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Business Services and Place-Based Inclusive Growth

The Business Services Association - the BSA - is a policy and research organisation. It brings together all those who are interested in delivering efficient, flexible and cost-effective service and infrastructure projects across the private and public sectors.

This note summarises the contribution providers of business services make to inclusive growth. It also highlights the central importance of the commissioning process, in particular in the context of devolution to combined authorities and other bodies.

The Service Sector and Inclusive Growth

The RSA's Inclusive Growth Commission defined inclusive growth as 'enabling as many people as possible to contribute to and benefit from growth'¹.

The services sector - and in particular business services within this - is vitally important in delivering this objective. This is for two principal reasons.

i. A strong services sector makes for a strong economy

Any answer to the question 'how do we promote inclusive growth?' must start with those sectors already responsible for economic growth across the UK - so inclusion can be hardwired into this growth as much as possible.

The business services industry comprises five strands: ICT and digital services, business process outsourcing (BPO), facilities management (FM), construction and infrastructure services and managed public services. Together these account for 8 per cent of the economy. 70 per cent of this work is carried out business-to-business, and the remainder for the public sector. This is an industry therefore which has a crucial role to play as an engine of growth, as well as supporting value and social value in the provision of public services.

Furthermore, the old barriers between the sectors are breaking down - with market, digital and technological change leading to servitization in manufacturing and increasingly an 'internet of things'. In today's world a thriving service sector helps other sectors thrive as well.

Research commissioned by the BSA shows the link between the use of business services by other sectors and increases in productivity, as companies focus on delivering their core activities more efficiently, and shows that this is not coming at the expense of jobs. The research also demonstrates a link with export growth²

¹ https://www.thersa.org/globalassets/pdfs/reports/rsa_inclusive-growth-commission-final-report-march-2017.pdf

² <http://www.bsa-org.com/articles/2015/11/18/increased-outsourcing-leads-to-productivity-gains>



ii. *In particular, a strong services sector makes for strong employment*

Sectors responsible for employing large numbers of people must be at the heart of any strategy for inclusive growth, because so many of the drivers of such growth - whether training or career progression or opening doors to those hitherto excluded from the labour market - depend ultimately on employment.

Business services is a people business. More than three million jobs are supported by the sector, accounting for more than one in ten workers.

Furthermore this is not an industry which needs to be enticed away from London. It is already responsible for at least one in ten jobs across the North East, North West and South West³. It therefore has a crucial role to play as an engine of inclusive growth and prosperity.

This note includes case studies from BSA members working across these aspects of inclusive growth:

- *Providing local employment opportunities and bridges to employment (page 10);*
- *Opening up opportunities for career progression (page 13);*
- *In particular, providing training and apprenticeship places (page 15);*
- *Developing links with schools and training and employment support providers (page 18);*
- *Working with SMEs and the VCSE sector (page 20);*
- *Improving pay and conditions (page 23); and*
- *Measuring social value impacts and developing social value metrics (page 6).*

A Place-Based Industrial Strategy and Inclusive Growth

Places themselves are best able to determine their strengths and weaknesses; the limiting factors to inclusive growth in their area; and how these can best be addressed.

That is why the devolution of powers - especially commissioning powers - is so important. Devolution can also be used to help break down the barriers which have existed between economic and social infrastructure. The focus of the first wave of devolution deals was understandably on measures aimed directly at stimulating economic growth and development, especially in areas such as infrastructure and transport in which local government has already developed knowledge and experience. As this note sets out, commissioned wisely such projects are vital for inclusive growth. However the goals of wider service integration and improvement should not be seen as an alternative to economic growth but as contributing to it. Services such as employment support, skills provision, and health and social care provision not only improve people's quality of life but help provide a healthier, more skilled and more productive workforce.

The aim should be to produce a virtuous circle of local service delivery which will help generate inclusive growth - which, in turn, generates the income for services to be provided.

Several other trends are underway locally at the same time - including budget reductions, incentives for growth through business rate reform, rising demand, technological advance, and changing expectations. These in any event will lead to radical service redesign, a focus on targeted services accompanied by discussions on digitisation, a big focus on Place shaping, and investment in prevention and behaviour change.

Bringing this together requires Place-based strategic leadership.

³Parliamentary constituency breakdown pp 32-47:

http://www.bsa-org.com/uploads/publication/file/162/OE_BSA_report.pdf



It is right, therefore, that the Industrial Strategy White Paper recognises the importance of Place as one of five foundations for productivity⁴, and sets out the mechanisms introduced across England which emphasise Place - City Deals, Local Growth Fund, LEPs, combined authorities, transport authorities, and the new Transforming Cities Fund.

The Strategy gives local areas - through the leadership of combined authorities and LEPs - the responsibility to draw up Local Industrial Strategies in partnership with government. These will “guide the use of local funding streams and any spending from national schemes”⁵.

The White Paper says the precise structure under which Local Industrial Strategies are drawn up in each area will vary according to whether or not a devolution deal is in place.

