

Date: 07 December 2010
Consultation: Contract Clause on Opportunities for Unemployed

Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents registered and non-registered housing associations in Northern Ireland. Collectively, our members provide 34,000 good quality, affordable homes for renting or equity sharing. Further information is available at www.nifha.org

General Comments

Housing associations want their housing developments to be sustainable in social, economic and environmental terms.

Associations:

- are leading the house-building industry towards more environmentally friendly construction
- recognise that building has a considerable “multiplier effect” on the wider economy
- try to develop popular schemes that enhance the community.

A number of our members take student placements from universities on a year on year basis, thus giving students the opportunity of gaining practical experience in the workplace to supplement their academic learning. Associations also have trainee programmes in a number of work areas which allow for the recruitment of people and the development of their skills in key areas of work.

The housing association movement therefore supports the aim of the Opportunities for Unemployed initiative and believes it would be particularly useful in an era of full employment when the building industry may find it difficult to attract apprentices.

Conversely, the housing association sector sees a danger of negative side-effects from the well-intentioned introduction of the Opportunities for Unemployed initiative in the present recession, when many experienced tradespersons are unemployed or under-employed. We therefore recommend careful monitoring of the indirect, as well as the direct, effects of the policy so that it can be amended in the light of experience.

Queries

1. How will the project sponsor and the project manager calculate the value of labour content in a proposed contract? If this has to be done by their quantity surveyor, will the Department allow the extra fee it may entail?

2. How much administrative work for the housing association will be involved in arranging the Steps to Work placements with the DEL Employer Contact Manager?
3. How will “unemployed” be defined? Will priority be given to certain categories such as those seeking their first job, manual work (rather than office employment) or on the job-seekers’ register for a long time?

Concerns

- A. Our members’ main concern is that, in a period of high and rising unemployment, the Opportunities for Unemployed initiative may displace employment rather than supplementing it.
- B. A subsidiary concern is that housing associations may be expected to absorb the extra administrative costs or professional fees as outlined in queries 1 and 2 above.
- C. While the draft contract clause makes provision for non-compliance damages, it says nothing about such contractors being disqualified from future tenders for a certain period.

Conclusion

The Federation hopes these comments will help make this initiative a success.