

Somerset West and Taunton Council

Corporate Scrutiny Committee – 1st February 2023

Local Labour Agreement Policy

This matter is the responsibility of Executive Councillor Mike Rigby

Report Author: Hattie Winter, Senior Economic Development Officer

1 Executive Summary / Purpose of the Report

- 1.1 The report presents a proposal for the adoption of a new corporate policy that states the Council's position in relation to increasing local skills and employment opportunities generated by new developments for people within the district.
- 1.2 Implementation of the policy will enable the Council to enter into Local Labour Agreements with developers in order to secure employment and skills opportunities at both the construction and first operational phase (where sites include commercial units) of new developments that meet the thresholds set out in the guidance note (Appendix 2).
- 1.3 Adoption of the proposed Local Labour Agreement Policy will enable SWT to increase the social value of new development across the district through the use of its Local Planning Authority powers. The value realised will include:-
 - Improved skills and educational attainment levels of the district's labour supply.
 - Increase the number of employment opportunities available for local people.
 - Increase the number of apprenticeship and upskilling opportunities for local people.
 - Increase opportunities for young people in the district to enter the construction sector.
 - Support the viability of new sites by providing an appropriately skilled construction workforce.
 - Reduction in the carbon footprint of new development through the use of local resources.
- 1.4 The policy outlines the council's commitment to working in partnership with developers and operators to maximise the opportunities available to all parties and recognises developers as major contributors to the growth and success of Somerset West and Taunton's economy.
- 1.5 The report outlines the background to the development of the proposed policy, a copy

of the draft policy, and a draft technical guidance note for developers and operators.

2 Recommendations

- 2.1 To note the proposal for the formal adoption of the SWT Local Labour Agreement Policy into the Council's Policy Framework.

3 Risk Assessment

- 3.1 Potential risks have been identified as follows:

- 3.2.1 The new policy and planning obligations will increase requirements placed on developers which may impact the perceived viability of sites however, developers are likely to have experienced local labour requirements set out by Local Planning Authorities across the country and have practises in place to fulfil such obligations. Also, the obligations provide benefits to developers and the sector as a whole as outlined in this report. The Council will also provide practical assistance and support developers in achieving their obligations.

- 3.2.2 The policy could be unpopular with developers due to the additional resources required to implement local labour obligations, however, the developers contacted during the preparation of this proposal are supportive of the scheme, the benefits to the local area and the sector, especially with regard to increasing the skilled workforce in the construction industry of which there is a shortage.

- 3.2.3 If the policy is not implemented there is a risk that employment and training opportunities generated by new development will not provide a direct benefit for Somerset West and Taunton residents.

- 3.2.4 There is a potential risk that developers will be unable to meet Local Labour targets due to a lack of availability of appropriately skilled people within the district. Each Local Labour Agreement will be negotiated on a case-by-case basis. Where local labour supply does not meet the requirement of the development (in particular where there are specialised workforce requirements) targets will be negotiated.

4 Background and Full details of the Report

4.1 SWT Local Plans and new Somerset local plan

- 4.1.1 Details of the Strategic Planning and Policy context for this proposal can be found in the Technical Guidance Note (Appendix 2, 2.0).

- 4.1.2 In light of the Local Government Reorganisation in Somerset a new Somerset-wide Local Plan will be developed by the new Somerset Council. The current target for the creation of a new Local Plan is 5 years from 1st April 2023. Due to the regulations and consultation requirements surrounding the development of Local Plans, a significant amount of lead-in time is required. The adoption of this policy at this time will ensure that, while the new Somerset Council continues to deliver against former district Local Plans, local labour and skills opportunities can be maximised in the former SWT district

area until such a time as a Somerset Local Plan is adopted.

- 4.1.3 Further detail on how this policy aligns with similar policies of other district councils in Somerset and opportunities for the new Somerset Council can be found in section 5 of this report.

4.2 **Evidence and Need**

- 4.2.1 Development across the District in future years will create a significant number of jobs and the Local Labour Agreement policy will play an important role in helping to secure local employment at both the construction and operational stages of development.

