

	<p align="center"><b>Policy and Resources Committee</b> <b>14 October 2014</b></p>
<p align="center"><b>Title</b></p>	<p><b>Barnet's Local Plan – Supplementary Planning Document (SPD) on Delivering Skills, Employment, Enterprise and Training (SEET) from Development through S106</b></p>
<p align="center"><b>Report of</b></p>	<p>Lead Commissioner for Enterprise and Regeneration – Cath Shaw</p>
<p align="center"><b>Wards</b></p>	<p>All</p>
<p align="center"><b>Status</b></p>	<p>Public</p>
<p align="center"><b>Enclosures</b></p>	<p>Appendix A: Delivering Skills, Employment, Enterprise &amp; Training SPD Appendix B: Schedule of Responses to Representations on Draft SPD</p>
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## Summary

The Supplementary Planning Document sets out an approach to securing contributions through S106 Agreements towards skills, employment, training and enterprise initiatives. To secure and manage development related job opportunities it introduces Local Employment Agreements as legal mechanisms. The SPD also sets out measures to mitigate loss of employment space that is capable of addressing modern business needs

## **Recommendations**

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| <p><b>1. That the Committee approve the Supplementary Planning Document (SPD) on Delivering Skills, Employment, Enterprise and Training (SEET) from Development through S106 (attached at Appendix A) for adoption.</b></p> |
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### **1. WHY THIS REPORT IS NEEDED**

- 1.1 Barnet is a growing and changing borough. Regeneration and development proposals principally in the west of the borough as well as opportunities for infill growth in Barnet's town centres will help change the borough. Through Barnet's Local Plan this growth and change is being managed.
- 1.2 This Supplementary Planning Document (SPD) sits below Barnet's Local Plan Core Strategy and Development Management Policies documents. SPDs are non-statutory planning documents produced by the Council which are subject to public consultation. In order to formally require S106 contributions, justify such a request and set out how such contributions will deliver corporate objectives on skills, employment, enterprise and training this SPD is necessary.
- 1.3 This SPD will be a material consideration in Council decision making on major residential or non-residential planning applications which generate 20 or more Full Time Equivalent (FTE) jobs or 25 or more new homes.
- 1.4 Contributions secured through this SPD will be independent from and additional to Barnet's Community Infrastructure Levy (CIL). CIL is a flat rate charge for development which broadly contributes to off-site impacts generated by development. Barnet adopted its CIL in May 2013.

### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 Over the next two decades around 28,000 new homes will be built in Barnet and areas of concentrated deprivation will be regenerated. Housing and employment growth will be largely focused on the regeneration and development areas of Brent Cross – Cricklewood, Colindale and Mill Hill East with contributions across Barnet from smaller sites such as those in town centres. These areas are expected to generate 21,000 new jobs over the same time period and it is a priority that Barnet's residents are able to access these new employment opportunities.
- 2.2 Barnet's growth will provide new opportunities for local people to secure jobs and training. Residents can develop new skills through construction, infrastructure and commercial development as well as through the activities of new employment generating development. The emerging Entrepreneurial Barnet Strategy provides the framework for ensuring contributions are transformed into support for Barnet's economy.

- 2.3 Some parts of Barnet experience disproportionately high levels of deprivation, and do not currently share in the borough's success. However a significant number of residents have no qualifications and this remains a concern. Some key groups have been identified as needing further assistance to access the opportunities arising from growth. These groups include: young people and those Not in Education, Employment or Training (NEETs); lone parents; disabled people and people with long term health conditions; residents with a learning disability; and black and minority ethnic groups. The Council and partners have been particularly successful in reducing the numbers of 16 to 18 year old NEETs to the 4<sup>th</sup> lowest level in England. This positive progress in helping young people access work will be further supported by this SPD as will initiatives to help other key groups and the long term unemployed.
- 2.4 This SPD applies to residential and non-residential development. For any new development of 25 or more new homes a Local Employment Agreement (LEA) is required to cover employment opportunities generated by the construction. LEA will also be required from developments that generate 20 or more new FTE jobs through the proposed end use. The LEA is a legal obligation secured through a S106 Agreement which is expected to cover jobs forecasting, notification of vacancies, local labour targets, jobs brokerage and skills, use of local suppliers as well as apprenticeships and work experience. The LEA is expected to be proportionate to the scale and type of development with larger schemes requiring a dedicated Workplace Coordinator to coordinate and deliver all LEA activities.
- 2.5 The draft SPD was subject to six weeks consultation from 13 February – 27 March 2014. This generated 29 representations from developers including St George Central, Hammerson plc, Brent Cross Cricklewood Development Partners as well as Transport for London, Finchley Society and several national agencies. Representations and the Council's response to them are set out at Appendix B. Brent Cross Cricklewood Development Partners, St George Central and Finchley Society welcomed the introduction of LEAs. A summary of main issues raised and Council's response in *italics* is set out below

