



WILLMOTT DIXON

SINCE 1852

TRANSFORMING COMMUNITIES



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Introduction

Communities across the UK are facing unprecedented challenges: worsening financial constraints, youth unemployment at 20%, housing shortages, and the social issues that come with benefit dependency. For local authorities, Registered Providers and public sector bodies, the challenge is how to meet the 'more for less' agenda while providing public services, creating jobs, stimulating growth and remaining competitive against emerging economies overseas.

The tough fiscal environment faced by the public sector was highlighted by the UK's biggest local authority, Birmingham City Council. It warned that between 2011 and 2017 it must cut spending by £600m – or 17% – and shed 7,000 jobs to accommodate reduced budgets. The council's leader Sir Albert Bore said: "The extent of the future financial challenge facing Birmingham will change the landscape of local government not only in Birmingham but nationally – we will have to decommission a number of services."

The need for better collaboration with private sector firms to stimulate growth through investment in people, skills and futures has never been more important. The public sector, especially locally, continues to have tremendous buying power. Yet is this being effectively harnessed to off-set the economic challenges facing local communities?

New legislation says that public bodies must take social value into account when procuring public services contracts. The Public Services (Social Value) Act 2012, which came into force in early 2013, says that authorities must consider how the service they are procuring could improve the economic, social and environmental well-being of an area and how the procurement process should secure that improvement.

This is an important issue for politicians at a local level too. A survey of 411 councillors in England and Wales, carried out for Willmott Dixon by ComRes in July 2012, revealed that 71% of councillors believe that private sector partners must be engaged more meaningfully in economic development by local government. The same survey identified areas councillors think the private sector should help create conditions for growth, including 46% saying that low levels of skills in the local workforce are a key barrier to investment.

Are golden opportunities being missed by short-term, lowest price procurement instead of an approach which identifies companies prepared to make a long-term investment in the economic health of communities? These are issues tackled by *Transforming Communities*, a paper by Willmott Dixon Partnerships, the repairs and maintenance specialist of Willmott Dixon, that aims to highlight how companies procured by public bodies and Registered Providers can make a strong and positive long-term difference to community economic opportunity.

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Trust and engagement

The private sector can provide huge political and economic value by channelling their community investment into the specific growth priorities of local regions.

Huge political and economic value can be gained from the private sector channelling their community investment into specific growth priorities of local regions. For example, Willmott Dixon's ComRes survey in 2012 revealed 40% of councillors believe private companies do not help with local economic development, yet regeneration and skills, crucial for a region's growth, are areas councillors think private companies can make most impact.

Best practice demands that service providers of long-term contracts in the public sector invest in the communities where they work. But the lack of a clear, strategic vision of local economic priorities which private sector service providers should channel their investment towards is restricting the huge potential that exists. By setting out early in the procurement stage how they expect a service provider to make a tangible and lasting impact to local community growth, a client will create the foundation for substantial investment that will leave a big legacy for years to come.

If a service provider's community focus is not aligned with the region's key priorities, such as tackling anti-social behaviour or social exclusion, this will result in initiatives that are often short-term, piecemeal and ineffective. To avoid investment driven by PR gains, clients whose services are paid for by public money, who have a responsibility to help their region grow, should be acutely aware of what 'making a difference' actually looks like to local people – and embed that in the procurement. Likewise, a service provider must show it understands local needs, and that creating social value to address them is more than just making donations or sponsoring an event; it requires vision and long-term commitment.

Get it right and the potential is significant; the private sector knows the current economic climate means it is not acceptable – practically or morally – to deliver a service such as housing repairs and maintenance, make a profit and provide only token gestures. There's no better way to harness this awareness than differentiating service providers during procurement by what vision they demonstrate to improve the social and economic fabric of the community beyond the service they deliver. Clients should expect to spend their money on a company that wants to really make a difference.

