

EMPLOYMENT AND TRAINING CODE

October 2017

1.0 Planning Obligations and Section 106 Agreements

- 1.1 Islington Council is committed to improving job opportunities for local residents, especially those who are disadvantaged in the labour market. This commitment aligns itself with the objectives of many other organisations such as the Greater London Authority, London Councils, the Skills Funding Agency and DWP Jobcentre-plus.
- 1.2 The purpose of the Employment and Training Code is to both outline and give information regarding the roles and responsibilities of Council officers and developers in complying with planning obligations relating to employment and training. Planning obligations aimed at providing employment and training for local unemployed residents will be required from any development sites which meet one or both of the following thresholds:
 - Developments containing 20 residential units or more, hotels, student accommodation or hostels with 20 or more rooms, or an uplift in business/employment floorspace of 1000m² Gross External Area (GEA) or more. These developments are required to provide **on-site construction training opportunities during the construction phase**.
 - Developments with an- uplift in business / employment floorspace of 1000m² or greater (GEA). These developments are required to provide **employment and training opportunities, including apprenticeships, aimed at enabling local unemployed people to gain employment in the development once it begins operating commercially**.
- 1.3 Such planning obligations are used as part of the planning application process to address planning issues and impacts arising from a development proposal. They also help to ensure that new development is sustainable and assist in meeting the objectives of the Council's Policies and Strategies, including Islington's Core Strategy (February 2011) and its Corporate Plan 2012-15, which builds on the recommendations of the Council's Fairness and Employment Commissions.
- 1.4 Planning obligations are normally agreed between the Council, land owners and developers in a legal agreement called a Section 106 agreement and are intended to make a development acceptable which would otherwise be unacceptable in planning terms.
- 1.5 The Employment and Training Code is designed to support contractors in fulfilling their commitments by clarifying what is required from the outset as well as the time-frame needed to achieve satisfactory results. The Council's dedicated Section 106 and Construction Development officers will seek to work in partnership with contractors to assist them in meeting obligations.
- 1.6 The details of amounts paid either in wages to employees and trainees or directly as a financial contribution to the Council towards the employment and training activities it undertakes are negotiated and agreed before being embedded in the final Section 106 agreement.

- 1.7 The policy justifications and formulae on which this and other planning obligations are based are specified in Islington Council's Supplementary Planning Document (SPD) on Planning Obligations, adopted in December 2016.

2.0 Policy Context

National

- 2.1 The National Planning Policy Framework (NPPF) highlights the importance of promoting development that is economically as well as socially and environmentally sustainable. The planning system can play an active role in guiding development to sustainable solutions where economic growth secures higher social and environmental standards (NPPF paragraphs 7-8).

London

- 2.2 Development can help to maximize opportunities for community diversity, inclusion and cohesion, sustaining continued regeneration efforts and redressing persistent concentrations of deprivation. The London Plan (2011) states that boroughs are encouraged to investigate with developers the possibility of providing local businesses and residents with the opportunity to apply for employment during the construction of developments (London Plan paragraph 4.64) and jobs and training opportunities including apprenticeships in the resultant end use (London Plan Policies 4.12 and 2.9). London Plan Policy 8.2 further emphasises that importance should be given to securing opportunities for learning and skills development in the use of planning obligations and that development proposals should address strategic as well as local priorities in planning obligations.

Islington

- 2.3 One of the six priorities of the Islington Corporate Plan (2012-2015), building on the Islington Fairness Commission Report (June 2011), and it's further evolution, the Islington Employment commission (2014/15) is for the cycle of poverty to be broken.
- 2.4 According to the Indices of Deprivation (IMD 2010), Islington is the 14th most deprived borough in England and fifth most deprived in London. Over half of Islington's Lower Layer Super Output Areas (LSOAs) are among the 20% most deprived LSOAs nationally and 53% of Islington's population lives in a deprived LSOA. Only ten other local authorities have a higher proportion of their population living in deprived local areas. Example stats:

