

Overview and Scrutiny Ethical Procurement and Contract Management Sub Group

Minutes of the meeting held on Friday, 4 October 2019

Present:

Councillor Russell (Chair) – in the Chair
Councillors Clay, Lanchbury and Shilton Godwin

Also present:

Councillor N Murphy

Apologies: Councillor Ahmed Ali, Reid, Watson and Wheeler

RGSC/EP/19/21 Minutes**Decision**

To approve as a correct record the minutes of the meeting held on 31 July 2019.

RGSC/EP/19/22 Our Town Hall Work Package Procurement Strategy

The Sub Group considered the report of the Director of Capital Programmes that provided an update on the Our Town Hall work packages procurement strategy. The report provided Members with a summary of the strategy that was being used and included a number of case studies as illustrative examples of this process in practice.

The main points and themes within the report included: -

- Information on the arrangements for the Councils oversight of procurement;
- Information on the works package procurement process;
- Noting that the Council's Ethical Procurement Policy was embedded into the contract with Lendlease, and a monitoring framework was being developed with Unite and Lendlease to ensure that this and the Unite Charter is appropriately reflected throughout the project supply chain;
- Case studies; and
- Forecast position and progress in delivery of social value to date.

Some of the key points that arose from the Sub Group's discussions were:-

- It was commented that Members were expecting information on the full list of works packages and requested that this be provided to Members following the meeting;
- The thought that had been given to delivering social value from the project was impressive;

- There was concern in relation to lack of Trade Union Membership information available for employees;
- There was a need to attract more women and people of ethnicity to job opportunities associated with the project;
- There was concern that there was no reference to the Council's declared climate emergency on any of the works packages and that this should be reflected;
- Assurance was sought that Lendlease would accept other Trade Union representatives on site other than Unite;
- If they occurred, how would unacceptable practices within the supply chain be addressed/monitored;
- What measure would be taken to ensure all staff on site were aware of the health and safety requirements;
- It was commented the Trade Unions would appreciate the promotion of training and apprenticeship opportunities;
- What, if any, plans were in place to provide opportunities for people to develop skills within specialist areas of work (eg craft work) and connected to this what would be the future opportunities to work in these areas once the project was completed;
- It was suggested that the appropriate promotion of heritage projects that were to be undertaken was to be explored in order to keep the public engaged with the project;
- How would the Green Agenda be addressed by the project;
- What was the expectation in terms of energy reduction within the building once the project had been completed;
- Concern was raised in relation to the implications of Brexit and the potential increases to labour and construction costs and had any detailed analysis on the implications of this been undertaken;
- How would NG Bailey deliver the significant social value commitment targets as part of the MEP works package and what were the potential barriers to achieving these targets;
- Was there any specific approach being taken to provide employment opportunities on the project to ex-offenders;
- Was there any specific reasons why the apprenticeship targets were not being met;
- Had there been any engagement with care leavers in terms of employment opportunities; and
- Could an update on the number of volunteer hours on other projects Lendlease was expected to deliver be provided .

The Project Director commented that he would arrange for details of the full list of works packages to be provided to Members following the meeting. In terms of concerns around the lack of Trade Union Membership information available for employees, he advised that the contract with Lendlease required them to fully comply with the Council's Ethical Procurement policy and they were working with Unite to raise the visibility of the policy. The Commercial Director for Lendlease commented that they had met with Unite and arranged follow up meetings to set out a framework to work as partners on the project, which would be mirrored on best practice at other sites. He also assured the Sub Group that Lendlease was familiar with the Unite Charter and its contents and in most instances, complying with the Charter was

'business as usual' for Lendlease. He also gave an assurance that Lendlease would embrace all Unions involved in working in works packages associated with the overall project.

The Sub group was advised that the supply chain relationship was critical to the project being successful. As such, this would be regularly monitored and there would be numerous forums where Lendlease could engage with the workforce (including Trade Unions) to address any issue that might arise. Reassurance was also given that Health and Safety was of a paramount concern to Lendlease and was a key feature of staff induction.

In terms of the promotion of training and apprenticeship opportunities, Lendlease had noted that Unite had expressed a desire to know more about their training projects on the site and this would be discussed with them at an upcoming meeting and the provision of onsite training facilities would also be explored.

The Commercial Director for Lendlease acknowledged that the specialist areas of work (such as craft work) associated with the project were the most attractive part of the overall project. He advised that there were a number of challenges associated with these work packages in terms of the volume of activity and specialised trades and outlined a three tier approach that Lendlease would implement to provide opportunities for those employed on the project to develop heritage skills. In terms of apprenticeships within this area it was reported that contractors would be required to make a training offer as part of the tender process. As for future opportunities, the Sub Group was advised that there were many historic buildings in and across Manchester that would require people with heritage skills and work was being undertaken with CITB and the Chamber of Commerce to try and identify the heritage pipeline of work across the North West.

In terms of the Green agenda, it was reported that Lendlease had signed up to a number of KPI's that were environmentally related and would be implementing appropriate ways of working to achieve these. Work would also be undertaken with the supply chain as work packages were tendered in order to meet these KPI's. It was also commented that a main driver of the project was to reduce the overall carbon footprint of the Town Hall itself and the figures in relation to the expected energy reduction would be provided to Members in due course. The Project Director also advised that as part of the Stage 4 design stage, the energy model would be updated and then shared with Members upon completion.

