

Report of Chief Officer Property and Contracts, Housing Leeds
Report to Housing Advisory Board
Date: 3rd June 2014
Subject: Housing Construction Apprenticeships

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Housing Leeds provide construction apprenticeships through their Construction Services team. Apprenticeships are also delivered through Contractors working for Housing Leeds and delivering other major infrastructure improvements within the City. This Report summarises the level of activity on apprenticeships.

Recommendations

Housing Advisory Board are asked to note the work being undertaken on apprenticeships through Housing Leeds, Construction and Housing Yorkshire and The Alliance.

1 Purpose of this report

To update Housing Advisory Board on work being done to increase the numbers of construction apprenticeships offered directly by the Council and by Contractors undertaking major works projects within the City, particularly those that have a housing element.

2 Background information

Every year Housing Leeds deliver around £100m of construction work (repair, adaptation and improvement work) to the Council owned housing stock across the City. The majority of this work is delivered through external Contractors (primarily Mears following their takeover of the six Morrison Facilities Services (MFS) contracts) but a substantial part is undertaken by Council directly employed workforce. In addition the Council has a housing new build programme for 2014/15 which amounts to over £40m as well as the Beeston Hill/Holbeck and Little London PFI schemes that have a total value of £120m.

Construction & Housing Yorkshire, in partnership with the Council's Employment Leeds service, is currently managing the employment and skills obligations, including apprenticeship obligations, for 19 sites across the city. There are currently 14 live projects, including 4 housing projects, being monitored and assisted to deliver apprenticeships to Leeds residents. Social Impact Plans outlining Key Performance Indicators such as jobs, apprenticeships and work experience weeks have been agreed for all sites.

As well as the physical improvements to the infrastructure that all of this investment will deliver there is a massive opportunity to provide construction employment and training for Leeds citizens. It is a widely held view that £1m of construction investment should deliver at least one apprentice year of training and so there is a massive opportunity with the current investment programme.

3 Main issues

Housing Leeds Contracts and Internal Service Providers.

Construction Services are Housing Leeds in-house repair and maintenance team employing around 150 operatives and delivering £15m of work annually. They have an apprentice training programme in place and have historically offered one year placements that achieve QCF level 2 and three year full trade apprenticeships that achieve level 3. Currently Construction Services employ 9 one year QCF apprentices and 14 full craft apprentices with the annual intake of 4 full craft apprentices drawn from the one year QCF cohort. This is considered to be the optimum number of apprentices in Construction Services given the current volumes of work. All apprentices that complete a full craft apprenticeship (not a QCF) with Construction Services are guaranteed full time employment as part of our workforce plan.

The five contracts that were initially awarded to MFS in 2011 were rather chaotic and requirements in the contracts for employment of apprentices were not fully delivered. Use of sub-contractors was high and constantly changing which resulted in short term engagement not best suited to consistent workflows required for completion of apprenticeships. Since Mears takeover of the contracts there has been a gradual reduction in work being put to sub-contractors (limit target of 15%), a more coordinated approach to local labour and an increase in the number of apprenticeships. Mears currently employ 47 apprentices.

The recently awarded Beeston Hill/Holbeck and Little London PFI contracts all contain local labour and apprenticeship requirements. The contractor (sc4L) is starting to deliver on the contract requirements and is currently recruiting apprentices from target communities with 14 in post at the moment and plans to deliver 51 over the life of the construction phase of the contract – a further 10 are being recruited over the Summer months.

There is scope to expand the offer from major housing contracts and associated contractors on apprentices through collaborative working. Preliminary discussions have with the Council's Jobs and Skills team has identified the potential for apprentices to be moved between Contractors to provide a broader and more varied range of training and development. Mears and Keepmoat (sc4L construction contractor) have indicated a willingness to discuss the rotation of apprentices with Construction Services to provide them with the broader range of experience they could get across the three organisations. This concept could be extended to other major Contractors engaged to deliver works in Leeds, such as the Victoria Gate development, providing much more 'rounded' construction apprenticeships rather than the present housing focus. Where works contracts do not extend to the three year term required for completion of a full craft apprenticeship then this arrangement could provide scope for the longer term arrangements that housing has in place to underwrite completion of apprenticeships after other schemes have left site.

Outside of the arrangements with the major Contractors and internal workforce there is a substantial level of spend that can deliver on local labour but is not particularly suited to provide apprenticeships. This is primarily due to their shorter term and fluid nature of the engagements and their relatively low value. Employers report that to deliver a full trade apprenticeship requires a steady stream of appropriate work at sufficient value over a three year plus term. Many of the arrangements that we put in place, particularly with sub-contractors, cannot deliver that in isolation.