Whatever the structure, it is essential that the public, private and VCSE sectors work together, with each playing to its strengths. In particular, the BSA stresses the need for all types of business - including national and international companies - to be involved in local Strategies, as they will be able to help identify the limiting factors to local growth and then help address them.

This work also needs to have the support of those who are democratically accountable, as they will be responsible for the local commissioning process into which Strategies should feed.

In this way, the needs of a Place can be considered as a whole. Local Industrial Strategies can help to set the context for local efforts on inclusive growth, covering everything from skills needs to infrastructure, and this must then inform the commissioning process.

Commissioning and Inclusive Growth

The commissioning process involves making strategic decisions about each area, its needs, the main factors limiting inclusive growth there, and how these can best be addressed, and then showing leadership in involving all the community and all sectors as active participants in doing so.

This goes much wider than procurement. Especially when budgets are tight, however, public procurement is an important lever at government’s disposal, when it fits within this wider strategic commissioning process.

If the commissioning process is genuinely to become the foundation for partnership working for inclusive growth, this has major implications for the way in which procurement is carried out.

First, it has implications for who is responsible for commissioning services and infrastructure projects. When a local authority is taking such a decision, it need to be taken at a high enough level in the council for it to be based on a view of the needs of the community as a whole - with a broad picture of the needs of Place and how these can best be met - not just on the basis of a need for a specific pre-determined project, with the contract then decided solely on lowest cost. This strategic approach needs to filter down to those directly responsible for procurement decisions.

When another local, regional or national body is responsible for commissioning, the local authority must be able to influence this decision so the needs of an area - of which the local authority is likely to be most aware - can be addressed as a whole and in a co-ordinated way.

⁴ <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

⁵ *ibid.*, page 220



Next, there are implications for every stage of the process - and, in particular, for the stage before the formal procurement procedures start.

Local leaders must work with the community concerned and with external stakeholders to assess what are the main limiting factors to inclusive growth and how people's wellbeing can best be improved, including through analysis of up to date data.

Evidence from organisations like Centre for Cities, for example, is that labour markets are key to inclusive growth, in particular with a fall in employment in middle-income professions, and that both 'supply' and 'demand' interventions are required to address this.⁶

The skills and experience of business services providers can be invaluable in working with Place leaders to analyse the needs and wishes of residents, and the factors limiting inclusive growth.

The evidence from areas which have pioneered successful projects achieving inclusive growth and social value is that full stakeholder consultation is essential. Such areas were open and honest about the outcomes required, and looked for partners who were innovative and proactive in offering ways to achieve those outcomes.

Every step of the way, businesses - including larger businesses with substantial resource and national and international experience - have a vital contribution to make.

As covered in the case studies from page 6 of this note, this work may include:

- if there are local labour market needs, employment of local workers or priority groups, such as young people, long-term unemployed people, or those who may be further from the labour market, making use for example of 'patient employers' or job carving to help such groups;
- specific work to break down barriers in the labour market, so everyone has the opportunity to fulfil his or her potential, especially if there are groups which are under-represented;
- if links between business and young people need developing, work with schools, colleges and universities to offer work experience;
- if local economic capacity needs developing, partnership working to help scale up SMEs, making full use of the external expertise and supply chain management which larger companies can bring to the table;
- if there is a need to strengthen community-based organisations, work to build VCSE capacity, with third sector organisations working with the private sector and each benefiting from the other's strengths and experiences;
- measures on social wellbeing, including fair work practices;
- measures to ensure there is a sustainable impact on the local environment, and a positive legacy impact if there is need in this area; and /or
- support for wider community initiatives.

⁶ <http://www.centreforcities.org/publication/unequal-opportunity-how-jobs-are-changing-in-cities/>



Whatever factors are most relevant locally, these need to be embedded clearly as part of the commissioning process - as priority outcomes, not just add-ons to a procurement process.

Some of these - especially training and employment opportunities - require adequate contract length for these activities to be undertaken. So contract size and length may be an important factor to consider for those authorities looking to maximise social value in this area.

The public sector can also help encourage training by setting out a clear pipeline of work so infrastructure providers and others can plan ahead. It is also important that resources for training can be used by employers as flexibly as possible, as the need for training - and the age profile of those who require training - will vary from area to area.

Above all, it is vital that all such provisions are driven by the needs and wishes of the community concerned, and use the best means available to achieve the desired outcome. An open and strategic commissioning process is key to achieving this.

Many of the same principles in relation to engagement with the private and VCSE sectors that should inform good commissioning in general should inform commissioning for inclusive growth in particular. These include:

- the need to engage early, so innovative solutions can be adopted - rather than potentially sub-optimal solutions being decided without market engagement;
- using private sector skills in analytics and customer engagement to help ensure commissioning is resident-led; and
- focusing on outcomes, so partners can help scale and replicate innovation and change, not only in the delivery of the services concerned but also in sustainable outcomes and social value.

