

Report of Chief Officer Employment and Skills

Report to the Joint Plans Panels meeting

Date: 11 September 2014

Subject: Delivering Employment & Skills opportunities through the Council's planning function

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for Call-In?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	☒ No

Summary of main issues

1. The Council's Scrutiny Board (Sustainable Economy and Culture) recommended actions arising from its inquiry into Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities which has assisted in strengthening the approach to securing employment, skills and supply chain opportunities for local people and businesses. This activity contributes to the Best Council Plan objectives to promote sustainable and inclusive economic growth by helping people into jobs and supporting business growth through access to supply chain opportunities and addressing workforce development needs.
2. From September 2012 to the end of July 2014, a total of 937 local residents secured jobs and 17 people secured a new apprenticeship during the construction phase and with end users on key developments as a result of employment and skills obligations secured through S106 agreements. The number of positive outcomes for local residents is expected to grow as the increasing number of developments commence including the Victoria Gate, Thorpe Park and White Rose extension developments which will offer significant employment opportunities in both construction and with end users.
3. A review has been undertaken to report on outputs delivered to date and to assess how effectively this approach is working taking account of the revised ways of working and the views of stakeholders. The key findings are highlighted in the report.

Recommendation

Members of the Joint Plans Panel are asked to comment on and note the progress made to implement the recommendations of the Scrutiny Board inquiry and the positive outcomes delivered to date.

1. Purpose of this report

- 1.1 The report provides up-to-date information on the outputs delivered through employment and skills obligations delivered as a result of the S106 planning agreements recommended by Plans Panels. It highlights the outcomes of the review work undertaken to assess how the approach is being implemented and whether it is effectively contributing to the achievement of Council objectives.
- 1.2 Progress on implementing the recommendations has been reported periodically to Scrutiny Board with the last report submitted to the Board's meeting on 18 March 2014. The recommendations included provision for an annual review to detail the progress made and the opportunity to review the approach to ensure that it continues to contribute to the achievement of the Council's policy objectives. This report is focused on those outcomes and processes underpinning obligations delivered through the local planning authority functions only
- 1.3 This report has been prepared for members of the Joint Plans Panels to provide feedback on the implementation of employment and skills obligations to inform their future decision making.

2. Background information

- 2.1 The Scrutiny Board (SEC) established an inquiry into how the Council uses its procurement and planning functions as an enabler of locally driven, sustainable economic growth that benefits both local people and businesses. The inquiry recommendations were approved on 28 June 2012 to strengthen the existing approach.
- 2.2 The use of planning obligations to secure employment and training opportunities is a well embedded approach, and is encouraged and supported by the Government. Employment and skills obligations are included in S106 agreements and developers and the occupiers of the development are required to make 'reasonable endeavours' to employ local people during the construction phase and end uses. The model agreement used in Leeds is attached at Appendix 1.
- 2.3 To translate this high level agreement into action, the Employment and Skills service supports the developer and or occupiers to draw up an Employment and Skills Plan which quantifies the number and type of employment and training opportunities that can be accessed by local people and the support to be provided by local agencies through public funds to enable this. This plan is used to align resources, plan community engagement, skills and recruitment activity and to monitor the developer's delivery against the plan.
- 2.4 To promote a consistent approach, the requirement to produce an Employment and Skills plan is triggered only on those schemes with the potential to provide a significant impact in terms of entry level employment and training opportunities during construction or in end uses without placing an unnecessary burden on the developer. The following thresholds have guided this process to date:-
 - Retail developments of over 2,000m²
 - Residential developments of over 100 units
 - Construction sites over 10,000m².