- 4.2.2 An Employment and Skills profile for Somerset West and Taunton is attached in appendix 3.

4.3 **Research and Stakeholder engagement**

- 4.3.1 In order to prepare a robust LLA policy the project team carried out research into best practice including but not limited to

- Shared learning from other local authorities (Sedgemoor, Brighton and Hove, Hampshire, Basingstoke, and Lewes),
- Academic studies,
- Industry papers,
- Industry interview with Construction Industry Training Board (CITB).

- 4.3.2 The team is consulting with a sample of developers and agents to seek feedback on the proposed policy, its aims and the obligations Local Labour Agreements will place on developers and operators, and how the authority can best support developers to realise the benefits of the policy.

- 4.3.3 Initial consultation has given an indication that developers are keen to see this policy come forward along with the support to deliver employment and skills plans.

“We understand the importance of working with a range of local partners – schools, colleges, community hubs, community centres, skills agencies, local JCPs and so on - to ensure we are creating better opportunities for employment. As well as being the ‘right thing to do’, the initiatives created provide an opportunity to embed ourselves into the local community. Building and regeneration creates upheaval and disruption for many local people but by removing barriers for local residents, and providing opportunities to upskill local people, they are more accepting of the disruption. The local community benefit from the works taking place in and around their homes.

As with many industries at the moment, construction is struggling to recruit new trainees into the business so in addition to the employability sessions we deliver various sessions around careers in construction, helping young people make informed decisions about their choice of study and raise awareness of the many pathways into a career within our industry. This helps to

address skills shortages and helps people follow career aspirations leading to sustainable employment.” – Equans UK.

4.3.4 The policy and operation processes needed to deliver the policy have been designed in consultation with a range of internal teams including the Planning Policy, Development Control and Climate Change teams.

4.4 Benefits for developers and operators

4.4.1 The Local Labour Agreement policy provides developers and operators an opportunity to:

- Deliver Corporate Social Responsibility commitments.
- Be recognised by local residents, businesses, and stakeholders as major contributors to the success of the local economy
- Create a pipeline of skilled workers to support future developments.
- Reduce the carbon footprint of sites using local resources and minimising unnecessary travel by maximising local employment opportunities.

4.5 New developer and operator obligations

4.5.1 The Local Labour Agreement Policy will place obligations on developers and operators (if applicable, further explanation can be found in Appendix 2, 7.0) of new sites to work in partnership with SWT to deliver the skills and employment targets set out within the Section 106 planning agreements for those sites.

4.5.2 The Local Labour agreement policy relates to sites that meet the below criteria:

- Non-residential– All developments (other than C3/C4 Planning Use Class), including change of use, that create/relate to 5,000 sq. m. This also includes developments of strategic importance (e.g., essential infrastructure, development identified in Council plans and strategy)
- Residential - Major developments (within C3/C4 Planning Use Class) that involve 50 or more units.
- Sites with mixed-use will be considered where non-residential size (sq. m) or the number of residential units combined would be deemed by the Council to be of similar significance to either of the above criteria.

4.5.3 The Section 106 agreement (see Appendix 2, pg. 16) states that developers must:

- Prepare a Skills and Employment Plan in order to meet the site’s Local Labour targets.
- Deliver the measures required to fulfil the site’s Local Labour targets.
- Provide SWT with the required monitoring information and evidence of target completion.

- Work in partnership and meet regularly with SWT Economic Development Officers until the section 106 obligations have been discharged.
- 4.5.4 The Technical Guidance note (Appendix 2, pg. 17-24) describe the site-specific targets that will be placed on developers during the construction phase of the project.
- 4.5.5 Developers will be expected to work with subcontracts to ensure targets are met in relation to the total development.
- 4.5.6 Operators will be required to:
- Prepare a Skills and Employment Plan in order to meet the site's Local Labour targets.
 - Deliver the measures required to fulfil the site's Local Labour targets (initial cohort of employees and within the first six months of opening).
 - Provide SWT with the required monitoring information and evidence of target completion.
 - Work in partnership and meet regularly with SWT Economic Development Officers until the section 106 obligations have been discharged.