That said it is considered that more could be done to coordinate works and under-write apprentice employment on short term construction works arrangements. Some preliminary work has been done with the Council's Jobs and Skills team to look at developing a process where Construction Services agree to employ additional apprentices (over and above the quota mentioned above) and that these are rotated around Contractors (both large and small) to complete their site experience requirement for both one year QCF apprenticeships and full craft apprenticeships. At times when external placement is not possible the apprentices would revert to Construction Services for their work experience.

Aside from the site experience requirement work is being done with Jobs and Skills on better targeting of recruitment. Construction Services has looked to draw apprentices from the East Leeds area in which they deliver services. Mears and Keepmoat are recruiting from within the Leeds boundary again looking at target areas. We have all found difficulties in filling quotas and we believe that we are missing on excluded groups. For the coming years intake (September 2014) Construction Services will look to work with Children's Services to recruit a number of apprentices from the Families First cohort and from Care Leavers. If that is successful then we will look to extend the arrangement with other Contractors. Using alternative training providers will also be considered to work round qualification barriers to training access.

It is considered that Housing Leeds has had some success with training in the construction field but more could be done to prepare as many people as possible for the jobs that will come out of new projects in the City. Currently there are 80 apprentices employed on work procured through Housing Leeds with another 10 in the pipeline. It is

considered that without too much effort that number can be increased to hit the target of 100+.

In addition to apprentices employed in construction (which is the main focus of this Report) Housing Leeds also employ office based apprentices supporting the service.

Construction and Housing Yorkshire

Current Social Impact Plans in place will deliver 160 apprenticeships in construction over the next 2-10 years. There are many more Social Impact Plans to be agreed on proposed housing and “out the ground” projects in Leeds that will generate further apprenticeship opportunities.

Currently 63 of the agreed 160 apprenticeship opportunities over the next 2-10 years will be generated and secured through the Little London Beeston Hill and Holbeck Housing Regeneration project.

The Opportunities and Learning Strategy - for Apprenticeships

Construction & Housing Yorkshire (CHY) is working alongside Sustainable Communities for Leeds (sc4L) and partners to deliver, monitor and review the Opportunities and Learning Strategy (OLS).for the Little London Beeston Hill and Holbeck Housing Regeneration Project.

The OLS was devised in conjunction with the Council, its Employment Leeds service, and key agencies in Leeds during the early stages of the project and remains a flexible document to ensure that the project has a positive impact on the employment, skills and enterprise opportunities within the inner city areas of Leeds.

The OLS will aim to achieve the following outputs:

- 99 apprenticeships in Construction and Grounds Maintenance
- Safeguard up to 174 jobs for existing sc4L and supply chain staff currently working in Leeds
- Create an additional 260 employment opportunities for local ‘skilled’ people
- Provide a minimum of 48 construction work experience placements plus additional work experience opportunities through the development of an Education Liaison Strategy
- Create a number of social enterprise opportunities

CHY plays a coordinating role on the project and acts as the single point of call for employment, skills and enterprise opportunities arising through the project as part of the OLS.

This brief paper provides an update on an integral part of the OLS; the generation and support of apprenticeship opportunities for local residents on the project.

Current Position and Review

To date 18 people have been offered an apprenticeship on the sc4L project; 61.1% are from local wards and 66.6% are from the worst 20% Super Output Areas in Leeds. Additionally, 66.6% are unemployed, 5% moved from full time employment and 28.4% moved from part time and under employed.

There are currently 13 project initiated apprentices on site and an additional apprentice starting in June 2014 with 4 more starting in August 2014; these delayed start dates are due to completion of school/college years. There are also 2 Bricklayer trainees are also currently on site with a view to starting an apprenticeship within the next 6 months. 1 Apprentice Joiner is also an existing employee of a subcontractor being employed in the sc4L supply chain.

To recruit to these positions sc4L arranged three community events in Holbeck, Beeston and Little London to advertise training & employment opportunities on site. 141 residents attended and, of those, 60 people were suitable for apprenticeships and were invited to an apprentice taster day at Leeds College of Building on in November 2013. 26 people attended and of those, 14 were felt to have the right attitude and engagement and were invited to an interview.

Due to the low numbers of suitable applicants the opportunities were then opened up to full time students of Leeds College of Building (LCB) and those registered with CITB. A further 109 CVs were received over the 2013/14 Christmas period. Overall sc4L received 135 applications from LCB, CITB and taster day attendees.

