

CABINET MEMBER DELEGATED DECISION 10 FEBRUARY 2021

Report title: Allocation of Neighbourhood Community Infrastructure Levy to Employment, Skills and Training Programmes

Wards: All

Portfolio: Councillor Jacqui Dyer, Cabinet Member for Jobs, Skills and Community Safety

Report Authorised by: Eleanor Purser and Sara Waller, Strategic Directors for Sustainable Growth and Opportunity

Contact for enquiries:

John Bennett, Head of Economic Inclusion, 020 7926 6452, jbennett7@lambeth.gov.uk

Report summary

The report authorises the allocation of up to £5,000,000 from Lambeth's Neighbourhood Community Infrastructure Levy (NCIL) to fund employment, skills and training programmes from October 2020 to March 2024. This allocation reflects the priority accorded to support for employment and skills initiatives in the community engagement work which has supported adopted or draft Cooperative Local Investment Plans (CLIPs).

Finance summary

This report recommends a maximum spend of £5,000,000 on employment, skills and training programmes up until March 2024. The proposed funding source is NCIL monies and it is expected that sufficient NCIL will be available over the duration of the project to ensure that the full £5,000,000 can be spent.

Recommendations

To allocate up to £5,000,000 from Neighbourhood Community Infrastructure Levy (NCIL) to fund employment, skills and training programmes from October 2020 to March 2024.

1. CONTEXT

- 1.1 The Community Infrastructure Levy (CIL) is a charge on development that allows the Council to raise funds to pay for infrastructure that is needed to support development. Infrastructure will include improvements on transport, schools, health facilities, and parks. Lambeth Council adopted a CIL Charging Schedule with effect from October 2014. Since its introduction the Council has collected £40 million in Lambeth CIL payments.
- 1.2 To ensure local communities benefit from the funding made available, it is a statutory requirement that 15% is spent on 'neighbourhood funding' thus creating a Neighbourhood Community Infrastructure Levy (NCIL). In January 2014, Lambeth Council took the decision to increase the proportion of the NCIL by an additional 10% to 25%.
- 1.3 Inward investment and economic growth in the borough is expected to continue in the coming years, despite the current economic uncertainty. Therefore, the borough is expected to continue to generate CIL and NCIL as developments which have already received planning permission are built and further developments come forward for planning approval and construction.
- 1.4 This report seeks to allocate up to £5,000,000 of NCIL to employment, skills and training programmes to support the Council and partners' response to the significant increase in unemployment and changing labour market conditions.

2. PROPOSAL AND REASONS

- 2.1 Lambeth is a thriving borough, home to many well skilled residents and a growing number of jobs. Lambeth has gone through significant change over the last decade, with an expanding employment base, a high business formation rate and a pipeline of major commercial developments, particularly in the north of the borough. Since 2010, the number of businesses increased by 50%, the number of jobs in Lambeth increased by 21%. Similarly, prior to 2020, employment rates for local residents had also risen considerably.
- 2.2 However, Lambeth faces a number of challenges to ensure that the benefits of economic development are shared by all residents. Growth creates a unique opportunity to invest in the future of Lambeth's communities to tackle long-standing issues of poverty and exclusion, particularly experienced by Black residents and those with disabilities; to improve the skills and ability of residents to compete in the London labour market; and to build pathways for young people from school into careers that enable them to realise their full potential. Economic growth creates the means to transform life chances, where the financial gains from new investment are directed into services that enhance employability, raise skills and contribute to reducing inequality.
- 2.3 This context has been changed drastically with the impact of COVID-19. Much of the economic data available does not yet reflect the changes that have happened over the last six months, other than welfare benefit data which is published more regularly. This data shows the huge increase in unemployment which has happened in Lambeth and across the country with the Claimant Count rising from 8,730 in January 2020 to 21,070 in August 2020. There are also high numbers of Lambeth residents who have been furloughed (56,300 during the lifetime of the Job Retention Scheme). Predictions by the Bank of England and the Office for Budget Responsibility suggest that 15-20% of those furloughed may lose their job once the scheme ends. This would mean that unemployment in Lambeth could rise to between 25,000-30,000 by the end of the financial year.