- Islington has one of the highest child poverty rates in London (38%).
- Islington had one of the highest rates of out of work benefit recipients (12.2%), which may partly be explained by a high proportion of residents with a disability (13%).
- A low proportion of residents in Islington were low paid (12%) and as were a low proportion of jobs (11%) compared to the rest of London.
- In addition, only a small proportion of private renters were claiming housing benefit (12%). Taken together with the previous bullet points, this suggests that the London-wide story of substantial and growing in-work poverty and poverty in the private rented sector is less applicable to Islington.
- Under-attainment at GCSE level among pupils receiving free school meals was the third lowest of London boroughs (45% lacked 5 A*-C GCSEs or equivalent), but the proportion of 19 year olds lacking qualifications was the fifth highest (43% lacked a Level 3 qualification).

- 2.5 Despite significant employment growth over the last 15-20 years, levels of worklessness in Islington remain very high (Census 2011 found 6% of Islington residents aged 16-74 to be unemployed). This has been exacerbated by a shift towards a highly skilled, knowledge based economy, resulting in significant skills gaps between many of Islington's unemployed residents and the types of jobs being created, which are inaccessible without complementary employment and training opportunities.
- 2.6 Islington's Core Strategy objective 8 is: "tackling worklessness through training and employment initiatives". Policy CS 13 requires that opportunities for employment, training and other measures to overcome barriers to employment are provided through the construction phase of a development, as well as through the end use of a building. This is to ensure that some of the benefits of London's large construction and other employment markets go to resident workers, to help reduce local unemployment and barriers to employment. Using local labour also reduces the need to travel which will help to ensure that development is more environmentally sustainable, in line with Policy CS 10.
- 2.7 Full information on how the Code of Employment and Training helps to deliver these objectives are set out below.

3.0 Islington Council Employment and Training contacts:

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'iWork for Business'

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- 3.1 *Pascal's role is to liaise between the Council's economic development, planning and legal departments and in particular with the planning obligations team negotiating Section 106 agreements. Once planning obligations have been agreed and signed and the planning permission implemented, Pascal will meet with the developer and/or their principle contractor to discuss and agree actions regarding dispatching the undertakings agreed in the heads of terms and set out within this Code.*
- 3.2 **Internal & external agents:** *Our deliver agents role is to liaise between developers and their contractors/sub-contractors with regards to both employment & construction skills training. Our agents already have an established working relationship with many primary developers in the borough. These agents both within and outside the Council will undertake all aspects of the recruitment process and on-going pastoral care of the residents placed into work on site.*

4.0 The Code

Construction Phase

- 4.1 We require that the developers meet with the LBI dedicated Section 106 officer at least **1 month in advance** of tendering contracts to undertake the code specifics.
- 4.2 **The developer is required to state clearly in tender documentation, prior to selecting the main contractor, that bids need to take into account the following requirements relating to this code:**
- 4.3 All contractors and sub-contractors appointed will be required to liaise with the LBI dedicated Section 106 officer to ensure the successful and consistent application of this code.
- 4.4 At the pre-contract meeting (1 month in advance of tendering) the contractor shall provide a detailed programme and an up to date schedule of works.
- 4.5 Each paid construction training placement will be paid by the developer or their contractor and / or their sub-contractor(s). The wages will be to the level of *no less* than the London Living wage at the time. The duration of each paid placement will be *no less* than 26 weeks.
- 4.6 The numbers of paid placements agreed and written into the Section 106 agreement are themselves non-negotiable. The figures for paid placements may be specified in terms of trades however, and the exact numbers spread across trades for trainees. Other specifics of paid work placements, such as variance to the 26 weeks, must be agreed with the dedicated Officer at the pre-contract meeting.
- 4.7 The developer / contractor will work with the dedicated Section 106 officer to attain paid on-site construction training placements lasting no-less than 26 weeks from developments providing:
 - 20 residential units or above, hotels, student accommodation or hostels with 20 or more rooms
 - an uplift in business / employment floor-space of 1000m² or greater (Gross External Area (GEA))
- 4.8 The developer / contractor will liaise with the dedicated Section 106 officer to arrange professional input to career days, teacher training and work experience to benefit the career development of Islington students'.