The Commercial Director for Lendlease commented that Brexit and its potential implications was at the forefront of the business, and advised that there was only a limited number of products and materials being used on the project that were being sourced from Europe, consequently, he felt the level of risk was well contained. In terms of the workforce, he reported that Lendlease was in regular discussions with the supply chain and what was being reported back was that there were no concerns in relation to the retention of the workforce. The Project Director also commented that any potential pricing risk was being managed as best as possible and a number of risks had been identified within contingency plans on a works package basis.

In relation MEP works package, Lendlease was working with NG Bailey, who were Manchester based, to draw on frameworks to encourage the employment of local people on this significant works package, noting that potential barriers to achieving the social value targets associated with the works package were potentially not communicating early enough (in relation to vacancies) and training opportunities.

The Work and Skills Project Manager advised that the Work and Skills team had undertaken a lot of work around the employment of ex-offenders on the project and reported that as part of the application process, there would be no request for a criminal records check unless there was exceptional circumstances. Consideration as to how this could be promoted would be considered by officers. In terms of the apprenticeship target of new apprentices employed on the project who were Manchester residents or attended a Manchester based educational institution or University of

Salford, he advised the Sub Group that achieving 100% of this target was, in reality, aspirational. As the Council was not the employer of these apprentices, it was working with Lendlease to encourage the supply chain to appoint Manchester residents where possible. As such it was considered that achieving 80% or higher within this target would be a good outcome. He added that in relation to care leavers, there already existed links to the care leaving service but to date, there had not been many opportunities for care leavers to obtain employment on the project, however, it was acknowledged that more work could be done in in this area and more opportunities would arise as more works packages became live.

Furthermore, the Commercial Director for Lendlease advised that the target for Lendlease and its supply chain was to deliver 12,800 volunteering hours to other projects. He advised that although only 5,080 had been delivered to date, the project still a further four and a half years to run and schemes were in place to provide these opportunities.

Decision

The Sub Group:-

- (1) Notes the update.
- (2) Thanks the Commercial Director for Lendlease for attending the meeting.
- (3) Requests a further report on how the project is incorporating the Green Agenda and how it is contributing to the declared Climate Emergency, with a date to be agreed between the Chair and Officers.

RGSC/EP/19/23 Our Town Hall Equality and Diversity Update

The Sub Group considered the report of the Director of Capital Programmes that provided an update on how the monitoring and recording of diversity within social value could be reported, and if specific Key Performance Indicators (KPI's) could be established to monitor this activity following a previous recommendation from the Sub Group.

The main points and themes within the report included: -

- Providing a narrative, noting that it was expected to see the diversity of the city reflected in the people who were engaging with the project's social value activities and opportunities;
- Recognising the wider national issues around diversity in the construction industry;
- Describing the approach adopted to monitor diversity in the workforce;
- Describing the approach adopted towards KPI's, noting the good relationship with contractors and suppliers who had committed to delivering social value on the project; and
- The approach to maximising participation.

The Commercial Director for LendLease also reported that 33% of the overall workforce on the project were female and 16% of the overall workforce were BAME, which were greater than Lendlease's national targets. Lendlease had also appointed a Diversity and Inclusion Manager and female ambassadors for construction to promote working in the industry within schools and would use the Town Hall Project as an exemplar to the rest of its business.

Some of the key points that arose from the Sub Group's discussions were:-

- What work was being done with the Council's Equality and Diversity team and had any Equality Impact Assessments been undertaken on the project;
- Consideration needed to be given to ensure that the appointed ambassadors were overloaded in promoting the construction industry within schools prevented them from undertaking their employed role;
- Did Lendlease practice blind recruitment and what adjustments did they make for people with disabilities;
- What equalities training did Lendlease's Management Team undertake;
- What steps did Lendlease take to address street harassment of women on site;
- Would apprentices employed on the project be monitored by protected characteristics; and
- What engagement was taking place to promote apprenticeship opportunities.

The Work and Skills Project Manager advised that work was being undertaken with the Council's Equalities and Diversity team to promote the employment opportunities of the project amongst all groups in communities, acknowledging that challenges existed around vacancies and apprentices.

The Commercial Director for LendLease commented that he was not aware that Lendlease anonymised applications, however he assured the Sub Group that through their recruitment process, they were genuinely looking to promote the employment of females and BAME within the construction industry. The Work and Skills Project Manager commented that the Council and Lendlease were exploring the ability of rolling out the Council's recruitment process within the project's supply chain.

The Sub Group was advised that all of Lendlease's Management Team undertook equalities and diversity e-training training on an annual basis and that this also applied to all Lendlease employees. The Commercial Director for LendLease also commented that dealing with street harassment of any staff, not just females working on site, would be covered as part of the induction process.

The Work and Skills Project Manager advised that although the employment of apprentices was not currently monitored in terms of the protected characteristics, consideration would be given to how best this could be achieved. He also commented that the main aspect of engagement for apprentices had been through the Council's MPeople programme.

Decision

The Committee

- (1) Notes the report.
- (2) Suggests that to help facilitate the experiences of apprentices, informal opportunities to attend and present at future meetings of the Sub Group are considered and where appropriate implemented.

RGSC/EP/19/24 Work Programme

The Sub Group was invited to consider and agree the work programme.

Decision

The Committee:-

- (1) Agrees to cancel the meeting scheduled for November 2019;
- (2) Note that the Chair will consult with Officers in relation to agenda items for the meeting scheduled for February 2020.