Partnerships based on good relationships and on goals which are clear and clearly aligned are often the ones which achieve the greatest lasting legacy.

Business Services and Inclusive Growth - Case Studies

The business services industry has a responsibility to promote inclusive growth principles not only through individual contract clauses but also as part of its wider work.

Larger businesses in particular - with substantial resource and national and international experience - have a vital contribution to make, not only bringing inward investment into an area, and scaling and replicating innovation and change in service delivery which has taken place elsewhere, but also building local economic and social infrastructure in specific ways.

So as well as part of an individual contract, there is opportunity through wider corporate responsibility to contribute more generally across the wide range of issues under the banner of inclusive growth.

Doing so, behaving in a sustainable way and leaving a lasting legacy in terms of economic and social infrastructure in each Place, is good business - not simply to win contracts, but to help recruit, motivate and retain talented people who are increasingly interested in wider business responsibility.



As outlined above, the first task is to decide what the main limiting factors to inclusive growth are in an area, and to define ways of measuring the social value outcomes commissioners wish to achieve.

Case Study: Measuring Social Value Outcomes

ENGIE utilised the Wakefield 'State of the district' report from Summer 2015 to help assess the social value needs of the community. It then approached, and now partners with, local community groups to deliver social value that actually make a difference to Wakefield.

ENGIE obtained support from Wakefield College and NOVA Wakefield to establish a company to deliver social value, develop skills to reduce unemployment and create a more prosperous Wakefield.

In its contract with Wakefield Council, ENGIE has a robust process to measure the impact of services on the local community. It generates a report on the social value that its work creates in a clear and consistent way. ENGIE uses financial equivalents to value outcomes in the form of Social Return on Investment (SROI). In addition, for certain projects it can capture qualitative, quantitative and comparative information about the real changes that have been effected in the local community.

For the first annual SROI report, ENGIE plans to partner with an externally recognised provider to produce a detailed report aligned with social accounting and auditing to verify the impact of the partnership work in Wakefield.

The report will include data on the partnerships performance including measures such as:

- Employment creation (number of FT roles)
- Redeployment rates (% redeployed / £ saved on welfare)
- Number of previously unemployed/underemployed staff (saving to welfare)
- Soft skills measurement tool, including before and after questionnaires to measure confidence, resilience self-esteem and attitude
- Employability programmes (number of work placements / traineeships / mentoring sessions)
- Spend with third sector and SMEs
- Value of volunteering / fundraising (hours and in kind donation)
- Destination tracking - identifying what has happened to the people supported through social interventions.
- Number of energy awareness training sessions within communities (reduction in energy bills)
- Number of vulnerable individuals supported out of fuel poverty
- Number of resilient technologies installed (renewable / decentralised)
- Percent increase in renewable portfolio
- Actual reduction in household costs to marginalised groups
- Outcomes from well-being campaigns
- Healthy food choices through catering operations
- Community improvement projects
- Improved access to natural habitats
- Solutions addressing climate change; pollution impacts - air pollution, flood prevention, extreme temperatures.
- Reduction in CO₂, water and waste
- Number of habitats, biodiversity improvements
- Reduction in air and light pollution from activities



Case Study: Social Value Metrics

Balfour Beatty was responsible for the upgrade of the M3 J2-4a Smart Motorway. This section of the M3 is used by over 130,000 vehicles a day and sees higher than normal levels of congestion at peak times. The goal was to create value by engaging local communities, enhancing skills, offering employment, supporting local businesses and contributing to environmental well-being. In conjunction with the supply chain, Balfour Beatty has used industry-recognised tools that demonstrate the creation of:

- Local Economy outcomes: £66.5 million of added value
- Skills and Local Employment outcomes: £9.9 million of added value
- Community Engagement outcomes: £80,240 of added value
- Environmental outcomes: £1.06 million of added value

In total Balfour Beatty calculated that £77.6 million of added societal, economic and environmental benefits had been provided to the community and wider economy.

The economic impact of its procurement choices - local employment, supply chain choices and their subsequent re-spend - indicates that for every £1.00 of the gross project income, £2.23 was generated in the economy, equivalent to £496,987,097.

It hosted over 289 Meet the Buyer Events, and cross-skill training for 623 sub-contractors equating to £29,000 of added value. To raise skills and competencies, specialist training initiatives included a Behavioural Safety pilot for Supervisors, Black Hat forum and Hazard Training School. Seven HE Blue Star awards have been presented to the team in recognition of their efforts to drive safety culture and innovation on the project.

The company directly spent £69.9 million with small and medium enterprise, representing 57 per cent of the supply chain. The added value to the local economy associated with selecting local suppliers was £66.5 million.

The project completed 232 hours of school engagement activities, 489 hours of volunteering and 104 hours of expert advice to social enterprises. This, in addition to fundraising and supporting initiatives through local groups such as Community Matters Partnership, has created over £12,500 added inward investment into the area.

