

## Analysis: Cracking the challenge of skilling while you build

21 September 2016 by Josephine Smit , Be the First to Comment

**Old approaches to providing local training and jobs on regeneration projects have had mixed success, so can other models do better? Josephine Smit finds out.**



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Construction's skills crisis and regeneration's aspiration to provide employment and improve life chances should make urban renewal and estate redevelopment projects the obvious focus for apprenticeships and training. All too often, however, initiatives have failed to live up to their promise.

Local training and employment opportunities form part of the 'social value' of a development project, and their requirements can be written into Section 106 agreements and construction procurement documentation. But the practice remains far from universal, and that often comes down to straitened resources in local authorities, says Dave Neilson, chief executive of Fusion21, a national social enterprise and procurement organisation working to deliver efficiencies and create social value through planning, procurement and regeneration. "There's a paradox between the financial pressures on local authorities and the expectation for them to do more," he explains. "Planners' interests are a scheme's design and compliance so the delivery of projects that drive and enable social value is often overlooked, and the same applies to procurement".

Recent legislation on social value has also proved to be a missed opportunity. The public services (social value) act of 2012 introduces a "duty to consider" the economic, social and environmental benefits that public sector contracts can bring to local communities. But the act applies to maintenance projects and not to major development and regeneration projects - that's why local authority uptake has so far been limited. Research published this summer by industry body Social Enterprise UK found that only a third of England's councils are routinely considering social value in their overall procurement and commissioning activity.

"The social value act hasn't gone far enough," Neilson admits, but he says that, irrespective of legislation, the case for adding social value to regeneration projects is compelling. "Fusion21 and its members were doing this prior to the act. They were doing that because it made sense; housing associations have residents who are struggling to pay the rent because they cannot find employment, so if you can tie the two together, it benefits everyone".

### **Doing it differently**

The social value approach offers the potential to do things differently. For example, Liverpool City Council's social value charter, introduced last year, promotes local employment and supply chains, alongside sustainability and ethics.

The key is to focus on local needs, says Nigel Goddard, partner and director of building surveying at multi-disciplinary consultancy Pellings. "It does require more thought from local authorities," he says. Pellings is working with a number of local authorities, including Lambeth Council, on an approach called the Legacy Challenge, which recognises that the conventional practice of channelling an unemployed youngster into a construction site apprenticeship might not always be the best way to provide sustainable careers and local benefits.

"We're saying that rather than funding the cost of an apprentice, funding could support a local business, so that it could take on an apprentice," explains Goddard. "A young unemployed person may not necessarily want to work as a site apprentice. This could look to other opportunities. It's about using funding as a catalyst."

This addresses one of the key concerns with local apprenticeship initiatives, which is that they provide training, but not the longer term sustainability of ongoing employment. "There aren't the jobs afterwards because the supply chain can't take people on," says Goddard. By contrast, Pellings' approach helped a carpenter in Lambeth to establish his own business and so become part of the supply chain.

Fusion21 also works in a very different way to government training programmes like Welfare to Work. "Programmes like those give training in the hope the trainee will get a job at the end," says Neilson. "We create demand for training, apprentices and jobs and feed that demand with programmes." The social enterprise provides a range of procurement and community regeneration services, frameworks and bespoke advice to more than 200 public sector members in the local authority, housing, education and health sectors. Its Construction Futures initiative offers strategic intervention and supports local authorities, developers and contractors to implement target requirements, and deliver training and employment opportunities through the use of planning and procurement processes.

At Cheshire West and Chester Council's Barons Quay leisure and shopping centre, which is under construction in Northwich, Cheshire, the social enterprise has provided social value consultancy services on behalf of main site contractor Balfour Beatty – resulting in 86 local beneficiaries receiving work and skills development opportunities. Overall, Neilson says Fusion21 has created more than 2,800 jobs to date.

Results like these are prompting increasing political interest in social value and social enterprises, with suggestions being made that they offer the potential to plug gaps left by overstretched public sector support agencies at a time when community disenfranchisement and inequalities have been brought to prominence by the European Union Referendum result. Neilson, who feeds into the Liverpool city region social economy panel formed by the University of Liverpool's Heseltine Institute and its Social Enterprise Network to foster collaboration and partnerships, believes it works for regeneration. "It's a commercial approach. We're putting our profit into people," he says.