CASE STUDY

Sir Chris Hoy Velodrome - Skills and Employment Case Study

Project overview

A showpiece venue for the 2014 Commonwealth Games and a beacon for the regeneration of Glasgow’s East End, the spectacular Emirates Arena and Sir Chris Hoy Velodrome is one of the largest sports facilities of its kind in Europe.

The 42,000m² complex incorporates two distinct venues linked by a four-storey ‘hub’ accommodating offices for governing sporting bodies, a gym, a spa, VIP and media facilities. A community sports centre, five-a-side pitches and an outdoor cycle track were also provided.

As innovative as it is attractive, the highly versatile centre is capable of accommodating a variety of sports, the project team worked with specialist velodrome and athletics track designers and seating suppliers to create the most effective and flexible solution.

Delivered on time and budget, the complex secured its place on the world sporting stage and has left a legacy which aids the development of the next generation of elite Scottish athletes by providing first class facilities for the community.

Socio-economic KPIs

The Emirates Arena and Velodrome project is situated in the East End of Glasgow. On the periphery of the site are three of the top six most deprived areas in Scotland (Social Disadvantage Research Centre, Oxford University, 2003).

Opportunity

Of 64 opportunities advertised and awarded (some were withdrawn or combined with other works), 27 included an invitation to Tender to at least 1 local SME or SE. This equates to 42% of the Works packages advertised with the number of local SME/SEs being invited reaching 39.

Of (approximately) 737 businesses sent Pre-Qualification Questionnaires, 520 were identified as SMEs.

Capacity

Of the 39 Invitations to Tender sent to local SMEs or SEs, 34 of these were returned, equating to 87%.

Of the 353 Invitations to Tender, 253 were to SMEs, 100 to non-SMEs. This equates to 72% of businesses invited to tender being SMEs.

Ability

Of the 27 opportunities that included an Invitation to Tender to at least 1 local SME or SE, 9 were awarded to a local SME or SE, which is 33%.

Of the 64 opportunities advertised, 45 were awarded to SMEs, equating to 70% of the contracts on this project being awarded to SMEs.

Value

The value of tenders awarded to SMEs was £24.9 million and to local SMEs/SEs was £6.4 million.

An LM3 result of 1.45 was derived for this project. This concludes that for every £1 of contract value spent on this project, a further 45 pence was generated for the local community (where local was defined by the client...
as within the City of Glasgow). Had a 20 mile radius been used, an LM3 result of 1.64 would have been derived.

**Supplier Survey**

A supplier survey was conducted using a free-text message service to allow subcontractors and suppliers the opportunity to provide important feedback to help drive forward improved business relationships.

36% of organisations advised that the contract offered financial stability while 37% confirmed that the project had raised the profile of their company.

When asked about the wider social, economic and environmental benefits that subcontractors and suppliers derived from winning this contract, 64% said it raised their project prestige and 23% said that they gained additional supply chain and subcontractor opportunities.

**Local Employment Opportunities**

A New Entrant was defined as a person who is trained or employed to do a specific job and is leaving an educational establishment or training provider, or a person that has been employed with no experience or a person with construction experience who has been unemployed for at least six months and is seeking employment.

Sir Robert McAlpine generated employment and training opportunities targeted at those in the Glasgow area identified as a New Entrant. Through partnership with Glasgow’s Regeneration Agency (formerly Glasgow East Regeneration Agency) to recruit New Entrants and directing their subcontractors to utilise GRA also, a significant number of local people were provided with employment on this contract.

**New Entrants**

182 New Entrants worked over 8500 person weeks. The average period worked by New Entrants was 47 weeks. 57 of those NE’s were Apprenticeship opportunities.

80% of New Entrants were recruited through the Glasgow Regeneration Agency (East) allowing targeted recruitment of those living in the east end of the city where the highest areas of unemployment exist.

Job Seekers Allowance (JSA) ranges from £51.85 to £102.75, taking an average of £77.00, the savings to central government from JSA alone was estimated at £654,500.

**Work Experience Placements**

The provision of work placements helps to give people the valuable experience needed to progress their development and employability. Over 300 person weeks work experience placements were delivered on this project (a small proportion being unpaid). This is the equivalent of one person being employed for approximately 6.5 years (deducting 6 week annual holiday).

