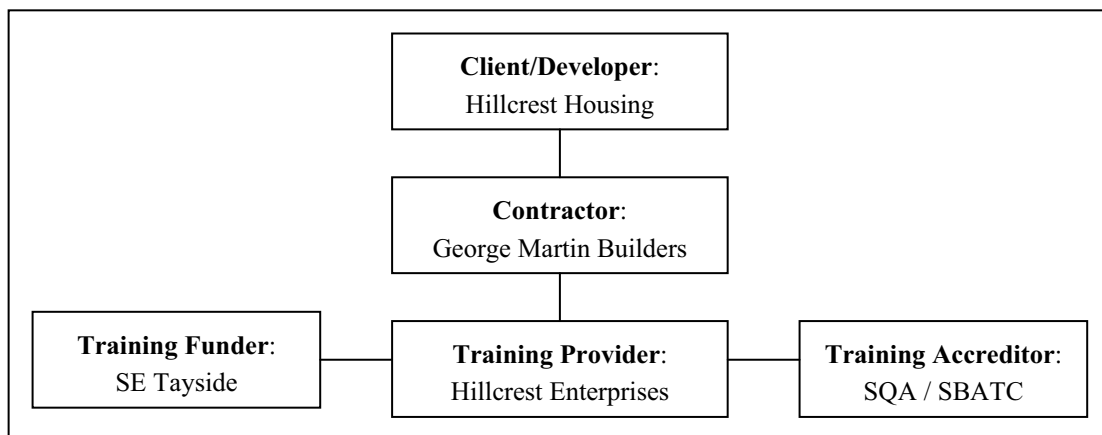
The Hillcrest model differs from standard apprenticeship programmes on 2 fronts:

- Hillcrest is both the client and the training provider.
- All training is provided, as far as practicable, on-site in a dedicated training facility rather than on block release at a college.

Figure A11.1 shows the partnership structure of the approach.

- Hillcrest HA is the client/developer by letting out the £4m investment programme to the contractor.
- Hillcrest Enterprises, a subsidiary of Hillcrest HA, provides the training for the apprentices taken on by the contractor.

**Figure A11.1: Hillcrest Apprenticeship Programme Organisational Structure**



To be the training provider, Hillcrest Enterprises had to:

- Register and gain accreditation with the Scottish Qualification Authority (SQA)/Scottish Building and Apprenticeship and Training Council (SBATC).
- Set up a suitable on-site training facility to provide the both practical and class-based training.
- Hire 2 experienced and qualified tradesmen – one joiner and one bricklayer – to be the trainers. The quality of the trainers is vital to the success of the programme as not only do they provide the training but also act as a buffer between the contractor and the apprentices and resolve any problems raised.

The apprenticeship programme is run as set out below.

- The teaching modules are delivered in the first 15-18 months of the 4-year programme, with the placement in the last 2 and a half years.
- 16 apprentices are recruited every 15-18 months so that the workload volume of the 2 trainers is both constant and steady.
- SQA/SBATC regularly monitors the apprenticeship programme to ensure the quality of the training is maintained.

The programme is project managed by Hillcrest's Director of Social Enterprises – as part of a wider job remit. However, following the time and effort required to start the programme, the project manager's involvement is minimal with the programme administered by a part-time Hillcrest Enterprises' employee who works 2 and a half days a week. The administrator acts as the interface between the contractor, SQA and Scottish Enterprise (SE) Tayside.

### ***Partnership Process***

The relationship between Hillcrest and the contractor has been strong from the outset. At the programme development stage, Hillcrest spoke to prospective contractors to ensure the chosen contractor shared Hillcrest's objectives. During the programme, the fact that Hillcrest trainers are on-site means that there is regular contact between Hillcrest and the contractor.

The main challenge was securing SBATC's support. SBATC were reluctant to support an on-site apprenticeship training programme when the industry-recognised college block release model works well. Following a number of meetings between Hillcrest and SBATC, SBATC agreed to support the new model but on a trial-type basis whereby the programme's quality of training and outcomes would be closely monitored.

### ***Engaging with Beneficiaries***

The first apprentice in-take was recruited through a school intervention programme funded by Communities Scotland (now absorbed into the Scottish Government). This involved a presentation to prospective school leavers in Montrose (where the housing development was being built), followed by an interview with those interested. This

approach aimed to target disadvantaged young people but in practice the approach brought 2 problems:

- A number of the applicants did not fully understand what the apprenticeship involved and did not show the commitment required for a 4-year programme.
- Some of the recruited apprentices lacked the required literacy and numeracy levels and additional support had to be sourced from Angus Council.

