

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	2 July 2018	AGENDA ITEM:	13
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 updates the Committee on progress with the implementation of planning policies concerned with promoting Employment and Skills Plans.
- 1.2 Through engagement and contributions from developers and users of completed developments appropriate hiring and skills development to assist the local economy and local residents seeking employment has been undertaken. The report sets out both the successes gained through the delivery of plans, working mainly with the construction industry, the various employment projects delivered using financial contributions and the proposals for the next wave of projects to be delivered using contributions.

2. Recommended Actions

- 2.1 That the Committee note the report and welcome the ongoing delivery of employment and skills outcomes, enabled by Section 106 Employment and Skills Plans.

2.2 That the Committee note the benefits of this delivery to the local economy and in particular to local residents in order assist residents to find good quality, permanent employment within the Borough.

3. BACKGROUND - DELIVERY OF PLANS BY INVESTOR DEVELOPERS

3.1 Reading Borough Council adopted the requirement for Employment and Skills Plans (ESP) under a 2013 Supplementary Planning Document that seeks to implement adopted (2008) Core Strategy Policies CS9: Infrastructure, Services, Resources and Amenities, and CS13: Impact of Employment Development. The drafting of the SPD relied on detailed discussion between Reading UK CIC and the Borough Council Planning Service, with Reading UK CIC being identified as the main agent for implementing the policy. The aims of the ESP requirement as part of planning permission have been clearly defined in working with employers to improve the work and training opportunities of local people.

3.2 An ESP requirement is attached to any new development costing more than £1million, or covering more than 10,000 square feet.

An ESP is also required for any regeneration or extension programme where more than 10,000 square feet of new floor space is being created.

3.3 In simple terms the developer can choose to either enter into a delivery plan, through Reading UK CIC and working with local partners, or to pay a financial contribution towards the delivery of training and employment programmes. The financial contribution is based on a simple percentage of the anticipated construction costs, and will be confirmed by legal agreement within the S106 planning consents.

3.4 To date (June 2018) 17 developers have chosen to pay financial contributions (ranging from £1,600 to £156,000) and a total of 34 plans (both construction and end use) have either been delivered, or are in the process of being delivered.

3.5 Reading UK, through the Economic Development Manager, and previously through the Skills for Business Co-ordinator, work closely with the developers to create an employment plan that is both deliverable and shaped to the needs of the relevant sector.

3.6 A large range of delivery partners support this work including DWP JobCentre, Reading College, Business Biscotti, New Directions, University of Reading, local schools such as JMA and Whitley Park, and Adviza amongst others. The use of a range of partners allows for additional funding streams to be drawn down, and outreach to as broad a mix of residents as possible.

3.7 Working with the contractors and developers the ESPs to date have delivered the following outcomes in the last 12 months:

Work experience opportunities:	110
Apprenticeships	13
DWP advertised Jobs	16
School visits/projects with the local community, Kier, Osborn, Wates, ¹ Bewley Homes, P & G, Un	12 activities

3.8 Appendix A sets out the full list of development sites attracting S106 ESP agreements.

4. PROGRAMME OF PROJECTS SUPPORTED BY S106 CASH CONTRIBUTIONS

(a) Current Position

4.1 READING UK has a strong track record delivering benefits to the local community through Sect 106 cash contributions. Most of these programmes have provided strong outcomes benefiting local people and the economy (Pop Up Business School) and in some cases supporting community programmes (Whitley for Real).

4.2 Partnership working has been pivotal in ensuring our reach into the community, and providing real value for money. The private sector has provided match funding (Hammersons) or significant support in kind (Verizon, Bewley Homes, The Oracle, Malmaison, Hilton Reading, BW Interiors, Ikea et al)

4.3. In the last two years £65,000 cash contribution has been drawn down, and has been used to deliver outputs including job fairs, construction skills certificates, access to work events, Over 50s return to work activity and school outreach. Among our successes:

- 170 people supported into self-employment
- An estimated £1.2m saved on benefit payments through self-employment
- Over 700 local people attending jobs fairs - with over 100 employers with live vacancies attending
- 200 Over 50's attending a routes to work event with employers and workshops

