

Section 106 Employment and Skills Plan Contributions

November 2019



Introduction

Southampton City Council is committed to enabling its residents to gain skills and progress into employment, and to enabling the city's businesses to grow and prosper through access to local talent. Since 2009 the Council has required, under S106 of the Town and Country Planning Act, that all Major developments in the city have an Employment and Skills Plan (ESP) in order to align the significant new opportunities for skills and jobs with local training provision and residents. This is detailed in the [Developer Contributions Supplementary Planning Document April 2013](#).

In addition to negotiating and agreeing employment and skills targets with developers, the Council plays a key role in facilitating the achievement of the varied outcomes through initiatives focused on ensuring the Council's planning policy requirements linked to employment and skills are fulfilled.

Since July 2016 Developers have funded the facilitation role and the delivery of skills and support for residents via the Section 106 planning agreement for each site. To ensure that the Council continues to achieve its Core Strategy policy requirements, there is a need to review the objectives and financial support for the ESP.

Policy Background

Southampton City Strategy 2015-25 seeks to provide:

- "Improved match between local skills and business needs"
- "Increased quality employment opportunities for local people"
- "All residents have access to good quality learning opportunities"

Southampton's Local Development Framework Core Strategy further develops the Employment and Skills Plan priorities, as follows:

CS 6 – Economic Growth seeks activity 'Securing appropriate access for local people to jobs' and states 'The areas for improvement include.....skills levels...', and 'Promoting "access to jobs" agreements'.

CS 24 – Access to Jobs states 'Measures will be sought from major employment generating development to promote access to the jobs it creates amongst those residents of the city who can have difficulty entering or returning to the labour market...including training to develop skills and achieve qualifications; lifelong learning; apprenticeships.....guaranteed interviews.....training / work experience placements; and financial contributions towards such measures.'

CS 25 - The Delivery of Infrastructure and Developer Contributions recognises that ‘The Council currently envisages the following will be areas for contributions.....Measures to promote access to jobs, including training, etc.’

Employment and Skills Plan

There are two types of ESP; the first is the construction phase for all large developments, the second is the end user phase of large commercial developments.

For both phases, developers and occupiers are required to work with the Council and its partners to develop a site specific ESP, and the S106 agreement requires the implementation of the approved Plan. It is the responsibility of the developer working in consultation with the Council and relevant skills and employment delivery partners, to deliver the outcomes in the ESP; bearing such costs as may be attributable.

ESPs will typically cover the following outcomes:

Skills for Growth

Partnerships in the city to boost the quality and volume of apprenticeships and in-work training at intermediate and higher levels to boost productivity and business growth prospects.

Talent match

Sourcing the right staff mix and skills to fill current vacancies through pre and in work training, work readiness programmes and recruitment campaigns, with a focus on economically marginalised groups.

Aspirational

Boost employer engagement with schools and other providers to raise aspirations, cement pathways to the realm of work and high quality careers provision in line with the national standards and good practice.

Raise Wellbeing

Supporting employers to adopt effective wellbeing practices to nurture a healthier, happier and more productive workforce.

Social Value

Demonstrate social return on investment from ESP activity. All delivery partners engaged in ESP activity will report output / outcome data into the social value framework.

Employment and Skills Contributions

The S106 Agreement will require a contribution to be made to the Council to enable the delivery of the outcomes in the ESP which will be payable prior to commencement of the development. The contribution will be based on the construction value of the development, which, based on strategic targets, determines the nature and extent of the outcomes sought in the ESP commensurate to the scale of the development. The level of contributions sought are detailed in the contribution table in appendix D. The contribution will be used to facilitate the agreed actions identified within the ESP in order to carry out the council and partner activities described in Appendices A and B. The Council will work in partnership with developers to deliver all ESP objectives.

ESPs for the end use will be developed and agreed after construction commences using the expertise and experience of appropriate Sector Skills Councils, local labour market intelligence and appropriate partners to maximise the outcomes agreed within the ESP.

Contribution Calculation

The contribution required for the Council is calculated in relation to the values identified in Appendix D. In the absence of a submitted construction value the look up table provides for contributions to be generated from the number of residential units or commercial internal floor space. This pricing schedule will be subject to periodic review, by the Council and is subject to regular indexation in line with locally agreed standards.