There is a lack of trust and engagement with commercial companies that is preventing local public bodies from harnessing the full potential of private partners. The feeling persists among many public sector clients that a service provider will do the minimum required contractually, in order to maximise its profit.

There is also a strong undercurrent of suspicion that helping the wider interest of communities is incompatible with making a profit; this need not be the case if clients are aware of how they can harness their purchasing power to encourage very tangible initiatives by service providers.

Procurement selection should identify companies displaying a cultural ethos of making a difference in the community; where employees want to work towards goals often in their own time, providing training, work experience, mentoring and volunteering.



Recommendations

- 1) Clients must articulate a strong vision of the local economic priorities it expects service providers to channel their social value investment towards
- 2) Clients should judge during procurement how well their potential service providers understand local growth needs
- 3) Service providers should be differentiated by their plans and commitment to align social investment with local growth needs

Getting it right: the Willmott Dixon Foundation

The Willmott Dixon Foundation was set up in 2012 as a way for the company to work with clients to help tackle social exclusion. It provides a focus for Willmott Dixon's community-based activities and makes sure it is aligned to the long-term social needs of communities where it works, and does not operate in a vacuum, ignoring micro economic priorities.

The Foundation tracks, harnesses and guides the charitable, community and voluntary work of employees in achieving the Foundation's aim; in 2012, they delivered £1m-worth of community-based projects.

By combining targeted community projects with thousands of hours of volunteering, work experience placements, mentoring of people and skills training, the Foundation aims to raise attainment among people who have often 'lost their way'.

Getting it right: Investing 4Life

Willmott Dixon Partnerships has guiding principles that overlay its repairs and maintenance work with actions to improve the long-term fortunes of people in local communities. Called Willmott Dixon Investing 4Life, it aims to encourage a cultural ethos that sees community activity as a coordinated campaign to deliver long-term outcomes that meet local needs, rather than a series of ad-hoc initiatives.

For example, outcomes in 2012 under the 4Life strategy included:

Skills: Learning at the forefront of what we do

- Over 24,800 hours of 'Opening Doors' work experience
- £121,844 of staff time given to mentoring for work experience placements
- Over 220 people, often unemployed, directly mentored and coached

Learning: Providing skills that make a real difference

- 21 new apprentices joined in 2012, an increase of 100% on 2011
- 45 apprentices now studying for NVQs after 17 graduated in 2012
- 125 staff completed a supported NVQ learning programme
- 219 staff on a recognised learning framework, with 217 learning an NVQ
- One in four staff either qualified or are learning formal qualification
- 19% of our workforce currently undertaking formal learning

Communities:

Communities people are proud to call home

- Supporting National Play day and benefiting 600 children across the UK
- 151 community projects in 2012
- £411,500 of staff time given to community volunteering
- Over 440 staff took part in community projects
- £141,644 directly invested in community projects/ sponsorship and charitable giving

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Procuring social value

This paper is about how, in today's era of fiscal restraint, clients can get more from their service providers to ensure they are driving local opportunity beyond the service they deliver.

Getting it right: sustainable employment

Willmott Dixon works for Birmingham City Council maintaining 60,000 properties in two contracts: Birmingham North and Birmingham South.

Realising that youth employment was a major issue, Willmott Dixon has taken on 41 apprentices from the city since 2009. The 18 who have completed their apprenticeships to date are now in full-time employment with Willmott Dixon.

Through its contract in Birmingham North, the company was able to recruit two apprentices who had lost their sponsorship with another company part way through their apprenticeships, allowing them to complete their qualification.

By recruiting and training apprentices locally, Willmott Dixon is creating positive role models for the children and young people living in the communities it serves. Some of the apprentices are also trained to be Construction Ambassadors and spend time in schools talking to children about the industry and what they do.

The procurement process should define local economic priorities, and ask how a potential service provider will align its community engagement to meet them. The challenge is to find a partner that understands this 'bigger picture' role and has the imagination to embrace it because they want to, not because they have to.