The following Work Experience placements were delivered:

- School pupils over 16 years old
- Youthbuild: Action for Children and TIGERS clients
- Further education students
- Newly qualified engineers
- Long and short term unemployed
- Bridges Programmes clients (asylum seekers / refugees / economic migrants)

This led to a further saving of £23,000.00.
Local Workforce

During peak activity, a ‘snap shot’ of the workforce demonstrated that 79% of those working on that day lived within a 20 mile travel distance to work. Statistics on distance travelled to work were gathered for ‘carbon footprinting’ purposes and logged against an electronic entry system.

Skills Development

Throughout the duration of the contract, continued professional and skills development training was undertaken, both for Sir Robert McAlpine’s and their subcontractors’ existing staff as well as for the ‘New Entrants’.

Given the high proportion of those working on the project living within close proximity to the site, the above training and development provided many local employees with enhanced skills and employability prospects.

Capacity Building of small to medium social enterprises

Sir Robert McAlpine’s Commercial and Community Teams dedicated approximately 300 hours to assist with the capacity building of Glasgow’s Small to Medium and Social Enterprises through various activities and events. This support comprised of:

- Meet the Buyer events - dedicated support was offered to SMEs/SEs
- “How to Win Business with Sir Robert McAlpine” presentations
- Feedback to those businesses unsuccessful at Pre-Qualification and Tender stage
- Presentations by Sir Robert McAlpine’s Regional and Company Community Manager to Glasgow businesses or other stakeholders as identified by the client (e.g Chamber of Commerce).

Community Engagement and Enhancements

Sir Robert McAlpine project staff delivered hundreds of hours of engagement initiatives for school children in the Glasgow area through the following methods:

- Delivery of presentations and workshops on:
  - The Commonwealth Games Arena and Velodrome Project
  - Careers in Construction
  - How we Use Maths Every Day

- Assisted with Mock Interviews for school students preparing to leave secondary education and embark on seeking employment.
- Arranged an apprenticeship workshop for approximately 30 Glasgow school leavers wishing to gain construction apprenticeships. This was attended by 7 Sir Robert McAlpine employees, Construction Skills and Glasgow Regeneration Agency Employability representatives.
- Donated £2,650 to local community charities such as PEEK and Youthbank.
- Donated materials and assistance to Dalmarnock Community Gardens.
- Regular newsletters (approximately bi-monthly) to all surrounding residential and business neighbours informing them of progress, including internal and external project photographs and notification of any impact the works may have on them (e.g. significant deliveries).

Engagement with the various parties generated a heightened awareness in the construction process leading to a strong interest in the Project.
Although difficult to measure, we strongly believe that this has in turn has created a further interest in employment in the construction industry as neighbours, schools and the wider community witnessed the tangible benefits the project brought to the locality.

**Conclusion**

It is clearly evident the positive contribution this project has made to the local community. A total of 182 people, and therefore 182 families, benefitted from employment opportunities. The average duration of these roles were 46 weeks. Of these employment opportunities, 51 were Apprenticeships.

The overarching results show that this project has had significant social and economic impact to the City of Glasgow and the wider area through the number of local subcontractors and suppliers benefitting from winning contracts.

There is also the impact that the project had that is not easily quantifiable or measurable, such as the intrinsic value of the presentations and workshops for local schools and their pupils. These however, will in the future be remembered as having contributed to the ‘legacy’ of the 2014 Commonwealth Games and the project.

“Sir Robert McAlpine’s outstanding achievements on its Community Benefits outcome at the project were the result of an exemplar business model that maximised every employment opportunity and by far exceeded all targets...”

“...That Sir Robert McAlpine delivered the majority of their 190+ job opportunities throughout the Glasgow Regeneration Agency is a testament to their commitment to our partnership. That over 80% of those recruited came from the east end of Glasgow also demonstrates a clear desire to meet the objectives of the Community Benefit clause.”

Zoe Walsh, Strategic Operations Manager, Glasgow Regeneration Agency

Sir Robert McAlpine’s commitment was to recruit 20 New Entrant Trainees directly and work with their supply chain to maximise additional employment opportunities. In addition, Sir Robert McAlpine was obliged to advertise all relevant business packages via the Glasgow Business Portal and provide procurement workshops and capacity building support to Glasgow companies.

At project completion, the outcomes were confirmed as:

183 New Entrant Trainees, including 58 Apprenticeships

67 Work Experience Places, totalling 317 weeks

230 Business Opportunities, with a value in excess of £75m

311 hours of business engagement and capacity building support

Mike McNally, Community Benefit Programme Manager, Development and Regeneration Services, Glasgow City Council