

## Employment and Skills Statement within Sustainable Procurement Strategy

### 1. Introduction

1.1 This statement describes the requirements and commitment the city council will place upon suppliers for goods and services to support its priority to improve the employability and skills for residents in Southampton. It will form part of the suppliers contractual agreement entered into with the local authority. This builds on the good practice the authority has developed in using its Section 106 Planning powers to support employment and skills on major development schemes in the city. It will relate initially to projects and programmes procuring construction services, with the intention to expand to other service categories, as part of sustainable procurement strategy approach.

### 2. Objective of the Statement

2.1 Two of the city council's six key priorities are relevant to the Employment and Skills Statement:

- To get the city working and,
- Investing in education and training

And it seeks to increase the employment and skills levels of city residents where possible. This priority is reflected in several policy documents including:

#### **City of Southampton Strategy**

SO1 - People Proud of Southampton and making a Positive Contribution

SO2 - Learning and Innovation at its heart

SO3 - A Dynamic Business Environment

#### **Children and Young People's Plan**

**Priority 5:** Many more of our children and young people will enjoy, actively engage with and achieve well at school.

**Priority 8:** Many more of our young people will successfully achieve the right skills and qualifications needed for their future economic independence.

**Priority 9:** We will significantly reduce the number of children and young people living in poverty.

#### **Southampton Economic Development Plan,**

**Priority One:** To increase educational attainment, skills qualifications and employment progression

**Priority Two:** To reduce worklessness and improve employability

#### **Southampton Local Regeneration Strategy, Priority 1 of which is Economic Inclusion**

-Tackle worklessness, improve skills and employability and

- Promote financial inclusion, mitigating poverty and maximise incomes

**Southampton Adult Learning and Skills Plan** vision is; 'to reduce the number of city residents with low skills, narrow the skills gap of Southampton residents against their counterparts, and increase residents' employability'.

**The 14-19 plan for Southampton** includes the following relevant priorities:

- strengthening employer engagement and work-related learning provision to prepare young people for the world of work
- improving the curriculum and the range of learning opportunities

2.2 The city council is also a member of the sub-regional Partnership for Urban South Hampshire (PUSH), a grouping of 11 local authorities covering this area. It has developed and agreed a **Skills for Employability and Growth Strategy** in 2009, which sets out a vision that by 2026 the PUSH area will be a highly productive and dynamic economy encouraging a cohesive and prosperous society driven by a talented and growing workforce. Learning and skills development will play a driving role in increasing productivity and reducing economic inactivity by raising workforce skills.

2.3 Within our Local Area Agreement 2008-2011, there are two key outcomes we are seeking to achieve:

**Key Outcome 2 – to increase the enjoyment, aspirations and achievement of all children and young people living in the city**

**Key Outcome 11 – To increase employment opportunities and choice for residents with a particular focus on individuals living within priority areas which have the lowest labour market positions and reducing economic inactivity and unemployment for all residents who are experiencing barriers to employment (in support of sub-regional outcome 1 of the PUSH strategy)**

The Local Area Agreement has a number of key targets that relate to employment and skills which the city council and its partners are seeking to improve, as indicated in the main Sustainable Procurement policy document.

### **3. Backdrop to the policies**

3.1 The prioritisation of employment and skills of residents in the city is born out by the statistics for employment, skills and worklessness . The information below provides a summary of the situation on these agendas for the city.