Applicants were then sifted and scored appropriately and 46 candidates were interviewed. Of the candidates invited to interview 92% attended and those who did not attend contacted us prior to the interview to let us know.

After a review in March 2014 three main issues were highlighted that need addressing by CHY and partners and where possible mitigated in the next tranche of apprenticeship recruitment for sc4L and other housing sites in the city.

- lots of interest in local areas but a large number of individuals did not meet apprenticeship criteria
- timing of the first two intakes created a barrier for school leaver applications
- insufficient interest in roofing, scaffolding and ground worker opportunities

Future sc4L Apprenticeship Position

23 further apprenticeships in 10 trade areas will be recruited to start between September and December 2014.

These apprentices will be employed through a Shared Apprenticeship Scheme, Future Works Yorkshire. The Construction Industry Training Board (CITB) and National Federation of Builders (NFB) approved scheme employs all apprentices directly on a 2 year contract, ensuring they can finish their qualification, but allows the apprentice, supported by sc4L, CHY and Future Works to move between "host employers" when short term supply chain contracts come to an end or where their apprenticeship curriculum is not aligned with their current "host employer." It should also be noted that after three months on the scheme an apprentice, where appropriate, can be employed directly by a contractor.

This intake was advertised at the Leeds City Council Apprenticeship Fair and a future recruitment schedule is being created to be shared shortly. Sc4L will use a *Discover YORfuture Day* on 30th June 2014 to sift potential candidates. The event will be hosted in collaboration with Future Works and Leeds College of Building.

Leeds Housing Associations - The Alliance

The six Leeds-based housing associations that work collaboratively as The Alliance all place a high priority on promoting social and economic inclusion, as all are housing and/or supporting individuals and households on the lowest incomes, often furthest from participation in the labour market and living in neighbourhoods that are benefiting least from the city's economic growth.

The actions we take to tackle household poverty and strengthen local economies include a wide range of initiatives to maximise income, build skills and confidence, increase employability, provide work experience and link individuals with work opportunities. We contribute to this work in our capacity as employers, as well as service providers and landlords. The summaries attached, from Leeds Federated HA, Connect Housing and Unity HA, illustrate the range and extent of activities we undertake.

These initiatives contribute to sustainable tenancies and stable communities, as well as the health and wellbeing of individuals and families. Using our own resources, and adding value by bringing in additional resources to the city, we are contributing to the vision for Leeds 2030 to be the best city in the UK.

We take a genuine partnership approach to these activities, collaborating with each other and with other agencies. We have a long term commitment to the wellbeing of our tenants and the people we support and our work on employment and skills is part of that commitment.

4 Corporate Considerations

4.1 Consultation and Engagement

With a long lead in time, continuous wider project engagement within local communities, greater school engagement and recruitment that spans the end of the educational year it is CHY's opinion that all with apprenticeship opportunities can be filled and with sc4L and partners we can build on the success, and mitigate the challenges, already experienced on the project.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Positive action is being taken to encourage the take up of apprenticeships by under-represented groups - targeted advertising is being used as part of this approach. In addition some work is being done with Children Leaving Care and Families First in conjunction with the Leeds College of Building to assist with some of the qualification barriers to accessing apprenticeship courses.

4.3 Council policies and City Priorities

The work being done on apprenticeships contributes to:-

Promoting sustainable & inclusive economic growth– *improving the economic wellbeing of local people and businesses*

With a focus on:

- Meeting the skills needs of business to support growth
- Boosting the local economy

4.4 Resources and value for money

- 4.4.1 Investing in apprenticeships has an initial cost but it is recognised that that investment is paid back many times over the years as skilled employees contribute to the local economy. Funding support for training is accessed through the Council's Jobs and Skills Team to offset some of the early years cost.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal implications. The Report is not subject to call in.

4.6 Risk Management

- 4.6.1 There are considered to be minimal risks associated with employment of apprentices. There is a potential reputational risk to the Council if it does not maximise the opportunity presented by current investment programmes to deliver construction apprenticeships.

5 Conclusions

- 5.1 The current level of investment in construction in the City presents a massive opportunity for boosting the local economy both through employment and through provision of apprenticeships. Considerable work is being done to maximise the opportunity and level of training that derives from that investment.

6 Recommendations

- 6.1 Housing Advisory Board are asked to note the work being undertaken on apprenticeships through Housing Leeds, Construction and Housing Yorkshire and The Alliance.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.