

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	13 JULY 2016	AGENDA ITEM:	10
TITLE:	EMPLOYMENT AND SKILLS PLANS - ANNUAL PROGRESS REPORT		
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 implementing Employment and Skills Plans (ESPs). These are required for all major developments within the Borough under the Employment, Skills and Training Supplementary Planning Document (SPD), adopted by Cabinet on 13th April 2013. Good ongoing progress has been made securing a variety of plans with both developers and end users. This is leading to very positive outcomes on the ground, during construction phase 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 working with delivery

partner Reading UK CIC or, where this is not possible, make a financial contribution that allows a Plan to be drawn up on their behalf, 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 shaped to contribute meaningfully to the Corporate Plan objectives around narrowing the gap in relation to employment opportunities for residents.
- 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, Jobcentre), Reading College, New Directions, local schools and the University of Reading.

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, 24 permissions have been subject to a requirement to provide an ESP covering the construction phase, while a further 5 have committed to making a financial contribution towards employment and skills for the construction phase.

Over the same period, nine major commercial or employment-generating permissions were subject to a requirement to provide an ESP covering the *end use*, whilst a further four committed to making a financial contribution towards employment and skills for the end use phase.

- 4.3 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). The following outlines briefly the development stages of a variety of ESP commitments, some of which are not yet in place.

Detail of ESPs

- 4.4 Voluntary ESPs entered into prior to April 2013 and now complete or near completion include Tesco Distribution Centre on the former Berkshire Brewery site in south Reading, and Chatham Place Phase 2, both of which produced strong outcomes in terms of job and training opportunities (reported previously to this Committee).
- 4.5 Developments delivering ESPs since the introduction of the SPD in April 2013.
- Buckingham Group / Island Road (commenced May 2016)
A development of up to three warehousing units for the logistics industry. A construction ESP has been agreed with contractors Buckingham Group to deliver jobs, outreach and specialist work experience. The contractor has already worked with DWP on local employment opportunities.
 - Coley Park / Elvian School Site
Major UK homes developer Taylor Wimpey is working on residential development on two sites for which joint planning has been granted. The ESP has been discussed in detail with the project manager, ahead of a final decision on whether either a Plan, or a financial contribution will be delivered.
 - Imperial Way - Wates/DPD (complete)
Wates Construction worked with Reading UK CIC and partners to deliver 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.
An End Use ESP was agreed with DPD (Geopost) to deliver work experience in logistics for young people, an outreach programme (including an event at Cranbury College) and local recruitment. The CIC is maintaining links with DPD to promote training and work opportunities in the logistics industry.
 - Kennet Island - Clegg Group / Mini-BMW (complete)
A sector based work academy for general site workers was provided, bespoke to Clegg Group and delivered by Reading College, leading to testing for the Construction Skills Certification Scheme CSCS card. DWP referred 19 claimants for the training and within 13 weeks 15 claimants had come off the Job Seekers Allowance (JSA) register. Direct employment and schools outreach also took place, and Clegg

provided case studies to support the Borough's accreditation by the Construction Industry Training Board CITB.

The End Use phase has delivered at least 13 new jobs for local people, 4 new apprenticeship opportunities and schools outreach programmes, with some work experience opportunities also available for young people.

- Imperial Way - GMI Construction / Sytner Audi Garage (construction element complete)
Partners worked closely with GMI construction to deliver a range of outputs, from local employment (including target mature unemployed workers), on site apprenticeships, two visits by University of Reading construction school (resulting in employment for one of the students) and a sector based work academy delivered by DWP and Reading UK CIC, which led to 13 people completing their CSCS training and 3 young NEETS being employed (2 with GMI, 1 with another contractor)
- Osborne Construction / Crown Student Living (commenced early 2016)
Osborne Construction agreed the details of an ESP early in 2016 and has already delivered a sector based work academy through Reading College and agreed apprenticeship placements with our partner Co-Train. Due to the nature of the construction site visits, work experience and other outputs will be delivered closer to the site completion date.
- Primark Store, Broad Street (commenced March 2016)
The detailed ESP was signed with contractors Mace in January 2016, and allows for outcomes including work experience, outreach events, apprenticeships and local employment.

The End Use ESP has been discussed in outline with Primark and is pending agreement. However Elevate Reading partners including Adviza, Mencap, DWP and New Directions are already working on supporting recruitment for approx. 300 jobs, with events at DWP and the Elevate Hub in July.

- 4.6 Developments for which ESPs have been agreed and are pending construction start dates, or are still in discussion, include Albert Rd, Crown Street, Garrard House, Primark West Street, Lancaster Jaguar, Meadway Precinct, Station Hill, Swan Heights, University of Reading temporary offices and sports dome.
- 4.7 Following discussion on the requirements of both the construction and end use ESP a number of developers have preferred to opt for Financial

Contribution ESPs. Typically these contributions are used to deliver a range of training and employment outcomes for local people, such as CSCS construction training, outreach events for young people, a training and jobs event for mature workers and job taster events to develop interest in key skills, such as construction, care, hospitality and logistics.

These developments include Forbury Place One, 16-40 London Road, 114-116 Oxford Road, 350 Basingstoke Road, Maiden Erlegh Free School, Queen Anne's School, 173-175 Kings Road, Trinity House South Street, 40 Silver Street, Kings Point King's Rd.