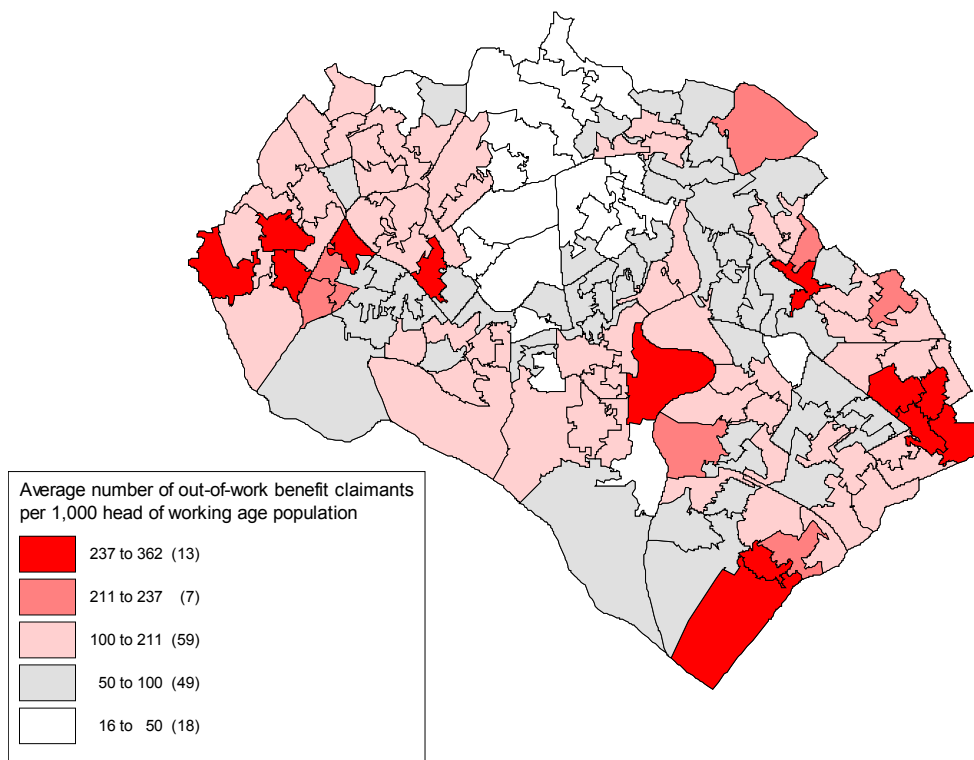
3.2 The University of Portsmouth undertook an analysis of worklessness across Southampton in 2008 and 2009. They describe worklessness in

two ways; those of working age who are described as economically inactive, and those who are claiming out of work benefits. The first method takes the broad view as measured by the Annual Population Survey 2009 which is based on a sample of the city's residents. This highlighted that:

- Southampton has nearly 33,900 working age residents who can be described as economically inactive
- 7,100 residents are unemployed but actively seeking work
- The city has about 40,000 working age people who are not participating in the labour market, or just over 25% of the working age population

3.3 When measured in terms of actual claimants of out of work benefits, the level of worklessness is 19,720 as at May 2009, or 12.5% of the working age population.

3.4 The analysis of claimants across the city, when mapped across the Lower Super Output Areas (LSOAs), demonstrated that there are a group of 13 localities with very high levels of worklessness, or 'hotspots', as can be seen in the map below. These localities are those with claimant levels of 24% or above of the working age population. Such high levels of worklessness are closely aligned with areas of high deprivation and social housing estates in the city. The highest level of out of work benefit claimants at LSOA level is located in the South East corner of the city where over 1/3<sup>rd</sup> of the working age population is claiming out of work benefits.



3.5 In terms of direct out of work benefit claimants in the city, the table below demonstrates the changes in claimant levels since 2002. This

seven year timespan reveals that the city witnessed a small but steady decline in claimant levels until 2005, while between 2006 – 2008, the number of claimants was relatively stable at just over 17,000. However, during 2009 there was a steep increase in Job Seekers' Allowance claimants which lead to a rise of over 15% in overall claimants. This was largely driven by the recession but also the Welfare Reform agenda. The other two key claimant groups of Incapacity Benefit and Income Support claimants declined in numbers.

Average Number of Claimants in Southampton				
Year ending August	Total out-of-work benefits (subject to a hierarchy)	Incapacity Benefit	Income Support	Job Seekers Allowance
2002	17,323	9,498	15,535	2,995
2003	17,353	9,645	15,335	3,115
2004	17,048	9,815	9,193	2,853
2005	16,948	9,993	8,988	2,763
2006	17,155	9,688	8,943	3,268
2007	17,098	9,715	9,130	3,063
2008	17,103	9,625	9,075	3,220
2009	19,720	8,628	8,728	5,790

Source: DWP

### The impact of the recession

3.6 Southampton, in common with the rest of the country, has seen significant rises in unemployment levels in the city from autumn 2008 when the credit crunch began to impact on businesses and investment.

Since October 2008, the level of Jobseekers Allowance claimants rose from 3,832 (2.4%) to currently 5,887 (3.7%), as at April 2010 peaking at 4.1% in December 2009.

### NEETS

3.7 The level of 16-18 year olds not in Education, employment or training is high, just over 602 young people as at November – January 2009/10. The City Council agreed an action plan last year in order to make significant inroads on this number, as Southampton was recognised as a NEET 'hotspot' in the South East region.