4.4 Appendix B sets out the full details of programmes delivered to date (2017/18)

¹*reach to approx. 360 students PLUS delivery of the JMA / Whitley Researchers "Home" project, involving 150 students, supported by Bewley Homes and ESP funds

(b) Proposed Option - Strategy for Delivering Section 106 ESP Cash Contributions 2018 - 2020

- 4.5 Programmes are delivered within the framework of Reading UK's Economic Development Plan, "Growing Opportunity," which seeks to balance the local economy in a way that benefits all parts of the local community, especially those who are struggling to find good quality work, or lack the skills most in demand by our employers.

Although Reading enjoys very high employment levels, and one of the highest levels of productivity in the UK, there are also areas of deprivation, and some residents who are a long way from the job market.

- 4.6 The focus of ESP delivery is therefore on matching local people to local job and enterprise opportunities (namely in leisure and hospitality, healthcare, IT and digital skills, construction, and distribution). Some of the specific groups targeted are - people with supported employment needs, the longer term unemployed, Over 50s and single parents. As part of this strategy Reading UK is a partner in Stronger Together, the West Berkshire Building Better Opportunities project, headed by New Directions, as well as taking the employer engagement lead in the Whitley for Real programme.

All of the programmes are informed by the Business Growth and Skills group, and where appropriate the BID Committee (representing the nearly 500 businesses in the town centre) and the Hospitality Association (representing 23 sector employers).

- 4.7 There are also opportunities for local people to set up small businesses and get into self-employment, a route that works well for many. Programmes going forward will continue to create access to training, through Pop Up Business School and The Real Business Club.

- 4.8 A programme of activity building on our delivery experience and success to date is outlined in Appendix C.

- 4.9 In outline this programme will aim to deliver:

- Programmes to support 400 local people to start up small businesses and enterprises including support with digital skills
- Business growth workshops and exhibition for over 200 small businesses
- 20 networking events to support small business networks
- 750- 1000 local people attending jobs fairs and workshops
- Support over 120 local employers with recruitment and skills agendas
- Over 1000 supported in STEM skills
- 250 directly supported into work through targeted sector training

(c) Case Studies

- 4.10 Financial contributions made under S106 Employment and Skills agreements have been used for a wide variety of activities, in most cases working with partners to deliver notable outcomes. Detailed outcomes from two programmes are provided below.

Construction Skills Certificate

- 4.11 Reading UK began working with Activate Learning (Reading College) through the Elevate Reading programme for 17-24s. As part of this delivery, employment support to get young people into construction work (a key skills shortage in Reading) was developed.
- 4.12 While some courses were run successfully, numbers were low due to the very low unemployment rate for young people. The decision was taken by Reading UK and the College to open up the Construction Skills Certificate courses to all ages - recognising that construction skills were a useful employment entry point for recent migrants, as well as people looking to re-skill from other sectors. The results have been remarkable, with the College now drawing down funds to support the two week employability course and ESP funds used for the crucial Construction Industry Training Board tests. This has removed a major barrier for many who are unemployed or on low-incomes, since without the CSCS card nobody can start even the most basic of jobs on a construction site.

Courses are so popular they now run on a monthly basis, with 15- 20 people on each 2-week course. The mixed age classes are working better in providing more focus for young attendees.

- 4.13 To date:
- 192 people have completed the CSCS application test.
 - Reading UK has provided added value by involving contractors we have ESPs in place with, providing talks to the groups and work experience opportunities.
 - In most cases people completing and obtaining their CSCS card have walked straight into employment thanks to the demand for construction labour.
 - As a next step we are talking with providers about specific skills training in groundworks, bricklaying or plastering.

Pop Up Business School

- 4.14 Initially proposed as a Berkshire-wide, and Berks local authority funded project, Pop Up struggled to get off the ground until Hammersons and The Oracle came on board as major private sector sponsors.

The first course was funded by the Local Strategic Partnership, Reading UK, DWP and Hammersons, and was run from a vacant unit in The Oracle. The following two programmes were funded by DWP Flexible Support Grants, match funded by ESP funds and Hammersons.