This means expecting more from service providers than just limiting their activities to what is in the contract, ie take on two apprentices a year, and simply pass associated costs back to the client. They should want to have a stake in supporting local growth objectives and do so independently of the service provision because they believe in creating a legacy rather than just doing the work in isolation of the wider social environment.

Consequently, clients' procurement strategies must ensure their chosen long-term partners are linked into a region's wider priorities, which could be addressing social exclusion, a programme of engagement with local colleges for mentoring and work experience or investing time and money with a local group that works to improve life chances.

Has a company shown real vision by, for example, committing to a policy where all employees on the contract will dedicate two days a month volunteering to support a local project or group? Do they commit to setting up a 'time bank' that invests people's skills each month for the benefit of the community and has no direct connection to the service provided? Just how well does a company know the community in which it is now trying to procure a multi-million pound contract?

Is procurement tailored to social value?

Finding a company that will deliver measures to help address a region's micro-growth priorities must involve a procurement process that takes into account social value when evaluating tenders. The wording and weighting of questions relating to social value should be carefully considered. If a tender process can identify bidders with the best cultural fit and desire to bring social value along with their service, it will bring transformational change.

Procurement that allows for consultation with possible service providers will assist this process. This two-way exchange allows both parties to understand, define and set goals that are aligned to wider local needs.

Just setting prescriptive targets, without understanding all the variables, can be counter-productive if social value targets end up unconnected and misaligned with local market growth needs. Allowing a potential service provider to understand local economic imperatives and adjust its investment programme to suit is essential at this stage.

For apprenticeships and employment opportunities to be sustainable, clients should understand how private sector companies will carry out the work. The length of contract is a big factor: a five-year plus contract should require a very comprehensive programme of social value investment, with service providers showing a long-term vision for how they can affect positive outcomes in communities.

Blind target setting can – and does – lead to situations where outcomes are not sustainable or aligned to local objectives. For example, a prescribed number of apprentices are taken on every year, but for them to remain in employment after their apprenticeships finish, other workers could be laid off. Or companies will take those apprentices to different geographic regions, which does not support local skills growth and legacy. So targets have been met, but not necessarily to the direct benefit of the area in question.

Once the consultation with potential service providers is complete, the procuring body should set out defined areas for a winning company to address local growth needs – and rate potential service providers by the vision and imagination they demonstrate in how they will do this. This could relate to apprenticeships, programmes of work experience, launching a skills academy, alliances with local colleges and charities to improve youth attainment, and a 'local spend' target of 60%. Additionally, clients should expect service providers to understand the Government's localism agenda, including how to maximise access to third party funding for training.

Engaging with the wider growth agenda and not simply agreeing a series of process-driven targets to win a contract should be at the core of a service provider's ethos. It should come across in the company's 'DNA' of wanting to improve local life chances and show real commitment rather than box ticking to please a client.

This is the essence of harnessing buying power to deliver social value in austere times: service providers that are prepared to offer social and community benefits beyond the contract. Most significantly, a lowest price procurement strategy will result in service providers who do not see a role in supporting the wider social and economic goals of a community. How can they, when their main focus will be trying to make a loss-making contract profitable?

A new mind-set

Local authorities, Registered Providers and public bodies can harness procurement practices to identify companies who share their common objectives for stimulating wider community growth.

Clients who are willing to procure on quality, based on a service provider's commitment to meeting these wider goals, should see political dividends. This is about taking responsible procurement - and consequently a service provider's service delivery - to the next stage. It's about changing the dynamics, so that clients regard their long-term partner as one that supports economic growth rather than just delivering a service.

Recommendations

- 1) Make sure tendering process provides for a two-way dialogue to help shape community goals and link to wider needs
- 2) Make sure your service provider earns their long-term contract with significant social value commitments, such as creating a skills academy
- 3) Avoid blind target setting that may hamper rather than achieve real change
- 4) Critically examine a potential service provider's sincerity to make a difference to avoid them paying lip service at tender stage

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Delivering Social Value

It takes time and dedicated teams to create social value. In order to achieve sustainable outcomes, companies must put a huge amount of work into creating opportunities, selecting the right people or projects to assist and providing support on an on-going basis. This is about outcomes that make a difference.