The construction element is based upon delivery costs calculated for the activities detailed in Appendix A. The calculation for the end use element is for the activities detailed in Appendix B. This is subject to regular review by the council and is based upon nationally approved average employee density figures for development type, Council priorities for target groups and average training fees.

Implementation

This document will be implemented for any planning application valid on or after 1st January 2020.

Appendix A

Construction Employment and Skills Activity	Council & partner Activities
<p>Work Experience Placement: Various opportunities for work experience and/or pre-employment pathways inside and outside of traditional education routes. Work experience placements are offered to individuals from partners working in the careers engagement services in the city, local community organisations, schools, colleges and universities.</p>	<p>Pre-Employment Training. Partner negotiation and fees for Work experience interview, placement negotiation & placement support.</p>
<p>Curriculum Support Activities: Increase employer engagement with schools and post-16 providers to raise aspirations, cement pathways to the realm of work and high quality careers provision in line with the Gatsby Benchmarks. Including the delivery or support of construction specific activities aligned to a formal course of study or careers development. Examples of this include, enabling students to understand the practical or theoretical applications of their construction studies.</p>	<p>Educational establishment partnership negotiations, city wide event organisation and partner fees.</p>
<p>Graduates: Sourcing the right staff mix and skills to fill current vacancies and to encourage labour market inclusion for under-represented groups through employment opportunities for graduates and post-graduates, employed as a direct result of the project.</p>	<p>Partnership negotiations with universities and event costs.</p>
<p>Apprentices Boosting the quality and volume of apprenticeships to increase workplace productivity and growth prospects of local businesses. Recruitment of Traditional Apprentices, Shared Apprentices, Specialist Apprentices or Adult Apprentices to the workforce, with the apprentice being recruited by an employer in the supply chain. An apprenticeship outcome is defined as an individual pursuing a formal apprenticeship framework incorporating either NVQ level 2, 3 or above.</p>	<p>Networking and partner engagement activities. Placement negotiation. Delivery of Southampton Apprenticeship Action Plans.</p>
<p>Jobs Created on Construction Projects: Sourcing the right staff mix and skills to fill current vacancies through pre and in work training, work readiness programmes and recruitment campaigns to ensure labour market inclusion for under-represented groups.</p>	<p>Networking and partner engagement activities. Placement negotiation and register updates.</p>
<p>Workforce Development: Boosting the quality and volume of apprenticeships and in-work training to increase workplace productivity and growth prospects of local businesses. The creation or renewal of supply chain company training plans. Enabling the workforce to acquire knowledge and skills to ensure their organisations work efficiently. Supporting the supply chain to sign up to the citywide Wellbeing Commitment to nurture a healthier, happier and more productive workforce with their resilience intact.</p>	<p>Networking and partner engagement activities. Resourcing of training as appropriate.</p>

Appendix B

End Use Employment and Skills Activity	Council & partner Activities
The permanent use permitted by the development will have an ESP which will be negotiated on a case by case basis and will seek to maximise the following outcomes:	
<p>Apprenticeships: Recruitment of Traditional Apprentices, Shared Apprentices, Specialist Apprentices or Adult Apprentices to the workforce, with the apprentice being recruited by the employer or a member of its supply chain. An apprenticeship outcome is defined as an individual pursuing a formal apprenticeship framework incorporating either NVQ level 2, 3 or above.</p>	<p>Networking and partner engagement activities. Placement negotiation. Delivery of the Southampton Apprenticeship Action Plan</p>
<p>Employment/training for unemployed: Sourcing the right staff mix and skills to fill current vacancies through pre and in work training, work readiness programmes and recruitment campaigns to ensure labour market inclusion for under-represented groups.</p>	<p>Pre-Employment Training provision through partners. Placement negotiation. Networking and partner engagement activities.</p>
<p>Training and work experience for younger people: Increase employer engagement with schools and post-16 providers to raise aspirations, cement pathways to the realm of work and high quality careers provision in line with the Gatsby Benchmarks. Various opportunities for work experience and/or pre-employment pathways inside and outside of traditional education routes.</p>	<p>Employability training. Placement negotiation. Accredited skills training.</p>
<p>Workforce Development: Boosting the quality and volume of apprenticeships and in-work training to increase workplace productivity and growth prospects of local businesses. The creation or renewal of supply chain company training plans. Enabling the workforce to acquire knowledge and skills to ensure their organisations work efficiently. Supporting the supply chain to sign up to the citywide Wellbeing Commitment to nurture a healthier, happier and more productive workforce with their resilience intact.</p>	<p>Networking and partner engagement activities. Resourcing of training as appropriate.</p>
<p>The contribution calculation for this element of the end use ESP is based upon: Gross internal floor area of development (m2) / average employee density for development type (people per sqm) x target percentage of jobs filled by residents x percentage without level 2 skills x training fees. A proportion of the total contributions will be used to support the coordination roles provided by the City Council.</p>	