15 per cent of the Balfour Beatty workforce was a graduate, apprentice or paid work placement. £113,000 was created through apprentice and graduate training opportunities and over £95,000 through 535 days of work placements and 12 weeks of pre-employment courses.

Through the in-house materials expertise and supply chain collaboration Balfour Beatty has recycled over 278,000 tonnes of site-worn aggregates and has operated at a 99 per cent diversion from landfill. It achieved a reduction of over 10,000t CO₂e against a defined baseline. The combined added value represents just over £1 million.



There are then various mechanisms for delivering the social value outcomes desired, including through special purpose JVs and social enterprises in order to utilise the skills of different sectors.

Case Study: Urban Vision and Social Value

Urban Vision is a joint venture between Capita, Salford City Council and Galliford Try. Formed in 2005, it is a multidisciplinary service organisation within the property development and regeneration sector; delivering services from pre-application planning advice through to design, comprehensive project management and overall scheme delivery.

In collaboration with Urban Vision, the University of Salford has now secured funding for a Knowledge Exchange project. The project's aim is to develop a proven systematic and scalable toolkit through which the optimization of social value can become standard practice and rolled out on a wider basis. It will involve experienced staff from both Reputation Consultancy and the University of Salford.

Case Study: A Community Interest Company Delivering Social Value

The Our Parklife Community Interest Company (CIC) was established as a social enterprise to help deliver the legacy of the 2012 London Olympic Games.

The first CIC to bring together skills and experience from the private, charitable and social enterprise sectors in one organisation, the unique partnership comprises ENGIE, principal contractor for estates and facilities management, and other sub-contractors, social enterprises and charities.

Our Parklife works in partnership with the London Legacy Development Corporation and local communities to ensure that East Londoners benefit from opportunities to volunteer, work and gain new skills on the Olympic Park. It created approximately £2.7 million of economic and social value for the local economy in 2016.

In 2016, Our Parklife:

- coordinated and managed over 850 volunteers, giving up over 13,700 hours of their time - creating a value of £133,600 to the Park and £1,849,500 of value through subjective well-being;
- delivered over 70 accredited training qualifications;
- supported 15 apprentices in facilities management, horticulture, cleaning and team leading;
- facilitated 15 school/education visits inspiring local young people to learn about biodiversity, sustainability, career opportunities, energy and landscape architecture;
- collaborated with local colleges and universities;
- delivered bespoke volunteer placements for over 20 local students with Special Educational Needs from Hackney Community College and BSix College;
- delivered Customer and Mobility Services, welcoming over 67,000 park visitors and over 9,000 visitors with a mobility impairment; and
- facilitated local employment. Its current estate facilities management workforce employs 149 people locally of which 67 per cent are from surrounding boroughs. 50 staff were previously unemployed, creating approximately £740,000 for the local economy by getting people back into work.



Case Study: Regeneration and Inward Investment

Capita's Blackburn with Darwen Place-based partnership focuses on the delivery of good and inclusive growth. It involves a borough-wide regeneration programme to improve the area for residents and attract investors.

In the past Capita has created jobs by locating Capita services within the borough, but this new approach looks to support the Council in attracting investment from others that will create jobs, and support the development of skills - which is key to attracting investment.

The benefits of the approach, a year on, can be seen from the fact Blackburn with Darwen:

- is expected to deliver 460 new houses on site, with planning permission for 1,200 and plots selling off-plan;
- is seeing investment from growing companies such as EuroGarages, Chubb and Accrol; investment in the town centre from a range of organisations; and a new leisure centre jointly developed by the Council. Blackburn College has released a town centre site for Council-led development. Also, working with Capita, Blackburn has secured an independent cinema operator on a long-term basis, which intends to premier Bollywood films;
- has a new bus station, designed by Capita, as well as the Cathedral Quarter development of Grade A offices, a new hotel, restaurants and the first residential accommodation in a cathedral in around 500 years. The Council was able to put its own money in to this development alongside other funding sources;
- was named overall champion and winner of the local centre category in the Great British High Street Awards in 2016, which called their hard work to turn around the town an 'inspiration'; and
- replaced the existing inefficient street lanterns with advanced energy efficient LED lighting, which not only improves visibility on the roads but, effectively, is paying for itself through the energy savings made. This project saw the Blackburn partnership nominated for Best Service Team at the Association for Public Service Excellence (APSE) Service Awards 2017.

As development has progressed, investors can clearly see the potential in the area with more and more buildings being acquired by investors, as well as restaurants and hotels.



Providing Local Employment Opportunities and Building Bridges to Employment

Many larger companies not only employ workers in a local area, even if the companies are headquartered elsewhere, but have the experience to maximise employment opportunities for all sections of the community.

One particular challenge is often to help build bridges into employment for young people or other groups who are further from the labour market. Large companies can use their resources to help do so.