- **Effectiveness of LEAs**

Concerns expressed about complexity and monitoring arrangements as well as issues of compliance for LEAs particularly if a development is sold on. Doubts also raised about giving preference to local residents in terms of the benefits generated by this SPD.

*LEAs are practical yet flexible mechanisms capable of equipping local people to benefit from employment opportunities arising from Barnet's growth. Making a LEA a legal obligation attached to a planning consent provides greater certainty about delivery and enables the Council to enforce the LEA even when there is a change of ownership. The SPD's focus is on equipping local residents particularly in the most deprived parts of Barnet to share in the borough's success.*

- **End Users**

Need for flexibility on commercial end users and use class of commercial space as these are not known at time of S106 Agreement. This therefore makes it difficult to forecast jobs.

*The LEA can ensure flexibility and reflect market change through regular information sharing. The SPD has been revised to encourage such sharing on job opportunities as early as possible.*

- **Local Labour Target**

Doubts expressed about 30% labour target being realistic when within the London market 5% is nearer the achievable figure.

*The SPD does not support a specific local labour target for end-use jobs as these are best negotiated on a case by case basis. Through working with developers who are pro-active jobs generators it is considered that 30% is achievable. Adjustments can be made to the LEA when despite the best efforts of developers local labour is not available.*

- **Job Ready Candidates**

Concerns expressed about availability of job ready candidates particularly in construction. Suggested that there should be greater focus on improving basic employability of candidates.

*The SPD does recognise this concern. Construction job opportunities are forecast to expand in Barnet over the next decade and it is imperative that local residents are equipped with the skills to access these jobs. Supporting candidates work readiness has an important part to play in accessing these opportunities. This can be done in terms of support and investment in apprenticeships and work experience. Provision of this support will be reflected in negotiations on local labour agreements.*

- **Skills Training and Employment Initiatives**

Concern that prior approval of skills, training and employment initiatives will cause delay. Developers consider themselves best placed to know this. There is also a need to acknowledge the existing skills gap and recognise that targets can be a short term fix without a long term benefit.

*Alignment with the Council's priorities in the draft Entrepreneurial Strategy and Jobs Brokerage Programmes should help avoid delay. Through partnership working with developers and contractors we can ensure that such knowledge is shared to the benefit of local people. Skills gaps are recognised as an issue and will be reflected in negotiations on local labour targets. This SPD reflects an outcome focused approach on improving employability over a significant period of growth. It is not a short term fix.*

- **Affordable and Flexible Workspace. Supporting Enterprise Start-Ups**

Concerns expressed about using legal agreements to encourage affordable and flexible floorspace. Doubts raised about level of demand particularly for retail and office space in large regeneration schemes. A

need to support new enterprises and improve understanding of self-employment was also highlighted.

*Any use of S106 contributions to ensure affordable workspace will be in accordance with NPPF. Following the relaxation in May 2013 of planning controls over change of use from office to residential there has been a restructuring within the local office market with small to medium enterprises being displaced from office premises that have Prior Approval for conversion to residential. In these changing circumstances there will remain a demand for affordable, accessible and flexible space.*

- **Resident Outputs for Development Schemes**

Considered that instead of using a generic nationwide Homes and Communities Agency (HCA) calculator to estimate residents output for developments a Barnet specific output table should be produced to accurately reflect the needs of the area.

