

## **Cabinet Member Decision Report**

**Decision due: 9 December 2016**

**Report title:** Draft Employment and Skills Supplementary Planning Document

**Wards:** All

**Report Authorised by:** Sue Foster, Strategic Director for Neighbourhoods and Growth

**Portfolio:** Councillor Paul McGlone, Deputy Leader (Investment and Partnerships) in consultation with  
Councillor Paul McGlone, Deputy Leader (Investment and Partnerships)

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### **Report summary**

The Draft Employment and Skills Supplementary Planning Document (SPD) sets out an approach to securing appropriate contributions through Section 106 agreements towards employment and skills initiatives. This report seeks approval of the draft SPD for an eight week period of public consultation. This draft SPD has been developed to support the implementation of relevant policy in the Lambeth Local Plan.

The S106 Planning Obligations SPD (covering a range of topics) was adopted in 2012. Public consultation took place on proposed revisions to that document during 2013. The content of the 2012 S106 Planning Obligations SPD was largely overtaken by the introduction of the Lambeth Community Infrastructure Levy in 2014 and the adoption of the Lambeth Local Plan in 2015. An officer review of the approach to seeking planning obligations relating to employment and skills initiatives has been undertaken in light of planning policy changes, responses to consultation on other policy initiatives and the current state of the local labour market. As a result of that review, it is proposed to revise the approach to securing planning obligations relating to employment and skills initiatives.

### **Finance summary**

The preparation of the draft Employment and Skills SPD has been accommodated within existing budgets. The costs of consultation will be met from existing budgets in the Neighbourhoods and Growth directorate. There will be no publication costs associated with the draft document.

### **Recommendations**

- (1) To note and agree the content of the draft Employment and Skills SPD in Appendix 1.
- (2) To approve the draft Employment and Skills Planning Obligations SPD for public consultation.
- (3) To note and agree the proposals for public consultation.

## **1. Context**

- 1.1 The Council responds to the impact of new development in the borough in a number of different ways. Since October 2014 the Council has been operating the Lambeth Community Infrastructure Levy (CIL), which operates alongside the charge for Mayoral CIL. CIL provides a mechanism to raise financial contributions towards the provision of infrastructure.
- 1.2 Many of the financial contributions that were previously collected through planning obligations to help pay for facilities and infrastructure are now covered by CIL payments. Planning obligations differ from CIL in that planning obligations are tailored to a specific development and must satisfy the requirements contained in regulation 122 of the CIL Regulations 2010 (which are that the obligation is necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to the development).
- 1.3 The Lambeth Local Plan was adopted in September 2015. Policy D4 of the Lambeth Local Plan sets out the Council's policy for seeking planning obligations. Policy ED14 of the Lambeth Local Plan sets out the Council's policy in relation to employment and training.
- 1.4 Lambeth continues to be an attractive borough for investors and developers. This is reflected in the significant scale of residential and commercial development taking place in the borough. The Council welcomes this economic growth to bring new homes, jobs and businesses to the borough but the Council is also clear that it should benefit local people. This is reflected in the Investment and Opportunity Strategy which was approved by Cabinet in June 2015 (report 22/15-16), and more recently the Borough Plan 2016-2021.
- 1.5 During the consultation on the Investment and Opportunity Strategy, developers requested a more flexible approach from the Council regarding the employment and training planning obligations that are sought. This request, coupled with the adoption of the Lambeth Local Plan in September 2015 and the current state of the local labour market, provide the basis for reviewing the current SPD.
- 1.6 This report presents a draft Employment and Skills SPD (October 2016).