Case Study: Working with Young People in the Community

Interserve offers thousands of work experience placements to young people across all its projects and in its offices in numerous disciplines to meet their needs. It provides site visits, career talks and a comprehensive Young Person Mentoring Programme for young people as they embark on their career journey. It participates in numerous career fairs, attending local schools regularly as part of the engagement plan with young people and promoting STEM. It promotes a Bring a Young Person to Work Initiative during all school holidays, encouraging staff to bring a young person/relative to work and see what they do.

Through the award-winning Interserve Employee Foundation Charity, the company is committed to supporting and developing the key skills of the communities in which it operates, as well as the local people it employs. It has carried out community projects through the Give a Day of Your Time Initiative, under which staff receive two paid days leave to volunteer on local projects.

Interserve is a founding partner of the Transform Trust, an education charity funding extra-curricular activities in over 1000 state schools, to inspire young people to fulfil their potential. As a member of Business in the Community, it sponsors many schools and colleges, part of the Business Class Programme. Interserve have many Education Business Partnership models which provide an interactive and practical approach to learning across all stages of the national curriculum.



Case Study: A 'Whole Person Approach' Helping People into Employment

Serco has sought to adopt a whole person approach to health and overall well-being, for example offering support to Employment and Support Allowance (ESA) claimants through its own internal business opportunities. Working with Serco Leisure and using Serco facilities, it has recently piloted a healthy living course for ESA claimants covering fitness, team building, healthy eating, condition management (including mindfulness, work experience/shadowing), motivation and attitudinal change. The course has received very good feedback with participants feeling significantly more positive about work and recognising their abilities and skills.

Serco has also piloted and invested in courses with specialist organisations such as Genius Within - experts in diagnosing and working with people with neurodiverse conditions (including mental health). They focus on cognitive improvement, boosting confidence (focusing on what people can do) and motivation and developing the working memory. All of this leads to improvement in the softer skills so highly valued by employers, including attendance and punctuality.

Case Study: Supporting Refugees into Employment

Since December 2014, Balfour Beatty has been working in partnership with the Bridges Programme, based in Glasgow's Springburn district. The project is dedicated to supporting people from Glasgow's Refugee and Asylum Seeker community into positive employment destinations via training, advice and practical work experience placements.

Naila Akram, Balfour Beatty's Community Investment Manager has been running CV writing workshops/mock interview sessions and in 2014 also took on an additional task of mentoring Rafieh Lubad - a highly qualified Construction Engineering Graduate from the University of Damascus, Syria, who needed experience of the UK industry. In summer Rafieh returned to Balfour Beatty to take up a paid internship at the Glasgow Queen Street refurbishment project.



Case Study: Ex-Service Men and Women

Interserve started work on a project to design and build an apartment complex in Plymouth for ex-service personnel who will work on the project and live in the complex once complete.

The scheme is to design and build 24 one-bedroom dwellings, arranged in four three-storey clusters of six units, in the Stonehouse area of Plymouth.

Twelve of these units will provide accommodation for ex-service personnel who will participate fully in the construction process. The Community Self Build Association (CSBA) selected the 'self-builders', who are learning construction skills and gaining qualifications during the build, having an affordable home to rent on completion of the project. Interserve staff train and manage the self-builders while they are on site.

The aim of this project is to provide support for people with a variety of needs, based on a successful initiative in Bristol where military service veterans were helped to retrain in various construction trades and build their own dwellings.

This is one of many projects - including the Defence National Rehabilitation Centre in Loughborough which Interserve are currently building - where Interserve work with and provide opportunities to ex-services personnel.

The project was featured in Interserve's 'Opportunities for All' campaign, which focuses on how Interserve supports ex-service men and women when they leave the military - helping them to realise their ambitions and transition back in to work.



Opening up opportunities for career progression

Opening up opportunities for career progression is an important part of promoting inclusive growth. It means employees not only have a job but are able to develop their careers as their abilities take them.

Larger companies can often offer such opportunities across the business which might not otherwise be available.

Case Study: Investment in an apprenticeship and/or training programme

ISS Facility Services revolutionised their training offer across their business by introducing 'i-can at ISS', a fully integrated programme that can be used for first day entrants to those wanting to have a long term career path with the company.

'I can at ISS' training and development framework is being implemented across the sector to fully equip their people with the right skills, knowledge and behaviours for them to perform every day in their roles and achieve their potential.

There are five stages of the training and development framework:

- I 'Belong'
- I 'Learn'
- I 'Lead'
- I 'Inspire'
- I 'Develop'

Director of Training and Development for ISS UK & Ireland, Jane Henaughan explains, "We started with our frontline people as they have the biggest impact on our customers and clients. We have developed 'i learn' training which is specific to their job role, within each service segment, and is delivered across someone's first 13 weeks. 'i learn' training programme consists of a workbook, a series of bespoke inserts that focus on a level of the training, a number of 'buzz sessions' where open discussions are encouraged around particular topics and, how to videos. The first level of training is then assessed by local supervisors and managers."