3. Main issues

3.1 Delivery to date

- 3.1.1 From September 2012 to July 2014, a total of 68 applications met the trigger threshold for the inclusion of employment and skills obligations. Employment and Skills Plans detailing the obligations and how these are to be delivered has been put in place for 37 developments. Each plan contains targets for local people into jobs, apprenticeships and supply chain opportunities.
- 3.1.2 A total of 11 developments with planning consent and a S106 agreement including employment and skills obligations have been implemented to date. These developments have already and will continue to provide a range of construction job roles and generate end user jobs mainly in the retail, hospitality and customer service sector.
- 3.1.3 From September 2012 to the end of July 2014, a total of 937 local residents secured jobs and 17 people secured a new apprenticeship during the construction phase and with end users as a result of employment and skills obligations secured through S106 agreements. Where appropriate, the opportunities arising from S106 agreements are targeted to specific communities. Appendix 2 shows a breakdown of local people who have accessed jobs or apprenticeships by electoral wards on schemes implemented to date.
- 3.1.4 In addition to the job and apprenticeship outputs, other measures included and monitored to demonstrate social impact are school and college site visits and workshops, skills training to meet workforce development needs and opportunities for local sub-contractors to benefit from supply chain opportunities. For example, the Victoria Gate development which has recently started on site has contracted with a number of Leeds based businesses including a demolition company which has already created and safeguarded a number of jobs.
- 3.1.5 A total of 11 developments with S106 agreements were completed and they delivered between 75% and 99% of the target outputs set. The majority of targets were achieved with the exception of the number of local people recruited into apprenticeships. This has reflected the uncertain economic climate with businesses concerned to safeguard existing apprentices rather than taking on additional employment liabilities before securing further contracts. Where difficulties have been encountered in providing and or recruiting to apprenticeships a pragmatic approach has been taken in negotiating additional outputs for work experience and educational visits and these achievements were significantly above those projected including support for site visits, educational and community activities and increased work force skills development.

3.2 Lessons learned

- 3.2.1 The volume of jobs available to local residents will vary and be dependent on the nature of the development and the timescales for completion; the developer's or end users' workforce; recruitment practices; corporate social responsibilities policies; supply chain and sub-contracting arrangements; and the local labour market.

- 3.2.2 Opportunities generated during the construction phase can be limited by the fact that the industry is characterised by a range of short term, high impact work programmes requiring a flexible and mobile workforce moving between development sites. Added to this, main and sub-contractors often have specialist teams which move from site to site and will be reluctant to increase their employment headcount without certainty about future work. Conversely, as the construction industry is beginning to recover a predicted shortfall in the appropriately skilled workforce has been reported and work to address this is being taken forward with the Leeds College of Building and Construction and Housing Yorkshire.
- 3.2.3 A larger number of opportunities have been generated with end users particularly where there is a high volume of entry level roles in retail, hospitality and customer service and warehousing. End users of new retail and leisure outlets with a potential local customer base are often more invested in recruiting from the surrounding locality and engage with the community engagement outreach provision provided by the Employment and Skills service to support and enable local recruitment.
- 3.2.4 Developers are now realising the benefits of a targeted approach, both to support them in achieving the targets in the S106 agreement and also to meet their corporate social responsibility commitments. Feedback from developers has indicated that they value the key account management approach to support them to link to key providers and navigate the provision of local employment and skills programmes to achieve their targets. Where the developer passes the responsibility onto the main construction contractors and sub-contractors, they have found the wording of the S106 and the implications of the risks to delivery difficult to understand. They are also aware that the S106 is not legally binding and therefore good relationship management and partnership working is essential to make sure that the agreed outputs are delivered.
- 3.2.5 A key objective of the approach has been to target opportunities to specific localities that may be adversely affected during the development phase and or to ensure that residents from disadvantaged communities have priority access to the employment opportunities. It is intended that this is achieved by targeting opportunities to named geographies i.e. localities, wards or parliamentary constituencies. This has differed in relation to the size and nature of the development or contract and the skill levels required for the job roles available. For example, opportunities at Trinity Leeds in the city centre were disseminated across the city whereas the ASDA retail supermarket in South Leeds were targeted to adjacent wards. The distribution of job outputs secured across wards reflects both the existing workforce base of businesses as well as targeted interventions to recruit new employees.
- 3.2.6 Developers and contractors have largely supported this targeted approach but successful delivery is dependent to a large degree on the outreach and engagement activity delivered by the Employment and Skills service. To ensure that future targeted approaches are maximised the service has realigned staff resources to support increased outreach activity to raise awareness of the opportunities, engage local residents, provide skills training where appropriate and advise on recruitment processes. Working in close collaboration with the Community Committee Champions for Employment, Skills and Welfare and ward

members, this revised approach enabled 39 briefing and ICT support sessions to be delivered to 1,090 local residents applying for the 300 jobs recruited to at the ASDA supermarket in Middleton. 222 appointments have been made to date with 60% of the successful candidates residing in the target area.

- 3.2.7 Effective systems and ways of working are critical to the effective implementation of this approach. Automated notifications, guidance and robust monitoring systems are in place with increased dialogue and joint working between the Planning and Employment and Skills services from the receipt of the planning application and throughout the lifetime of the development.

