

BRIEFING PAPER

SUBJECT: Section 106 Employment and Skills Plans
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THIS IS NOT A DECISION PAPER

SUMMARY:

Employment and Skills Plans (ESPs) are a requirement for all major developments in the city through obligations within Section 106 Planning Agreements and/or Sustainable Procurement policy.

The aim of ESPs is to maximise social and economic outcomes linked to major developments in the city. In particular, ESPs create local labour initiatives for new Apprenticeships and jobs to reduce unemployment, provide employer-led opportunities for local people to raise skills levels, and provide curriculum support/placement activities for schools/colleges.

This paper provides background and update for the ESP programme, outcome data of current activity and forecasts for future developments. This paper will be followed by quarterly updates.

BACKGROUND and BRIEFING DETAILS:

- 1 The Council introduced an Employment and Skills Plan (ESP) programme for major developments in May 2008. This was incorporated into planning policy and the Local Development Framework in January 2010 as Core Strategy 24 (Access to Jobs). All planning applications exceeding a major development threshold are in scope (residential 15 dwellings, industrial/commercial 1000m³). To maximise outputs the ESP activity is focussed on the largest developments, approximately 8-10 per year. Employment and skills targets are also embedded in the council's Sustainable Procurement Policy.
- 2 ESPs are employer-led, written by the developer with support from the council's Skills team. Activity targets cover three key areas:
 - **Job creation** – skills programmes and apprenticeship/job/enterprise opportunities for unemployed
 - **Workforce Development** – skills programmes for employees providing job sustainability and progression
 - **Education** – curriculum programmes with schools/colleges/universitiesESPs provide local opportunities in the construction phase for all developments, also end-use where there is employment floorspace such as retail and hospitality. Examples include Sainsbury's, IKEA, Premier Inn and Costco Wholesale.
- 3 ESP targets are matched to local priorities including Southampton Connect projects and the City Plan. Specific ESP activities are focused for priority groups, for example troubled families, young people not in education, employment or training (NEET), offenders, care leavers, and residents living in deprived/estate regeneration areas.

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- 4 Southampton was the lead local authority in a Construction Skills pilot in 2009 to introduce the National Skills Academy for Construction (NSAfC) programme. The NSAfC provides guidance and benchmarks for socio-economic targets in planning/procurement, and a structure for partnerships with employers, clients, colleges and funding providers. Construction targets are agreed based on the build value of each development. The Council was awarded full NSAfC accreditation in 2010. Other sectors have followed and the Council also holds accredited status for the National Skills Academy for Retail.
- 5 Southampton was also the first local authority in the wider Hampshire and Isle of Wight sub-regional area to include employment and skills targets for major developments. The Council has led the roll-out of ESP programmes across Hampshire and Isle of Wight. An ESP best practice guide, “Securing training and local employment through section 106 agreements” has been shared with neighbouring local authorities, developers, main contractors and training providers via the Solent LEP and PUSH.
- 6 Since the programme commenced 23 ESPs have been approved, of which 13 have successfully completed and 10 are currently active. The total development value is £434 million and the full development list is included in Appendix 1.
- 7 ESPs are currently in final planning stages for 8 new developments scheduled to start in 2012 with a build value of £132 million. Early negotiations have also started with Morrisons (East Street), Lidl Distribution Centre, Watermark West Quay, Platform Road and Centenary Quay Commercial. Table 1 below lists the developments scheduled to go live in the final quarter of 2012.

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8 **Table 1: New ESPs for Approval October - December 2012**

Programme	Build Value (£M)	Developer
Ordnance Survey Site (TW)	15	Taylor Wimpey
Thorner's Court (Churchill)	2	Churchill Retirement Homes
Above Bar Arts Complex (SNAC)	15	Grosvenor
BMW Schools	13	SCC
Centenary Quay Phase 3	20	Crest Nicholson
Mayflower Halls	42	Geoffrey Osborne Ltd
Pembroke Court	6	Anchor Trust
Estates Regeneration Phase 2	19	Lovell Ltd
Total	132	

9 ESPs are monitored quarterly with data and case studies obtained from developers to measure volumes and impact. Table 2 below provides a summary of ESP outcomes and remaining targets for current ESPs

10 **Table 2: ESP Outcome Summary – Achievement and Remaining Targets**

Benchmark	Outcomes Qtr 2 July-Sept 2012	Outcomes Total to Sept 2012	Remaining ESP targets
Local Supported Employment	22	374	58
New/Safeguarded Apprentices	7	88	67
Adult/Youth Work Experience	4	144	71
14-16 Work experience	4	50	22
Curriculum Support Events	14	207	26
Work Force Development	60	340	104