As a result, the recruitment process has been changed in order to recruit more highly skilled and committed young people.

- Applicants are sourced through introductory construction courses and Careers Scotland referrals rather than prospective school leavers.
- Apprentices must have Level 3 Maths and English.
- As well as an applicant interview, a home visit is made to ensure the parents are fully supportive of, and the applicant is committed to, the apprenticeship programme.

### ***Engaging with Contractors***

During the programme development stage, Hillcrest spoke to 3 local contractors about the aims and objectives of the programme to ensure they recognised the demands it would put on them. The chosen contractor showed strong commitment at both strategic and operational level – buying into the benefits that the programme would bring for them, which were:

- Guarantee of 4 years work from Hillcrest.
- On-site training reduces the impact on the employer because much of the training is provided on-site rather than at college and can be done when there are project delays or poor weather.
- Training is part of site meeting agendas with the contractor able to raise any problems or concerns with the trainers.

### ***Funding***

The training is funded by SE Tayside using Modern Apprenticeship (MA) monies – and the funding received also covers the project management and administration costs. The MA funding is outcome based with approximately half paid at 15-18 months and the balance paid on passing the final skills test. This funding model again puts an onus on selecting candidates most likely to complete the course.

The programme's start-up costs were not fully recognised during its development. As a result, Hillcrest had to carry most of the £35-£40,000 start up costs but some additional funding was received from Communities Scotland.

### ***Sustainability of Approach***

The initial programme linked to the £4m investment is now complete and Hillcrest is now delivering the model to other construction companies.

- In Edinburgh, the same model is being used with 2 local contractors to create apprenticeship opportunities from all Edinburgh-based Hillcrest HA investments.
- A Dundee-based construction company is simply using Hillcrest as a training provider for its apprentices without actually holding a Hillcrest contract.

Financially, the apprenticeship model is viable but is dependent on 15 out of every 16 apprentices completing – and this makes the selection and retention of apprentices vital to the sustainability of the approach.

### **Assessing Good Practice**

#### ***Outcomes and Impacts***

To date only the first apprenticeship cohort has completed the apprenticeship's final skills test and 15 of the 16 were successful. 48 apprentices are currently on the programme with 16 approaching the final skills test.

#### ***Successes***

The main successes of the approach are:

- None of the apprenticeship places would have been created without the Hillcrest model. No bricklaying course was available in the Dundee area prior to its start and the contractor had not recruited any apprentices for a number of years.
- A relatively large number of places have been created from a limited construction spend (16 apprenticeships from c.£1.1m annual spend).
- The programme has had strong outcomes to date.

#### ***Weaknesses***

The main weaknesses of the approach are:

- In terms of LOAN, the demands of a 4-year apprenticeship restricts recruitment to the more able and committed applicants, which in turn limits the opportunities for the most disadvantaged young people.
- Furthermore, while the approach has been financially viable to date, the necessity of 15 completers from 16 apprentices means the long-term sustainability and the ability to replicate the programme elsewhere could be questioned.

## ***Improvements***

The key improvements identified are:

- It is important not to overlook the costs of starting up the programme.
- There is a need to ensure the project administration and monitoring procedures are in place from the beginning – significant efforts were required to meet SQA/SBATC and SE Tayside information requirements.
- The range of skills and aptitudes that apprentices must have must be fully understood at the outset.

## ***Transferability of Approach***

In theory this model could be used in other investments where there is joint commitment from the developer and contractor. However, some issues do arise:

- Would the approach be financially viable elsewhere if 15 from 16 apprentices need to complete?
- Would the SBATC support another on-site rather than college block release apprenticeship model?
- As a LOAN approach the apprenticeship model does not impact on the most disadvantaged groups.

## **Key Lessons**

The key lessons that can be taken from this approach are:

- Overall a 4-year apprenticeship model as a route into employment for disadvantaged individuals is not appropriate because of the level of skills and long-term commitment required of apprentices.
- The shared commitment from the developer and contractor. It may take time to find the right contractor but it is important to the approach's success.
- The role of the programme intermediary – the trainers. Acting as a buffer between the contractor and the apprentices, the trainers are a clear point of contact where the contractor and the apprentices can raise any problems. These can then be dealt with by the trainer to limit potential drop out rates.
- The simplicity of the model. The approach focused on the opportunities from the contractor only, i.e. joinery and bricklaying, and not through sub-contractors, such as plumbing and electrics, which would have made project delivery and management more complex.
- Control of the programme. Hillcrest as both the client and the training provider enables it to have tight control of the programme.

