

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	18 November 2020	AGENDA ITEM:	9
TITLE:	EMPLOYMENT AND SKILLS PLANS - ANNUAL REPORT AND ECONOMIC RECOVERY PROPOSAL		
LEAD COUNCILLORS:	COUNCILLOR BROCK / PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
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1. EXECUTIVE SUMMARY

- 1.1 This report updates the Committee on progress made by Reading UK with the implementation of planning policies concerned with promoting Employment and Skills Plans and includes proposals to support local recovery following the economic shocks of the Covid 19 pandemic.
- 1.2 Over the last 18 months engagement with and contributions from both developers and the end users of completed developments have created employment and skills opportunities to assist the local economy and Reading residents. The report sets out the successes gained by Reading UK through the delivery of plans, working mainly with the construction industry, and the various employment projects delivered using financial contributions during Year 2 of the programme delivery.
- 1.3 The report outlines Reading UK's proposals for delivery over the next two years to specifically address the challenges facing the town and support the economic recovery

of the town, in line with the Powered by People Strategy adopted by Policy Committee on September 28 2020.

Appendix A - Delivery Supported by Contributions July 2019 - June 2020

Appendix B - Post Lockdown employment impacts felt by the town following Covid (October 2020).

Appendix C - Outline Delivery Plan

Appendix D - Employment and Skills - S106 contributions by development.

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2. RECOMMENDED ACTIONS:

2.1 That the Committee notes the report and welcome the delivery of employment and skills outcomes by Reading UK as enabled by Section 106 Employment and Skills Plans. (Appendix A)

2.2 That the Committee agrees:

(i) the proposed action plan, specifically tailored to the needs of the local economy following the financial impacts of Covid 19 on residents and small business, (Appendix C)

(ii) the Council's commitment to close partnership working to support Reading UK and its partners to manage and deliver this programme to ensure the sustainable economic recovery of Reading

(iii) the allocation of £385k of S106 developer contributions to support the delivery of the action plan.

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. Policy CC9 'Securing Infrastructure' of the recently adopted Local Plan continues the policy basis for the SPD. The original drafting of the SPD relied on detailed discussion between Reading UK and the Borough Council's Planning Service, with Reading UK being identified as the main agent for implementing the policy. The aims of the ESP requirement as part of a planning permission have been clearly defined in working with employers to improve the work and training opportunities of local people. ESP contributions can also support other skills and employment training such as those provided by New Directions.

3.2 An ESP requirement is attached to any new development or any regeneration or extension programme where more than 1,000 square metres of new non-residential floor space or 10 dwellings are being created, or costing more than £1million.

- 3.3 In simple terms the developer can choose to either enter into a delivery plan, through Reading UK 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 a S106 legal agreement which is entered into by the developer before planning permission is granted.
- 3.4 To date (November 2020) 32 developers have chosen to pay financial contributions (ranging from £1,600 to £178,000) and a total of 54 plans (both construction and end use) have either been delivered or are in the process of being delivered.
- 3.5 The Economic Development Manager (EDM) at Reading UK advises and assists developers to prepare plans that are deliverable, with clear outcomes and shaped to the needs of the relevant sector. The EDM co-ordinates partners such as schools and DWP JobCentre to deliver the plans, provides ongoing monitoring of the delivery and outcomes, and feeds back to Reading Borough Council.
- 3.6 Delivery partners supporting this work include DWP JobCentre, New Directions, Activate Learning (Reading College), Business Biscotti, University of Reading, local schools such as JMA and Reading Girls, amongst others. The work was also linked closely with the delivery of the Building Better Opportunities Stronger Together partnership, led by New Directions up to June 2020. This BLF/ESF funded programme works with some of the most marginalised residents in the Borough. 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 have delivered the following outcomes in the last 12 months:

Work experience opportunities (all age)	40
Apprenticeships	11
Local Employment	226
School visits / projects / careers talks	60

This has included working with 14 developers and end users including *Balfour Beatty, Broad Street Mall, Jacksons Corner, University of Reading, Thames Quarter (Watkin Jones)*.