- 2.4 The Council and partners through the Lambeth Skills and Employment Board have developed a Skills and Employment Strategy for the borough. The purpose of the strategy is to provide a framework of priorities and actions which will enable systemic change that will better ensure programmes, projects and opportunities available in the borough are better coordinated and targeted at those who need them most. A range of partners have been involved in developing the strategy as set out in section 5 and this collaboration and collective impact will continue in the future through the Skills and Employment Board who will oversee the implementation of the strategy.
- 2.5 The production of a Skills and Employment Strategy for Lambeth provides an opportunity to improve the effectiveness of the skills system to address issues where residents experience structural barriers to accessing work or where the market reproduces inequalities that have pervasive economic or social consequences.
- 2.6 The Skills and Employment Strategy was approved by Cabinet on 30 November 2020. There is a clear link from the strategy to the Borough Plan (one of the four pillars is “A Growing Economy That Everyone Benefits From”) and the Economic Resilience Strategy.
- 2.7 Resources will be required from a range of partners to deliver the actions in the Skills and Employment Strategy. This will include council funding such as Adult Learning budgets; funding from Department of Work and Pensions such as the Flexible Support Fund; and Adult Education Budget allocated to local training providers by the GLA. However, given the scale of unemployment and the changes taking place in the economy, these resources will not be sufficient to address the challenges faced in Lambeth. Further investment will be required to ensure that local people are given the best opportunity to secure the skills and qualifications they need to thrive in the future labour market and given the support they need to address barriers to employment. If the Council and partners took no action on this issue residents would remain unemployed or in low paid work, and young people would not be aware of the opportunities available to them in the future.
- 2.8 It is therefore proposed to allocate up to £5,000,000 of NCIL to employment, training and skills programmes over the period October 2020 to March 2024. The funding will be used to commission and deliver activities which will support the delivery of the Skills and Employment Strategy.
- 2.9 On 16 January 2017, the Cabinet approved Co-operative Local Investment Plans (CLIPs) as a recommended delivery framework to respond to the requirement of the National Planning Policy Framework (NPPF) and related guidance regarding engagement with local communities about how the Neighbourhood Funding element of the Community Infrastructure Levy (CIL) should be invested.
- 2.10 The report set out a three-stage process for engagement, with the objective of identifying a set of priority themes and delivery plans within a particular local geography, the three stages being:
- Stage 1: Establishing the context and the Council’s priorities for investment (reviewing socio-economic data, existing/planned infrastructure in the area, residents’ priorities)
 - Stage 2: Engagement methodology: On-line survey and street surveys to target hard to reach and seldom heard voices
 - Stage 3: Decision-making, publication and review of CLIP

2.11 The Cabinet report also set out specific criteria for the allocation of Neighbourhood CIL to enable the Council to address the impacts of the developments more widely across the Borough and to meet outcomes in the Borough Plan. This established that funding could be allocated beyond CLIP boundaries in accordance with the following criteria:

- CLIP areas which are co-terminus to high growth CLIP areas and are also experiencing the impacts of major development
- Cross-boundary projects; and,
- Cross-borough priorities that deliver outcomes in the Council's Borough Plan. These will include projects that reduce inequality by supporting jobs and training and activities and services for young people and vulnerable communities.

2.12 The report noted that the CLIPs do not allocate funds, rather, they identify priorities for neighbourhood investment informed by local engagement. Allocations for projects agreed in the CLIP will be delivered through the Council's established processes once projects have been needs assessed, scoped and costed through the relevant governance process for capital or revenue and service investment.

