

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	26 MARCH 2015	AGENDA ITEM:	13
TITLE:	EMPLOYMENT AND SKILLS PLANS - PROGRESS SO FAR		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	PLANNING	WARDS:	ALL
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1. EXECUTIVE SUMMARY

- 1.1 This report sets out progress on drawing up and implementing Employment and Skills Plans (ESPs). These are required for major developments under the Employment, Skills and Training Supplementary Planning Document (SPD), which was adopted by Cabinet on 13th April 2013. Good progress has been made on securing these plans, and this is leading to very positive outcomes on the ground, both during construction and in the end use of a development.

2. RECOMMENDED ACTION

- 2.1 That the progress in drawing up and implementing Employment and Skills Plans for major developments be noted.

3. POLICY CONTEXT

- 3.1 On 15th April 2013, Cabinet adopted a Supplementary Planning Document on Employment, Skills and Training. This document set out expectations for how major development would mitigate its impacts on the labour market and provide for local employment and training opportunities. This relates both to the construction phase and, for major employment development, the end user phase. The expectation is that developers draw up their own Employment and Skills Plans or, where this is not

possible, make a financial contribution that allows a Plan to be drawn up for them securing training and skills outcomes.

- 3.2 The SPD helps to achieve higher level policy in the Core Strategy (Policy CS9: Infrastructure, Services, Resources and Amenities and Policy CS13: Impact of Employment Development) and Sites and Detailed Policies Document (DM3: Infrastructure).
- 3.3 The aim of Employment and Skills Plans (ESPs) is to provide local employment, and shape training and upskilling outcomes for the local workforce tailored to strengthening our local economy. They also prove an important tool in tackling known skills gaps in the area, a potential barrier to sustainable growth. They are intended to contribute to the Corporate Plan objectives around narrowing the gap in relation to employment opportunities.
- 3.4 ESPs are typically drawn up in conjunction with Reading UK CIC, Reading's economic development company with responsibility for the skills and employment agenda.
- 3.5 A typical ESP will cover a mix of employment and training targets over a broad age range (from primary schools to over 50s unemployment) of groups and with outcomes ranging from apprenticeship places, to support into employment, sector specific training, and education outreach.
- 3.6 All ESPs are delivered in partnership with local agencies - notably the Department of Work and Pensions (DWP), Reading College, New Directions, local schools and the University of Reading.
- 3.7 The Council will be implementing the Community Infrastructure Levy (CIL) on 1st April, which will replace many aspects of the Section 106 regime. However, construction skills and end user employment, typically covered by ESPs, are specifically excluded from CIL and will continue to be secured through Section 106 agreements.

4. THE PROPOSAL

- 4.1 Good progress has been made in securing ESPs on developments in Reading, and this is detailed in the following paragraphs. The following information has been provided by Reading UK CIC.
- 4.2 In summary, since the introduction of the SPD in April 2013, eight permissions have been subject to a requirement to provide an ESP covering the construction phase, whilst a further three committed to making a financial contribution towards employment and skills for the construction phase.
- 4.3 Over the same period, seven major commercial or employment-generating permissions were subject to a requirement to provide an ESP

covering the end use, whilst a further three committed to making a financial contribution towards employment and skills for the end use phase.

- 4.4 Where ESPs are secured, a Section 106 agreement (or occasionally planning condition) typically commits a developer to providing an ESP at a time tied to commencement (for construction phase) or occupation (for end use phase). Therefore, some of the above plans, whilst a commitment, are not yet in place.