Getting it right: Rotherham's Community Empowerment Forum

In Rotherham, Willmott Dixon set up a Community Empowerment Forum, bringing together local groups and organisations to work together on community projects. By working with Job Centre Plus, local colleges, tenant organisations and charities, the Forum targets community projects which benefit local residents while providing work experience and new skills that help people gain access to employment.

A current project sees the Forum supporting the Armed Forces Covenant in Rotherham, helping ex-military people find employment. By working with all the forum members, Willmott Dixon is able to set up fast-track training paths for specialists from the armed forces to convert their skills from military to the domestic sector, for example from electronics technician to electrician.

Willmott Dixon has arranged for 20 work experience places to be available for ex-military people; trained 20 of its Rotherham employees via a Coaching and Inspiring Training Course so that they can mentor and train them; and sourced the funding to put the trainees through college.

On completing their qualifications, the new tradespeople can join Willmott Dixon if there are job opportunities, find employment with Willmott Dixon's supply chain or receive help to become self-employed.

Willmott Dixon is also working with Job Centre Plus to try to get other local people back into employment. To date 36 mature candidates, male and female, have attended eight-week, 30-hour programmes of work experience, two of whom are now employed by the business in Rotherham.

In 2012 Willmott Dixon Partnerships has provided a total of 5,470 hours of work experience in Rotherham, through its Opening Doors programme.

Companies that understand how to align community engagement with defined outcomes are better able to leverage social value because they have the knowledge and organisational ability to deliver. For long-term service providers to provide employment, training and community initiatives, they need dedicated resources to ensure that commitments made are delivered on. So it is worth asking how your prospective long-term partner is set-up organisationally to deliver on its promises.

For a service provider, the benefits of delivering social value go beyond a good marketing pitch. Employees who can see their company is a force for good, who see unemployed people given a chance, young people being trained and able to make a contribution to their community, who work together as a team to take part in voluntary work and community projects, tend to have higher levels of job satisfaction, morale and pride. And this in turn leads to lower staff turnover rates and better productivity.

Many companies might promise much, but once the contract is won, will it be forgotten? One way to tell is by the resource it dedicates to delivering on its community investment. Such resource will be in the overhead structure, and some companies will regard it as a cost that might eat into their margin. Other companies that have dedicated people to deliver local projects, and make good on promises to provide work experience and mentor apprentices, those are the ones who have community investment in their 'DNA'.

This dedicated support infrastructure will allow a company to work with a range of local organisations to maximise social value. By utilising experience and know-how, they will also access funding which would otherwise have been unobtainable, set the direction and initiate community projects that all the local team can get involved in.

Experience should enable client and service provider to highlight duplication and suggest a way forward that frees up client resource while achieving a better outcome. For example a service provider could draw on company resources and management systems to provide employment agency functions or mentoring of college students.

Alternatively, an experienced service provider will also adapt its social value work to meet new circumstances, while always meeting their contractual requirements. Local social and economic priorities may shift with political changes, funding sources and availability will alter, and new opportunities arise – adapting community engagement accordingly is all part of delivering social value.

Recommendations

- 1) Check what support structure a service provider has to deliver its promises
- 2) Work with your service provider to avoid duplication of community effort; it should complement not conflict
- 3) Make sure social value commitments are adaptable to changing local needs and new priorities

Getting it right: Birmingham's new 4Life Academy

Birmingham City Council has made it clear that skills are vital to its growth and that it expects private companies to play their part in helping support training. Taking this as a key strategic local priority as part of its long-term contract with the council, Willmott Dixon has invested £1 million in creating the 4Life Academy in Electric Avenue, Aston capable of training 2,000 people every year.