## **CASE STUDY 12: SALFORD HEALTH INVESTMENT FOR TOMORROW (SHIFT)**

### **Background**

#### ***The Opportunity***

In 2001 Salford NHS (Primary Care Trust and Royal NHS Hospital Trust) embarked on the Salford Health Investment for Tomorrow (SHIFT) programme. SHIFT aims to modernise 3 core elements of the Trust's provision:

- its premises,
- its services, and
- its workforce.

The focus of this case study will be on one of the 5 key developments within the SHIFT programme, namely the £200 million redevelopment of the Salford Royal (formerly Hope Hospital) site in Salford. Construction began on the Private Finance Initiative (PFI) redevelopment in late 2007 with completion planned for 2012. Employment opportunities are expected in both the construction and facilities management phases.

#### ***The Need***

According to the 2004 Index of Deprivation, Salford is the 12<sup>th</sup> most deprived local authority area nationally with high levels of unemployment and economic inactivity amongst its residents. Key barriers facing the unemployed are their level of skills, low employment aspirations and the cost and availability of transport.

### **The Approach**

#### ***Aims and Objectives***

The Trust aims to secure employment opportunities from the redevelopment of Salford Royal Hospital by working closely with the developer. This in turn will then contribute to the wider regeneration of Salford.

#### ***Activities and Structure***

To link local residents to the employment opportunities from the Salford Royal Hospital redevelopment, the Trust has sought to ensure that employment and training supports are an integral part of the redevelopment package. However, its aims are compromised because the hospital redevelopment is a PFI project. As such, the developer provides the main capital investment (£165m), while the Trust is the client with £35m of the investment coming from public funds. This means that the developer must buy-in to the same aims and objectives of the Trust.

To help achieve this, the intention to integrate employment and training supports within the redevelopment package was agreed at the pre-bidding stage.

- In late 2003, the Trust contacted the North West Development Agency (NWDA) about the potential for integrating wider regeneration aims into Salford Royal Hospital's redevelopment.
- NWDA then put the Trust in contact with their sub-regional partner, Manchester Enterprises, who provided 2 consultants to scope out the opportunities and then act as an interface between the Trust and prospective bidders.
- The regeneration strategy culminated in a March 2004 workshop which brought together 3 short-listed bidders to discuss the implications of the site redevelopment on the local area. Also invited to the workshop were around 30 organisations, which included employability agencies (e.g. Jobcentre Plus) and supply chain specialists.
- It was made clear to the bidders that their wider regeneration proposals would be scrutinised as part of the tendering process.

The Trust received 3 bids which all scored high in terms of the regeneration support packages offered by the developers. However, the successful bid did not include employment or training output targets. These were later developed between the Trust and the developer (Balfour Beatty) in a process that initially involved the Trust outlining its aspirations and the developer explaining that their aspirations were often not feasible – i.e. little progress was made. The role of one of the Manchester Enterprise regeneration consultants as an independent facilitator subsequently added value as it gave the Trust a better sense of what were reasonable requests. The starting point taken was now demand-led, focusing on the workforce needs of the developer. Two key points arose:

- The number of direct job opportunities are often limited in site redevelopments given the shift away from construction and towards pre-fabrication.
- There are basic skills requirements before individuals can be considered for a job on a development site.

Through these discussions, clear annual targets have been set for work placements, recruitment and training. These include:

- 11 annual job starts for new entrants to the labour market; and
- 10 annual NVQ Level 2 qualification attainments among sub-contractors.

### ***The Partnership Process***

The approach is not built upon a formal partnership with, for example, a project steering group to manage the approach. Instead, the approach is built on a strong sense of partnership between the Trust and the developer. This has developed with the support of:

- NWDA in the pre-bidding process for its support of a regeneration strategy connected to the hospital redevelopment, organising the joint workshop, and providing clear guidance to bidders as to the importance of the regeneration element.

- Manchester Enterprise in providing consultants that helped facilitate the employment and training targets.

### ***Engaging with Beneficiaries***

To engage local residents, the Trust and the developer have looked to use existing employment outreach activities managed by the Trust so as to avoid unnecessary duplication of activities. For example, using the monthly Job Shops managed by Salford NHS and Jobcentre Plus to promote the construction and facilities management stages employment opportunities of the Salford Royal Hospital redevelopment. The Job Shops have run since 2003 to promote NHS job opportunities among local residents and are supported by representatives of the wider healthcare team within facilities, support, clinical, administration and clerical services.

