

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	15 DECEMBER 2022		
TITLE:	EMPLOYMENT AND SKILLS PLANS - UPDATED REPORT AND SKILLS FOR GROWTH PROPOSAL		
LEAD COUNCILLOR:	COUNCILLOR LENG	PORTFOLIO:	POLICY
SERVICE:	PLANNING, TRANSPORT REGULATORY SERVICES	WARDS:	BOROUGHWIDE
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1. EXECUTIVE SUMMARY

- 1.1 This report updates the Committee on progress made by REDA (formerly Reading UK CIC) with the implementation of planning policies concerned with promoting Employment and Skills Plans, including proposals to support local growth for residents and businesses.
- 1.2 Following an Information report to SEPT in July 2022, in which the previous programme updates were received, it was agreed that a further report be submitted to provide full details of the proposed follow up programme of activity. The report which follows outlines these proposals, which are aligned with other important programmes being delivered - notably Multiply and UKSPF. The next 18 months will also see further engagement with and contributions from both developers and the end users of completed developments which will be used to create employment and skills opportunities to assist local growth and to reach all parts of Reading's community.
- 1.3 The report outlines REDA's proposals to specifically address the challenges facing the town and support the economic resilience of our residents and businesses, in line with the Powered by People Strategy adopted by Policy Committee on 28 September 2020.

2. RECOMMENDED ACTIONS:

- 2.1 That the Committee approves the proposed delivery framework which will deliver targeted employment and skills outcomes for all parts of Reading's community, as enabled by Section 106 Employment and Skills Plans and Financial Contributions.

2.2 That the Committee agrees:

- (i) the action plan, specifically tailored to the needs of the local economy following the impacts of the cost of living crisis and cost of doing business crisis on residents and small business.**
- (ii) the Council continues its commitment to close partnership working to support REDA (the trading name of Reading UK CIC) and its partners to manage and deliver this programme to ensure the sustainable economic recovery of Reading**
- (iii) the allocation of £236,500 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 CIC (now t/a REDA) and the Borough Council’s Planning Service, with REDA 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 to benefit the local economy and its skills and employment base.**
- 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 REDA 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 floor plans and will typically be confirmed by a S106 legal agreement which is entered into by the developer before planning permission is granted.**
- 3.4 To date (September 22) 35 developers have chosen to pay financial contributions (ranging from £1,311 to £336,598) and a total of 67 plans (both construction and end use) have either been delivered, are in the process of being delivered, or are in pipeline.**
- 3.5 The Economic Development Manager (EDM) at REDA 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 training providers to deliver the plans, provides ongoing monitoring of the delivery and outcomes, and feeds back to Reading Borough Council and the newly formed Skills for Growth Group.**
- 3.6 Delivery partners supporting this work include DWP JobCentre, New Directions, Activate Learning (Reading College), Reading Business Network, University of**

Reading, ECITB, and local schools such as JMA and Reading Girls, amongst others. The ESP programme, alongside other employment and skills initiatives are developed, consulted on and monitored through REDA's Skills for Growth Committee, which reports to REDA's Board and includes businesses and key stakeholder representation.

- 3.7 Working with the contractors and developers the ESPs have delivered the following outcomes in the last 18 months mostly within the Construction Sector (as fully detailed in the July 2022 Information Report):

	2020/22	Previous delivery period 2019/20
Work experience opportunities (all age)	35	40
Apprenticeships	18	11
Local Employment	416	226
School visits / projects / careers talks	126	60

This has included working with 16 developers on programmes - including Henry Construction, Watkin Jones, Morgan Lovell, Midgard/JRL and Ash.

4. PROGRAMME OF PROJECTS SUPPORTED BY S106 ESP CONTRIBUTIONS

(a) Current Position

4.1 Reading UK t/a REDA 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 (Job Fest, Small Business Network events) and in some cases supporting community programmes (The Real Business Club). Over the last 18 months support has been given to some 1,700 local people (as detailed in the July 2022 Information Report), 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 programmes. Match funding and support in kind from companies and organisations such as Hammerson, Abbey Rotary Group, Reading Business Network, Hilton Reading, Activate Learning, Thames Valley Berkshire LEP, Thames Valley Chamber of Commerce and the University of Reading will play a major part in shaping delivery.