4.6 Typical Employment and Training measures

- 4.6.1 The specific measures to be secured through a Section 106 agreement with the developer, could include recruitment events and promotion of opportunities to local people, training (pre-employment and vocational), apprenticeships, employment advice, interview guarantees, and work placements.

5 Local Government Reorganisation

- 5.1 Throughout the project the team considered how the proposed policy and implementation of Local Labour Agreements would provide increased benefits for local people and would support the delivery of a thriving economy across Somerset.
- 5.2 As mentioned in this report Sedgemoor District Council currently delivers a Local Labour Agreement scheme. Where possible we have aligned the processes, approach, and targets with those used by Sedgemoor District Council, for example, both authority areas will use the CITBs best practice targets and use section 106 obligations to secure measures and client support approach. This aims to ease the transition into a new single authority.
- 5.3 There are opportunities for the rollout of Local Labour agreements into the South Somerset and Mendip Local Plan boundary areas with the potential for shared resources.
- 5.4 As of vesting day the new Somerset Council may choose to review or make changes to the policy, technical guidance notes, parameters, targets, and operating processes.
- 5.5 The versions of the policy and TGN attached in Appendices 1 and 2 are versions to be used by SWT to 31st March 2023. Prior to vesting day through the Growth and Prosperity LGR workstream, a version for use by the new Somerset Council with appropriate branding and using the wording 'The former Taunton Deane and West

Somerset Local Plan areas' will be developed to ensure the geographical boundaries that apply to this policy are clearly understood.

6. Fees and Charging options

- 6.1 SWT places a standard charge of £100 per dwelling for residential development and £1.25 per sqm for commercial floorspace to support the additional resources required by the Council to prepare and monitor compliance with Section 106 agreements. This fee will remain unchanged.
- 6.2 There is potential to recover costs from developers (and where applicable operators) for the provision of support in preparing and delivering site-specific Skills and Employment Plans (a requirement of the Local Labour Agreement).
- 6.3 The research carried out by the Local Labour Agreement project team identified that recharging the developer (and where applicable the operator) for support is standard practice where Local Labour Agreement schemes are in place in other Local Planning Authorities across the country and that developers are keen to take up any support offered by Local Authorities in discharging their Section 106 obligations in relation to employment and skills.
- 6.4 In light of Local Government Reorganisation, the potential to seek recovery of developer and operator support costs could be considered by the new Somerset Council alongside the rollout of the Local Labour Agreement Schemes of Somerset West and Taunton and Sedgemoor District Council across the whole of Somerset.

7.0 Communication

- 7.1 A communication plan is currently under development which will include an analysis of stakeholders, direct communication of the policy and new obligations with developers, a targeted written communication to other key stakeholders (including supply chain businesses), an informational webinar for interested businesses and a webinar for partner organisations and local education providers.
- 7.2 The communication will aim to introduce the policy and the new obligations expected of developers and operators (for example leaseholders or new freeholders of commercial units on the site) and discuss how private and public sector partners can work together to achieve local employment and skills targets.

8.0 Implementation and Resources

- 8.1 A member of the SWT Economic Development Team will be responsible for liaising with Planning colleagues and Developers to ensure the LLA's are negotiated, implemented and monitored effectively.
- 8.2 There will be no requirements for additional planning officer resources to support the implementation of the policy, other than to inform the SWT Economic Development Team at the pre-application stage of any new development. The council's S106 officer

will support the preparation of the S106 agreement within the current capacity.

8.3 No additional budget is required to implement this policy.

9.0 Links to Corporate Strategy

9.1 This proposal supports the Council's strategic priority theme of Our Environment and Economy and in particular the objective to 'Encourage wealth creation and economic growth throughout the district by attracting inward investment, enabling research and innovation, improving the skills of the local workforce, and seeking to ensure the provision of adequate and affordable employment land to meet different business needs'. This also links to the economic development framework to support the transformation of the Somerset West and Taunton (SW&T) economy to a knowledge-based one over time, ultimately leading to greater levels of investment and higher-paid jobs. The whole approach is structured around People, Place and Business, which are very much aligned to the Local Enterprise Partnership's Local Industrial Strategy (LIS).