Case Study: Supporting in-work progression

Prospects is working with employers and individuals across 20 London boroughs to help achieve in-work progression for workers as part of the Employment Plus programme, in line with the Mayor of London's commitment to tackle low pay and improve working conditions of those working in the capital.

Prospects is working with hundreds of employers across the capital to help redesign job roles and up-skill their workforce through one-to-one support and mentoring as well as access to training and recognised qualifications to develop new skills, or refresh their existing ones.

Working through partnerships with community organisations and local authorities to deliver the training, Prospects expects to support over 4,500 participants in only 13 months on issues as varied as confidence and motivation, teamwork training, English and maths in the workplace, IT skills, customer service, various legislation updates and vocational training.

Prospects has been targeting specific sectors of the London economy known to face recruitment and retention issues, operational challenges and a prevalence of low pay, including the care sector, security and other facility management services and retail.

Although early in the programme, a direct and immediate impact has already been produced allowing participants to work in more lucrative roles and achieve increased rates of pay aligned to their level of training. Employers are expected to see results in terms of increased productivity in making best use of their staff, reduced staff turnover, identifying in-house talent and prospective leaders as a result of having a stronger and more loyal workforce which has up-to-date skills to take their business forward.



Providing training is a vital component of this. BSA members are estimated to employ 17,000 apprentices across the UK.

Case Study: Developing Apprenticeship and Pre-Apprenticeship Programmes

In June 2016, Amey undertook a collaborative partnership with Forth Valley, Fife and Edinburgh Colleges to develop a pre-apprenticeship programme to attract high quality Modern Apprenticeship candidates, supported by bespoke funding from Skills Development Scotland.

Building on a successful pilot, developed in partnership with New College Lanarkshire and based on the Certificate of Work Readiness, Amey was keen to develop a further 'bespoke' programme for its prestigious Forth Road Bridge and South East Trunk Roads contracts.

After a joint selection process with the three Colleges, an initial nine-week placement programme gave nine candidates hands-on experience of working directly for Amey.

Candidates achieved several positive destinations. Some went into employment and a fully-funded Modern Apprenticeship with Amey; some achieved a college place in an area that interested them. Particular outcomes were a Certificate of Work Readiness Award (SCQF Level 4), a Practical Work Based Skills Unit, and four Scottish Qualification Authority (SQA) Employability Units.

The initial programme with New College Lanarkshire led to the recruitment of nine excellent Modern Apprentices, who have either now achieved their Modern Apprenticeship in a relevant skillset, or are successfully on course to achieve it.

In addition to the FE Colleges and Skills Development Scotland, the programme brought on board additional support from organisations such as the Adam Smith Foundation and Scottish Qualifications Authority (SQA) to assist with funding or in the development of specific aspects of this unique new vocational award.

Through the development of these programmes, Amey has achieved its aim of being able to attract talented individuals, especially from harder-to-reach groups, including more female apprentices.

Several candidates admitted they previously believed an engineering-based business like Amey would be too 'male-orientated' for them. Now, however, two single mothers with young children, who had previously faced several barriers in returning to employment, have joined Amey because of these programmes.

By February 2017, across these different programmes, Amey had employed 29 Modern Apprentices across several of its divisions in Scotland. Encouraging the existing Amey workforce to take on a 'mentoring' role with apprentices has also had a positive effect by giving employees a greater sense of responsibility and a chance to pass on their own skills and knowledge and thereby boosting retention.



Case Study: Cutting Edge Technology Apprentices Across Scotland

With the increase in ‘in demand’ areas of IT such as cyber security, software development and IT service desk support, Atos is helping to support apprentices in gaining sought-after skills in these areas.

In the last three years Atos has recruited and trained nearly 100 highly skilled apprentices working in Forres, Glasgow, Livingston, Linwood and Dundee, including 34 cyber security apprentices located at the Moray Development and Innovation Centre in Forres.

One such apprentice, Ember Ellis, has shared an insight into the value of the skills learnt through the Atos apprentice programme one year on from commencing as a cyber security apprentice.

Ember, from Elgin said: “When I got the job I wasn’t an IT expert and was keen to find out what kind of training would be provided. I was really encouraged to find out that my initial 12 weeks would be an intensive IT skills training course to get me up to speed.

“I never thought I’d get the opportunity to have such a highly skilled job with excellent career prospects without moving further afield. I would encourage everyone thinking about applying, including women, to go ahead and do it. It doesn’t matter if you don’t think you have the technical skills - you get all that training when you join and it’s a great chance to start a career in an interesting industry with lots of opportunities.”

Atos has an excellent record of helping support youth employment in Moray through its range of highly skilled apprenticeship roles in fast growing areas like cyber security.

The Apprenticeship Scheme was introduced five years ago in response to what was seen as a large ICT skills gap among young people.

