



Report to: Development Committee

Subject: Social Clauses – Titanic Belfast

Date: 25 October 2011

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1	Relevant Background Information
1.1	Members will be aware that, at the September meeting of the Development Committee, an update was provided by Titanic Foundation Ltd (TFL) on progress towards social clause requirements during the construction phase of Titanic Belfast. Members requested a further paper from Belfast City Council (BCC) on progress towards validation of the social clause requirements.
1.2	The funding agreement for this project is between all contributing partners including TQ/Harcourt Construction, NITB and BCC. This funding agreement would have included all those conditions set out by the respective funders as part of their financial commitment to the project. There is a suite of legal documentations which underpins this contract and which would be linked to TFL also.
1.3	The social clauses included within the construction contract for Titanic Belfast were the first attempt to maximise the social benefits arising from a major public sector funded construction project in Northern Ireland. Experience has since shown that the contractual arrangements for Titanic Belfast have proven to be relatively loose and difficult to manage. As neither the Council nor Department for Employment and Learning (DEL) were involved in drawing up this contract we have had virtually no control over the social clause agreement.

2	Key Issues
2.1	<u>Titanic Belfast Social Clauses</u> The definition of Long Term Unemployed (LTU) for the purpose of this social clause contract was defined as someone who has been unemployed for three (3) months. This was defined by Construction Industry Forum for Northern Ireland (CIFNI) as the industry definition of LTU. DEL definition of LTU is twelve (12) months as is the DETI definition.

2.2	With the definition of LTU set at three (3) months many unemployed tradesmen who lost their jobs during the economic downturn were able to avail of these opportunities meaning that the longer term unemployed were excluded from these opportunities.
2.3	A robust validation exercise has been undertaken by DEL to ensure the details of those employees identified by EC Harris on behalf of Harcourt Construction Ltd (HCL) meet the requirements of the social clauses.
2.4	To date, eleven (11) LTU have been verified from the information supplied to DEL from Harcourt Construction Ltd (HCL). This differs from the figures quoted at the last meeting by TFL. The remainder have been invalidated by the department because they did not meet the Department's interpretation of the social clause criteria.
2.5	While it is clearly recognised that HCL employed people in good faith several of those submitted for validation were invalidated because they failed to leave the unemployment register during their period of employment.
2.6	The remainder of non validated LTU were invalidated because they did not meet the required stipulation of being unemployed for three (3) months or more prior to commencing work in Titanic Belfast.
2.7	In order to satisfy their social clause requirements for this contract HCL are required to recruit a further four (4) people who are LTU. We have been working with 3D Personnel to find local unemployed people to take these jobs. An open day was held in Gloucester House last month and details of the job opportunities were placed on JobCentreonline. One hundred and forty (140) people turned up for interview.
2.8	In relation to the Apprentice opportunities, there was no clear definition of an Apprentice for the purpose of this social clause contract. Much of the Titanic Belfast work was subcontracted out from HCL and BCC had no control of who won these contracts. Most of the subcontractors came from outside Belfast and the Apprentices working for these companies have come from the areas where the subcontractors are based. These were counted towards the social clause contract requirements whether they worked onsite in Titanic Belfast or not.
2.9	In the absence of a definition of an apprentice these have been extremely difficult to validate. Seven (7) Apprentices have been validated to date – against a target figure of 38. Fifteen (15) of those submitted cannot be validated, and the remainder, while they are showing up on DEL records, have no record of following any recognised training frameworks and are therefore not deemed to be an apprentice. As no local apprentices have been given a work opportunity in Titanic Belfast HCL have been asked to take on local programme led apprentice work placements during fit out stage. There is no cost incurred to the employer and the trainees are being assisted to complete their qualifications. Roisin Sloan provided a presentation on the programme to sub contractors (two) 2 weeks ago. We are still awaiting a response on this from HCL.
2.10	Whilst social clauses are a useful tool these particular clauses were written during a time of economic growth and the sector was experiencing employment shortages. In the current climate of severe recession within the construction sector contractors are reluctant to contract additional staff at all and if they do tend to draw upon the large surplus of unemployed skilled labour currently