At a time when other companies are cutting back on all forms of training, the 4Life Academy will help improve the long-term prospects of many people in the city, reflecting the strategic need to invest in the skills of its workforce and create employment chances for residents.

Courses will range from one-day programmes to four-year apprenticeships, with the training available to Willmott Dixon Partnership's supply chain, partners and local firms. Subjects covered will include technical trade skills, emerging technologies, health and safety, supervisor skills and energy efficiency. The Centre will also train people in employability skills such as IT and CV writing and provide a series of community programmes and DIY sessions.

The Willmott Dixon 4Life Academy will be working with City & Guilds and the British Plumbing Enterprise Council (BPEC), having become one of the first BPEC-approved training centres run by a construction company.

Because the centre will ultimately become a national resource, it will also bring in trainees – and hence money – from outside the city, contributing to Birmingham's economy.

Getting it right: Opening Doors to employment opportunity

Finding work for people who have left school or who are long-term unemployed is a key priority for all regional economies. Therefore, Willmott Dixon Partnerships created its Opening Doors programme to provide people with experience of working in construction. It discovered there were people of all ages who were interested in finding a job in construction, but who had no means of going about it. The ultimate aim of Opening Doors is to ensure that those living in the communities served by Willmott Dixon get the opportunity to apply for apprenticeships and jobs.

The principle of Opening Doors is that there are no barriers to people coming into construction: anyone can carry out work experience, and once they have completed work experience they are guaranteed an interview for an apprenticeship or employment opportunity. It provides experience for school children from 14 years upwards and works with colleges and Job Centre Plus to provide placements for college students and people seeking employment.

Since Willmott Dixon Partnerships launched Opening Doors in May 2010, it has provided over 40,000 hours of work experience, and the percentage of apprentices coming from local areas has risen to 90%. Referred to internally as 'growing our own', this system ensures that the economic and social benefits of apprenticeships and employment are felt very locally.

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Leaving a lasting legacy

Ultimately, the social legacy from any long-term contract should be people who have had opportunities to improve their lives where otherwise this would not have been possible. It should aid an environment where money is earned and spent locally, where people make a greater economic contribution to their community, where there are fewer transient households, and where social infrastructure is established that supports community cohesion.

This legacy must be embedded in a procurement process that identifies local economic priorities and needs, and challenges private companies to meet them. A properly executed plan with realistic targets, one that maps a service provider's activities so they are aligned with local strategic needs and growth plans, should lead to tangible improvements.

While a single service provider cannot change the fortunes of a labour market or local area, it can create positive role models, help improve facilities or areas, create training opportunities and use its skills to bring hope to young people with low self-esteem who see no real contribution they make to society.

Some outputs - such as sustainable jobs created, hours of work experience provided, NVQ qualifications gained, or volunteering for community projects - can be measured. The benefits to the public purse of moving someone from benefits to sustainable employment are considerable: the West Midlands Inclusion Panel calculated in 2011 that moving a Jobseekers Allowance claimant into work saved £10,700 annually. More recently, a report on youth unemployment from ACEVO (the association of chief executives of voluntary organisations) calculated that in 2012, youth unemployment would cost the exchequer £4.8bn with a further £10.7bn of output lost by the economy.

Other benefits are less easy to quantify. What is the value to society of motivating a young person who goes on to become an apprentice and then a tradesperson and who then raises children with a positive work ethic? How do you measure the value of refurbishing a community centre kitchen so that older people come out of their homes to use the centre again?

For a housing repairs and maintenance service provider, it should make perfect business sense to become a part of the community it serves: training up and employing people from that community leads to employees with knowledge and understanding of their workplace; on-going programmes of training and community activity lead to more satisfied and motivated workers; a better cared-for community means less acts of casual vandalism and damage to homes.

Creating social value is not an easy proposition. It requires commitment and organisation. Companies with an existing ethos of social and community investment, who can collaborate with other organisations in order to focus resource and effort where it can have the most effect, will achieve more than companies who do not have such a culture.