*The use of a tried and tested national standard for developers and contractors is considered the most practical approach for calculating resident outputs.*

- **Need for Regional Approach to Skills, Employment, Enterprise and Training**

Call for partnership working amongst boroughs to ensure more sustainable outcomes rather than short term contracts.

*We want to share the success of sub-regional growth. The SPD forms an important first step to future partnership working.*

- **Notification of Vacancies**

Ring fencing of job vacancies for a 10 day period will not always be realistic particularly in construction

*The SPD has been revised to reflect that for specific recruitment needs exemption is possible. This can also be reflected in the LEA.*

- **Costs of Construction Training**

Concerns expressed about high costs of training within the construction industry and the mismatch with government funding.

*There is an anticipation that developers and the construction industry will invest in its future workforce. The developer is responsible for ensuring compliance by contractors and sub-contractors with the LEA. The Department for Business Innovation and Skills paper – UK Construction: an economic analysis of the sector (July 2013) states that the proportion of employees engaged in construction contracting with a degree, or equivalent qualification has almost doubled over the last decade. The sector continues to run a trade surplus in construction contracting as well as in some professional services such as architecture and quantity surveying. The Industry Strategy for Construction 2025 (July 2013) sets*

*out in detail the policies and actions that the Government and industry are jointly putting in place to address these issues.*

- **LEA Threshold**

Concerns expressed that the 20 FTE (full time equivalent) threshold for a LEA is too low and that there is a contradiction between Table 1 and para 2.2 about minimum thresholds.

*Table 1 has been amended to ensure consistency with para 2.2. Barnet has a small business economy so a development generating 20 or more FTE jobs is significant.*

- **Workplace Coordinators (WPCs)**

Need to link requirement for WPCs to scale of opportunities rather than to just scale of development.

*SPD has been revised to reflect that requirement for WPC will be linked to scale of opportunities.*

- **Local Supply Chain**

Concern expressed that requirement for two Barnet companies to be on tender lists may not be achievable.

*SPD asks developers to consider use of local suppliers. This can be addressed through wording of the LEA.*

- **Pro Forma for Construction Recruitment and Training**

Concern expressed about requirements of the Pro Forma at Appendix C being too onerous.

*SPD has been revised to clarify that the Pro Forma is aimed at small scale development and that a more individual approach will be taken on large scale developments.*

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The alternative option is not to produce this Supplementary Planning Document and therefore not provide a firm basis for seeking S106 contributions for skills, employment, enterprise and training. Any S106 requirements for such uses could be challenged at appeal. The absence of the requirement for a LEA will also make it more difficult to ensure local residents benefit from local growth. The amount of contributions secured will be inconsistent making it more difficult to plan effectively for skills, employment, enterprise and training initiatives.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Following adoption this SPD will be taken into account as a material consideration on major residential or non-residential planning applications which generate 20 or more FTE jobs or 25 or more new homes.

- 4.2 SPDs are prepared through powers contained within the Planning and Compulsory Purchase Act 2004 and the associated Town and Country Planning (Local Planning) Regulations 2012. As soon as reasonably practical after adoption, a statement setting out issues raised during public consultation on the SPD and how these were addressed together with an adoption statement will be published. Following adoption of the SPD there will be a three month period during which legal challenges can be made.
- 4.3 The SPD will be monitored and schemes where a LEA has been negotiated will be highlighted in the Authorities Monitoring Report as will schemes that generate commuted sums in lieu of LEA.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 All three strategic objectives in the Corporate Plan 2013 -2016 are embedded within the SPD.

In promoting responsible growth, development and success across the borough it ensures :-

- opportunities are secured through LEAs for residents and businesses to access employment and training arising from Barnet's growth

In supporting families and individuals it ensures :-

- opportunities from new development generated for young people through apprenticeships and work experience

In improving satisfaction of residents and businesses with Barnet as a place to live, work and study it ensures :-

- early notification of job vacancies for local people and highlights that developer is obliged to consider local businesses as local suppliers.

