

Constructing Leicester

Informal guidance note on
employment and skills plans

July 2015





Leicester – a place to do business

Foreword



I am delighted to endorse this strategy which uses the powers of the council as a planning authority and as a developer to boost skills and assist our local construction industry.

Major developments in the city will be requested to make important contributions towards developing local skills and our local supply chain. We have based this approach on national best practice and are delighted to be working in partnership with the Construction Industry Training Board (CITB).

The construction industry is enthusiastic about this approach and are keen to ensure we all work together to develop the next generation of skilled staff.

We are also aware that there is a local supply chain in the city that needs to be strengthened and I want to make sure the significant investments that are being made by the council and other investors have a real lasting benefit for the people and businesses of Leicester.

Sir Peter Soulsby
City Mayor

Introduction

This document provides an explanation of how a Constructing Leicester employment and skills plan (ESP) will be delivered through the planning process. The informal guidance note forms part of a suite of three documents which also includes (see www.leicester.gov.uk/constructingleicester for further information):

- Constructing Leicester employment and skills strategy
- Constructing Leicester employment and skills plan

Leicester City Council is committed to supporting the construction sector and to maximising employment and skills benefits that can be secured from construction activity. To deliver this objective Leicester City Council has embedded the Construction Skills' National Skills Academy for Construction (NSAfC) Client Based Approach (CBA), which provides target outputs against fourteen employment and skills areas, into the planning and procurement processes. These outputs have been ratified by the National Construction Skills Academy Group and have been developed and approved by the construction industry. In May 2015, Leicester City Council simplified and reduced these employment and skills areas to five. See Table one for a summary of the five employment and skills areas.



Table one: Employment and skills areas

1. Work experience placements
2. Construction curriculum support activities
3. Apprenticeships supported
 - i) Existing apprentices
 - ii) New apprentices
 - iii) Apprentices completions
4. Local employment (see note below)
5. Supply chain spend (see note below)

Note:

The Constructing Leicester project board requires that the ESP includes the measurement and reporting of additional local measures in relation to local employment and local spend benchmarks.

Employment and skills plan

In embedding the NSAfC approach, it is required that ESPs are delivered through:

- 1) the effective use of procurement powers for council-led developments worth £3.5m or more
- 2) the planning application process for large scale major applications

The developer/contractor will be required to complete, submit and implement an approved individual ESP, based on the five areas (shown in Table one) with agreed outputs and then to report on delivery. A copy of an ESP template for construction projects is available at leicester.gov.uk/constructingleicester.

The ESP will support the objectives of Constructing Leicester's employment and skills strategy, which are;

- Contribute towards the council's commitment to the Social Value Act 2012
- Supporting the construction sector to meet future recruitment needs
- Ensuring the impacts from procurement activities benefit the local economy
- Deliver employment training and apprenticeship opportunities through physical developments for young people, (those not in education, employment, or training (NEETs), and unemployed adults
- Contribute towards tackling worklessness and youth unemployment
- Develop links between construction activities and the education sector at all levels

In May 2015, Leicester City Council extended the scope of the Constructing Leicester initiative to cover post-construction activities (e.g. retail jobs created) and non-construction projects, such as, for example, LCC procured housing repairs and maintenance contracts and social care contracts.

A copy of an ESP template for post-construction and non-construction activities is available at:

leicester.gov.uk/constructingleicester



The need for employment and skills plans in Leicester

ESPs are an important tool to tackle unemployment within the city. For the period April 2014 to March 2015, the unemployment rate in Leicester was 8.1% (12,900). This compares to a Great Britain average of 6% (ONS Employment and Unemployment, Nomis). Tackling worklessness is a key priority for Leicester City Council as outlined in its Economic Action Plan 2012-2020.

In the LLEP area, construction accounts for 3.6% of industry share (15,800 employees) compared with 4.5% in England. 2.7% of employment in Leicester is in the construction sector (4,300 employees) compared with 4.5% nationally (LLEP – Leicester Economic Profile 2015).

There are 17,000 predicted job openings over the period 2010 to 2020, notwithstanding the current economic pressures on the construction sector. A high proportion of these job openings will be to replace people leaving the construction sector, mainly through retirement (UKCES and LLEP Skills Needs Assessment, 2013).



The successful implementation of ESPs could therefore have both a beneficial impact on unemployment and worklessness within Leicester and help to identify future recruits required by the construction industry.

Furthermore, in light of post-construction activities (retail jobs created), the Constructing Leicester project board is keen to ensure we target disadvantaged groups such as, for example, care leavers, ex-offenders, single parents and people with disabilities.

Policy context

"The city council will require the developers of major planning applications to provide site specific employment and skills plans to enable local people to secure employment and skills training opportunities."

