

**Report of the Director of City Development and the Director of Resources**

**Report to Scrutiny Board (Sustainable Economy and Culture)**

**Date: 21 February 2013**

**Subject: Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. This report provides an update on actions taken to respond to the recommendations of the Board's inquiry into Maximising Powers to Promote, Influence and Create Local Employment and skills opportunities
2. The Scrutiny Board inquiry provided an opportunity to strengthen and build on existing approaches to secure employment, skills and supply chain opportunities through the procurement and planning functions of the Council. Systems have been reviewed and revised and information and guidance has been widely disseminated to support a consistent approach and to maximise impact.
3. There is greater awareness of the opportunity to deliver employment and training activity through the Council's Planning and Procurement functions and improved working across services to support this. Over 500 people have been supported to access jobs and apprenticeships to date. At this stage outputs reported are relatively modest due to the lengthy lead time on activity delivered through this process. This number is expected to grow as the increasing number of contracts and developments in the pipeline commence.

**Recommendations**

Members of the Scrutiny Board are asked to note the progress made to implement the recommendations of the inquiry into Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities.

Members are asked to agree that a further report providing detailed information be prepared following the annual review of implementation in the summer.

## **1 Purpose of this report**

- 1.1 This report provides an update on the action taken to implement the recommendations made by the Scrutiny Board's inquiry into Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities
- 1.2 The report provides information an update on the monitoring and review framework that underpins the implementation and delivery of the employment and skills obligations through the procurement and planning functions of the Council.

## **2 Background information**

- 2.1 The Scrutiny Board established an inquiry into how the Council uses its procurement and planning functions as an enabler of locally driven, sustainable economic growth that benefits both local people and businesses. The inquiry Recommendations were approved 28 June 2012.
- 2.2 Progress on implementing the individual recommendations is detailed in the tracking template attached at appendix 1

## **3 Key Issues**

- 3.1 Following the Scrutiny Board Inquiry into employment and skills obligations, the work to implement changes to target particular developments and contracts; revise processes to support closer working; and put in place effective monitoring systems has largely been completed.
- 3.2 Guidance documents for officers, developers and contractors have been produced. The guidance is available to planning applicants and those tendering for Council Contracts setting out the Council's aims and objectives and how to comply with the policy and process along with examples of good practice. The guidance also includes information on the support available through the Employment and Skills service to co-ordinate local skills and employability support to individuals and align this activity to meet employers needs.
- 3.3 Systems have been developed to monitor the implementation of the Employment and Skills Plans agreed with developers and contractors and capture the outcomes. This will enable regular updates to be provided to the relevant Executive Members, Scrutiny Board and Chief Officers. The opportunity exists to review progress and the approach to ensure that it continues to contribute to the achievement of policy objectives through Scrutiny Board and key stakeholder fora.
- 3.4 Action taken to implement the recommendations has supported closer working between services and it can be demonstrated that employment and skills obligations are being requested through planning and procurement processes. This has provided the opportunity for an earlier dialogue with developers and those engaged to date have indicated the support from the service has been beneficial and provided access to a range of additional resources within the city they were previously not aware of.
- 3.5 To date employment and skills obligations have been included in 15 S106 Planning Agreements against which 6 Employment and Skills plans have been developed detailing the delivery of local people into jobs, apprenticeships and supply chain opportunities. Where construction has commenced 300 jobs and 32

apprenticeships have been generated to date. Further work is required to detail the likely job outputs on the remaining sites as the Employment and Skills Plans are developed by the developer and the service. 5 contracts let by the Council have included obligations to date and have so far generated 110 jobs and 91 apprenticeships. A further 4 contract specifications have included employment and skills obligations and are currently being tendered.

- 3.6 However, the inclusion of these obligations is the first step in a process that can play out over a considerable period of time. The lead in time from the grant of planning consent to development starting on site can be up to 3 years and can be delayed further in the current economic climate, a matter outside of the control of the Council. The process of developing a tender specification, seeking and evaluating tenders on high value contracts will usually take more than 6 months. At this stage outputs reported are relatively modest due to the lengthy lead time on activity delivered through this process. Over 500 people have been supported to access jobs and apprenticeships to date and this number is expected to grow as the increasing number of contracts and developments in the pipeline commence.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Leeds Planning and Developers Forum were consulted and the Council's network of contractors were surveyed and interviewed on the development of the proposed policy framework through the inquiry process. It is also proposed that these stakeholders are provided with information and engaged in the review process on annual basis.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality Impact Assessment screening was undertaken in 2012 to inform the revisions to the Council's procurement policy. Low skill levels and unemployment disproportionately impact on inner city neighbourhoods. Opportunity to access targeted support to enable individuals seeking skills training and paid work will reduce the benefit claim period, help local people develop the skills to secure, stay and progress in work and improve their lives. Employment and skills obligations will include minimum levels to be achieved and be targeted to specific communities and claimant groups as well as cohorts of young people engaged in employability and skills programmes.

### **4.3 Council policies and City Priorities**

- 4.3.1 The existing activity and proposed approach will contribute to the achievement of targets in both the Sustainable Economy and Culture Partnership and the Children and Young People's City Priority Plans. The proposed activity will contribute to increasing the skill levels of local people required by businesses in the City and by increasing the number of people in employment, apprenticeships and learning.

### **4.4 Resources and value for money**

- 4.4.1 The policy framework and toolkit were developed within the Council's existing resources. Support offered to developers and contractors to implement their obligations will include access to a range of existing publicly funded programmes.

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Activity to secure employment and skills obligations must comply with the Public Contract Regulations 2006 and not contravene the legislative framework and guidance issued by the Secretary of State on the use of Planning Obligations. This report has no legal implications.

## **4.6 Risk Management**

- 4.6.1 The impact of introducing employment and skills obligations on developers will need to be considered over the short, medium and long term and in the context of prevailing economic conditions; the strength of targeted sectors within the economy; and the need to balance any gains with the need to encourage continued investment in Leeds. These issues will be fully considered through the annual review process.

## **5 Conclusions**

- 5.1 There has been an increased number of opportunities to apply employment and skills obligations to contracts and planning agreements and work will continue to more effectively target the approach to those developments with significant employment generating potential during construction and in end uses. This will be achieved through close working between services and early engagement with developers. However, given the lengthy lead time on activity delivered through this process, there are a limited number of outcomes to report at this time. It is proposed that a fuller report be prepared for Scrutiny Board following a review of implementation in the summer.

## **6.0 Recommendations**

- 6.1 Members of Scrutiny Board are asked to note the progress made to implement the recommendations of the inquiry into Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities.

## **7.0 Background documents**

- 7.1 There are no background documents.