## **2. Proposal and Reasons**

- 2.1 The Council adopted a S106 Planning Obligations SPD in July 2008 and a revised version was adopted in April 2012. The Council's adopted SPD set out the Council's planning policies in respect of a range of obligations that sought to address the impact of development, including in relation to employment and skills. In July 2013 a draft S106 Planning Obligations SPD was approved for consultation by Cabinet and this was subsequently published for public comment. Regard has been given to the adopted and draft SPDs in the determination of planning applications.
- 2.2 Subsequent to the preparation of the July 2013 draft SPD, the Council has begun operating the Lambeth CIL (October 2014) and has adopted the Lambeth Local Plan (September 2015). Employment and skills initiatives are not considered to be 'infrastructure' in the context of CIL. Employment and skills initiatives may properly be the subject of planning obligations under s106 of the Town and Country Planning Act 1990. For the majority of types of planning obligation that continue to be sought following

the introduction of the Lambeth CIL, the Council's approach to calculating contributions is set out in Annex 10 of the Lambeth Local Plan. For those planning obligations that are not covered by Annex 10, which includes those relating to employment and skills, the Council's current approach in planning policy terms is as set out above. Assessment of the impact of development, and the corresponding need for particular planning obligations, is carried out as part of the consideration of individual planning applications

- 2.3 The adopted S106 Planning Obligations SPD (2012) as regards employment and skills seeks the following obligations from major developments in Lambeth:
- a. targets for on-site local employment levels and training placements for local residents, with an emphasis on the construction phase;
  - b. requirements for the notification of vacancies to the Council's jobs brokerage service;
  - c. requirements to deliver accredited training courses;
  - d. mitigating activity for the loss of employment floorspace;
  - e. a formula for calculating financial contributions to employment and training activities; and
  - f. requirements to work with Lambeth First, the local strategic partnership.
- 2.4 The draft revised S106 Planning Obligations SPD published for consultation in July 2013 proposed the following changes compared to the adopted 2012 SPD:
- a. changing the targets for training placements to apprenticeships;
  - b. requirements to produce an Employment and Skills Plan for the development outlining the approach to be taken to delivering target employment and apprenticeship outcomes and engagement with schools and education providers; and
  - c. removing the requirement to work with Lambeth First.
- 2.5 Section 106 obligations have been important in securing jobs and training for Lambeth residents, with positive relationships having been developed between the Council and developers. In 2015/16 through Section 106 funded employment and skills activities, 350 residents were supported into employment and a further 129 were supported with training and qualifications. Additionally Section 106 obligations provided pre-employment training courses, job-specific health and safety courses and worked to establish relationships between employers and local employment and training providers.
- 2.6 In preparing this draft SPD officers have gathered research from a number of sources. This includes the latest local economic data relating to levels of employment, unemployment and skills; feedback on the current approach employment and skills related planning obligations from developers and council officers; and an analysis of the current approaches of comparable boroughs – Southwark, Wandsworth, Hackney and Tower Hamlets. The review has suggested that:
- the labour market has changed in Lambeth in the last four years. Unemployment is lower, but employers continue to report problems in finding employees with the skills they need and some residents have low levels of qualifications;
  - the current emphasis on securing jobs during the construction phase was not always feasible, due to the nature of the work and the skills of the local workforce, and therefore access to end-use jobs would provide better prospects for local residents; and
  - a more flexible approach could be taken to allow the Council and developers to agree a set of employment and skills planning obligations that reflects the

individual circumstances of the development (i.e. not just the scale of the development but also the industrial sectors of any jobs created, the ability of the developer to deliver their own obligations, the current level of skills provision in the borough for that sector etc).

2.7 A draft SPD has therefore been developed to reflect the changed economic circumstances, the adopted local plan and the review findings summarised in 2.6. The draft SPD is appended to this report. The draft SPD has retained many of the elements relating to employment and skills of the 2012 S106 Planning Obligations SPD, as set out in 2.3 and the draft revised S106 Planning Obligations SPD published for consultation in 2013, as set out in 2.4.

2.8 The draft SPD that is now proposed includes a requirement to produce a site specific Employment and Skills Plan (ESP). Developers are encouraged to contact the Council's Lambeth Working team at the pre-application stage in the development process, so that the content of a proposed ESP can be discussed before a planning application is submitted.