Specific ESPs

- 4.4 Progress on ESPs was already underway before the introduction of the S106 requirement for both a construction, and end use ESP, including at the Tesco distribution centre on the former Berkshire Brewery, and with phase 2 of the Chatham Place development.
- 4.5 Reading UK CIC negotiated voluntary ESPs with Tesco, at both building stage (with Vinci) and during the opening of the new Distribution Centre in south Reading (see Appendix 1).
- 4.6 A voluntary ESP was also agreed with the **Chatham Place** developers Muse and builder Galliford Try. This resulted in the 'Routes Into Construction' event (June 14), which took the form of 'speed dating,' allowing unemployed people to meet a range of construction industry specialists, from scaffolders to architects. With the aim of encouraging locals to consider construction as a career, a total of 15 claimants left the unemployment register after attending this event. This is a model we are hoping to replicate with other sector partners in the future to help tackle skills gaps.
- 4.7 The following developments have been subject to ESPs since the introduction of the SPD.
- Imperial Way - Wates/Geopost
Construction outcomes included two sector based work academies (providing training for 30), work experience placements for both those not in education, employment or training (NEETS) and older unemployed people, local school visits, and commitment to local employment through work with DWP/JCP in Reading. Reading UK CIC is currently negotiating the details of the end use ESP with Geopost.
 - Kennet Island - Clegg Group / Mini-BMW
A sector based work academy for general site workers was provided, bespoke to Clegg Group and delivered by Reading College. The course included traffic management qualifications, health & safety, manual handling, employability skills and the CSCS card. Through DWP, 19 claimants attended the training and within 13 weeks 15 claimants had come off the unemployment register. The builders

also directly employed two ground workers and one site security guard (who was taken on through a Security course he had attended with partners Reading College).

- 350 Basingstoke Road
Following ESP negotiations with the developers they chose to make a financial contribution towards related construction skills training and employment support in Reading.
- Imperial Way - Audi Showroom
Discussions with the agent, Segro, have taken place. The outline ESP has been drafted and will be confirmed once the building contractor has been appointed.
- Station Hill
A first draft of a construction ESP was drawn up at the start of the planning process, based on the estimated build cost at the time. Developers have indicated their full commitment to the construction ESP, but detailed negotiation based on actual build costs are yet to take place. A flexible approach to the end use ESP will be needed as no end user has yet been identified.

4.8 In addition to the ESPs secured through the Section 106 process, Reading UK CIC has been involved in other negotiations to secure employment and training outcomes in the Reading area.

- Ikea, Calcot
Reading UK CIC negotiated closely with West Berkshire District Council to introduce a local employment and skills condition within the planning framework for the new Ikea store at Calcot, which is sited close to the Borough boundary. The existence of ESPs within Reading has provided a strong basis from which to develop a detailed plan with Ikea, likely to be a major employer in the west Reading/Tilehurst area.
- Priority Schools Building Programme - Reading Girls School
Reading UK CIC is working with various partners on an ESP agreed with the Education Funding Authority and the developer Interserve Kajima. The ESP framework is aligned to the Construction Industry Training Body outcomes, encompassing all the requirements under a S106 ESP as well as number of additional outcomes. These include provision for work placement opportunities for school, college and University students; school and curriculum support activities; apprenticeships; job creation; upskilling of sub-contractors; upskilling of supervisors; leadership and management as well as advanced health and safety qualifications for sub-contractors.
- National Skills Academy
At the request of Reading Borough Council, Reading UK CIC has been in discussion with CITB (Construction Industry Training Body) to gain

accreditation. We have worked with partners Clegg Construction (A33, BMW site) on the application to the National Skills Academy, which is currently under review. Accreditation will allow builders working on Reading Borough Council ESPs to access a range of additional benefits - both in kind and financial.

- 4.9 The new requirement in the SPD has therefore clearly led to the completion of ESPs on a number of major schemes. These ESPs have led in turn to outcomes that benefit individuals, and Reading as a whole. Appendix 1 contains case studies that demonstrate the substantial benefits that are being achieved for individuals in Reading.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The Employment, Skills and Training SPD contributes to achieving the Council's Corporate Plan objectives around narrowing the gap in relation to employment opportunities.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Consultation was held on the draft SPD in November and December 2012, and carried out in line with the Council's adopted Statement of Community Involvement at the time. Responses received were taken into account in revising the SPD before adoption. Public consultation is not a requirement for developing ESPs, although comments received during the application process may inform those plans.

7. EQUALITY ASSESSMENT

- 7.1 A scoping assessment and Equality Impact Assessment (EqIA) were undertaken with regard to the Draft Employment, Skills and Training SPD (Nov 2012) as considered by Cabinet on 5th November 2012. There have been no issues arising during implementation of the SPD that affect the conclusions of that assessment and none arise from this information report.