4.3. In 2020 this committee agreed a drawdown of cash contributions to a total cost of £249,500 for Reading UK against a plan of activity covering a two year period. Full details of the outputs from this funding were submitted to Committee in July 2022, though it was noted that there was outstanding work on some skills development targets, including research into Green Skills, Screen Production Skills and Local Procurement. This work is underway, and proposals for next steps follow in 4.11/4.12.

(b) Using Developer Contributions to Deliver the Next Strategy for Jobs, Training and Self-Employment Within our Communities (November 2022-April 2024)

- 4.4 Reading's level of employment is high, but is accompanied by skills shortages in core sectors such as hospitality, construction and technology. There is also a large number of "hidden" unemployed, exacerbated by Covid, made up of people who would like to work if given the opportunity. The Borough's Universal Credit *unemployed* claimant rate of 4.1% (4,370) remains stubbornly static and above both the GB (3.7%) and southeast (2.9%) averages [ONS Sept 2022].

The rate for over 50's claiming UC sits at 4.3% (1,125), nearly double the southeast rate (2.2%) and well above the GB rate of 2.8%. Women are also disproportionately impacted with 3.6% (1,855) claiming (above southeast and GB - at 2.5% and 3.1% respectively). Universal Credit is also a key in-work benefit and many working people are still reliant on additional financial support to make ends meet or are suffering from the longer-term impacts of the Covid Pandemic.

In response to the impacts of the cost of living crisis and anticipated austerity measures, programmes will be delivered within the framework of the Powered by People Strategy adopted by Policy Committee on September 28th 2020, and in line with the emerging Social Inclusion Board strategy. This identifies the indices of deprivation that adversely affect opportunity within Reading including parts of Whitley and Norcot amongst others. Both strategies aim to drive community participation and equality of opportunity across all parts of the Borough. The Powered by People Strategy (current until 2024) provides the context to ensure every part of our community benefits from support to access training and employment and that our economy is able to adapt to changing demands for both existing and new skills sets. A sectoral based approach *delivered within local neighbourhoods* 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. In addition, taking delivery to the heart of communities would potentially utilise library space supporting the libraries' role as service hubs for residents.

- 4.5 REDA's Skills for Growth Group has identified the following priority areas: Start up in the Community; Sector-focused Careers Advice for Schools; Employment and Employability Support (particularly targeted at over 50's, single parents and other key cohorts); Developing the New Skills employers will need - creative skills, green skills, engineering and construction and Supporting Skills at the heart of Reading's Economy including construction, technology, hospitality and healthcare.

The framework for ESP delivery will therefore respond to known demand where skills shortages are a regional issue. Training will match residents to available local jobs and enterprise opportunities - *with a particular aim to upskill and retrain to enable residents to access better paid, better quality work with an eye on emerging skills.*

- 4.6 In addition the framework will invest in programmes of support to prepare local people for new and emerging job opportunities from developing sectors. Firstly, supporting the development of a more environmentally sustainable economy and training for jobs in the emerging 'green economy'. Secondly, providing aspirational support for people to secure work in the rapidly developing creative production sector, much of this enabled by the development of studio space of national significance on Reading's borders.

This programme will feature a greater level of outreach activity through council services and the community and voluntary sectors to ensure it is more accessible

and targeted. This could include using neutral and more user-friendly spaces such as libraries and community centres.

Specific groups targeted will include schools in more deprived wards, the over 50s, women and people from minority ethnic communities. Access to opportunity will ensure those with supported employment needs as well as the longer term unemployed are reached. Much of this work will involve working closely with New Directions (the Council's own adult education service), statutory agencies and voluntary organisations dedicated to supporting specific communities through adult employment support, sector skills training and government led programmes such as Multiply.

