



Title: South Devon Link Road – Use of Local Labour - Update

Wards Affected: Shiphay & The Willows

To: Overview & Scrutiny Board **On:** 19th June 2013

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1. Key points and Summary

- 1.1 The Contract for the construction of the South Devon Link Road does not contain any legal clauses that require the use of local labour. However the two client partners, Torbay Council and Devon County Council are keen to encourage the use of local labour.
- 1.2 The contractor, Galliford Try, does have local links with the South Devon area through its development arm, Linden Homes. The key personnel and sub-contractors used on the contract are reported to the clients through the project team meetings. To date Galliford Try have been recruiting locally and are using the project to provide training and career opportunities, use of local labour is in excess of the 20% suggested as a target.

2. Introduction

- 2.1 The Deputy Chairman of the Overview and Scrutiny Board has requested a briefing note on how the contractor for the South Devon Link Road will be encouraged to use local labour. The contract for the construction of the South Devon Link was tendered in August 2009. The contract did not contain any specific clauses that required the contractor to use a set of percentage of local labour or sub contractors. The reason for this was partly due to the need to attract national companies to ensure competition in tendering and also at the time of writing the contract it had not been fully understood whether such clauses were legal in terms of European Law. An initial briefing was presented to the Overview and Scrutiny Board in September 2012 and this report provides an update on the use of local labour.

3. Background

- 3.1 The official commencement of the contract was in May 2012. The Contract is a design and construct project and so there is a significant lead in time between award and commencement of construction on site. The contractor's designers commenced work in May 2012 and works commenced on site in October 2012 with initial works being mainly towards the Northern end.

3.2 Galliford Try are an international company who deliver large scale construction projects, however, they have local connections with South Devon through their development arm, Linden Homes, and have offices in Newton Abbot. The Chief Executive was the founder of Midas Homes which was acquired by the Galliford Try Group. The tender quality submission did not contain any specific questions on the use of local labour, however, Galliford Try did state that they would be using a mixture of specialist contractors and local sub-contractors and suppliers where possible.

3.3 As stated Galliford Try have been encouraged to use local labour and supplies. The personnel used and key sub-contractors are reported to Council officers through the regular project meetings. The key outcomes in the use of local labour are as follows:-

- Galliford Try have partnered with South Devon College who will provide support to the company and its supply chain in education and training.
- A number of adverts have been placed in the Herald Express for job opportunities on the project.
- Galliford Try have already appointed a local Graduate to commence his training on the project.
- The project is currently being run from Linden Homes offices in Newton Abbot and are moving to site offices in Kingskerswell shortly. A local site compound will be established in Edginswell.
- Two apprentices have been appointed to work on the project team.
- There are currently 37 full time staff on site with approximately 62% of those recruited locally. When the full team is in place it is envisaged that there will be approximately 45 full time staff on site with 65% locally recruited.
- To date 30 sub contractors have been used by the main contractor Galliford Try and to date, 53% are either based locally or have a local regional officer. It should be noted that many of the services provided by sub contractors are specialist and local contractors may not always be available.

3.4 Galliford Try will continue to offer works to local suppliers, however, this will be based on competitive tendering. To date the number of local suppliers used is in excess of the 20% target suggested.

Patrick Carney
Group Service Manager – Streetscene & Place

Appendices

None.

Documents available in members' rooms

None.

Background Papers:

Galliford Try Quality Submission

Galliford Try progress reports