Contracts with sub-contractors

4.9 LBI Regeneration require the developer / principle contractor to:

- 4.10 Include a written statement in their contracts with sub-contractor(s) instructing them to liaise with the LBI dedicated Section 106 officer to discuss, agree and implement the specifics of the work placements.
- 4.11 Brief sub-contractor(s) on the requirements of the Employment and Training Code and ensure co-operation is agreed as a prerequisite to accepting sub contract tenders.

Recruitment

4.12 Target recruitment from the local area with the understanding that:

- 4.13 Pre-agreed paid work placements numbers should be fully met, as directed by the LBI Section 106 officer in conjunction with the construction delivery agents.
- 4.14 Failure to comply with 4.13 will result in a financial penalty to the value of the minimum 26 week employment period plus the cost to the Council of providing an alternative employment outcome (see Islington Council's 2016 SPD - point 5.21)
- 4.15 The nominated delivery agent for LBI will circulate vacancy details to suitable local resident facing services and match suitable candidates to job specifications for consideration at interview by the developer / contractor or sub-contractor/s.
- 4.16 All clients submitted for consideration by a Council nominated agency who fully meet the job specification shall be guaranteed an interview by the developer/contractor/sub-contractor/s.

Monitoring

4.17 Provide regular monitoring and information on:

- 4.18 Trainee's progress on site, number of weeks engaged on site, skills attained, support needed and any other relevant information as directed by the Section 106 officer.
- 4.19 Standards of service, product and delivery arising from Local procurement activities.
- 4.20 A six to eight -week basis, via e-mail, phone fax or liaison meeting.

Managing trainee's and productivity

4.21 LBI construction delivery agents can where necessary:

- 4.22 Provide CSCS card funding and safety equipment and tools for local people taken on through the project.
- 4.23 Identify on-going training needs and provide for these if necessary, where eligibility allows.
- 4.24 Conduct a Health and Safety assessment and assess prior learning.
- 4.25 Organise post placement support visits, for liaising with the relevant supervisor to ensure both parties are satisfied with progress and/or make any necessary interventions to achieve sustainability of employment.

4.26 The main contractor is obliged to:

- 4.27 Ensure employees' are supervised at all times on site by a named qualified and/or experienced operative in a trade related to their identified training needs.
- 4.28 Ensure employees' will work on site under the direction and control of the contractor.
- 4.29 Take the potential for a lower rate of productivity fully into account when allowing for the level of resource and supervision required for programmed outputs and targets.
- 4.30 Allow / enable trainees to attend college-based courses either on a day release or block release basis as required / appropriate. These can be organised through LBI BEST. The contractor must be aware that payments to apprentices will continue during this period.

Operational (post-completion phase)

- 4.31 Developer to inform lease holder of the Council's aspirations to secure employment opportunities for local unemployed residents arising from new developments and encourage them to attend liaison meetings with LBI Regeneration to:**
- 4.32 Meet with the councils nominated Job Brokerage' service to plan employment opportunities for local people within the building/s particularly if the building use involves the following occupational sectors: Hospitality; Leisure; Tourism; Cultural/Creative; Childcare; Health and Social Care; Retail; Finance, Tech/Digital and Business.
- 4.33 Discuss co-operation with Islington's Education Business Partnership in their liaison with schools, colleges and training providers to assist with curriculum development and provide at least x number of work placements per year in partnership with the Education Business Partnership for students so that they are provided with knowledge of the world of work and are better prepared to work in business and commerce.
- 4.34 Inform the LBI dedicated Section 106 officer of the company internal training programmes and policy of promotion and progression within the organisation (such knowledge will help the recruitment process).
- 4.35 The Council will assist the contractor and sub-contractor(s) in identifying suitable local companies in order to source goods and services from Islington companies to supply the on-going operational needs of the development.