4.15 Three “Pop Up” courses have now been run over 2 years with 335 local residents attending the two week course. The financials attached to the investment in Pop Up are significant:

- The cost per person to deliver the course was £179
- 36% started a business, other attendees reported significant improvement to their levels of confidence, business skills and self-efficacy.
- Of the 122 new businesses, 89% are still trading
- 169 people were on benefits at the start of the course, 1 in 3 were still off benefits 6 months later (including one young person who had not worked in 8 years).
- Pop Up estimates the benefit savings at £1.2m, and economic growth created by the new businesses to be as much as £1.8m
- This equates to a £48 ROI for every £1 spent by DWP, Hammersons and Reading UK.

The demographics are also notable:

- 57% of attendees were women
- 50% of attendees were aged 26-50 - 29% were over 50
- 30% were minority ethnic

4.16 Two notable local business successes include;

- *Time Trap Escape Rooms* - originally set up for 6 weeks during the Reading Fringe Festival, the business now has permanent premises on Friar Street and is one of Reading’s favourite leisure attractions.
- Devine Delicacies - a Whitley based catering firm. The business is now well established and services community organisations and family events around south 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 2018 -2021 objectives in particular:

- Securing the economic success of Reading; and
- Promoting great education, leisure and cultural opportunities for people in Reading

6. COMMUNITY ENGAGEMENT

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 The majority of ESPs referred to in this report are secured through Section 106 agreements, and are either carried out by the developer in conjunction with Reading UK, 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. The delivery of many programmes are supported by private sector and third sector partners providing excellent value for money.

In addition, delivery of the ESPs provides parallel support for Stronger Together - the Building Better Opportunities programme for Berkshire (west) funded by ESF and BLF. This programme specifically targets employment support for local residents aged over 24 who are furthest from the work place.

RISK ASSESSMENT

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

APPENDIX A

CURRENT S106 ESP AGREEMENTS

List of all S106 agreements agreed between 2013 to date.

<u>S106 Ref No.</u>	<u>App Ref</u>	<u>Ward</u>	<u>Address</u>	<u>Type of Obligation</u>
3324	12/01856/FUL	Abbey	Energis House, Forbury Road, Reading	Cash Payment
4011	131280	Abbey	42 Kenavon Drive	Cash
4012	130436	Abbey	Station Hill	Construction
4082	141028	Abbey	Kings House, Kings Rd (agreed Oct 14)	Cash Payment
4116	141713	Abbey	E Jackson and Sons LTD, Jacksons Corner	Cash Payment
4117	141986	Abbey	Berkshire House	Construction
4118	140997	Abbey	St Martins Precinct, Caversham	
4233	160464/VARIAT	Abbey	Primark, Broad Street	Construction & End Use
4140	150019	Abbey	Kings Point	Construction
4192	150721/FUL	Abbey	114 Oxford Road	Cash Payment
4210	152269	Abbey	32-41 West St (Primark)	Construction
4232	160328	Abbey	Garrard House	Cash Payment
4236	152110	Church	University of Reading, Tennis Dome	Cash Payment
4223	160574/FUL	Church	University of Reading, Temp Accommodation	Construction and End Use
4165	150885	Katesgrove	40 Silver Street	Cash Payment
4242	160868/OUT	Katesgrove	Land at Crown St / Silver St	Cash Payment
4172	151175	Norcot	Elvian / DEFRA	Cash Payment
4128	141971	Norcot	Former Brooklands Garage	Cash Payment
		Redlands	University of Reading Henley Business School	Construction
		Redlands	University of Reading St Patricks Hall	
4136	150229/FUL	Redlands	Hanover House	Cash Payment
4141	150890	Redlands	1a Upper Redlands Road (University accommodation blocks)	Cash Payment
4142	150594	Redlands	Crescent Road Maiden Erlegh Freeschool	Cash Payment
4149	150730	Redlands	16-40 London Road	Cash Payment
		Thames	Albert Road Extra Care	Construction and End use
4087	141288	Thames	Queen Annes School	Cash Payment

