

**Manchester City Council
Report for Information**

Report to: Ethical Procurement and Contract Management Sub Group –
4 October 2019

Subject: OTH Equality and Diversity Update

Report of: Director of Capital Programmes

Summary

This report provides an update following the recommendation at the 31 July 2019 meeting that the Project Director, in consultation with the Deputy Leader to consider how the monitoring and recording of diversity within social value can be reported, and if specific Key Performance Indicators (KPI's) can be established to monitor this activity.

Recommendations

To note the contents of the report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Not applicable.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Ensuring all Manchester residents can access opportunities on the OTH project.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Ensuring all Manchester residents can access opportunities on the OTH project.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Ensuring all Manchester residents can access opportunities on the OTH project.
A liveable and low carbon city: a destination of choice to live, visit, work	Not applicable.

A connected city: world class infrastructure and connectivity to drive growth	Not applicable.
---	-----------------

Contact Officers:

Name: Jared Allen
 Position: Director of Capital Programmes
 Telephone: 0161 234 5683
 E-mail: j.allen4@manchester.gov.uk

Name: Paul Candelent
 Position: Project Director
 Telephone: 0161 234 1401
 E-mail: p.candelent@manchester.gov.uk

Name: Peter Norris
 Position: Work and Skills Project Manager
 Telephone: 0161 234 1038
 E-mail: p.norris@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Report to Executive Committee – *Town Hall Complex Strategy* – 23 July 2008
- Report to Executive Committee – Town Hall Complex Programme - Transforming Customer Experience – 11 February 2009
- Report to Executive Committee – *Town Hall and Albert Square Maintenance Programme* – 1 October 2014
- Report to Executive Committee – The Refurbishment of Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 27 July 2016
- Report to Executive Committee – The Refurbishment of Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 16 November 2016
- Report to Executive Committee – *Capital Programme (Budget 2017/18 – 2021/22)* – 11 January 2017
- Report to Executive Committee – Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 8 March 2017
- Report to Resources and Governance Scrutiny Committee – *Our Town Hall Social Value and Communications* – 22 June 2017
- Report to Resources and Governance Scrutiny Committee – *Our Town Hall* – 7 September 2017
- Report to Executive Committee – Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 13 September 2017
- Report to Resources and Governance Scrutiny Committee – *Manchester Town Hall and Albert Square ‘Our Town Hall’* – 9 November 2017

- Report to Resources and Governance Scrutiny Committee - *Manchester Town Hall and Albert Square: 'Our Town Hall'* – 1 February 2018
- Report to Ethical Procurement Sub Group - *Our Town Hall Social Value Update* - 22 February 2018
- Report to Ethical Procurement Sub Group - *Our Town Hall Procurement Launch Event* - 22 February 2018
- Report to Resources and Governance Scrutiny Committee - *Town Hall Project - Capital and Revenue Budget Position* - 24 May 2018
- Report to Resources and Governance Scrutiny Committee - *Our Town Hall Project Management Contractor Procurement* - 6th September 2018
- Report to Resources and Governance Scrutiny Committee - *Our Town Hall Project Letting of the Management Contract* - 6th December 2018
- Report to Executive - *Our Town Hall Project Management Contractor Appointment* - 12th December 2018
- Report to Ethical Procurement and Contract Management Sub Group – *Our Town Hall Social Value Update* - 31st July 2019

1.0 Introduction

- 1.1. Manchester is a remarkably diverse city and the OTH team recognises the importance of ensuring that the opportunities created through the OTH project are accessible to all Manchester residents equally. We expect to see the diversity of the city reflected in the people who are engaging with the project's social value activities and opportunities.
- 1.2. We are also acutely aware of some of the wider issues around diversity in construction and that in many respects we are starting from a low base. The construction industry in general suffers from a perception problem that is self-reinforcing in that it is perceived as an industry dominated by white men, putting off people from other backgrounds, and therefore ensuring that the workforce remains predominantly white and male. This perpetuates the stereotype of the industry and acts as a significant barrier to change.
- 1.3. There are many other examples of barriers that women and BAME communities in particular face when entering and progressing in the industry. Nationally, while BAME groups make up around 10% of the population, only 3.8% of construction workers are from non-white backgrounds, and only around 14% of construction workers are female. In Manchester over one third of the population are from non-white backgrounds.
- 1.4. A further consideration is how the diversity of the workforce differs across roles and professions, this is especially relevant in terms of gender, but broadly speaking the work force becomes less diverse at more senior levels.