Getting it right will see service providers move from just delivering a service to marking a fundamental difference in creating local opportunity, a shift where they become a community's economic partner.

Recommendations

- 1) Have a clear idea of what legacy you expect a service provider to achieve, and monitor progress
- 2) Examine what previous legacies a potential service provider has created in other communities and is proud to demonstrate

Getting it right: from homeless to hopeful

St Basil's in Birmingham is one of two local charities which Willmott Dixon Partnerships supports as part of a programme of community work, connected to housing maintenance and repair contracts on 60,000 homes for Birmingham City Council. The charity's aim is to help homeless young people by providing accommodation and support services.

Lewis Briscoe, homeless after a family breakdown, first encountered Willmott Dixon at a construction careers event held by the firm at St Basil's. Inspired by what he had heard, Lewis attended a Willmott Dixon-run course on CV writing and interview technique at the hostel. He went on to successfully apply for and complete two week's work experience with a bricklayer through Willmott Dixon's Opening Doors programme.

When an opportunity to apply for an apprenticeship arose less than a year later, Willmott Dixon's customer and community officer contacted Lewis to encourage him to apply. His commitment, enthusiasm and aptitude meant that he was successful with his application and is now an apprentice bricklayer.

Now Lewis, who is 19, has the chance of a future in the construction industry, and Willmott Dixon has a loyal and committed apprentice, who will hopefully go on to become an employee, and who can inspire other young people with his story.

Getting it right: Rotherham Titans

Maximising social value can often mean working with other organisations to achieve a better outcome together. In Rotherham, Willmott Dixon Partnerships is working with local rugby league club the Rotherham Titans on its Tackling Programme to help get excluded children back into mainstream schools.

Through its programme, Rotherham Titans worked with 159 of the town's most vulnerable and challenging young people in 2011/2012, running 12 courses over the year.

Willmott Dixon provided three-day construction taster courses for 20 young people in the Alternative Curriculum Unit, who have been excluded from school. Supported by their mentor from Rotherham Titans, the young people have a day of training in CV writing, job applications, construction safety tests and interviews; a day of practical experience, working on an empty property; and a third day when they have a mock interview with a senior member of staff.

Getting it right: a motivated workforce

When Willmott Dixon Partnerships was awarded an eleven-month repairs and maintenance contract by The Royal Borough of Kensington and Chelsea's Tenant Management Organisation, it inherited a disillusioned workforce. A lack of leadership, with no clear goals or direction meant that the workforce was failing, through no fault of its own.

An important part of introducing their new employees to the business was to explain about Willmott Dixon's culture and values, and the importance it places on developing its employees, training young people and working on community projects. This was followed up by quality circles, where the tradespeople could share their knowledge and experience and suggest routes for improvement.

A few months into the contract, the company's annual employee survey revealed a workforce which understood the business's aims and priorities and which was happy with the way they were being managed. Overall satisfaction figures for Kensington and Chelsea's tradespeople came in at 78.3% with customer satisfaction above target levels, at 94.7%.

“19% of our workforce are currently undertaking formal learning”