2.13 In areas where community engagement has taken place to inform the development of a CLIP (Stockwell; Norwood; North Lambeth; Waterloo) employment and training has been identified as a high priority. This is further backed up by the engagement and priorities identified through the process to develop the South Bank and Waterloo Neighbourhood Plan (which covers part of the area covered by the Waterloo CLIP). In the published CLIPs for Stockwell and Norwood this includes outreach programmes to target areas with the highest levels of unemployment, with 1-1 employment and skills training. In the consultation for the Waterloo CLIP employer engagement and in-work training were additionally identified as priorities.

2.14 Given that the CLIP process is not complete, the process for consulting on local priorities through CLIPs has provided only a partial picture of priorities across the borough. However, other consultation does indicate the importance of employment, skills and training to residents and businesses. This includes the engagement conducted for the development of the Skills and Employment Strategy which is outlined in section 5.

2.15 There is no reason to believe that if the CLIP process were completed, the priorities would be different. In any event the CLIP process was designed to inform council decisions and not to determine them. When making a decision on how to spend NCIL, all relevant factors must be taken into account and the events of 2020 and the urgent need for employment and skills training are highly relevant and reflect current needs in a crisis which could not have been imagined 12 months ago.

3. FINANCE

3.1 The report proposes spend of up to £5m to be funded from NCIL monies.

3.2 As of November 2020 the Council has £3.7m of NCIL monies banked that could be used to fund this programme of work. As the programme lasts until March 2024, it is reasonable to expect that significant further sums of NCIL will be generated in the intervening period.

3.3 At present based on planning permissions granted a further £16.4m of NCIL monies could be expected to be received in the medium term. This number will clearly vary over time as not all

schemes with planning permissions will commence and hence trigger CIL and NCIL payments, but equally new schemes not currently accounted for will receive planning permission.

- 3.4 On this basis it is reasonable to assume that sufficient NCIL will be available to fully fund the programme of works. However, the timing of this work will need to be managed to ensure that sufficient NCIL has been received before spend is committed.
- 3.5 Using the NCIL currently available to fund this project will inevitably mean that other schemes potentially fundable from NCIL may need to be delayed until more funding is available.

4. LEGAL AND DEMOCRACY

- 4.1 The Community Infrastructure Levy Regulations 2010 (the 2010 Regulations) provide the framework for how CIL can be spent. This report is concerned with the expenditure of the local or neighbourhood element of CIL and is referred to as NCIL.
- 4.2 Regulation 59 of the 2010 Regulations allows the council to spend up to 15% of CIL receipts on (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or (b) anything else that is concerned with addressing the demands that development places on an area. The recommended expenditure on employment, skills and training programmes does not provide infrastructure but it is concerned with addressing the demands that development places on Lambeth. As such it complies with Regulation 59.
- 4.3 The 2010 Regulations do not prescribe how NCIL should be spent. The council has a wide discretion but it must have regard to government guidance. The most recent guidance is set out in National Planning Practice Guidance which was most recently updated on 16 November 2020.
- 4.4 The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans) and using networks that ward councillors use. Crucially this consultation should be at the neighbourhood level. It should be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates.
- 4.5 This report explains how consultation has taken place with local communities using the council's CLIP process, the SOWN neighbourhood and other consultation such as the engagement conducted for the development of the council's Skills and Employment Strategy.
- 4.6 The total expenditure of NCIL pre year must not exceed £100 per dwelling (which is defined as being a dwelling for council tax purposes) for the relevant area in which it is spent, in this case the whole borough.
- 4.7 This proposed key decision was entered in the Forward Plan on 1 September 2020 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be

considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

5.1 The Skills and Employment Strategy has been produced through a process of ongoing engagement and consultation with a range of partners including:

- Strategic partners such as Jobcentre Plus, Lambeth College, mental health services and social housing Registered Providers;
- Local employment and training providers;
- Local enterprise providers;
- Local businesses and Business Improvement Districts; and,
- Local funding organisations.