2.9 The purpose of an ESP will be to show how the developer intends to deliver specific employment and skills obligations, as follows:

a) A target of at least 25% of all jobs created by the development (in both the construction phase and for the first 2 years of end-use occupation of the development) for local residents. There is no prescribed single way in which the 25% target should be delivered, and the detail will be a matter for approval of individual ESPs, but it should involve the provision of one or more of the following:

- Apprenticeships for Lambeth residents aged under 25.
- Employment opportunities in the end-user phase which have appropriate support to make them suitable for long-term unemployed Lambeth residents.
- Notification of job vacancies, arising from both the construction and end-use occupation, to the Council or any other agency nominated by the Council.
- Bespoke pre-employment and skills training for Lambeth residents that will provide them with the skills to access the jobs that are being created

b) Engagement by developers with local schools and colleges and support them to promote amongst young people aged 11 to 19 the achievement of the skills and qualifications needed for employment in the commercial sectors of the end-use occupiers in place during the first two years of the development. The draft SPD envisages flexibility in how this may be achieved. ESPs will need to contain a detailed programme for the initiatives to be delivered. Examples of the activities that could be undertaken are:

- Career inspiration: speakers provided to schools, role models to inspire and encourage career progression, work 'taster' events.
- Employability: mentoring and support for specific cohorts of young people (e.g. under-achievers, high achievers, young people from particular areas or estates), sessions on employer expectations, mock interviews and interview preparation.
- Curriculum support: advice on curriculum design to bring employer relevance into lessons.
- Work-based learning: workplace visits to complement curriculum, work experience placements.

- 2.10 ESPs will need to be based on realistic estimates of jobs to be created by the development and the Council will look for ESPs to be approved before schemes commence. Delivery of the obligations secured by ESPs will be subject to regular monitoring and developers will be expected to use all reasonable endeavours to deliver what is approved in the ESP. The draft SPD envisages delivery of the relevant obligations by means of developers making, or bringing about, the necessary provision., The draft SPD also recognises that there may be circumstances where an in lieu financial payment will be accepted, specifically where circumstances specific to the scheme are such that either it is not operationally feasible to make kind provision or where an alternative approach will lead to more effective outcomes. The amount of any in lieu payment would be based on the indicative costs to the Council of delivering the relevant obligations.
- 2.11 In addition to delivering commitments contained in an ESP, the draft SPD also includes a requirement for major developments that meet the threshold criteria to make a financial contribution to help support those sections of the Lambeth workforce that are furthest from employment, having been out of work for a long period of time and/or having low levels of skills. These financial contributions would be used by the Council to fund training and support to enable access to newly created employment opportunities arising from development for those who may struggle to access those opportunities without extra support, in particular the long-term unemployed and young people.
- 2.12 There are elements from the July 2013 draft revised S106 Planning Obligations SPD are not being taken forward by way of specific policy in the draft SPD that is annexed to this report. The elements not being taken forward are as follows (relevant sections of the July 2013 draft revised S106 Planning Obligations SPD are noted in brackets):
- a. Accredited training for those employed in the construction sector (B.1) – this has been removed as several developers have commented that pre-employment training is a more effective contributor towards sourcing an appropriately skilled local workforce. It is considered that training requirements need to be approached more flexibly rather than seeking at the level of SPD policy the provision of training specific to the construction sector.
  - b. The requirement to provide on-site resources; jobs fairs; new training facilities; and education programmes for schemes that are “very large or of strategic importance” (B.1 and B.2) – these have been removed as specified types of provision, because their inclusion at the level of SPD policy is considered to be overly prescriptive and not reflective of a flexible approach. In appropriate individual cases, it may be that provision for one or more of these items will be nonetheless be made, for example through the particular terms of the ESP that is agreed with the applicant or through some other aspect of an agreed planning obligation.
  - c. Compensation in the form of a financial contribution for loss of employment floorspace (B.2) – this provision is not set out in Lambeth Local Plan policy so there is not sufficient justification to include this item at the level of SPD policy.
  - d. Schemes to support small business start-up units or community-based workshops (B.3) – these are not covered in the scope of Policy ED14 of the Lambeth Local Plan and for this reason it is not considered that there is a sufficient justification for inclusion of this item at the level of SPD policy.
  - e. Seeking to secure a 20% minimum of the total value of all contracts arising from the development with local companies (B.4) – Policy ED14 (d) of the Lambeth Local Plan does seek to ensure that small and medium sized local