10.0 Finance / Resource Implications

10.1 There are no budget requests in relation to the scheme. More information on the staff resource requirements and how these will be met can be found in the Implementation and Resources section of the report.

10.2 Information on the standard cost recovery charges associated with section 106 agreements can be found in section 6 of this report.

11.0 Legal Implications

11.1 SWT can implement this policy through the use of its Local Planning Authority powers.

11.2 Legal advice is being sought on the specific wording of the Local Labour and Section 106 Agreements to ensure the obligations are practically enforceable and in line with the Council's Local Planning Authority powers.

12.0 Climate, Ecology and Sustainability Implications

12.1 By encouraging developers and operators to use local resources and procure local subcontractors the policy will contribute towards achieving net zero targets by reducing unnecessary travel of employees. Increasing the number of training and apprenticeship opportunities will also reduce the need for local people to travel outside of the district.

12.2 SWT economic development officers will support developers to work with local education providers to develop a talent pool in sustainable construction techniques. Implementation of the policy will allow SWT to promote the use of sustainable construction techniques and advancement towards net zero developments.

13.0 Equality and Diversity Implications

- 13.1 The adoption and implementation of the policy will strengthen the Council's commitment to enabling people from a disadvantaged background, areas of deprivation and those facing financial inequality to access skills and employment opportunities. This policy will also, through apprenticeships and T-level placements, advance the equality of opportunity for young people across the district.
- 13.2 The policy will support the sustainability of local communities by retaining young people and the working age population in the district through upskilling and creating local jobs.
- 13.3 Through an initial Equality Impact Assessment, the following advantages and issues have been identified:
- 13.4 Developers and operators (where relevant) will be required to evidence the number of local people employed on the site. Local people can be defined as those that have a permanent home address within the Somerset West and Taunton boundary. This method of monitoring may exclude Ukrainian guests hosted within the district or those that are in temporary accommodation due to homelessness or other circumstance. To avoid inequality of opportunity the council will monitor the postcode of the 'primary' address of the employee or student.
- 13.5 To ensure that those furthest from the job market or who require additional support to secure work or training, the Council will work with partner agencies such as the DWP, Job Centre Plus, Somerset Displaced Peoples Unit and Skill Up Somerset to ensure referral routes into opportunities provided through local developments.
- 13.6 The evidence provided in Appendix 3 highlights key areas of deprivation and low social mobility within the district. The Councils Economic Development Team run Community Employment Hubs within these key areas, and this will provide robust referral routes into the opportunities offered by new developments in the District.
- 13.7 The Councils Access to Employment Grant scheme will provide support for those with barriers to work and learning, this could include support towards the cost of CSCS cards, health and safety training and active travel to work that may be required. This could help to reduce inequalities faced by young people, especially in the rural areas of the district.
- 13.8 Developers will be encouraged to promote opportunities in an accessible and inclusive way to ensure people of all backgrounds, age groups, ethnicities, abilities, and genders are aware of the work and training opportunities on offer.

14.0 Partnership Implications

- 14.1 The policy commits the Council to work in partnership with developers, education and training providers and employment support agencies to maximise the opportunities generated by new development in the district.

15.0 Data Protection Implications

15.1 Monitoring no personally identifiable data will be shared with the council during monitoring developers and operators will be asked to redact any information before sharing it with the council.

16.0 Consultation Implications

16.1 See section 4.3 of the report. There are no legal requirements to consult on this under Local Planning Authority regulations.

Democratic Path:

- **Scrutiny / Audit and Governance Committee – Yes 1st Feb 2023**
- **Executive – Yes 15th Feb 2023**
- **Full Council – No**

Reporting Frequency: Once only

List of Appendices (background papers to the report)

Appendix 1	Policy Statement
Appendix 2	Technical Guidance Note
Appendix 3	SWT Employment and Skills Profile

Contact Officers

Name	Lisa Tuck
Direct Dial	07881 218666
Email	l.tuck@somersetwestandtaunton.gov.uk
Name	Hattie Winter
Direct Dial	07785 454130
Email	h.winter@somersetwestandtaunton.gov.uk