2. Monitoring and KPIs

- 2.1. Monitoring diversity in the workforce is something that is written into the management contractor specification. It is intended that this will be carried out using the workforce induction process using a standard template developed by MCC, and which would enable us to monitor gender, gender identity, age, ethnic origin, disability, sexual orientation, faith, relationship status and caring responsibilities. It would be possible to share this data at a project level, but would not identify individual work packages or contractors.
- 2.2. Monitoring diversity in the workforce was not a requirement for the design team however we are undertaking a process to address this retrospectively.
- 2.3. There are already a set of KPIs (including but not limited to social value) that have been contractually agreed with the management contractor and which are incentivised through a performance incentivisation model. The design team have also signed up to making a contribution to the same set of KPIs over the duration of the project.
- 2.4. Members have previously requested that the project team consider setting KPIs around participation in social value activities. There are some nuances to ensuring that any targets are both realistic and sufficiently challenging. Therefore, we intend to undertake a number of actions:

- Establish a baseline for the diversity in the project's current workforce to use as a benchmark indicator from which to measure progress.
 - Use this baseline to benchmark ourselves against relevant industry averages.
 - Use this benchmark to determine an appropriate target that will exceed the industry average.
- 2.5. It is important to note that any new KPIs set will not be contractual without the agreement of both parties. However, we have a good relationship with contractors and suppliers who have committed to delivering social value on the project and in many instances ensuring activities are accessible to all may simply mean targeting existing commitments more effectively.
- 2.6. It may be necessary to set targets unique to certain KPIs. For example, it is reasonable to expect that the diversity of those taking part in school engagement activities should be broadly reflective of the school population in Manchester as there are fewer barriers for participation in these activities, and this is what we have found from our experience to date. For apprenticeship starts the gap between the target and the profile of Manchester's population will be and is larger given the multiple and complex barriers that prevent people from some backgrounds moving into a career in the industry.
- 2.7. Generally speaking we propose to set a target to outperform the national average for the industry, taking into account the current position to ensure that any target is sufficiently challenging. We have requested guidance from the Growth & Neighbourhoods Directorate Equality, Diversity, and Inclusion Team to provide external support and challenge on this.
- 2.8. We are also working with other members of the Work and Skills Team to ensure equality and diversity is fully reflected in the Work and Skills Service Plan and to specifically ensure that we embed equality, diversity and inclusion in our day to day work including how we record and evidence it.

3. Proactive action

- 3.1. To be successful in achieving any KPIs it will be crucial to agree an approach to maximising participation in the activities delivered across the project team. We have begun a conversation with Lendlease and the project's design team on this subject and have agreed to set up a small working group to look more closely at the individual challenges and opportunities. Initial actions agreed are to:
- Ensure that when we enter the construction phase and delivery of activities become less centralised that we have a mechanism in place for sub-contractors to monitor and report on equality and diversity within their own social value offer.
 - Ensure all contractors coming onto site complete an equality and diversity monitoring form as part of the site induction. This data will be used to maintain an up to date profile of the workforce.

- Consider how we can support contractors to access equality and diversity training as part of the project induction process, and whether they could access existing MCC e-learning.
 - Work with established networks in the city (e.g. Construction Skills Network) to identify examples of best practice that we can replicate on the project.
 - Ensure we are participating fully in existing schemes that promote diversity in the construction workforce in Manchester (e.g. Go Construct, Women in Engineering Week).
 - Ring-fencing activities such as work experience week for certain cohorts, e.g. women, older people.
 - Identifying champions from within the project team who can act as role models for people from diverse backgrounds and link them in to established volunteering schemes such as One Million Mentors.
 - Forming better links with voluntary and community groups that work with diverse communities as part of the OTH volunteering scheme.
 - Ensuring we are presenting and communicating opportunities in such a way that they are more attractive to people from diverse backgrounds, and that we are challenging stereotypes about the industry.
- 3.2. Some of the actions above are things that were planned or which we have been doing anyway, but which had not been pulled together under a focused approach to diversity.
- 3.3. Following an initial meeting with social value leads from the consultant team we have agreed to set up a small working group to put together an action plan around diversity and social value. It is intended that this group will work together to lead on implementing some of the actions identified above and develop any new activities required.
- 3.4. The project team will monitor diversity across social value activities, however in some instances it is important to note that this may not be possible, particularly in the case of events organised by third parties.

4. Conclusion

- 4.1. While there are significant challenges relating to a lack of diversity within the construction industry we clearly have an opportunity with the Our Town Hall Project to challenge stereotypes about the industry and provide opportunities for Manchester residents of all backgrounds to develop their skills, experience and understanding of the construction.
- 4.2. The actions proposed in this report are a starting point for work in this area and are something that we want to develop further over the coming weeks and months. It is therefore proposed that we provide an update to members at a future meeting of the Ethical Procurement Sub Group.