### Skills

	<b>% of all working age</b>	<b>% of males (working age)</b>	<b>% of females (working age)</b>
NVQ4+	27	25.9	28.3
NVQ3	18.9	20.6	16.9
Trade Apprenticeships	3.8	6.1	1.1
NVQ2	14.9	11.3	19.1
NVQ1	17	14.7	19.7
Other Qualifications	8.1	11.6	4.1
No Qualifications	10.3	9.9	10.7

Source: ONS Annual Population Survey 2008

3.8 The Learning and Skills Council Annual Business Plan 2008/09 indicated that 1 in 10 working age residents in Hampshire and the Isle of Wight had no qualifications, whilst in Southampton this figure was higher, at 12%. The Partnership for Urban South Hampshire Skills for Employability and Growth Strategy noted that, at the time of the last census (2001), 15,400 economically inactive Southampton residents had no qualifications, of which 2,200 were aged 16-24.

#### **Attainment**

3.9 While school attainment at 16 has been improving in Southampton, it is still below the national average. For 2009 academic year the GCSE results for those gaining 5+ A-C grades including English and maths was 45.4%. For those schools serving the more deprived Priority Neighbourhoods of Southampton, this attainment rate was lower, at 34.3%.

#### **4. Supporting Employment and Skills through procurement**

4.1 This strategy covers a wide range of skills and employment areas that could be supported by suppliers as an added value benefit through the purchase of services and works that relate to construction categories. It sets out the process by which the city council will ensure that skills development and employment are integrated by suppliers and/or their supply chain, within procurement contracts.

4.2 It is recognised that the construction works and services purchased by the city council vary, and suppliers are not always based within the city. Therefore, what is possible to be achieved in terms of employment and skills delivery will also vary. The tendering process requires suppliers and contractors to identify what measures and outputs they are able to support within the contract as part of an **Employment and Skills Plan (ESP)**, suggest any enhancements to these outputs, and to provide a Method Statement on how they will be delivered. The framework for suppliers includes a range of activities to be supported. The city council is utilising the benchmarks provided by the National Skills Academy for Construction – Client Based Approach which sets

minimum standards against these options on the basis of contract value. These can be seen in Annex A. This strategy covers four key categories; new entrants, existing workforce, skills culture, supply chain support. Within these there are a number of opportunities the suppliers may select, as listed below.

***New Entrants***

1. School / college / university site visits
2. School workshops
3. University research
4. Work experience 14 – 16 Years (including Diplomas)
5. Work experience 16+ years (including for disabled residents and young people not in education, employment or training)
6. Apprentices – existing
7. Apprentices – project initiated

***Existing workforce***

8. Health & safety tests
9. National Vocational Qualifications
10. Construction Skills Certification Scheme (CSCS) cards

***Skills Culture***

11. Short courses
12. Progression into employment

***Supply Chain support***

13. SME and BME supply chain and sub-contractor development
14. Local economic impact and benefit

**Additional employment and skills measures that will support the Employment & Skills Strategy**

The tenders should set out clearly what additional employment and skills support they would be willing to provide and / or suggest how their approach to delivering against the areas outlined within the ESP template will provide additional value. Templates for use by suppliers or contractors can be seen in Annex B.

- 4.3 The principle approach the city council will use to assess the contribution to employment and skills each supplier can deliver, as an added value benefit and separate from the core services being procured, will be through the completion of an ESP by the each supplier/contractor submitting a tender as well as a Method Statement detailing how the plan is to be implemented.
- 4.4 The requirement for suppliers and contractors to supply and comply with this strategy will be identified at each stage of the tendering process, from formal advert or notification of the contract opportunity, pre qualification stage, and to provide an outline ESP and Method Statement at the full ITT stage, although these will not be evaluated as part of the core service procurement.

**5. Employment and Skills Plan Method Statement**

5.1 Tenders are required to include a **Method Statement** indicating how they intend to deliver the ESP. The Method Statement should be restricted to **700 words** and clearly set out the proposed approach for delivering skills development against the output categories covering the following areas:

- i) who in the organisation will be responsible for managing the training scheme.
- ii) how the target outputs as set out in the Employment & Skills Plan will be delivered.
- iii) how any health & safety issues will be managed.
- iv) what actions will be taken to ensure compliance by the trade contractors working on the project.
- v) how compliance will be managed and monitored with respect to the contractor's trade suppliers and/or sub-contractors.