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, aligned to the outcomes of the ESP programme.

- Ikea, Calcot

The new store opens July 2016, and both a construction and end use phase ESP have been negotiated with Ikea by Reading UK CIC in partnership with the planning authority West Berkshire District Council.

The construction phase has included outreach activity, work experience, local employment and on site apprenticeships.

Reading UK CIC has worked with Ikea to promote jobs to as many parts of the local community as possible, involving social housing providers, supported employment agencies such as Mencap and Graft and youth employment project Elevate Reading in recruitment discussions. Over 350 new local jobs will be created by the store which is a Living Wage employer.

Other End Use outcomes will commence shortly after occupation and include schools and education outreach, work experience, local employment for target groups.

- Priority Schools Building Programme - Reading Girls School

Excellent progress has been made by partners on an ESP agreed with the Education Funding Authority and the developer Interserve Kajima. The 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 have included placement opportunities for students; school support activities; running a Routes into Construction event at the Elevate Hub; apprenticeships and jobs; upskilling of sub-contractors; leadership and management. With completion expected by late summer Interserve have already over-delivered on many of these outcomes, and the CIC has worked with CITB to gain accreditation for the scheme.

- 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 to the National Skills Academy for Construction Skills. We worked with Clegg Construction (A33, BMW site) on the application to the National Skills Academy, which was confirmed for both Reading Borough Council and Reading UK CIC late in 2015. Accreditation will allow builders working on Reading Borough Council ESPs to access a range of additional benefits - both in kind and financial.

- 4.9 In conclusion the requirement in the SPD has led to the completion of Construction ESPs on a number of major schemes, and End Use ESPs with DPD and BMW/Mini. These ESPs have led in turn to outcomes that benefit individual residents, who are often in most need of support being distanced from the jobs market, as well as the Reading economy 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 outcomes of the Employment, Skills and Training SPD contributes to achieving the Council's Corporate Plan objectives in particular 'Providing the best life through education, early help and healthy living' 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 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, sourcing third party funds, or funded by the developer directly.

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. This has a direct implication for economic development in the Borough, meeting local needs at very little cost to the council. In addition, delivery of the ESPs provides parallel support for Elevate Reading, which specifically targets opportunities for 16-24 year olds funded by ESF grants.

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

GMI Construction Group PLC/ Sytner Audi Development, Imperial Way

Property developers SEGRO were granted Planning Permission (Ref: 141602) in December 2014 for the erection of a new car showroom with ancillary offices, car parking and plant.

This development was attached to the Sytner Audi dealership (who plan to move from an existing site in Reading) and comprised a building with a gross external area of 4,800m² on an allocated employment site.

A detailed Construction ESP was signed by Segro, GMI and Reading UK CIC in June 2015 ahead of construction start in October 2015 (with an expected completion date of July 2016).

In January 2016 DWP and Reading College supported a sector based work academy on behalf of GMI Construction. Starting for 4 weeks on Jan 11th the training programme covered everything needed for participants to gain the CSCS card.

GMI Construction involved subcontractors Delta, who were to provide work experience

DWP referred 15 JSA claimants to the course, who all had access to 2 weeks work experience at the Audi construction site from 8th February and a guaranteed job interview. Three took up the work experience offer and two young people were employed at the site and were highly valued members of the team.

The Project Manager said it had been a pleasure, and a real eye opener, to work with the people referred from DWP, especially the young men who gained work at the site who had gone from strength to strength after completing the CSCS training.

Reading Girls School / Interserve

The rebuilding of Reading Girls School was agreed under funding from the Education Funding Authority, with Interserve Kajima winning the contract for Reading Girls alongside 3 other schools (in the Herts area). The Employment and Skills Plan was agreed centrally on CITB guidelines, but Reading UK CIC agreed additional support for local people in the form of a construction skills event.

Routes Into Construction took place at the Elevate Hub on 25 February, with seven of the Interserve Construction team taking part in a speed dating format. Around 25 young people attended, gaining first hand knowledge from construction professionals on skills ranging from groundworks to project management to surveying. The details of the young people who attended were captured by the Elevate team, and follow up work took place to establish next steps, especially for those with very low attainment rates. For at least six this

was to gain the CSCS card which would enable them to start work in construction at an entry level. Alongside other referrals from Adviza, six of the Routes attendees joined a six week training course run at Elevate Reading, creating a group of between 10-12. The course covered basic maths and English as well as all aspects of the CSCS card and was funded by Arriva Training and ESP funds.

Around seven of the group gained their CSCS cards, with one gaining an apprenticeship with a Theale construction company and another finding work immediately on a local site.

While outputs may be considered low the group of young people we worked with were in need of serious intervention and support and gained huge confidence from the Routes Into Construction event which led them to pursue the CSCS qualification. Both provided thanks to the ESP requirements.

Feedback from the Interserve team was very positive:

"Thank you, we really enjoyed the opportunity to offer support. My staff were so impressed and the event opened their eyes to individuals struggles and I feel it has certainly made them more empathetic. We will definitely be offering work experience and will keep you informed with names and dates."