

Council for Economic Development

1st February 2018

Better Jobs Closer to Home

Background

At the October 2015 meeting of the Council for Economic Renewal, the Wales TUC presented their 'Better Jobs, Closer to Home' campaign.

The main objective of the Wales TUC proposal called for two pilot projects to be initiated in the Heads of the Valleys area. The proposed pilots involved the use of procurement legislation to reserve suitable contracts, enabling new supported factories to be formed which would provide employment and training opportunities for the most disadvantaged people in the area.

The Wales TUC campaign proposed that, if these pilots proved a success, the approach represented an opportunity for making similar interventions in other parts of Wales.

The approach of Better Jobs Closer to Home is to test procurement interventions such as the use of reserved contracts through the Better Jobs Pilots. Once we have proved their viability we will engage with other public sector buyers to adopt such approaches backed up with a 'live' example of how the approach can be applied. This will not only help other public sector organisations to run such procurements, but take away the presumption that it cannot be done.

Progress Update

The programme is governed by the Valleys Task Force and is contained within the recently published delivery plan under **Priority 1** [Good Quality Jobs and the Skills to do them]; **Action 6** *Roll-out Better Jobs Closer to Home in the Valleys to create real opportunities and decent jobs where the need is greatest. This includes using public procurement to support local businesses and supply chains.*

The methods of intervention vary in accordance with each pilot that has been taken forward, as highlighted with the following update:

- **Pilot 1 Manufacturing hub** - This pilot will procure a social partner to operate a manufacturing unit in Ebbw Vale. The manufacturing unit will operate as an Intermediate Labour Market (ILM). The ILM is person-centred and will operate in the Foundational Economic Supply Chain, making high end garments for use in industries, including the public sector.
- The ILM will work with the local authority and Welsh Government to identify a critical mass of people who are economically inactive and provide the pathway to help those people who are economically inactive back into the wider labour market.

- The ILM operator will be procured from the social enterprise market, whose overall aim will be to invest profits back into the ILM operation and focus on helping more people back into work.
- The ILM will work closely with the Enterprise Zone in Ebbw Vale to enable it to prepare people who are currently working within the ILM to attain the necessary skills to fulfil local permanent jobs that become available within the area, and further afield – this is the out-bound training mechanism that is being systemised in readiness for the ILM.
- Barriers to employment such as childcare, and transport and the provisions for overcoming these are also being considered.
- The skills required have been identified for each element of the ILM operation from pre employment to employment within the ILM and these vary from design to machine operating.
- The Better Jobs Team has developed a good working relationship with the Ebbw Vale Enterprise Zone Chair, and the support team of the zone so that early indication of opportunities will be fed through to the ILM.

Progress - Procurement is expected to be completed by April 2018, and the factory is expected to be operational by June 2018. The intended outcome is to employ 25 people initially within the ILM, with the specification focusing on progression to longer-term sustainable employment.

- **Pilot 2 Signage** - This is an existing social enterprise that employs disadvantaged people and the aim is to increase the hours of work for the current workforce. Social Business Wales are assisting the operation with their capacity and planning management in readiness for the increased volume of orders and business.

Progress –extra demand for signage had been placed through the factory from two local authorities through their existing contracts. Transport for Wales has stipulated the use of this factory for their signage requirements in the tender documentation for the procurement of the train operator. Orders for their signage requirements will come on line from October 2018. The intended outcomes of this pilot are to increase the hours of working for their existing employees, all of whom have a disability, and to create new employment for other disadvantaged people.

- **Pilot 3 Re-engineered Paint** – The Better Jobs Team are developing a Special Purpose Vehicle to replicate an operation which is currently based in Birmingham in Wales. The operation is collecting waste paint and re-engineering it for re-use. The reason for replication is because the volume of Welsh waste paint is increasing. The Better Jobs team have managed to receive commitment from supply chains to use the re-engineered Welsh paint on Welsh projects.

- Quality Testing has been completed with Welsh Government committing to use of the re-engineered paint on buildings within its own estate, namely Carmarthen buildings (internally painted) and the Swansea Penllergaer building (externally painted). The cost of the re-engineered paint is within the accepted market strike price.
- The team are brokering discussions with major project partners to increase demand for waste paint and supply of re-engineered paint. The team have worked with partners to secure commitment from eight local authority waste departments for their waste paint to be collected by the operation. This provides a critical mass of waste to support the operation to exist within Wales and to create an opportunity for employment
- The demand for the finished product is also increasing with a commitment received from Transport for Wales (conditions of contract with the [to be appointed] Operator), and two housing associations.

Progress - Early planning on the pathway to employment is underway, and the host organisation will be a Social Enterprise based in Merthyr Tydfil. The Better Jobs Closer to home team are also working with the South East Regional Skills Partnership, Learning Skills and Innovation Partnership (LSkiP) who have highlighted a shortage of painter and decorators [trades] in the South East of Wales. This is being considered as an opportunity within this pilot

- **Pilot 4 Recycled Paper** – This is an existing social enterprise that employs disabled, homeless and previously long-term unemployed people and operates as an Intermediate Labour Market. The company collects, sorts and shreds waste paper but needs more tonnage of paper to increase the opportunities for employment within the operation, and for the operation to become self-sustaining financially. Agreement has been reached to enable extra demand, and the social enterprise has had some success in moving people out into the wider job market.

Progress - The team has gained a commitment from a local authority to provide the company with more waste paper. The factory currently collects ten tonnes of paper per month and requires sixty tonnes per month to be self-sustaining. The Better Jobs Team plan to increase and exceed this demand, which will in turn provide more employment opportunities. The company is currently set up to employ between eleven and fifty employees at their current premises but, should demand grow, they would be keen to expand or move into new premises and provide more employment opportunities.