

LINKING OPPORTUNITY AND NEED (LOAN)

SURF Forum: Dewars Centre, Perth

22 February 2008

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WHAT IS LOAN?

1. Starts with major investment opportunity

- **Infrastructure development**
- **Private or social housing development**
- **Major public sector building programme (schools, hospitals)**
- **Commercial or industrial developments**
- **Mix of the above**

2. Generates significant opportunities

- **Construction works**
- **End-use employment**

3. Opportunities are there for

- **Individuals securing employment**
- **Suppliers securing business, with subsequent employment knock-on effects**

WHAT IS LOAN? (Cont)

4. **Challenge is to generate benefit for**
 - **Disadvantaged neighbourhoods**
 - **High unemployment groups of population**
5. **Traditional weakness**
 - **Investments often in or close to regeneration areas**
 - **Little or no economic or employment legacy left once development is completed**

ROLE OF PRIVATE SECTOR IN LOAN

1. Private sector as developer

- **Retail developments (Glasgow Fort, Silverburn, etc)**
- **Private housing developments**
- **Commercial and industrial space developments**

2. Private sector as main contractor – or sub-contractor

- **On construction works**

3. Private sector as end-use employer

- **Retail**
- **Office and industrial**
- **Etc**

4. Private sector as provider of training and related services

LOAN PROCESS

- 1. Local authorities should look for community benefit at the planning consent stage**
- 2. Early engagement with private sector developers and contractors**
 - **Identify nature of opportunities**
 - **Establish timeline for flow of opportunities**
- 3. Influence preparedness of construction and end-use employers to hire local people and use local suppliers**
 - **Introduce community benefit clauses to tendering documentation**
 - **Design protocols to promote community benefit**
 - **Set some targets**
- 4. Early engagement with regeneration communities and groups of unemployed**
 - **Highlight nature of opportunities**
 - **Indicate what is needed to secure opportunities**

LOAN PROCESS (Cont)

- 5. Early engagement with local SMEs with opportunity to supply into developments**
 - **At construction stage**
 - **At end-use**
- 6. Review effectiveness of existing interventions to link regeneration areas, unemployed groups and local SMEs to potential opportunities**
 - **Do we have the right services?**
 - **Do we have enough of them – big issue as job and other opportunities come with a rush?**
 - **Are we reaching the right sections of the community – residential and business?**
- 7. Design and deliver Action Plan for improving effectiveness of interventions**

LOAN PROCESS (Cont)

- 8. Design and deliver system for measuring and managing performance of LOAN process**
- 9. Make sure there is project manager or small project management team to drive effective implementation of the LOAN process!**

EFFECTIVE ENGAGEMENT WITH PRIVATE SECTOR

- 1. Regeneration and employability agencies must engage as early as possible**
- 2. Agencies need a clear sense of what they want from private sector**
 - **Remember regeneration and employability not their core business!**
 - **Also remember – just like unemployed clients – businesses are different and so approaches must be flexible and responsive**
- 3. Involve private sector where their leverage and influence is greatest**
 - **Influencing their suppliers and sub-contractors**
 - **Helping design training interventions**
 - **Helping deliver training interventions**
 - **Amending recruitment standards and practices**

EFFECTIVE ENGAGEMENT WITH PRIVATE SECTOR (Cont)

- 4. Being careful not to offer what cannot be delivered.**
 - **Need for caution in terms of, say, number of recruits will provide**
 - **Making sure supply of recruits matches agreed standard and promised volumes**
- 5. Putting in place systems to monitor quality of service delivered to private sector – consider them a customer in exactly the same way as a regeneration community or unemployed individual**
- 6. Build a good quality relationship with the private sector businesses**
 - **Deploy right staff with aptitude and/or relevant experience**
 - **Maintain continuity of staff**

EFFECTIVE ENGAGEMENT WITH PRIVATE SECTOR (Cont)

7. Keep things simple for businesses

- **Where number of public agencies, agree protocols for which agency works with which business**
- **Ideally develop account management system**

8. Although largest volume of employment opportunities is in early stages of investment – there will be significant repeat business due to turnover, so relationship building is important

FINAL THOUGHTS

- 1. Private sector are key customers in the LOAN process – so customer service is important**
- 2. Public sector needs to look as if it is organised and knows what it wants**
- 3. Get private sector to help with bits private sector is good at**