



**Belfast City Council**

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	Construction Contracts – Social Clauses
<b>Date:</b>	20 January 2012
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects – ext 6217
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<b>Relevant Background Information</b>	
1.1	Members have previously asked officers to consider the issue of how social clauses in procurement might be used to provide opportunities to local firms and those not in employment.

<b>Key Issues</b>	
2.1	Procurement and employment laws mean that the Council cannot limit contract awards to Belfast or local firms, require contractors to use Belfast or local suppliers or sub-contractors or require local people to be employed by contractors or sub-contractors. However, there are several initiatives which might be applicable:
2.2	Construction Sales Growth Programme: This initiative, which is already running, is funded by the Council, through the Economic Development Unit, and the European Regional Development Fund's European Sustainable Competitiveness Programme for Northern Ireland. It is aimed at small Belfast-based firms in the construction and allied business sector who want to identify, target and exploit supply chain opportunities with the major building contractors delivering large-scale construction and regeneration projects.
2.3	Social Clause Delivery Forum: Central government includes requirements for construction contractors to provide employment opportunities through the DEL Steps to Work Programme (targeted at the unemployed and economically inactive) and to employ a specified level (5%) of their own, and their sub-contractors', workforce on formally recognised paid apprenticeships. These requirements are pro-rata the value of labour content in a contract; however, the scale of the Council's contracts is generally less than those of central government and therefore the application of this requirement might need to be adjusted accordingly. DEL advise that this initiative would be monitored by them on our behalf.
2.4	Local publicity: The Project Management Unit, supported by the Economic Development

	Unit, could provide information in the locality of major construction projects to publicise potential supply chain opportunities. This would include clarification of the scale and nature of upcoming opportunities, providing opportunities for building consortium bids and advice on issues to consider when tendering.
2.5	Tender/Contract Alert: Notifications of future tenders and the award of contracts are currently published on the Council's tender website to alert contractors, sub-contractors and suppliers of potential business opportunities.

	<b>Resource Implications</b>
3.1	It is not expected that the implementation of these initiatives would have any significant impact on the budgets for the Council's construction contracts.
3.2	The Construction Sales Growth programme is being managed by Economic Development Unit and funded by EU and existing Council resources.
3.3	The Steps to Work Programme and the Apprenticeship Scheme are funded by DEL.
3.4	The Social Clause Delivery initiative would be monitored by DEL on our behalf.

	<b>Recommendations</b>
4.1	It is recommended that the Committee approve the implementation of the above initiatives on relevant construction contracts as a pilot scheme over the next 12 months.

	<b>Decision Tracking</b>
5.1	A report on the implementation and effectiveness of these initiatives will be presented at the end of the pilot period.

	<b>Key to Abbreviations</b>
	DEL: Department of Employment and Learning

	<b>Documents Attached</b>
	None