5.2 An Advisory Group was established to enable partners to contribute their experience and knowledge to the strategy's development. The Group met twice in late 2019 and a further meeting was planned for March 2020 but was postponed. The advisory group has now been repurposed into a Skills and Employment Board for the borough. The Board will have ownership of the implementation of the Skills and Employment Strategy and will coordinate the provision of employment and skills activities in line with the strategy.

5.3 In addition, a number of workshops and meetings have taken place to delve into issues in more detail:

- Opportunity Lambeth Provider Forum – a workshop with 20 local employment support and training providers to look at how local support could be better coordinated, identify current interventions that are proving effective and to source any insight providers have from their service users. This has been supplemented by one-to-one discussions with these providers, as well as others operating in the borough.
- Opportunity Lambeth Developer Forum – a workshop with major local developers (some with current sites, some with planned future sites) and training providers, discussions about how to improve the perception of the construction sector for employment, promoting local employment and training opportunities and how the local employment and training system for construction roles could be improved.
- Health and Poverty Summit – a major event attended by over 100 participants to explore the links between poverty and health outcomes. This included two workshops on securing the health of the working age population, which included how good quality employment and skills provision can positively contribute to health outcomes.
- Living Wage Week Celebration Event – what motivates employers to pay the Living Wage and identifying employers who are prepared to be case studies/promote the Living Wage, attended by around 40 people from employers in Lambeth, Southwark and Lewisham.
- Health in all Policies workshop – workshop with 25 health partners (such as hospitals and GPs) to look at opportunities for integration of health and employment services, how to

promote healthy workplaces amongst employers and career opportunities in health and social care.

- Meetings with Kings College Hospital and Guys and St Thomas' Hospital about their current recruitment practices and skills gaps, and how they can create good career pathways for local people.
- Meeting with Careers Leads from Lambeth secondary schools – highlighting emerging priorities of the strategy, with a focus on apprenticeships, and what it means for schools.

5.4 There has also been engagement directly with residents to explore some of the emerging issues:

- Focus groups and interviews with people in low paid work. This included discussions about what support people feel they need to progress into better paid work and where they would go to seek help about careers information, advice and guidance.
- Focus groups with parents looking for work. This was conducted by Lambeth Early Action Partnership (LEAP) in the summer, with ongoing engagement and workshops with a group of interested parents. This will lead to a roundtable with parents and employers in the new year.
- Young People's survey. This was linked to the work to tackle serious youth violence, questions were included in the survey about education, employment and training. The survey was completed by over 500 young people. This built on questions included in the engagement at Jam In The Park in the summer of 2019.

6. RISK MANAGEMENT

6.1 The allocation of funds from NCIL is based on funding already received and funding which is forecasted to be received over the coming years. If development in the borough does not take place at the rate forecasted, there may not be sufficient NCIL available to cover this allocation and other allocations which are intended to be made.

6.2 To mitigate this, the forecasts have been calculated in a deliberately cautious manner to account for fluctuations in the development pipeline, not least as a result of the economic impact of COVID-19. Additionally the receipts from CIL and NCIL are monitored and reported on a quarterly basis which allows income to be tracked against the forecast. If the NCIL income levels fall consistently below the forecast, steps will be taken to look at scaling back the programmes or finding alternative funding sources.

6.3 Any further risks identified relating to the Skills and Employment Strategy are detailed in the report to Cabinet seeking approval of the strategy.