3298	120408 12/01623/OUT	Whitley	BMW Inchcape Foudry Place / Commercial Road	Construction and End Use plan
4186	151944	Whitley	Worton Grange (Reading Gateway)	Construction and End Use
4067	140739	Whitley	350 Basingstoke Road	Cash Payment
4194	152071	Whitley	Lancaster Jaguar	Construction and End Use
4249	160569	Whitley	400 Longwater Avenue	
3298?	12/01623/OUT	Whitley	BMW Mini, Kennet Island	Construction and End Use
		Whitley	DPD / Geopost	Construction and End Use
		Whitley	Reading Girls School (Part of the Building Schools of the future)	Construction
4126	141789	Whitley	Island Road	Construction
4089	141602	Whitley	Sytner Audi	Construction and End Use
		Whitley	Porcelanosa	Construction
4252	161177/VARIA	Abbey	Queens Court CSL (Yell building)	Construction
		Whitley	Proctor and Gamble	End Use (refurb) And Cash Payment (construction)
4266	161808		Red Kangaroo, Bridgewater Close	End Use (refurb)
			Thames Quarter	Construction
4255	160378		Gas Works Road	Cash Payment

APPENDIX B

TRACK RECORD OF DELIVERY SUPPORTED BY CASH CONTRIBUTIONS

2017/18

Target / Activity

Outcomes

<p>Pop Up Business School Three Pop Up Business Schools have run in Reading , co-funded by Hammersons and DWP</p> <p>Plus one Xmas market,</p> <p>Three follow up “refresher “events</p>	<p>over 300 people signed up for the programmes and 167 people completing the courses</p> <p>Major publicity across local media and regional BBC</p> <p>13 small businesses traded at the Xmas market</p> <p>Approx 170 people attended</p>
<p>Reading Job Fair / Job Fest</p> <p>Reading UK has been co-organising the Reading Job Fair for 7 years, and carried on the event in 2017 at The Hexagon, working with DWP Jobcentre.</p>	<p>75 employers and agencies exhibited</p> <p>Over 500 people attended the event.</p> <p>95% positive feedback from exhibitors</p>
<p>CSCS Training</p> <p>Reading College have been working with us and our ESP contractors to deliver Construction Skills certificate training for local people. Two week course is fully funded by Reading College. Work experience opportunities delivered by ESP partners and (unfunded) HS&E testing funded by ESP funds</p> <p>At least 30 people have taken up work experience, but vast majority have walked straight into jobs</p>	<p>Courses now take place monthly</p> <p>Supported by five contractors</p> <p>192 people have taken their HS&E tests funded by ESP</p> <p>Approx 30 in work exp</p> <p>Over 80% (153) have gained immediate work</p>
<p>Access to Work event</p> <p>Organised under the “Stronger Together” banner and aimed at encouraging more employers to work with people with supported employment needs during the first part of event. Job fair element aimed at those with employment needs related to physical or learning disabilities, mental health or substance abuse issues.</p>	<p>85 people (employers and agencies) attended the network and seminar sessions</p> <p>28 businesses exhibited at the event, including Network Rail, Tesco, The Oracle, Thames Water and TV Police</p>

<p>Retail Skills Fair</p> <p>Part of the sector skills programme, local retailers promoted vacancies and advised on retail skills at an “event with an event” at Job Fair 2016</p>	<p>10 local retail co’s attended, included Boots, Primark and John Lewis</p>
<p>Re - jobs and skills programme for over 50s</p> <p>“RE Your Future” event took place in Nov 2016, sponsored by Green Park offering age-specific sign-posting and skills evaluation, re-training, upskilling and jobs.</p> <p>Two week programme of supported employment training focussed on transferable skills, work-life balance for older workers, good health in the work place, IT skills upgrade, finance and benefits.</p>	<p>30 exhibitors,</p> <p>12 training and skills seminars, over 200 attendees</p> <p>Programme offered to c 20 unemployed mature workers</p>