4. PROGRAMME OF PROJECTS SUPPORTED BY S106 ESP CONTRIBUTIONS

(a) Current Position

- 4.1 Reading UK has a strong track record of delivering benefits to the local community through using S106 developer contributions. Most of these programmes have provided outcomes benefiting local people and the economy

(eg Job Fest, Small Business Network events) and in some cases supporting community programmes (eg The Real Business Club). Over the last 18 months support has been given to some 1700 local people, helping them move forward in the jobs market or into self-employment.

- 4.2 Partnership working has been pivotal in ensuring our reach into the community and providing real value for money. Partnership with both public and private sector partners will continue to be central to delivery of our recovery programme. Match funding and support in kind from companies such as Hammersons, Green Park, Balfour Beatty, Malmaison, Hilton Reading and the University of Reading will play a major part in shaping delivery.
- 4.3. In 2018 this committee agreed a drawdown of cash contributions to a total cost of £205,000 against a plan of activity covering a two year period. In Year 2 the fund has been used to deliver the activities shown in Appendix A .

Outputs, though curtailed since March 2020, have included job fairs, construction skills certificates, access to work events, ex-offenders work programmes and school outreach. Among our successes:

- 230 people visited the Workplace Wellness event which showcased 40 businesses of all size, hosted by Green Park
- 90 local people have gone through the ongoing Construction Skills Certificate training at Reading College
- Over 650 local people attended our jobs fairs - 95% of the 50 employers attending found people they wanted to interview
- 11 ex-offenders from Reading supported into working for themselves or finding jobs
- 30 residents helped into self-employment and provided with ongoing skills support

- 4.4 All direct delivery was brought to a stop in March 2020 as the Covid 19 Lockdown impacted and work programmes shifted to small business support and recovery response. On line delivery has included:

- Continued one to one support for start-up business
- On going work with schools to maintain student support into work
- Support for Creative Locale and other online sales programmes
- Business Recovery Network meetings
- Inclusive Recovery Group established with private and public sector partners to shape immediate recovery needs

(b) Ongoing strategy for Delivering Section 106 ESP developer Contributions 2020-2022 (Covid Recovery Response)

- 4.5 In response to the economic fallout of Covid 19, programmes will be delivered within the framework of Reading's adopted Economic Recovery Strategy Framework, "Powered by People". This Plan was prepared by Reading UK, working with key stakeholders, and adopted by the Policy Committee on September 28th 2020. The Strategy provides a short and medium term response

to ensure every part of our community benefits from support and that our economy is capable of adapting to changing demands both during and beyond the pandemic. A sectoral based approach will enable more people to find good quality work, develop the skills demanded by employers and continue to support those with multiple barriers to employment.

Reading's previously high employment levels have been severely dented by Covid 19. Appendix B outlines the key employment impacts felt by the town, looking at sectors, and those cohorts most impacted by redundancy (October 2020). The Universal Credit claimant rate of 6.5% currently matches the UK average, but a further 3,630 furloughed staff are currently at risk.

The recovery proposals align closely with the emerging Berkshire Local Economic Recovery Strategy, supporting the Local Enterprise Partnership's plans for *inclusive and sustainable recovery*.

- 4.6 The framework for ESP delivery will respond to areas of redundancy for example those displaced from retail and hospitality jobs by the recession. The training will match those affected to local job and enterprise opportunities - particularly those in healthcare, IT and digital skills, construction, and distribution where jobs are being created. The Economic Recovery Strategy also promotes the development of a more environmentally sustainable economy and to this end will be investing in providing local people with the skills to secure jobs in the emerging 'green economy'.

Specific groups targeted will include over 50s, women and young people, and will continue to include people with supported employment needs and the longer term unemployed. This will involve working closely with New Directions around adult employment support, sector skills training and government led programmes such as Kickstart.

All programmes are informed by the Board of Reading UK, the newly formed Inclusive Recovery Group and where appropriate the two Business Improvement District Committees (representing some 800 businesses in the Central and Abbey BIDs).

- 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 Appendix C sets out the details of the programmes to be delivered between 2020/21 and 2021/22 continuing the work to support local people into self-employment, develop sector skills, and find good quality work against a backdrop of rising unemployment.