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Insufficient NCIL is received over the next three years to cover the proposed level of expenditure	2	4	8	The timing of the funded programmes will need to be managed to ensure that sufficient NCIL has been

					received before spend is committed.
2	Insufficient programmes to spend the level of resource being committed	1	2	2	Any unspent allocation would be returned to the NCIL balance.
3	Insufficient funding to deliver priorities of the Skills and Employment Strategy	2	4	8	The proposed funding allocation will be used alongside other funding such as Section 106 contributions, grant funding and resources from partners.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 The full Equalities Impact Assessment carried out in 2013 for the adoption of Lambeth's CIL Charging Schedule and other associated policy documents continues to be relevant and accurate. That report states: "The infrastructure and services that CIL will provide will enhance accessibility and liveability of all sectors of society, including all equality groups."
- 7.2 A full Equalities Impact Assessment has been prepared for the Skills and Employment Strategy. This was presented to the Corporate Equalities Impact Assessment Panel on 17 November 2020 and Cabinet on 30 November 2020. The strategy is proposed to have a positive equalities impact.

8. COMMUNITY SAFETY

- 8.1 Being in employment, education or training is a preventative factor in reducing the likelihood of someone being involved in serious youth violence and other offending.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 None.

Health

- 9.2 Implementation of these recommendations would be expected to have a positive impact on health outcomes given the positive correlation between being in employment and good health and wellbeing. Higher levels of employment in the borough will provide not just economic benefits but also will help deliver increased wellbeing amongst local residents.

Corporate Parenting

- 9.3 Not applicable.

Staffing and accommodation

- 9.4 None.

Responsible Procurement

- 9.5 This NCIL allocation will provide funding for expenditure employment, training and skills programmes. The responsibility for the procurement of such expenditure will be taken by the Enterprise, Jobs and Skills division.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.6 Providers who are commissioned to deliver these programmes will be required to pay their staff

and subcontractors at least the London Living Wage and provide decent working conditions.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

9.7 This NCIL allocation will fund programmes that deliver quality apprenticeships and targeted employment for Lambeth residents and Lambeth priority groups.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

9.8 Not applicable.

Single Use Plastics

9.9 Not applicable.

Positive Health and Wellbeing

9.10 Not applicable.

Other Offers (Innovation)

9.11 Not applicable.

10. TIMETABLE FOR IMPLEMENTATION

10.1 The Skills and Employment Strategy was approved by Cabinet on 30th November. This provides the framework and timetable for programmes commissioned by this allocation of funding.

10.2 The table below details the stages and deadlines for implementing the recommendation of this report:

Activity	Proposed Date
Date published on Forward Plan	01.09.20
Publication on Decisions online	02.02.21
Decision Date	10.02.21
Implementation of Decision	18.02.21

AUDIT TRAIL

Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Jacqui Dyer	Cabinet Member for Jobs, Skills and Community Safety	05.01.21	13.01.21	
Councillor Jack Hopkins	Leader of the Council	05.01.21	20.01.21	
Eleanor Purser and Sara Waller, Strategic Director	Sustainable Growth and Opportunity	09.10.20	28.12.20	
Matthew Gaynor, Assistant Director	Finance and Investment	07.10.20	11.11.20	3
Peter Flockhart, Legal Services	Legal and Governance	10.11.20	22.12.20	4
Nazyer Choudhury, Democratic Services	Legal and Governance	10.11.20	12.11.20	4
Nabeel Khan, Director	Economy, Culture and Skills	07.10.20	08.10.20	
Abi Onaboye, Director	Children's Commissioning and Community Safety	08.10.20	11.10.20	
Catherine Neal, Acting Head of Business Development and Investment Monitoring	Economy, Culture and Skills	07.10.20		

REPORT HISTORY

Original discussion with Cabinet Member	29.07.20
Report deadline	n/a
Date final report sent	n/a
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	01.09.20
Key decision reasons	2. Expenditure over £500,000
Background information	Co-operative Local Investment Plans (CLIPs): Delivery Framework and Refining Allocation Criteria – Cabinet Report, January 2017 Lambeth Skills and Employment Strategy – Cabinet Report, November 2020
Appendices	None

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, and Democratic Services, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post:

John Bennett
Head of Economic Inclusion

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post:

Councillor Jacqui Dyer
Cabinet Member for Jobs, Skills and Community Safety

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post:

Councillor Jack Hopkins
Leader of the Council

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None