Revised Adopted Core Strategy Policy CS10, paragraph 'general economic growth' (2014)

The above policy statement provides the basis for securing the Constructing Leicester ESPs.

At planning application stage, the applicant will be asked to make a commitment to subsequently submitting an Employment and Skills Plan at construction stage. This commitment will then form part of the obligations on a planning permission, required either within an agreement made under S.106 of the Town and Country Planning Act 1990 ('Section 106 Agreement') by the city council's planning service, or by condition if there is no other need for a 106 agreement.

This requirement will be applied to developments worth £3.5m or more and large scale major housing developments of 200 units or over 4ha site area and for large scale major commercial developments with a floor space of 10,000sqm or more, or site area of 2ha or more. For developments below this size, applicants may be invited to develop and deliver an Employment and Skills Plan on a voluntary basis.

Planning application stage

The case officer in Planning Management will be the first contact for negotiation on major schemes both at pre-application and at planning application stage.

When the Planning Service receives a large scale major planning application, an automated e-mail alert will be sent to Economic Regeneration. At the same time, the case officer will send an internal consultation memo to the nominated Economic Regeneration Group officer. The Economic Development Officer will then write to the applicant, setting out the requirements for an Employment and Skills Plan (ESP). This officer role will operate separately from the Planning Service.

If planning permission is granted, the case officer will use a standard form of words to set out the requirements of an Employment and Skills Plan within either a condition, or a Section 106 Agreement. The case officer will be responsible for sending the standard Section 106 pro forma in Appendix One, as early as possible in the process (once it is clear that a recommendation for approval is likely).

During discussions, potential delivery partners will be identified. Apprentice and work experience opportunities will be accessed in partnership with local colleges and other programme led apprenticeship providers. Educational activity will be delivered in partnership with local schools, colleges and universities. Where appropriate, the coordinator will facilitate this type of partnership through round table meetings between the developer, contractors, partners, city council and the Economic Regeneration team.

Construction stage

The developer should be aware of the requirements and submit the Employment and Skills Plan well before the development is due to start. In addition, where the planning service is aware of a likely start on site, they will inform the nominated Economic Regeneration Group officer. The Economic Regeneration Officer will again contact the contractor, reminding them of the requirement to prepare an Employment and Skills Plan. This Economic Regeneration Officer will have responsibility for liaising with the applicant through the lifetime of the contract. An Employment and Skills Plan will be drafted by the contractor, for discussion.

The content of the final Employment and Skills Plan is agreed by the Head of Economic Development in discussion with the developer and main contractor. The Head of Economic Development then informs the case officer in the Planning Service that it has been agreed. The Applicant may also then need to make a planning application so that the condition, or clause of the 106 agreement can be formally discharged by the Local Planning Authority.

A copy of an Employment and Skills Plan for construction projects can be found at: leicester.gov.uk/constructingleicester.

Each development category carries its own benchmark figures according to the value of the development and this will be specified by the council. This benchmark table, along with the narrative sections, form the full ESP and **must be accepted by all relevant parties before construction starts.**

The benchmark figures have been developed by the Construction Industry Training Board (CITB) in partnership with construction industry representatives and will be periodically adjusted. They represent a minimum set of targets. Support will be available to contractors from CITB to plan and deliver some of the activity e.g. in relation to targets involving sub-contractors.

Appendix one

A) Sample wording for a Condition attached to a planning permission:

Condition

The development shall not commence until an Employment and Skills Training Plan that is tailored to the development has been submitted to and approved by the city council as Local Planning Authority (unless otherwise agreed in writing by the council). The development shall be carried out in accordance with that plan.

(In the interests of delivering local employment and skills training opportunities in accordance with Core Strategy Policy 10)

Note to applicant

The Employment and Skills Plan required by the condition above should be agreed as soon as possible before any development contracts are prepared and should be in accordance with the guidance in the Leicester City Council document Employment and Skills Plans Informal Guidance Note, May 2015

B: Sample wording for a S106 agreement attached to a planning permission:

- 1.1 Prior to commencement of development to submit to the council for approval the employment and skills plan.
- 1.2 The employment and skills plan submitted pursuant to clause 1.1 above shall include arrangements setting out how the owner will and to the extent they are not the same person how any developer or occupier and their contractors will be required to work directly with local employment/training agencies including but not limited to:
 - 1.2.1 Voluntary and private sectors providers
 - 1.2.2 Sixth form colleges, colleges of further education and universities
 - 1.2.3 Job Centre Plus
- 1.3 Development shall not commence, until written approval of the Employment and Skills Training Plan has been received from the council (unless otherwise agreed in writing by the council).
- 1.4 Following written approval of the employment and skills plan by the council, the owner will implement and where necessary procure implementation and promote the objectives of the approved employment and skills plan and ensure that so far as reasonable the objectives are met.





email: constructingleicester@leicester.gov.uk