4.9 The total package is £249,500 as summarised below building on successful programmes delivered over the last two years with our partners

Delivery programme	Cost
Self-Employment	26,500
Worlds of Work	50,000
Sector Skills	124,000
Recovery Networks	30,000
Employment Opportunities	19,000
Sub Total	249,500
New Directions	135,000
Total	384,500

4.10 Targeted areas of recovery work will include:

New Directions -

New Directions will deliver provision utilising S106 funds in combination with its Adult Education Budget. The target audience will be adults aged 19+ with the aim of improving individual skills and employment prospects and improving levels of social mobility.

The following provision will be delivered directly and in partnership with delivery subcontractors. S106 funds will enhance all aspects of provision and will fund programmes that cannot be funded through the adult education budget.

The allocation of £135k to support this ongoing programme is recommended:

- Sector Based Work Programmes in partnership with JobCentrePlus (age 24+) - supporting those claiming UC to gain skills and work experience for specific sectors in the local area.
- Traineeships in partnership with local employers - similar to SBWPs but focused on 19-24yr olds.
- Supported Internships (supported work experience and training) - for 19-25s with an Education, Health and Care Plan/SEND
- Pre-Apprenticeships - for those looking to secure an apprenticeship but may require specific skills, qualifications or personal development first.
- Kickstart Support - supporting employers as an intermediary, offering pre work placement and on the job training to a young person, and a progression offer of further learning, with careers advice and employability support. Plus workforce development and sector skills training analysis to the employer for free.
- Increased offering of L2 and L3 accredited courses in Digital Skills that will be fully funded for the learner with bespoke employment support for progression into or within the digital employment market.
- Increased community learning provision in Digital Skills, tackling digital isolation and supporting social mobility
- Increased family learning provision with local schools that would focus on upskilling the parent/carer in English/Maths/Digital/ESOL so that they are better prepared and supported their child with school.
- Skills and Curriculum research and development into Green Skills

Digital Skills and Green Skills - as well as the work being delivered via New Directions (above), creating new curriculum and delivery modules working closely with Activate Learning/Reading College, to ensure local people have the skills and training to pursue jobs in the green economy such as in low carbon design and technology, renewable energy, retrofitting the built environment with energy efficient systems and infrastructure and environmental management and that the town is in a position to bid to Government for green skills funds and create strategies to reduce digital exclusion. Skills training will assist local people access technology-based jobs as well as those in retrofitting, fitting and maintenance of low carbon products and services.

Reading Borough Council's recent success in securing £555,000 from the Green Homes Grant, part of a £3 billion housing retrofit programme announced by the Government in September, illustrates the scale of the opportunity for local businesses and potential employment in this area, and the need for skills and training provision that will arise as a result.

Working with young people - Reading UK have supported young people and specifically targeted schools over the last 18 months producing some excellent outcomes. The programme will continue to do this by focusing on preparing for the new world of work post Covid and the new job opportunities. Plans are also in place to allow employers to play a greater part in supporting young people through online provision with internship type programmes.

(c) Case Studies

The case studies below illustrate the programmes of delivery Reading UK will continue to adapt to both online learning and physical learning (following Covid 19 regulations).

- 4.11 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 three programmes are provided below

Construction Skills Certificate

- 4.12 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.
- 4.13 To maximise uptake of the course and benefit all parts of the community, Reading UK and the College made the decision 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. This ongoing success story for ESP funds continues to deliver for local people. Lead partner Reading College funds the two week employability

course which supports the CSCS programme. ESP funds are used to fund the crucial Construction Industry Training Board tests. In addition Reading UK has been able to fund the purchase of the actual CSCS card (£30) in cases of hardship. This has removed a major barrier for many who are unemployed or on low-incomes since the CSCS card is a requirement for anybody wanting work on a construction site, at whatever level.

Though suspended for part of 2020 due to lockdown the College has now resumed face to face delivery with small groups plus on line delivery (15 are confirmed for the November course). Referrals continue from a variety of partners and the mixed age classes are working very well in improving the focus for young attendees.

4.14 To date:

- In Year 2 of delivery 180 people have started the course each month, with around 80 completing the CSCS application test.
- Ensuring students have fully prepared for the test means that the pass rate is now at 90% (up from 30% in Year 1).
- 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 passing and obtaining their CSCS card have walked straight into employment thanks to the demand for construction labour.
- The CSCS support has now been extended to include young adults on construction training at the college, with successful arrangements in place with Watkins Taylor and Balfour Beatty, thanks to ESP introductions.

