

8<sup>th</sup> January 2018

FAO John Griffiths AM

Dear Mr Griffiths,

**EQUALITY, LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE (NATIONAL ASSEMBLY FOR WALES)**

## **Inquiry into making the economy work for people on low incomes**

**Ymateb gan Gymdeithas Contractwyr Peirianeg Sifil Cymru / Evidence from the Civil Engineering Contractors Association (CECA) Wales**

Thank you for the opportunity to provide further evidence to the Equality, Local Government and Communities Committee on your Inquiry into making the economy work for people on low incomes following the Cabinet Secretary's launch of the Welsh Government's Economic Action Plan.

On 21<sup>st</sup> September 2017 I provided evidence to your committee in my role as Director of the Civil Engineering Contractors Association (CECA) Wales. Much of that evidence was based on :

1. opportunities to improve economic wellbeing for those on low incomes by increasing social value through the public procurement process;
2. streamlining the procurement process and making it more accessible to Welsh SMEs
3. how the Wellbeing of Future Generations Act could support those on low incomes - but only if we are willing to significantly transform our approach to procurement.

I still feel that, if we are prepared to be bold and drive through a cultural change in the way public and private sectors work together in Wales on infrastructure matters, we have an opportunity to significantly increase the social value that can be delivered through investment in infrastructure and construction in its broader sense. It is by doing this that we can help to ensure that all of our people benefit from investment in infrastructure and especially those on low incomes. The Economic Action Plan launched by the Cabinet Secretary and, more specifically, the call for an Economic Contract between public, private and Third sectors, offers an opportunity to take this forward but the words need to be converted into action, and quickly, otherwise the good intent will fall into disrepute.

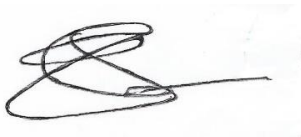
I will not reiterate the points I raised in my previous submission but I have attached an article (<http://bit.ly/2j53Wmg>) which I prepared for the Bevan Foundation and which was published in the Winter edition of their Exchange newsletter which offers a model for increasing social value through investment in infrastructure. Essentially, it involves transforming the "community benefits" agenda into one which is strategic and public sector led, delivering social value requirements at a programme/regional level over a long term, rather than the current local, contract-specific, short term and supplier led approach. This approach will need support structures and mechanisms to be established by the public sector at a regional level so that successful private

and third sector suppliers for individual contracts (or frameworks) can utilise these arrangements as and when they successfully “win” contracts. This will allow them to employ more people on low incomes as a direct output from the contract, to develop people through training and upskilling as part of the contract and to engage directly with learners at schools and colleges to support and offer them direct “bridges” into the workplace. The current proposals for City/Growth Deals and the regional proposals for local authorities offer an opportunity to establish these support structures on a regional basis using the combined resources of the public sector. I would hope that the Welsh Government’s call for an Economic Contract between public, private and Third sectors would complement this approach and give it added impetus. It offers an opportunity to turn the words in the Plan into meaningful actions which would benefit those on low incomes and their communities.

As an organisation which represents 60 of Wales’ largest and smallest civil engineering contracting businesses we see, on a day to day basis, the positive impacts that investment in infrastructure can bring for our communities. With a cumulative annual turnover in excess of £1bn and employing over 6,000 people directly, as well as many others through extended supply chains, these businesses play a huge part in supporting communities across Wales and they make a significant contribution to the economic prosperity of our nation. They are also major providers of training and apprenticeship opportunities and so are well placed to support those on low incomes to improve their life opportunities and wellbeing. But they need greater support, via meaningful collaborative relationships, from the public sector. This could be delivered through an Economic Contract!

I trust that these views and observations are helpful to you and your Committee but please contact me should you wish to discuss these matters in greater detail.

Yours sincerely



**Ed Evans**  
Director, CECA Wales/Cymru