

**REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 12<sup>TH</sup> JUNE, 2000**

**REPORT ON: TAYSIDE LOCAL LABOUR INITIATIVE**

**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**

**REPORT NO: 378-2000**

**1. PURPOSE OF REPORT**

- 1.1. To advise the Committee on the development of a Local Labour Initiative (LLI) to cover the Tayside area and to seek approval for a contribution to the revenue funding of the LLI.

**2. RECOMMENDATIONS**

- 2.1. That the Committee approves funding of Dundee City Council's contributions to the Local Labour Initiative for an initial period of 3 years.
- 2.2. That the Committee agrees to the participation of an appropriate officer on the Management Group of the LLI.

**3. FINANCIAL IMPLICATIONS**

- 3.1. Funding of £5,000 towards the overall gross expenditure, estimated for the remainder of this financial year at £50,000, will be accommodated in the Revenue Budget for Economic Development for 2000/2001.
- 3.2. For the financial years 2001/2002, 2002/2003 and 2003/2004, funding of £5,000 per annum by Dundee City Council with a similar contribution from Angus Council and Perth & Kinross Council is requested, subject to successful evaluation of the LLI in the early part of the financial year 2003/2004. The balance of the funding of £70,000 will be met by partnership organisations, (Employment Service, Scottish Enterprise Tayside, Scottish Homes).

**4. LOCAL AGENDA 21 IMPLICATIONS**

- 4.1. The recommendations within the report will meet Local Agenda 21 objectives in a variety of ways.
- Local needs are met locally;
  - Resources are used efficiently and waste is minimised;
  - Access to the skills, knowledge and information needed to enable everyone to play a full part in society.

**5. EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1. Equal opportunities are integral to the LLI which requires organisations involved in the Initiative to be committed to equal opportunities.
- 5.2. It is recognised that the policy document in the LLI on its own is insufficient to secure equal opportunities. The document therefore, identifies the specific steps that participants in the LLI must take.

## 6. **REPORT**

6.1. The issue of how to maximise the use of local labour in local investments, particularly in major construction projects, has been of interest to Dundee City Council and the Dundee Partnership for a number of years.

6.2. The issue of LLIs gained additional impetus with the introduction of new policy initiatives:-

- Welfare to Work – a LLI provides an additional way of assisting people move from welfare to work.
- The Scottish Enterprise Strategy for Economic Inclusion has placed emphasis on economic growth to connect more closely with the employment growth and economic inclusion.
- Scottish Homes Strategy 1997 – 2000 seeks to link housing development more closely with the “wider agenda” of social and economic development.

6.3. Consultants’ Study

Jarvis Management Training Limited were employed as consultants during the summer of 1999 to develop a mechanism for the establishment of a LLI in Tayside, based on their experience of developing LLIs in some twenty other areas in the UK.

As a result of the consultants’ study and consultations with the partners identified in Section 3.2, the following proposal has been developed.

6.4. The proposal:-

- The proposal aims to increase the proportion of construction jobs that are filled by Tayside residents and to increase the number of Tayside residents, (particularly the unemployed and unskilled), in construction related training and work. The precise proportions will be determined on a project by project basis.

Benefits to Employers:-

- Single point of contact labour/training requirements.
- Access to database of a pool of skilled workers and sub-contractors.
- Help to secure grants and allowances for training.
- Free service matching – local labour with site requirements.

Benefits to local people:-

- Single point of contact for jobs and training opportunities.
- Assistance with benefit advice and completion of various forms.
- Free entry to database of local skilled workers and job centre.
- Advice on appropriate route into training and employment.

6.5. How does it work:-

- A LLI management organisation will be established to develop databases on labour supply and demand in the construction industry, market the Initiative to employers and to residents and match up local people with the training and employment opportunities that exist or are anticipated.
- The LLI will be an evolution of and extension of the initiative which was established between the Employment Service and Lend Lease during the development of the Overgate. This initiative was successful in raising the percentage of local residents recruited from an average, in other construction projects, of approximately 25% to 65% of the total work force in the Overgate development.
- The initiative is entirely voluntary and will have no bearing on who gets awarded contracts.
- The Employment Service has offered to second members of staff to the Initiative, (including the manager of the successful Overgate Initiative), and to provide accommodation to the Initiative and access to existing databases.
- Additional support is required for the marketing, promotion and support of the initiative to employers and residents.
- In addition to financial support the Council is asked to support the initiative through distributing the LLI information pack to potential tendering organisations, it is also anticipated that the LLI management organisation will wish to liaise and maintain close contact with the Council's Architectural Services in particular.
- Management arrangements – it is proposed that a management group be established to monitor the performance of the LLI comprising the sponsors of the Initiative and including Dundee City Council, Angus Council, Perth & Kinross Council, Scottish Homes, Scottish Enterprise Tayside and the Employment Service. Jarvis Management Training will be retained by S.E.T. as advisors for the first 12 months of the initiative.
- It is proposed that the LLI should run as a pilot, for three years in the first instance, and that it will be subject to an evaluation at the end of the initial three year period.

Cost Breakdown:-

Manager & Administrator	£40,000
Office Rental	18,000
Office Set Up	10,000
Publicity & Marketing	10,000
Jarvis Consultancy Fees (first year only)	12,000
Contingency	<u>5,000</u>
	<u>£95,000</u>

Funding Contributions:-

Employment Service	£58,000
Scottish Enterprise Tayside	12,000
Scottish Homes	10,000
Perth & Kinross Council	5,000
Angus Council	5,000
Dundee City Council	<u>5,000</u>
	<u>£95,000</u>

7. **CONSULTATIONS**

- 7.1. The Chief Executive and the Directors of Finance and Support Services were consulted during the preparation of this report.

8. **BACKGROUND PAPERS**

- 8.1. No background papers were relied upon in the preparation of this report.

**DIRECTOR OF ECONOMIC DEVELOPMENT** ..... **DATE** .....