enterprises have access to tender opportunities for the procurement of goods and services generated by the development. The draft SPD recognises that in individual cases provision for local tendering opportunities may form part of an agreed planning obligation. It is not considered that there remains sufficient justification for the inclusion of this item at the level of SPD policy.

2.13 The Council is required to consult on the content of any proposed SPDs. This report therefore asks for approval to begin the public consultation process, which is further detailed in Section 5.

### **3. Finance**

3.1 The preparation of the draft Employment and Skills SPD has been accommodated within existing budgets. The costs of developing the draft SPD and conducting the public consultation will be met from existing resources in the Neighbourhoods and Growth directorate.

3.2 There will be no publication costs associated with the draft document.

### **4. Legal and Democracy**

4.1 The relevant statutory framework that governs preparation of supplementary planning documents is located chiefly in the Town and Country Planning (Local Planning) (England) Regulations 2012. The National Planning Policy Framework and the associated Planning Practice Guidance sets out national policy about the circumstances in which SPDs should be prepared.

4.2 The 2012 Regulations have to be interpreted as requiring a two stage process of consultation in relation to the preparation of a proposed supplementary planning document.

4.3 The first stage of consultation does not include any particular timescale for representations to be made, or specify who must be consulted. Once the first stage has been undertaken, a statement must be prepared in accordance with Regulation 12 of the 2012 Regulations that explains who was consulted at the first stage, what issues were raised and how those issues have been addressed. The second stage of consultation requires that statement, together with the draft supplementary planning document, to be made available to the public. A consultation period of at least four weeks is then required.

4.4 This report seeks authorisation to carry out the first stage of consultation.

4.5 This proposed key decision was entered in the Forward Plan on 11 April 2016 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. 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 development of the Investment and Opportunity Strategy was the result of significant engagement with a broad range of partners and stakeholders. There was

strong support through the strategy development process for economic growth to benefit local people. A full list of the stakeholders engaged in that process was set out in the Cabinet report in June 2015 (report 22/15-16).

- 5.2 The strategy development process included a workshop with local developers and their representatives. At this workshop the developers expressed their keenness to work with local residents and communities, for example recognising the benefits that having a well skilled local workforce would bring to their developments through both the construction and post-construction phases. The developers encouraged the Council to adopt a more flexible approach to seeking planning obligations relating to employment and skills, in particular allowing developers to offer employment and skills outputs as in-kind contributions but with the option to pay a monetary contribution where they did not feel able to deliver the outputs directly themselves. This has been reflected in the draft SPD.
- 5.3 This report is seeking approval to consult on the draft Employment and Skills SPD at Appendix 1. The consultation will be open to anyone who wishes to respond, including local residents, developers and community groups.
- 5.4 The consultation mechanisms will reflect those outlined in the Council's Statement of Community Involvement, as approved by Council in September 2015 (report 62/15-16). The draft SPD will be published on the Council's website; hard copies will be made available at all Lambeth libraries; and the draft SPD will be sent electronically to everyone on the Council's planning consultation database. If there is demand for a public meeting or workshop on the proposed SPD, this will be organised.
- 5.5 The Statement of Community Involvement notes the minimum 4 week consultation period for supplementary planning documents in relation to what is referred to in section 4 above as the 'second stage' of consultation under the 2012 Regulations. This report is as noted above concerned with the first stage of consultation under the 2012 Regulations. It recommends conducting an eight week consultation period for what constitutes the first stage of consultation under the 2012 Regulations that will run between 12 December 2016 and 13 February 2017.