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- 11 Pre-employment Training (PET) programmes are the main delivery model for moving unemployed residents into supported employment. Each PET programme is designed with the developer and typically consists of three phases:
- Course to provide employability skills including literacy/numeracy and short vocational accreditation
 - Work experience placement, normally three weeks, to demonstrate commitment and competence
 - Guaranteed interview and potential progression into supported employment
- PETs are delivered by local colleges and training providers drawing from existing Skills Funding Agency budgets, ensuring the targeted use of funds at no cost to local authority or developer. PETs have been particularly effective for major retail recruitment. For example, Sainsbury's Portswood opened in March 2012 with an extensive PET skills course delivered to 186 local unemployment residents. The developer experienced a higher level of applicant than normally expected with new stores, and 45 unemployed people moved into work as a result of the course.
- 12 Construction Pre-employment Training is delivered every quarter in partnership with City College and developers providing work experience placements. The construction programme has delivered four courses in 2012 and has achieved:
- 55 unemployed people starting skills training, 21 residents from priority areas and average length of unemployment 5 months
 - 30 obtaining Construction Skills Certification Scheme (CSCS) cards
 - 35 progressing to work experience
 - 12 progressing into employment, 1 progressing into Apprenticeship, 1 progressing into full-time education
- 13 ESPs impact on deprived communities. An example is the estate regeneration of Thornhill. The ESP for the £15m Hinkler Place housing scheme with Barratt Homes achieved:
- 11 new apprentices covering carpentry, site technician, painting and decorating, dry lining and scaffolding
 - Pre-employment training for unemployed Thornhill residents
 - 43 local residents directly employed on site
 - Construction workshops and health and safety sessions delivered to local schools
 - School site visits and supervised site tours as part of careers guidance activity
- 14 An example of ESP educational projects is the STEM Challenge being led by Warings, as part of its targets for Admirals Quay and City Gateway developments. Commencing January 2013 a design challenge delivered by construction companies and their subcontractors for pre-GCSE students will help raise awareness of Science, Technology, Maths and Science as important career requirements.

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RESOURCES/POLICY/FINANCIAL/LEGAL IMPLICATIONS

- 15 The ESP programme supports the Solent LEP and Partnership for Urban Southampton Hampshire (PUSH) sub-regional priorities for skills for growth. It supports the Southampton City Council Plan 2011-14 priorities to create more jobs for local people, and more local people to be well educated and skilled. It also supports a number of Southampton Connect priority projects, particularly:
- Gateway to employment and volunteering opportunities
 - Gateway to a world of learning opportunities
 - Gateway to a better future
 - Connecting leaders of the learning city
 - Connecting the city to reduce re-offending
- 16 The ESP programme is co-ordinated by 1 FTE staff within the Skills team. Delivery of all targeted skills, recruitment and employment programmes uses existing mainstream and grant funding available via colleges and other stakeholders in the city, including SFA Adult Skills Budget, ESF and DWP grants.
- 17 The Council, working through Solent LEP, has developed a Growth and Innovation Fund (GIF) bid to expand the ESP programme in Southampton and the wider Solent area. The bid has been submitted to the UK Commission for Employment and Skills, with the outcome due to be announced in November 2012. If successful, GIF will provide additional resource for two years to enable a new ESP programme capturing smaller developments, the introduction of ESP targets in all Council procurement, and improved monitoring and data systems.

Appendices/Supporting Information:

- 1 Employment and Skills Plans Full List

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APPENDIX 1: Employment and Skills Plans Full List

Programme	Build Value £M	Developer	Completion
Chancery Gate Business Park	8	Chancery Gate	Jun-08
IKEA	20	IKEA	Dec-08
Antelope Park	10	The Range	Jul-09
West Quay 3 (Site B)	7	Whitbread	Apr-11
Operational Command Unit	10	Hampshire Police	May-11
Eastpoint Centre	8	Eastpoint Centre	Jul-11
Mayflower Gantry	15	First Wessex	Jul-11
City Depot	8	SCC	Aug-11
Sainsbury's Portswood	19	Sainsbury's	Jun--12
Sea City Museum	8	SCC	Nov-10
Coxford Road	7	Barratt David Wilson	Nov-10
Oasis Academies	30	SCC	Sep-12
Thorner's Court	3	Thorner's Homes	Sep-12
Centenary Quay Phase 1	20	Crest Nicholson	Sep-12
Hinkler Parade	15	Barratt David Wilson	Dec -12
Newlands Primary	5	SCC	Apr-12
Civic Centre Refurbishment	15	SCC	Feb-13
Shirley Road (360-364)	8	Orchard Homes	Feb-14
Boldrewood	50	Southampton University	Sep-15
BAT	20	Costco Wholesale	Apr-13
Admirals Quay	32	Allied Developments	Dec-14
Parkville Road	12	Bouygues Development	Mar-14
Centenary Quay Phase 2	16	Crest Nicholson	Oct-14
Total	434		