## **6. Monitoring of Employment and Skills Plans**

6.1 Achievement and delivery of the agreed Employment and Skills Plan activities and outputs will be monitored on a monthly basis for the period of the contract and up to post project review stage where this is appropriate. The supplier/contractor will provide a return each month showing the actual employment and skills outputs delivered against the targeted outputs. These will be reviewed by the city council's appointed Contract Manager or relevant Employment and Skills expert within the authority.

**Annex A Benchmark outputs for contract values up to £20 million and for those between £10 – 100 million**

£000's	band 1 £1-100	band 2 £100 – 500	band 3 £500 – 1,000	band 4 £1,000-3,500	band 5 £3,500 – 10,000	band 6 £10,000 - £20,000
<i>New Entrants – skills development</i>						
1. School / college / university site visits– no.		1	2	7	9	15
2. School / college workshops – no.			1	4	8	9
3. University research project					1	1
4. Work experience 14 – 16 years - p/w		4	8	15	33	51
5. Work experience 16+ years – p/w	9	18	31	46	66	102
6. Apprentices – existing - p/w	13	48	78	150	135	255
7. Apprentices – project initiated - starts					3	6
<i>Existing workforce - Skills development</i>						
8. Health & safety tests – no.	5	23	38	64	115	184
9. National Vocational Qualifications – no.	2	3	5	15	44	77
10. Construction Skills Certification Scheme (CSCS) cards – no.	3	15	28	46	88	153
<i>Skills Culture</i>						
11. Short courses – persons				6	15	30
12. Progression into employment – no.		1	2	3	5	9



£m's	band 1 £10 - 20	band 2 £20 – 30	band 3 £30 - 40	band 4 £40 – 50	band 5 £50 – 60	band 6 £60 - £70	band 7 £70 – 80	band 8 £80 – 90	band 9 £90 - £100+
<i>New Entrants – skills development</i>									
1. School / college / university site visits– no.	8	11	14	17	19	20	21	21	22
2. School / college workshops – no.	4	6	7	9	10	10	11	11	11
3. University research project	1	1	1	1	1	1	1	1	1
4. Work experience 14 – 16 years - p/w	9	14	18	20	22	24	26	28	29
5. Work experience 16+ years – p/w	36	55	70	81	88	96	105	112	114
6. Apprentices – existing - p/w	250	375	251	308	358	401	438	468	491
7. Apprentices – project initiated – starts	6	9	11	13	14	16	17	19	20
<i>Existing workforce - Skills development</i>									
8. Health & safety tests – no.	105	163	210	248	275	293	300	315	333
9. National Vocational Qualifications – no.	45	65	81	95	105	111	113	111	105
10. Construction Skills Certification Scheme (CSCS) cards – no.	90	130	161	189	209	221	225	238	247
<i>Skills Culture</i>									
11. Short courses – persons	30	43	54	63	70	74	75	79	82
12. Progression into employment – no.	9	13	16	18	21	23	25	26	27

Note – benchmarks are based on the median figures for each band

## Annex B Template for Employment & Skills Plan

Employment and Skills areas	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Summ. No	Summ. P/w
<i>New Entrants</i>														
1. School / college / university site visits														
1a. site visits – No of students														
2. School / college workshops														
2a. Workshops – No of students														
3. University Research														
4. Work experience 14 – 16 Years														
5. Work experience 16+ years														
6. Apprentices – existing														
7. Apprentices – project initiated														
<i>Existing workforce</i>														
8. Health & safety tests passes														
9. NVQs – commencements														
9a. NVQs – completions														
10. (CSCS) cards														
10a. Percentage of workforce with CSCS cards														
<i>Skills Culture</i>														
11. Short Courses														
12. Work trials and other														

## Employment & Skills Matrix

CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
<b>A</b> 16-17yr old NEETS (Not in Education Employment or Training)						
<b>B</b> 18-19 yr old NEETS						
<b>C</b> Unemployed adults						
<b>D</b> Develop closer relationship with School and/FE College						
<b>E</b> Teacher & Lecturer awareness & development						
<b>F</b> 14-16yr Groups Incl Pre-NEET						

CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
<b>G</b> 16-20+yr olds involved in E2E (Entry to Employment) & NEET						
<b>H</b> 18-19yr olds in FE. Site						
<b>I</b> 16-20+yr olds in FE and HE						
<b>J</b> Apprentice – existing						
<b>K</b> Apprentice – project initiated						
<b>L</b> Apprentice Portfolio Support in partnership with other companies.						
<b>M</b>						

CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
Health and safety tests						
<b>N</b> Construction Skill Certification Scheme (CSCS Cards)						
<b>O</b> National Vocational Qualifications						
<b>P</b> Short Courses						
<b>Q</b> Progression into Employment						
<b>R</b>						
<b>S</b>						
<b>T</b>						

**Indicative program of work experience for unemployed adults and / or NEETS**

<b>Day 1</b>	<b>Day2</b>	<b>Day 3</b>	<b>Day 4</b>
Arrive on site Site safety induction and tour of the site Questions and answers Vocational Skills Certification	Practical / Site lay out activity day	Practical day	Vocational Skills Certification  Questions and Answers Register with a labour agency Closedown

Notes:

**Employment and Skills Management Plan**

updated 4<sup>th</sup> June 2010

**Site:** [REDACTED]

Client- [REDACTED]

This document forms the developer's response to sections [REDACTED] of the contract agreement between [REDACTED] and Southampton City Council.

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## 1. Introduction

In accordance with the terms of the obligation, this Employment and Skills management plan provides details of the objectives and mechanisms of how this project will promote the skills and training of the local labour market in respect to both the **construction** phase and **occupation** of the building.

## 2. The Development

The development of the [redacted] will consist of [redacted]

The total duration of construction will be approximately [redacted] weeks beginning on the [redacted].

## 3. Objectives

The objectives of the employment and training initiatives plan are to;

- demonstrate the use of local labour from within the developer's project team and within the company,
- where economically and practically feasible, to procure goods and services from contractors, sub-contractors and suppliers located [redacted] to support the employment of the local community,
- demonstrate the recruitment and training opportunities within the contractors company
- provide opportunities for local residents to access jobs created during the construction phase of the development and subsequent occupation,
- reduce economic inactivity in the local area, and
- Support the development of skills within the local community

**4. How [redacted] aim to achieve the objectives of the Employment and Skills Management Plan**

*labour*

*Procurement of goods and services*

**Subcontractors**

*Recruitment and Training of staff*

**Supporting the development of skills within subcontractors**

**Provide opportunities for local residents to access Employment and Skills provision**

**Mechanisms for achieving the objectives of the plan**

*Relationships with local schools and FE Colleges*

**16+ year old E2E (entry to employment) or NEET**

**Unemployed adult training and work experience**

Please see the Employment and Skills matrix contained in **Appendix [redacted]** for further details of the opportunities created by this project.

**Meeting the objectives- End User/Occupation Phase;**

***Personnel Strategy***

***Training and Development Opportunities***

***Work Experience***

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**Project Team Addresses;**

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**Appendix [redacted]:**  
Local Agencies used

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**Appendix**  :  
Local Labour Agencies Used

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**Appendix**  :  
Training Matrix

**Employment & Skills Matrix**

CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
<b>A</b> 16-17yr old NEETS (Not in Education Employment or Training)						
<b>B</b> 18-19 yr old NEETS						
<b>C</b> Unemployed adults						
<b>D</b> Develop closer relationship with School and/FE College						
<b>E</b> Teacher & Lecturer awareness & development						





CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
<b>F</b> 14-16yr Groups Incl Pre-NEET						
<b>G</b> 16-20+yr olds involved in E2E (Entry to Employment) & NEET						
<b>H</b> 18-19yr olds in FE. Site						
<b>I</b> 16-20+yr olds in FE and HE						
<b>J</b> Apprentice – existing						
<b>K</b> Apprentice – project initiated						
<b>L</b>						

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CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
	Apprentice Portfolio Support in partnership with other companies.					
<b>M</b>	Health and safety tests					
<b>N</b>	Construction Skill Certification Scheme (CSCS Cards)					
<b>O</b>	National Vocational Qualifications					
<b>P</b>	Short Courses					
<b>Q</b>	Progression into Employment					
<b>R</b>						

CATEGORY	ACTIVITY	PERIODS	No OF PEOPLE	SUPERVISION	Dates	NOTES
<b>S</b>						
<b>T</b>						

**Indicative program of work experience for unemployed adults and / or NEETS**

Day 1	Day2	Day 3	Day 4
Arrive on site Site safety induction and tour of the site Questions and answers Vocational Skills Certification	Practical / Site lay out activity day	Practical day	Vocational Skills Certification  Questions and Answers Register with a labour agency Closedown



Notes:

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