The Real Business Club

4.15 Reading UK had already worked with the Real Business Club, to deliver a programme of start-up training aimed at people who prefer a gentler approach to developing a business idea and learning about self-employment. Typically this has suited people more removed for the job market.

4.16 Two start-up courses and two upskilling courses have been delivered in Year 2, between September and March. The start-up courses were run at The Pavilion on Oxford Road, with up to 15 people attending each fortnightly session (approx. 180 attendances) and up to 20 people per session attended the upskilling courses at Curious Lounge (approx 240 attendances, though final sessions had to be moved online). All delivery was free of charge and participants were referred from DWP JobCentre, social media campaigns and other partners.

4.17 Feedback from participants:

Eureka moment! I know why I have not made decisions. My anxiety about what options were the best had completely got in the way. The tools have given me the strength and confidence to make decisions, commit and move on.

I never thought I could even make coming to the workshops at all I was so low. For years I have been frightened and stuck. People have been supportive, friendly and I have felt comfortable. Just coming is a major achievement.

I don't know anything about business! At the start I just came in saying "Tell me what I have to do". I haven't done any school stuff for years. I have come to all the workshops and got something out of all of them. Really helped me think and make much better decisions.

Coming on these workshops given me a much stronger foundation. Thank you.

I am up and running and earning revenue! Still have a lot of work to do on marketing the business and building a client base but am feeling relatively confident for the future

Careers and Work Experience Programme for Young People

- 4.18 The Business Growth and Skills sub-group of Reading UK identified that significant numbers of school pupils within Reading were leaving full time education with no work experience or clear careers advice. This particularly applied to schools where students came from less well-off families with little access to employment opportunities.
- 4.19 In 2019 a programme was agreed with the Central Berkshire Education Business Partnership to ensure that every pupil in our targeted schools (JMA, Maiden Erlegh, Prospect, Hugh Faringdon and Highdown) received access to work experience, employment support and skills advice that was not being provided by other agencies.
- 4.20 The targets for pupil engagement were ambitious and mainly focused on Yr 10 and 11 in the schools that had higher numbers of pupils on free school meals and lower exam results:

School	Programmes	Student Engagements
JMA	Preparing for work / work experience/ virtual work experience / job expo	850
Highdown	Spotlight on careers Work placements / work experience/ virtual work experience / job expo	340
Hugh Faringdon	Spotlight on careers Work placements	250
Maiden Erlegh	Work placements	167
Prospect	Preparing for work / work experience (virtual)	125

- 4.21 While all work placements and many career spotlight events were completed early in 2020, the Covid19 lockdown has prevented delivery of much of the planned work experience. To ensure no pupil has been adversely affected by

losing these opportunities delivery has been shifted to on-line events and business engagements and will be completed by December 2020.

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

The outcomes also respond to the current economic situation following the covid pandemic.

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.

9.0 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). It will be important for recovery plans to reflect the commitments made in, and the urgency of, this declaration. A new Reading

Climate Emergency Strategy for 2020-25, produced by the Reading Climate Change Partnership with the Council's support was approved in November 2020. The Reading 'Powered By People' Strategy aligns with the aims of this strategy in terms of its support for a green recovery as set out in above. Detailed implementation of 'Powered By People' will continue to be informed by both the spirit and the letter of the Climate Emergency Strategy.

10. FINANCIAL IMPLICATIONS

- 10.1 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

- 10.2 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, especially at this time of the COVID economic recession, meeting the needs and challenges of local people and businesses as outlined in Appendix B, especially young people who have been affected during in the COVID recession and not yet entered the labour market.

The Developer ESP's plans and programme of activity will be delivered and managed by the Council's Economic Development Partnership Company, Reading UK and New Directions. This is costed in the proposals and at no cost to the council. The delivery of many programmes are supported by private sector and third sector partners, all of which provides excellent value for money and opportunities to attract further external funding to expand the programme for example from the TVB LEP, whose own emerging economic recovery strategy for Berkshire supports the objectives underlying the proposals in this report. Government funding for 'Green' skills have also been announced and will be targeted.

RISK ASSESSMENT

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