Recruitment

- 4.36 Where binding agreements have been established undertake the following requirements** (otherwise the following is sought within the context of the business tenants commitment to corporate social responsibility):
- 4.37 Occupiers and their personnel departments to meet with the councils nominated Job Brokerage' service to discuss their staffing structures and the skills required to facilitate the development of a customised recruitment/training course which will enable local people to acquire the skills needed to gain employment.
- 4.38 Occupiers to advertise vacancies through local networks as directed by the Council's the councils nominated Job Brokerage' service .
- 4.39 Occupiers of the building to refer vacancies to local projects as directed by the councils nominated Job Brokerage' service so that local people can be assisted in making relevant applications for employment.
- 4.40 The councils nominated Job Brokerage' service and their partner resident facing services will screen applications against job specifications (the specification being deemed realistic and necessary for someone to undertake the job tasks).
- 4.41 In larger developments, development of traineeships to help new people in the industry to assist with shortages of staff in researched skills shortfall areas.
- 4.42 Linkage with the Government's Flexible Fund and other Jobcentre-plus programmes that could include payment of a subsidy to a company, or providing work experience for people undergoing vocational training.

Monitoring

4.43 Tenants and their contractors and sub- contractors to:

- 4.44 Allow the councils nominated Job Brokerage' service officers to monitor staff employed on site in order to be able to feedback achievements on the above. Such feedback will be required on all recruits.
- 4.45 Return monthly or quarterly spreadsheets to LBI's appointed officers.

5.0 Extracts from the Planning Obligations Supplementary Planning Document (SPD)

- 5.1 The number of placements that are sought is based on the estimated number of construction jobs likely to be created by each development, based on information provided for completed developments in the borough and the extent of local training and support needs based on unemployment figures. In 2011, 6% of Islington residents aged 16-74 were unemployed (Census 2011).
- 5.2 The number of placements sought is as follows:

Formula - Construction placements

1 construction training placement per:
20 residential units;
20 student/ hotel/ hostel bedrooms;
1,000 sq m new commercial and employment floorspace

- 5.3 Should it not be possible to provide these placements, the Council will seek an equivalent contribution for construction training, support and local procurement to enhance the prospects of the use of local employment in the development. This is based on the following formula:

Formula - Employment and training contribution – Construction

Number of construction placements (based on formula above) x cost of providing construction training and support per placement (£5000) = contribution due

- 5.4 This is based on the average costs of providing construction training and support per person in Islington.
- 5.5 An employment and training contribution will also be sought to improve the prospects of local people accessing new jobs created in the proposed development. This is based on the proportion of Islington residents who require training and support as set out in the following formula:

Formula - Employment and training contribution – Operation of development

Occupancy of development (number of employees) x proportion of Islington residents requiring training and support (6%) x cost of training/ support per person (£2500) = contribution due.

- 5.6 Projected occupancy is based on average employment densities (see Appendix 2). The cost is based on the average costs of providing training and support relating to the end use of a development per person in Islington.
- 5.7 The Code of Local Employment and Training further sets out the details of the ways in which the occupier of a development with employment uses may be expected to work with the Council. This may relate to issues such as the creation of employment opportunities for local people and assisting Islington's Education Business Partnership in their liaison with schools, colleges and training providers to support curriculum development and the provision of work experience/ placements.

5.8 Both obligations are consistent with the 'three tests' that a planning obligation should meet, as outlined in the CIL Regulations 2010 (as amended) as well as in NPPF paragraph 204. Planning obligations should only be sought where they meet all of the following tests:

- 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.

6.0 Conclusion

- 6.1 The Employment and Training Code will improve the economic activity and wellbeing of unemployed local people.
- 6.2 The intentions of Islington's development plan and Corporate Plan are to reduce poverty, deprivation and unemployment. This can be achieved by providing local unemployed people with access to employment and assistance with sustaining employment, and raising levels of attainment through training opportunities facilitated by new commercial development taking place in the borough.
- 6.3 This Code thereby meets Council objectives. Additionally, it helps employers by improving the skills of the local workforce, making recruitment easier and less costly. Finally, the Code also helps to meet the aims and objectives of other key stakeholder organisations such as the Greater London Authority, the Skills Funding Agency (SFA), London Councils and the DWP job centre plus.