- 5.1.2 The SPD has been produced within the framework of the Skills, Employment and Enterprise Plan 2012 – 2015.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The cost of preparing this SPD is included in the Strategic Planning Core Fee budget for 2014/15. The cost of managing the Local Employment Agreements as well as commuted sums collected will be met by Strategic Planning and Regeneration.

### **5.3 Legal and Constitutional References**

- 5.3.1 The Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 provide guidance on

the preparation and adoption of the Local Plan. Upon adoption the SPD becomes a statutory document that forms part of Barnet's planning policy framework.

- 5.3.2 Constitution, Annex A (Responsibility for Functions) Policy and Resources Committee Function 2 details that the Committee is responsible for the Local Development Framework (now known as the Local Plan).

## **5.4 Risk Management**

- 5.4.1 The main risk is that the SPD is subject to a legal challenge in the three months following adoption. To avoid this the Council has ensured that the SPD has been prepared in accordance with Regulations and has reasonably considered the representations arising from the consultation.

## **5.5 Equalities and Diversity**

- 5.5.1 The SPD implements policy set out in the Local Plan Core Strategy which has been subject to an Equalities Impact Assessment (EqIA).
- 5.5.2 The SPD contributes to the delivery of the emerging Entrepreneurial Barnet Strategy. An important principle embedded in the Strategy is that all people in Barnet, no matter what their background or circumstances, should have equality of opportunity to succeed and gain from the growth of the economy here and nationally.
- 5.5.3 Reflecting the Entrepreneurial Barnet Strategy key groups have been highlighted in the SPD as needing further assistance to access the opportunities arising from growth. These groups include: young people and those Not in Education, Employment or Training (NEETs); lone parents; disabled people and people with long term health conditions; residents with a learning disability; and black and minority ethnic groups. an objective of which is to support residents with the skills to succeed.

## **5.6 Consultation and Engagement**

- 5.6.1 SPDs are prepared through powers contained within the Planning and Compulsory Purchase Act 2004 and the associated Town and Country Planning (Local Planning) Regulations 2012.
- 5.6.2 The draft SPD was subject to a six week statutory period of public consultation from February 2014. All members of Barnet's Employability Group which includes Barnet and Southgate College, Middlesex University and Job Centre Plus as well as developers and social housing providers were notified of the draft SPD. Regeneration development partners and key employment and training stakeholders were also invited to comment on the draft SPD. Further consultation on the SPD took place at the Construction and Employment Training Skills Workshop in May 2014.



5.6.3 The consultation generated 29 responses, of which the majority were from developers. Appendix B sets out proposed response to these representations.

## **6. BACKGROUND PAPERS**

6.1 Cabinet, 18 April 2013 (Decision item 7) approved the Supplementary Planning Document on Planning Obligations from Developments for adoption.

<http://barnet.moderngov.co.uk/documents/s8349/Barnets%20Local%20Plan%20-%20Planning%20Obligations%20Supplementary%20Planning%20Document%20-%20Adoption.pdf>

6.2 Cabinet, 25 February 2013 (Decision item 9) approved that the Council progress towards adopting a Community Infrastructure Levy.

<http://barnet.moderngov.co.uk/documents/s7487/Community%20Infrastrucutre%20Levy.pdf>

6.3 Council, 11 September 2012 (Decision item 4.1) approved the Local Plan Core Strategy and Development Management Policies for adoption.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=6671&Ver=4>

6.4 Cabinet, 20 June 2012 (Decision item 6) approved the Barnet Skills, Employment and Enterprise Action Plan.

<http://barnet.moderngov.co.uk/documents/s4354/SEE%20AND%20NEETS%20CABINET%20PAPER%20-%20FINAL%2012%20June%202012.pdf>

6.5 Delegated Powers Report, 3 February 2014, draft document approved for public consultation by Cabinet Member for Planning and Regulatory Services.

<http://barnet.moderngov.co.uk/mgDelegatedDecisions.aspx?XXR=0&&DR=02%2f02%2f2014-18%2f04%2f2014&ACT=Find&RP=0&K=0&V=0&DM=125X&HD=0&DS=2&Next=true&T=503391827&META=mgdelegateddecisions>