Appendix C

S106 Agreement - Employment and Skills Plan (ESP) Standard Wording

Definitions

Employment and Skills Plan:

A plan setting out how the Owner and to the extent they are not the same person any developer or occupier and their contractors will work with local employment and training agencies which shall specify the provision for employment and training opportunities (including but not limited to local employment, apprenticeships and work placements) and other initiatives in respect of the vocational and employability skills required by the owner or developer, their contractors and future occupiers, for any new jobs and business opportunities created by the Development.

Employment and Skills Contribution:

The sum of £_____ towards the delivery of agreed actions by the Council identified within the Employment & Skills Plan.

Detail (Schedule)

1. Prior to submission of the Employment and Skills Plan the owner or developer shall attend a meeting with the Council to specify the provision for employment and training opportunities and other initiatives for the Development.
2. Prior to Implementation of the Development to submit to the Council for approval the Employment and Skills Plan and not to implement the development or permit implementation of the development until a Plan has been approved by the Council.
3. Following approval of the Employment and Skills Plan by the Council the owner or developer will implement and where necessary procure implementation and promote the objectives of the approved plan and ensure that so far as is reasonably practicable the targets are met.
4. Not to Commence the Development unless the Employment and Skills Contribution has been paid to the Council.

Appendix D

Contribution Schedule.

SCC Combined (construction & end use) Employment and Skills Plan Contributions									
Build Cost	Units housing	Residential led	Regen of Council estates	Commercial Floor area (m2)	Retail & leisure	Factories & Warehouse	Education	Offices	Other
£1k-100k	1	£0.00	£0.00	1-79	£0.00	£0.00	£0.00	£0.00	£0.00
£100k-500k	2-4	£0.00	£0.00	80-399	£0.00	£0.00	£0.00	£0.00	£0.00
£500k-1m	5 - 9	£0.00	£0.00	400-799	£0.00	£0.00	£0.00	£0.00	£0.00
£1-3.5m	10 - 29	£8,030	£9,313	800-2799	£9,175	£7,284	£9,384	£7,973	£8,337
£3.5-6m	30 - 50	£12,174	£14,537	2800-4799	£13,253	£11,063	£14,317	£11,433	£11,704
£6-10m	51 - 100	£16,268	£20,876	4800-7999	£18,836	£13,447	£18,423	£13,742	£15,291
£10-15m	101 - 190	£20,498	£26,512	8000-11999	£23,947	£15,986	£23,498	£17,477	£20,164
£15-20m	191 - 250	£23,689	£31,521	12000-15899	£28,067	£18,068	£27,347	£19,699	£22,876
£20-30m	251 - 380	£26,797	£38,516	15900-23799	£34,948	£21,687	£32,145	£24,076	£28,128
£30-40m	381 - 500	£30,519	£45,122	23800-31799	£42,575	£26,242	£38,051	£27,928	£32,649
£40-50m	501 - 640	£33,616	£51,876	31800-39699	£48,355	£29,195	£42,817	£29,015	£36,764
£50-60m	641 - 770	£36,133	£55,073	39700-47599	£54,955	£32,701	£47,764	£32,083	£41,435
£60-70m	771 - 900	£38,889	£59,907	47600-55599	£57,902	£35,004	£50,633	£34,346	£43,307
£70-80m	901 - 1030	£41,229	£65,895	55600-63499	£60,868	£36,992	£52,532	£38,074	£46,401
£80-90m	1031 - 1160	£43,873	£71,159	63500-71499	£64,575	£38,568	£55,617	£40,685	£48,423
£90-100m	1161 - 1280	£46,057	£74,555	71500-79400	£68,335	£41,383	£58,432	£43,420	£51,308
£100m+	By negotiation, with reference to the methodology embedded in the S106 ESP Contributions document.								