There has been no active community outreach to date because partners believe there are only limited opportunities for those furthest away from the labour market given the basic skills requirements needed for construction jobs. There may be more potential to reach out to harder to reach individuals during the facilities management phase of the development. At that stage, it is envisaged that the voluntary sector will play a key role in engaging and working with disadvantaged local residents prior to applying for work placements or jobs. Closer links with voluntary sector partners are being developed.

### ***Engaging with Investors, Contractors and End-Use Employers***

The developer was engaged in the tendering process (see above) and it has since been active in encouraging its own sub-contractors to get involved in the wider employment support and skills development aspects of Salford Royal Hospital's redevelopment. For example, the developer organised a *Meet the Buyer* event to encourage small local companies to bid for contracts. At the time of the event, the developer was able to be quite specific about its needs and 10 of its procurement staff attended the event. Through short one-to-one discussions with potential sub-contractors, the procurement staff discussed the procurement questionnaires which suppliers had completed prior to the event and outlined any potential weaknesses. Manchester Enterprise staff were also at the event to give targeted business support to address these weaknesses.

More recently, the developer has appointed a Skills Coordinator to proactively manage the process of achieving the employment and training targets. The Skills Coordinator will liaise with sub-contractors to find out what recruitment and training needs they require and then look to source this. This will help overcome the difficulties the developer has had in the past with sub-contractors, i.e. sub-contractors are generally happy to recruit an apprentice or be involved in skills development but do not have the time or resources to source recruits, find a training provider or get the necessary information about available programmes.

## ***Funding***

There is no specific funding allocated to achieving employment and training targets as these are included in the overall £200 million redevelopment costs. However, additional funding has been sourced through:

- Manchester Enterprises, with some NWDA and NHS Trust support, funded the 2 consultants to develop the regeneration strategy for the hospital redevelopment.
- CITB (Construction Industry Training Body) funds the Skills Coordinator as one of its Construction Skills Academy model projects.

## ***Sustainability of Approach***

The approach should be sustainable on 2 fronts:

- The hospital redevelopment contract covers a 30-year period when the facilities management stage is included following the construction stage.
- The developer's strong buy-in to the employment support and skills development package means the approach should be maintained. Furthermore, the employment and training output targets are included in the regular key performance indicator (KPI) discussions between the Trust and the developer.

## **Assessing Good Practice**

### ***Outcomes and Impacts***

To date, there have not been any employment or training outputs that can be directly attributed to the Salford Royal Hospital redevelopment because the construction phase only began in late 2007 and the Skills Coordinator has only recently took up position.

### ***Successes***

The main successes of this approach are:

- The successful use of the pre-bidding process to achieve employment and training targets connected to the hospital's redevelopment.
- The strong sense of partnership between the Trust and the developer, which has been facilitated by the Manchester Enterprises consultants.
- More than 30 local companies attended the Meet the Buyer event with several securing contracts with the developer.

### ***Weaknesses***

The main weakness of this approach is:

- Looking forward, there may be difficulties in engaging and then supporting more disadvantaged residents. There is no dedicated funding to support those furthest from the labour market, which means partners will rely on existing

voluntary and community sector projects to support individuals into employment opportunities.

### ***Improvements***

The key improvement identified from this approach is:

- Putting the Skills Coordinator in place at an earlier stage. However, it took time to source sufficient funding for this position, which was secured from CITB.

### ***Transferability of Approach***

A number of elements could be transferred to other approaches:

- The clear decision prior to the bidding stage to include regeneration and employment concerns within the hospital redevelopment remit.
- The workshop bringing together short-listed bidders and agencies involved in providing employment support to better inform each side what was possible.
- The support provided by external consultants (Manchester Enterprise) added value to the process in terms of maximizing the wider regeneration benefits.

### **Key Lessons**

The key lessons identified from this approach are:

- The successful engagement of the Trust with both the developer and its sub-contractors to secure employment and training benefits from the Salford Royal Hospital redevelopment. More specifically:
  - An early focus on regeneration objectives, which was agreed prior to the bidding stage.
  - Informing and discussing with the developer and sub-contractors the potential for employment and training benefits from the outset. Events included the joint workshop and the Meet the Buyer event.
  - Involvement of an independent regeneration consultant to help facilitate agreed employment and training targets.
  - The recruitment of a Skills Coordinator to proactively manage the process of achieving the targets.

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