8. LEGAL IMPLICATIONS

- 8.1 Employment and Skills Plans are secured through the Section 106 process, which is now governed by the Community Infrastructure Levy Regulations 2010 (as amended). The tests for Section 106 agreements are whether they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind. Employment and skills plans are not part of the Community Infrastructure Levy regime, which is to be introduced in Reading on 1st April, and will continue to be sought on major sites, where they meet the above tests.

9 FINANCIAL IMPLICATIONS

- 9.1 ESPs referred to in this report are secured through Section 106 agreement, and are either carried out by the developer in conjunction with Reading UK CIC, or are funded by a financial contribution from the developer.

Value for Money

- 9.2 The SPD requires developers to prepare or fund ESP's that have a positive effect on employment skills and training and development in the Borough meeting local needs at very little cost to the council.

Risk Assessment

- 9.3 There are no direct financial risks associated with this report.

BACKGROUND PAPERS

- Employment, Skills and Training Supplementary Planning Document (April 2013)

Appendix 1: Case Studies of the Effects of Employment and Skills Plans

Tesco Distribution Centre - The Regen Project

The Regen Project, which was delivered as part of the Tesco end use voluntary ESP was focussed on supporting long term unemployed people from Reading back into work. It was set up to target the some of the most deprived areas in Reading, as well as targeting individuals assessed as "hard to reach" for employment. As this included some with criminal records Tesco had to actively amend their usual recruitment strategy.

An 8-week support into employment course, bespoke to Tesco's requirements was delivered by Reading College. The course covered skills in manual handling, IT, customer service, teamwork and public speaking. All candidates had to attend College 1-day a week and the Distribution Centre 1-day a week.

Recruitment for the Regeneration Project was undertaken over 4 'open days' to which 250 long-term unemployed claimants attended. This resulted in a shortlist of 100, and a final 75 starting on the Project.

69 people completed the course and started work at the Tesco Distribution Centre in September 2013. Recent tracking revealed that 61 are still employed there. These candidates covered males and females, aged between 19 and 61 years old and a number were in hard to reach categories.

Tesco Regen Project Case Study Quotations:

"The activities we learnt throughout the course were wonderful and brought value to the days as well as the educational side to them. I loved the way our whole group were allowed to be guided in a way that we could make our own decisions and we were able to play to our own strengths so the group could bond and develop well."

"I used to have trouble communicating with one person let alone forty! But as weeks went on I got used to it and took part more, it got easier with thanks to the College staff who gave me confidence and made me feel comfortable in the group situations. All in all this has been one of the most amazing experiences that I have ever been through and I would advise anyone who had the chance to do it, to grab it with both hands."

"I was unemployed for over six months and felt depressed but when I found out that I was accepted onto the Regeneration Scheme I was so happy that someone was willing to give me a chance. I was so happy because I could see how much opportunity there is in a company like Tesco. I felt the course gave me confidence and also made me have a different outlook on life. I especially enjoyed working in a team and seeing all our ideas coming together. It made me so proud. My advice to anyone who does a Regeneration Scheme is that if you're not willing to try you won't get anything out of it!"

Clegg Construction Group - DWP / Job Centre Plus Case Studies

DWP worked with Clegg Group through the ESP targets to place claimant AB on work experience. Due to AB's rural location and other issues, AB was unable to leave home in good time to arrive at work promptly. Through DWP's involvement agreement was reached with the developer for AB to arrive slightly later and still take part in this work experience opportunity.

DWP claimant CD had successfully completed the sector based work academy training through the College, as part of the ESP, and was due to start his work experience on site the following day. Unfortunately CD broke his arm and was unable to start. DWP intervened and negotiated a delayed start for CD to take advantage of this opportunity which led to invaluable work experience for him and in turn a full time role on another construction site.

Through the partnership work of DWP with Reading UK CIC, as part of the ESP framework, contractors have used DWP as a source of recruitment for other supportive roles for example administrators and receptionist.