REDA intends to keep close contact with Thames Valley Chamber of Commerce which has the regional remit to manage the LSIP (Local Skills Improvement Plan) to ensure Reading's skills needs and employment opportunities are to the fore.

All local programmes are informed by the Board of REDA, the newly formed Skills for Growth Group and, where appropriate, the two Business Improvement District Committees (representing some 800 businesses in the Central and Abbey BIDs).

4.7 Work in schools will be undertaken by the Education Business Partnership which has a strong track record of delivery through previous ESP programmes. Working with employers in sectors where skills shortages or emerging skills are to the fore will give *all* pupils the opportunity of challenging work experiences and help cultivate an ethos among employers for growing local talent. Support will be targeted at years 10 - 12 and in the schools most in need of pupil support. These have previously included JMA, Prospect, Maiden Erlegh and Hugh Faringdon. Activity will be coordinated to ensure work is aligned (and does not duplicate) work of other agencies such as the Careers and Enterprise Network, the Climate Change Partnership and the Cultural Education Partnership amongst others.

4.8 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 Rebel Business School and Enterprise Exchange and a workshop and mentoring programme devised with Abbey Rotary Club entitled Launch Reading. The latter will be delivered within local communities and provide training, mentoring support and access to small business grants (made available through UK SPF funding).

These Community Outreach sessions will, where appropriate, include signposting to employability training, upskilling, careers advice and financial advice from partner organisations. The West Berkshire Employability Network of organisations, REDA's Skills for Growth Group and Reading Borough Council partners will help ensure delivery is coordinated and signposting will help individual residents access the best available support.

4.9 Appendix A sets out the details of the programmes to be delivered between 2022 and 2024 continuing the work to support local people into self-employment, develop sector skills, and find good quality work against a backdrop of rising costs and austerity.

4.10 The total package is £236,500 as summarised below, building on successful programmes delivered over the last two years with our partners.

Delivery programme	Cost
Future Skills / New Job Growth	60,000

Start Up in the Community	59,500
Job and Recruitment Support	55,000
Core Skills and Up-Skilling	34,000
Small Business Development	28,000
Total	236,500

(C) Emerging Job Opportunities: Green (Low Carbon) Sectors and Screen Production and Film

- 4.11 Working with Shared Intelligence, a nationally recognised research organisation, REDA undertook research into jobs associated with achieving low carbon and renewable energy, the future of low carbon energy jobs. This particularly focused on emerging or “future jobs”, using the Local Government Association (LGA) approved data sources used by many local authorities.

The research sets out an evidence-based roadmap for achieving 5,600 low carbon jobs in Reading by the year 2050 - which is double the LGA/Ecuity ‘do nothing’ projections, and ten times the number of defined “Low Carbon” jobs in Reading today. The roles on offer will provide real opportunity for local people to upskill, retrain and enter careers in one of the key high growth areas for employment in the next few years. In the shorter term these will be largely in electricity and gas retrofit and adaption type businesses, as well as in engineering and science businesses, but with potential for IT and construction jobs longer term.

Recommended actions in the research include a joint labour market skills survey with the Engineering Construction Industry Training Board (ECITB); commissioning further research into IT companies to explore longer term “green job” opportunities and the scope for higher level apprenticeships. REDA has started discussions with the Borough’s Housing Department to discuss the support for retro fitting skills amongst the Borough’s own workforce.

Following from the initial research REDA will procure a further “deep dive” into understanding these roles and the specific skills required, working with education providers to shape the training requirements. It is expected this work will be supported by the Thames Valley Chamber of Commerce’s Local Skills Improvement Plan report due in June 2023.

- 4.12 As part of emerging jobs development REDA is working with Thames Valley Berkshire LEP and the Berkshire Film Office to research the current scale of employment, and the potential for employment growth, being created by Shinfield Studios. This was outlined by the joint Managing Director of Shinfield Studios, and the British Film Commission, at a recent property event attended by REDA. The research is expected to quantify more specifically the enormous demand for sector skills across all parts of the production industry and exciting opportunities for young people to enter the industry, and mature workers to reskill for jobs within the industry.