	available in the labour market.
2.11	<p><u>TQ Work Forum</u></p> <p>It is important to note that the Titanic Quarter work forum has not been singularly focussed on implementation of social clauses. A significant amount of work has been done elsewhere onsite.</p>
2.12	Four (4) apprentice opportunities have been created on the Game Of Thrones film set. Acapple are so pleased with the quality of these apprentices that they have promised to employ more apprentices when a new series of filming commences.
2.13	Twenty two (22) unemployed people (out of a total of fifty (50) job opportunities) have been recruited for Premier Inn. The Belfast City Council Harte Programme and the Department for Employment and Learning Bridge to Employment training programme were combined to facilitate a totally new programme focussing completely on the requirements of Premier Inn. Keith Freeman, Premier Inn is continuing to work with Roisin Sloan and they are currently working on an idea to recruit 3 long term unemployed people and progress them through Premier Inn to supervisor level within a period of eighteen (18) months.
2.14	Work placements have been provided to assist two (2) NVQ bricklayers to complete their qualifications. They are both now in full time employment.
2.15	A successful breakfast event was held for Titanic Quarter Employers in the new Belfast Metropolitan College campus. One hundred and fifty (150) people attended representing eighty five (85) companies. The event showcased the programmes and services available to employers from DEL, BCC and InvestNI. This event is being followed up with a series of workshops for employers on the programmes they want to learn more about. The first workshop (end of October) is on the ApprenticeNI scheme and ten (10) companies have already registered for this event.
2.16	A Titanic Belfast job showcase event was held in City Hall on 20 October. The event was organised to highlight the jobs becoming available, the skills required to obtain these jobs and how they can be obtained. Many organisations were onhand at the event to advise visitors what options they had to upskill ahead of the recruitment process including DEL, BCC, Job Assist Centres and local training organisations. Pre-employment training courses are currently being designed to ensure clients are job ready ahead of any recruitment or job interviews.
2.17	Fitzers Catering have been appointed as the franchise caterer for Titanic Belfast. They have announced 200 jobs (a mixture of part time, full time and seasonal opportunities will be available). We are working closely with this company to design pre-employment programmes to meet their needs. Interview facilities have been secured in the DEL Gloucester House office for the first round of job interviews, which will commence in December.
2.18	A recruitment event is being planned for January 2011 to fill the remainder of the Fitzers jobs as well as the core Titanic Belfast jobs. Security and Cleaning will be subcontracted out and we are currently awaiting confirmation of the appointment of the successful companies to enable us to engage with them to assist with further recruitment requirements.

2.19	Lessons Learned While social clauses did not work as well as they could have during the construction phase lessons have been learned and implemented within the Titanic Belfast Operator Contract.
2.20	Social clauses for the operator contract have now been set as 12 months for the definition of LTU. Twenty five percent (25%) of the workforce will be from the LTU. These will be included in the Fitzers job opportunities.
2.21	As a result of the lessons learned from the Titanic Belfast social clauses DEL are engaging with Central Procurement Directorate (CPD) to ensure that robust and measurable clauses are included consistently in all future public sector contracts.
2.22	A Social Clause Delivery Forum has been set up that will consist of BCC, DEL, CPD, SIB, CIFNI and other Government bodies and stakeholders. This will facilitate discussion and help shape future social clauses. The first meeting will be held on 18 November.
2.23	While it is not yet possible to build social clauses into council contracts BCC are working to ensure that social clauses are built into any collaborative contracts with other government departments.

3	Equality and Good Relations Considerations
3.1	All schemes will be validated by DEL and Belfast City Council and account will be taken of relevant equality and good relations considerations.

4	Recommendations
4.1	It is recommended that Members note the contents of this report and recognise the continued ongoing work between DEL and CPD in relation to social clauses.

6	Decision Tracking
Progress on these developments will be reported back through the Development Committee.	

7	Key to Abbreviations
DEL – Department for Employment and Learning CPD – Central Procurement Directorate HCL – Harcourt Construction Ltd LTU – Long Term Unemployed TFL – Titanic Foundation Ltd BCC – Belfast City Council CIFNI – Construction Industry Forum for Northern Ireland	