The programme allows those involved to build a career in IT through formal training and development programmes and a number of recognised qualifications through QA, Atos’ training provider. Atos is recognised as one of the UK’s top apprentice employers by the RateMyApprenticeship.co.uk Top 70 School Leaver Employers Table 2017, based on peer to peer written reviews by apprentices.

As Gavin Thomson, Senior Vice President, Scotland, Ireland & Wales, said: “We are very proud to lead the way in offering highly skilled apprenticeships for young people across Scotland, especially in areas like cyber security where there is a need for more skilled professionals. We value highly the work, dedication and skill of our apprentices, who have added a new, fresh dimension to all our operations in Scotland and across the rest of the UK.”



Case Study: Training for all ages

Serco delivers a range of apprenticeships. It believes training holds the key to raising quality and increasing skill levels to improve outcomes - not only for individuals and their employers but the wider workforce, customers and service users. Skill shortages hamper businesses to grow, including management and leadership type skills.

Serco was at the forefront in developing the Chartered Manager Degree Apprenticeship (CMDA), Operations Manager Apprenticeship (OMA) and Masters in Leadership - to enhance the skills of experienced members of staff and as a professional pathway for future development.

It is focusing on developing this range of apprenticeships into a Leadership and Management pathway, to support Serco's leaders and as a service offering to public sector partners. The Level 3 Team Leading and Management Apprenticeship is suitable for supervisors, junior and new managers, and this joins up with Levels 5, 6 and 7 qualifications, providing a real aspirational journey for those who wish to progress through the beginnings of their management career right up to the senior strategic management level.

This 'one Serco' approach in developing the Leadership and Management pathway ensures the company builds on Serco's expertise in delivering across the many Levels but is also unique in recognising skills gaps in this area.



Developing links with schools and training and employment support providers

Links between companies and the communities in which they work, including local education and training providers, serve both to make sure training matches the jobs available and also to help expand the horizons of young people and other groups to include the full range of opportunities open to them across the industry.

Case Study: Working with Communities in the North West

Sodexo provides a range of services in the North West of England for major clients in markets including justice, healthcare, education and corporate services. One of the largest is Central Manchester University Hospitals NHS Foundation Trust, where an 800-strong Sodexo team delivers services to the Trust's five specialist hospitals which together treat more than one million patients every year. Other clients include HMP Forest Bank, a number of Oasis Academy schools, Cheadle Hulme School, The Co-Operative Group and AstraZeneca.

Sodexo is committed to being an active participant in the communities where it operates and as a major employer works with clients across the region to identify opportunities where it can support the wider community.

Sodexo's catering team at AstraZeneca UK's Alderley Edge and Macclesfield sites has strong links with the local community supporting the next generation of chefs from Liverpool Community College as well as mentoring young chefs from across the local area.

At HMP Forest Bank, Sodexo is leading the way on the government's priority to create a working prison model, providing prisoners with real work opportunities that prepare them for those available in the community. It gained the national Elton Trophy in March 2017.



Case Study: Working with Communities in Scotland

The Community Development team at Robertson produces support across the Group to engage with wider communities and stakeholders to add social value to projects in areas in which the Group works. Working alongside the operational team and clients, it ensures the delivery of added value to a range of local stakeholders including schools, colleges, universities, employability partners, supply chain, social enterprises and the voluntary sector.

Robertson achieved Investor in Young People (IYYP) status over 18 months ago.

Youth unemployment is far higher than the all-age unemployment rate. Investors in Young People supports organisations from across the private, public and third sectors to assist them in meeting their business objectives by engaging and developing a talent pipeline for the future.

In Stirling a partnership was formed with Bannockburn High School, and the Communities team now oversee the processing of all work placements in the business and as well as building up further links to promote opportunities in their sector, especially where there is a skills shortage.



Working with SMEs and the VCSE Sector

BSA members have supply chains which include over a quarter of a million SMEs, and it is important that risks and rewards are shared equitably.

Larger companies can bring vital skills, experience and capacity to the table which, when used in the right way, can be invaluable in the development of SMEs and the VCSE sector.

Case Study: A prime contractor model utilising SMEs

Serco's model for delivering is to combine the company's strengths as a prime contractor with the knowledge and expertise of local providers and stakeholders delivering a localised offer. Its partnership approach means that customers receive the expertise and experience of the very best regional and local providers from the private, public and third sectors.

In many cases Serco uses a 100 per cent subcontracted delivery model. This approach means Serco can increase delivery capacity quickly and respond to any localised issues such as the closure of a large employer or specific skills needs.

For example Serco delivers the Skills Support for the Workforce (SSW) programme in nine LEP regions of England. The programme is delivered through a network of highly skilled providers. 56 per cent of this supply chain is made up of SMEs. Serco recognises the benefits of this delivery model in allowing a large company to offer a localised service. This, in turn, allows SME partners to access income opportunities they may be unable to bid for independently due to capacity or financial capability.

The SSW programme has allowed SMEs within the supply chain to create jobs and provides additionality for the SSW programme investment.