In particular, REDA is keen to exploit opportunity for young adults in south Reading, and on the Wokingham borders, to enter a sector that may not have previously been seen as a career option.

Partnership working will be developed through Activate Learning, the University of Reading, Thames Valley Berkshire LEP and the Shinfield Studios Creative Skills Group to ensure delivery in Reading is embedded within the broader skills programmes for Shinfield Studios. Thames Valley Chambers have already

confirmed that Creative Industry Skills will be a major focus of the government funded Local Skills Investment Plan for Berkshire.

- 4.13 REDA proposes to submit a report back to Policy Committee in summer 2023 to update on the Green Skills deep dive research, the partnership arrangements falling into place and to outline a proposal to draw down further S106 funds to support Low Carbon / Renewable Energy Jobs, Construction and Engineering training.

The delivery of the programme outlined in Annex A will also support and add value throughout 2023 to enable the Creative Industry programme work that will be funded by the UK Shared Prosperity Fund in 2024 / 25 (UKSPF Year 3).

5. CASE STUDIES

- 5.1 Reading Job Fest and Supportive Links. As part of its employment support work since July REDA has organised two events for local residents with DWP JobCentre. The Supportive Links event was held at Penta Hotel and brought together 30 organisations and Disability Confident employers with live vacancies. The support on offer ranged from general advice and guidance to financial planning and job applications help. Over 300 people attended the half day event.

The second Job Fest of the year took place at The Town Hall in late September, with the support of Reading Central Business Improvement District. Over 40 employers took part, looking for new permanent and temporary recruits. Employers ranged from House of Frasers to Austin International and over 600 residents visited the event. Over 50 people took advantage of National Careers Service CV support, nearly 100 signed up with the recruitment agencies that attended and job seekers included Ukrainian, Afghan and Hong Kong migrants who have settled in Reading.

Discussions are ongoing between the Borough and DWP Job Centre to shape a partnership agreement that will provide more detailed information on outcomes. This will track the progress of residents receiving a variety of support. It is anticipated that this formalised working arrangement will be in place when activity starts in the New Year.

- 5.2 Local Procurement and Buying Local. As part of Small Business and Start Up support REDA is working with the Federation of Small Business (FSB) to research the barriers to local companies winning contracts from major organisations such as Reading Borough Council, RBH Hospital Trust and the University of Reading. This work has followed from the Buy Local, Value Local project launched at Green Park in April, which is seeking to develop greener, circular, local purchasing options for businesses and consumers. Developing local procurement routes is also a key part of the Sustainable Futures strand of the Reading 2050 Vision. The research findings and recommended actions are expected before Christmas.

6. CONTRIBUTION TO STRATEGIC AIMS

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 local economic situation following both the covid pandemic and the ensuing cost of living crisis.

7. COMMUNITY ENGAGEMENT

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.

8. EQUALITY ASSESSMENT

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.

9. LEGAL IMPLICATIONS

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.

10. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). 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. Employment and Skills Plans align with the aims of the Climate Emergency Strategy particularly in their adoption of Green Skills as part of the emerging Future Skills agenda. In particular the ESP programme has identified the potential for some 5,600 Low Carbon and Renewable Energy Jobs in Reading by 2050 and the opportunity to upskill the Council's Housing Services repairs and maintenance teams to undertake this work on its own housing stock as well as compete in the Reading market among private ownership households .

11. FINANCIAL IMPLICATIONS

- 11.1 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

- 11.2 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 cost of living and austerity pressures. The needs and challenges of local people and businesses are addressed within the plan's responses to key sector skills shortages, and the idea of "future proofing" skills demand and upskilling and retraining local people to increase job opportunity, employment resilience and the dependence on financial support.

The Developer ESP's plans and programme of activity will be delivered and managed by the Council's Economic Development Partnership Company, REDA. This is costed in the proposals and at no cost to the council. The delivery of many programmes is 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 government sources such as UKSPF and the Adult Education Budget.

RISK ASSESSMENT

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