3.3 Future opportunities

- 3.3.1 Appendix 3 details a range of current and future developments which have received planning consent or are being progressed for consideration by Plans Panels and have been identified as suitable for the inclusion of employment and obligations. These include developments of significant scale at Victoria Quarter in the city centre; the White Rose extension in South Leeds; housing developments; Thorpe Park in East Leeds and Kirkstall Forge in West Leeds. These developments offer opportunities for local residents at both the construction phase and with end users and will be priorities for the service.
- 3.3.2 Where possible, additional support will be provided to construction contractors to overcome barriers to recruiting locally, in particular apprenticeships, by seeking to limit the employment liabilities through the Apprenticeship Training Agency and the ongoing work to develop a pre-apprenticeship programme and shared apprenticeship scheme supported by Housing Leeds and Leeds College of Building. This will enable apprenticeships to complete their framework across a number of key sites.
- 3.3.3 The 'More Jobs, Better Jobs', 3 year growth and poverty research programme established through a partnership of the Joseph Rowntree Foundation (JRF), Leeds City Council and Leeds City Region Enterprise Partnership aims to better understand the relationship between poverty and the economy and identify what can be done at the city level to create more and better jobs that help lift people and places out of poverty. The partnership is currently commissioning research on connecting the employment opportunities generated through major development and infrastructure projects to households in poverty by reviewing best practice to identify what works and in what circumstances, including best practice approaches to effectively monitoring outputs and outcomes. This independent review of practice adopted here and elsewhere will ensure continued learning to inform future activity and maximise opportunities for local residents. The outcomes of this research will be reported to Plans Panels.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The requirement to produce an Employment and Skills plan enables the service to work with developers and partners to identify a work programme in advance of any opportunities being advertised. This ensures that outreach activity and skills

training can be made available in priority areas to offer local residents help and support to access the jobs. This includes employability support services available through Job Shops and third sector providers on job search, CVs and applications, assessment and interview skills to make sure that applicants are job ready and skills training available through the Council's Community Learning programme and provision through partners including Leeds City College and Leeds College of building.

- 4.1.2 Community outreach events will be planned and arranged in consultation with local members as soon as employment and skills opportunities are known on key developments. Through the Community Committees, Chairs and Community Committee Champions for Employment, Skills and Welfare will be advised of any activity in their area.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Increases in unemployment as a result of the recession disproportionately impacted on those neighbourhoods with the highest levels of claimants. Employment and skills plans developed to implement obligations with S106 agreements include minimum levels to be achieved and are increasingly targeted to specific communities and claimant groups as well as cohorts of young people engaged in employability and skills programmes.

4.3 Council policies and City Priorities

- 4.3.1 The activity and benefits arising from this approach contribute to the achievement of objectives in the Best Council Plan to promote sustainable and inclusive economic growth by helping local residents into jobs and supporting local businesses to access supply chain opportunities.

4.4 Resources and value for money

- 4.4.1 The inclusion of employment and skills obligations within S106 agreements has been implemented within existing resources and has delivered additional benefits to local residents and local businesses that may not have otherwise happened. Support offered to developers and contractors to implement their obligations has included access to a range of existing publicly funded employability and skills programmes.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Activity to secure employment and skills obligations must comply with and not contravene the legislative framework and guidance issued by the Secretary of State on the use of Planning Obligations.
- 4.5.2 There are no specific legal implications arising from this monitoring report.

4.6 Risk Management

- 4.6.1 The impact of introducing employment and skills obligations on developers will continue to be considered over the short, medium and long term and in the context of prevailing economic conditions; the strength of targeted sectors within the economy; and the need to balance any gains with the need to encourage

continued investment in Leeds. These issues will be monitored and kept under review.

5. Conclusions

- 5.1 There has been an increased number of opportunities to apply employment and skills obligations to planning agreements and work will continue to refine and more effectively target the approach to those developments with significant employment generating potential during construction and in end users.
- 5.2 To date 937 local residents have accessed jobs and 17 people have secured an apprenticeship since September 2012 when the revised approach was adopted by the Council and outcomes have been systematically monitored. This number is expected to grow as the increasing number of contracts and developments in the pipeline commence.

6. Recommendations

- 6.1 Members of the Joint Plans Panel are asked to comment on and note the progress made to implement the recommendations of the Scrutiny Board inquiry and the positive outcomes delivered to date.

7. Background documents¹

- 7.1 There are no background documents.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.