APPENDIX C PLANNED DELIVERY IN 2018 / 19

Target / Activity	Outcome	Cost
<u>Start Up Business Training</u>		
Real Business Club	4 courses over 2 years 80 local start-ups supported (20 per course)	£22k
Pop Up Business	2 courses in two years Est 300 attendees?	£21k Match funded by Hammersons and DWP
Digital Gum digital skills for small business, nationally recognised programmes delivered by Connect TVT	2 programmes supporting 12 businesses per programme	£9k
<u>Small Business Support</u>		
Big Biscotti Event	200 attendees 36 workshop events 2 presentation speakers	£12k sponsored by Verizon
The Business Hour - monthly breakfast network event for small business	10 events per year (2 years) 15-20 businesses per event	£4k Sponsored by Malmaison
<u>Over 50s</u>		
Using the Re: Your Future model Targeted Job Event	2 year programme - 30 exhibitors, 12 training and skills seminars, over 200 attendees	£16k
Follow up to include supported employment course:	Programme offered to c 20 unemployed mature workers	£4k
Upskilling - mature skills Digital Gum - nationally recognised digital skills programmes delivered by Connect TVT / Grow Anticipated 2 year commitment	20 people supported per session	£16k 4 x £4k
RE - upskilling courses for mature workers - supported by Reading College, Biscotti and Ikea Project in development, feeding from Mature Workers Job Event	4 courses Target 15 people per course	£4k
Mature workforce research project - in association with Ikea.	Target of 200 survey responses	£1K

<p><u>Recruitment Support</u></p> <p>Job Fest - Annual job fair at The Hexagon , supported by DWP. The region's largest jobs event</p> <p><i>RE - Jobs and Skills Fair for mature workers Spring 2018 (including training seminars)</i> <i>Green Park</i></p> <p>Access to Work - A unique two-part event aimed at encouraging more employers to work with people with supported employment needs, plus jobs fair with DWP and BBO partners <i>penta hotel</i></p>	<p>Target 80 exhibitors per event 500 job seekers per event</p> <p>Target 20 exhibitors 10 workshops 100 + attendees</p> <p>30 exhibitors 150 attendees 80 seminar and networking attendees</p>	<p>2 years £14k</p> <p>£12k</p> <p>£6k ESF/BLF funds used to support delivery</p>
<p><u>Sector Skills</u> Targeting Upskilling and Wage Growth</p> <p>Retail - delivered with Reading Business Improvement District and Federation of Small Business - service and supervisory skills for retail staff</p> <p>Hospitality - personal license, H&S Level 1, First Aid, supervisory skills for hospitality staff. Working with Hospitality Association and Business Improvement District businesses</p> <p>Logistics - HGV / Forklift and H&S training. Developing project, requiring industry lead</p> <p>Social Media skills development (youth trainees)</p>	<p>NOT SET</p> <p>NOT SET</p> <p>NOT SET</p>	<p>£7k</p> <p>£7k</p> <p>£7k</p> <p>£19k</p>
<p><u>Reading Tech Nation and Innovation Hub / STEM Skills - young people and improvers</u></p> <p>Support for 2018 Festival of Digital Disruption (hire of Town Hall, 21-23 Nov/ staffing costs)</p>	<p>6 major events over 3 days Between 600 - 1000 attendees expected</p>	<p>£12K</p>

<p><u>Employment Support</u></p> <p><u>Employment Support</u> CSCS Training - ongoing programme with Reading College, providing all-age training and support to gain construction skills certification. RUK supports un-funded elements of training and test costs, otherwise funded by College.</p> <p><u>Get That Job programme</u> Proposed 6-week pre-employment training to run with Reading College and Adviza. RUK will support unfunded elements of courses, training materials and provide business support for work experience and job interviews. We will be leveraging involvement from business delivering ESP plans, providing work experience, site visits, interviews and the potential for real job offers. Sectors - construction, hospitality and retail. ESP funding is used to leverage national grant funds via the College, providing excellent return on investment</p>	<p>Up to 10 courses per year 12 - 20 participants per course</p> <p>3 courses per year, 12- 15 participants per course</p>	<p>£6-7k</p> <p>Circa £5k</p>
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