The overall focus of SSW is to help support growth in priority sectors as identified the LEP for each region. Serco works closely with the LEPs helping them to identify emerging priorities relating to skills training. The agility of its delivery model allows SME providers the opportunity for continuous improvement and innovation, introducing new services in response to changing market requirements.



Case Study: Upskilling SMEs through a Regional Procurement Vehicle's Pipeline of Work

Kier is an equity partner in the hub South West Scotland procurement vehicle, a public - private partnership that enables cost-efficient design and construction of community facilities within south west Scotland.

Hub and their Tier 1 contracting partners, including Kier, operate the Supply Chain Institute. One activity of the institute is the Building for Growth programme, an initiative aimed at upskilling SMEs based in the hub territory. This programme delivers on some of the key objectives of both Kier and hub in providing help and assistance to SMEs in health and safety training, gaining construction related accreditations, business management, bid writing, interview skills and techniques, responding to ESPD and PCS/OJEU Notices, financial health checks and generally improving their ability to win work, both as sub-contractors and in their own right with public and private sector clients and maintain and grow their businesses in a sustainable manner.

The Building for Growth programme is aimed at ambitious companies in construction and related sectors which are based in Lanarkshire, Ayrshire and Dumfries and Galloway. The programme is run over eight half-day sessions over a period of 12 weeks. It is open to any business looking to grow by building the skills and internal capacity to take on increasing volumes of work. The programme has been running since 2015 and to date, 52 locally based companies have now 'graduated' from Building for Growth.

Kier has provided tendering opportunities, either through the hub pipeline of work or through other procurement routes, to a significant number of these companies and has contracted with 12 of them on various projects.



Case Study: Helping social enterprises in Liverpool

A new Interserve-backed organisation to help voluntary, community and social enterprises (VCSEs) across Merseyside opened in Liverpool in May.

Capacity: The Public Services Lab is a collaborative venture between Interserve, Catch22, Clubfinance and Big Society Capital. It acts as an ‘incubator centre’ to help VCSEs develop the skills and business practices in order to take a more central role in delivering innovative, effective and sustainable public services.

The facility was launched to look at ways to support organisations with procurement, risk management and project management so that they can become established and meet local need, including reducing re-offending and supporting people with health issues or accommodation.

Capacity hopes that by 2022, 50 per cent of VCSE organisations will be delivering public services, a 40 per cent increase.



Pay and Conditions

Pay and conditions are important parts of the inclusive growth agenda. Once again the commissioning process is key. If businesses know that paying the Living Wage, for example, to staff employed to deliver a particular service or project will be an important part of the decision-making process in awarding the contract, this provides confidence that those doing so will not be undercut in the bidding stage by those who do not.

Case Study: Partnership working in Lambeth

Lambeth Council is committed to working in partnership with public, private and third sector organisations and local people to prioritise strong and sustainable neighbourhoods.

As well as delivering a wide range of social value outcomes, its five-year contract with ENGIE for TFM services (including hard FM, security, cleaning and cash management) led to the London Living Wage being implemented across all services as a minimum.

This was introduced on day one of the contract (1 September 2012) resulting in a 40 per cent pay rise for local staff. The solution was described by the council as “a positive and innovative response to our pay objectives”, and helped to directly meet the council’s social outcomes.

Beatrice Sodzi, cleaner at Archbishop Sumner Primary School and one of the 154 employees whose salary was increased as a result, said: “Our salary was increased giving us a better quality of life, keeping us happy, that is also a motivation for us to do a better job”.

Case Study: Fruitful Office

As part of Sodexo’s Better Tomorrow 2025 sustainability strategy, the company strives to build harmonious relationships between individuals, communities and the environment in which it operates. Sodexo has initiated a sustainable procurement programme to ensure that the company works with many social enterprises across the UK. One example is Fruitful Office, which currently offers a fruit delivery service to six Sodexo offices. Their mission is to improve health and wellbeing in the workplace by supplying offices with fruit baskets for employees. A UK survey showed that 81 per cent of staff thought having fresh fruit available at their desk had ‘improved their quality of life at work’, while 45 per cent ate fewer unhealthy snacks if fresh fruit was available.

Being a social enterprise, Fruitful Office also gives back to the societies and communities where it sources its fruit from. Fruitful Office plants one fruit tree for each basket sold. This equates to 4,272 trees since January 2017, the majority of which are planted in Malawi. At current sales and distribution, this would lead to an annual forecast of nearly 7,500 trees but we expect this to increase significantly as more sites start dealing with Fruitful Office.



Conclusion: Business Services and Inclusive Growth

The business services industry has an important role to play in making sure all parts of the country and all sections of society benefit from growth. For this contribution to be maximised inclusive growth needs to be an explicit goal of policymakers at local and national level, especially when commissioning decisions are being taken.

This is the way to ensure that all sectors of the industry can work in partnership with the public and VCSE sectors to generate the virtuous cycle between inclusive growth and service development which will enable all communities to prosper.