## **6. Risk management**

- 6.1 The Council is adhering to the statutory requirements for preparing an SPD. The process requires the Council to undertake consultation as explained in this report.
- 6.2 The adoption of the Lambeth Local Plan, the changing economic circumstances in the borough and the feedback from developers seeking a more flexible approach to employment and skills planning obligations are considered to necessitate a review of the Council's approach to these obligations. A risk of not having an up to date policy framework in place for securing these obligations is that the impact of new development may not always be optimally managed. A clear and up to date policy framework also enables applicants to understand at an early stage in the planning process what the Council's expectations will be in relation to individual schemes. .

## **7. Equalities impact assessment**

- 7.1 An Equalities Impact Assessment has been completed and is appended to this report (Appendix Two). It highlights the potential positive impact that the draft SPD and its implementation could have on narrowing the gap within Lambeth's communities.

## **8. Community safety**

8.1 There are no community safety implications arising from this report.

## **9. Organisational implications**

9.1 Environmental

An initial Strategic Environmental Assessment (SEA) screening assessment will be carried out on the draft SPD in order to identify whether there are any significant environmental effects. If the draft SPD is revised following public consultation, a further SEA screening assessment may need to be undertaken.

9.2 Staffing and accommodation

None

9.3 Procurement

None

9.4 Health

None

## **10. Timetable for implementation**

10.1 Following the approval of this report, the public consultation will begin on 12 December 2016. Responses to the consultation will be invited over an eight-week period. The Council will consider the consultation responses and publish a schedule of comments and the Council's response to those comments. A timetable is shown below, with indicative dates for the analysis of responses and beyond as any action the Council takes in respect of those stages will be dependent on the responses received during the first stage consultation.

<b>Task</b>	<b>Date</b>
Approval by Cabinet Member	December 2016
First stage public consultation commences	12 December 2016
First stage consultation period closes	13 February 2017
Following stages dependent on outcome of consultation(s):	
Analysis of responses and publication of consultation statement	February/March 2017
Second stage of public consultation	Spring 2017
Final draft SPD reported to Cabinet	Summer 2017

### Audit Trail

Consultation				
Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Sue Foster	Strategic Director for Neighbourhoods and Growth	03.10.16	05.10.16	
Adrian Smith	Director, Neighbourhoods, Environment and Employment	03.10.16	05.10.16	
Sandra Roebuck	Assistant Director, Investment and Growth	03.10.16	05.10.16	
Helen Payne	Assistant Director, Welfare, Employment and Skills	02.06.16	07.06.16	
Dawn Redpath	Head of Economic Inclusion	02.06.16	07.06.16	
Doug Black	Interim Assistant Director Planning, Transport and Development	10.11.16	11.11.16	
Paul Badiani	Finance	29.04.16	08.06.16	3.1, 3.2
Susan Boucher	Legal Services	Various	10.11.16	Throughout
David Rose	Democratic Services	29.04.16	03.05.16	4.5
Councillor Jack Hopkins	Cabinet Member: Regeneration, Business and Culture	14.11.16	29.11.16	
Councillor Paul McGlone	Deputy Leader: Investment and Partnerships	14.11.16	30.11.16	

### Report History

<b>Original discussion with Cabinet Member</b>	07.04.16
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	Yes
<b>Date first appeared on forward plan</b>	11.04.16
<b>Key decision reasons</b>	Meets community impact test
<b>Background information</b>	<a href="#">Lambeth Local Plan</a> <a href="#">Investment and Opportunity Strategy</a> <a href="#">National Planning Policy Framework</a> <a href="#">Town and Country Planning (Local Planning) (England) Regulations 2012</a>
<b>Appendices</b>	1. Draft Employment and Skills Planning Obligations SPD 2. Equalities Impact Assessment

**APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION**

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

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post** John Bennett, Lead Commissioner, Welfare, Employment and Skills,

**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 Paul McGlone, Deputy Leader (Investment and Partnerships)

**Any declarations of interest (or exemptions granted):**

**Any conflicts of interest:**

**Any dispensations:**