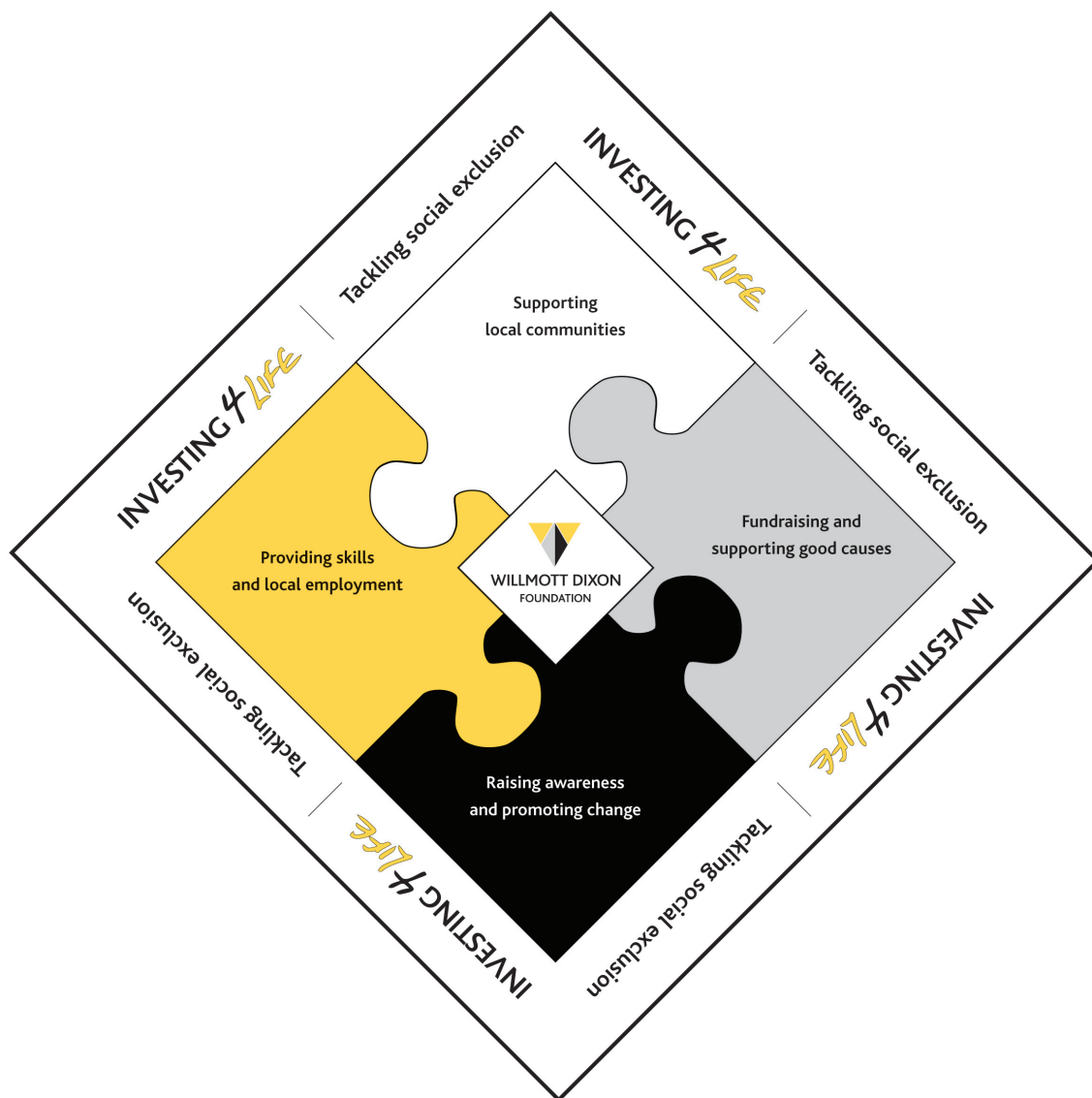
“We have taken on 41 apprentices in Birmingham since 2009”

“Over 40,000 hours of work experience has been provided since the launch of Willmott Dixon’s Partnerships Opening Doors programme in May 2010”

“In 2012, The Willmott Dixon Foundation delivered £1m-worth of community based projects”

“Our investment of £1m in creating the 4Life Academy makes us capable of training 2,000 people every year”

“Willmott Dixon Partnerships provided construction taster courses for 20 young people in Rotherham’s Alternative Curriculum Unit in 2011/2012”



Willmott Dixon is one of the UK's largest privately-owned construction, regeneration and support service companies.

In Support Services, its repairs and maintenance brand Willmott Dixon Partnerships provides a range of planned, preventative and responsive care to property, which includes maintaining over 170,000 homes across the UK.

Find out more at www.willmottdixon.co.uk

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