

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

Report to Scrutiny Board (Sustainable Economy and Culture)

Date: 16 July 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 a further update on actions and activities 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 an increased awareness of these levers available to deliver employment and training and improved working across services to support implementation. To date over 1,000 people have been supported into jobs and a further 129 young people supported into apprenticeships. Outputs have increased since the previous report to the board in February 2013 but they are still relatively modest due to the lengthy lead time on activity delivered through this process. Numbers are expected to grow as the increasing number of contracts and developments in the pipeline commence.

Recommendations

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.

- note that a further report will be provided to the February 2014 meeting of Scrutiny Board providing detailed information on the outcomes achieved following the review to take place in November 2013.

1.0 Purpose of this report.

- 1.1 This report provides a further update on the actions taken to implement the recommendations arising from the Scrutiny Board's inquiry into Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities
- 1.2 The report provides information and 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.

2.0 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 recommendations has been reported periodically to Scrutiny Board with the last report submitted to the Board's meeting on 5 February 2013. Actions taken against the remaining recommendations are detailed in the tracking pro forma attached at Appendix 1.

3 Key Issues

- 3.1 Following the Scrutiny Board Inquiry into employment and skills obligations, the work has been completed to implement changes to target particular developments and contracts; revise processes to support closer working; and establish effective monitoring systems.
- 3.2 Guidance documents for officers, developers and contractors were produced. The guidance is made 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 procedures 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 aligned to the employer's needs.
- 3.3 The systems developed to monitor the implementation of the Employment and Skills Plans agreed with developers and contractors and capture the outputs are in place. These are used to provide updates to the relevant Executive Members, Scrutiny Board and Chief Officers.
- 3.4 The action taken to implement the recommendations continues to support closer working between services and this has been demonstrated through the increasing employment and skills obligations that are being requested through planning and procurement processes. Developers engaged to date have indicated the support from the service has been particularly beneficial and provided access to a range of additional resources within the city they were previously not aware of.

- 3.5 The recommendations included provision for an annual review to detail the progress made and the opportunity to review the approach to ensure that it continues to contribute to the achievement of policy objectives. The inquiry recommendations in respect of S106 Planning Agreements were about strengthening the existing approach and were implemented with immediate effect. However, the approach to contracts required an explicit policy decision which was agreed by Executive Board in November 2012 so that activity commenced at a later date. For this reason it is proposed to undertake the annual review in November 2013 to enable impact to be measured and considered over a full 12 month period. The findings of the review will be reported to Scrutiny Board meeting in February 2014.

4.0 Employment and Skills Outputs Delivered

4.1 Planning

- 4.1.1 In the period January 2011 to June 2013, there were a total of 160 planning consents with a S106 requirement. Of these 40 (25%) included Employment and Skills obligations. 25 applications met the threshold that triggers the inclusion of employment and skills obligations. The developments will provide a range of constructed related job roles and generate jobs with end users in the retail, hospitality, customer service and security sector.
- 4.1.2 Employment and Skills Plans detailing the obligations and how these are to be delivered has been put in place for 8 developments to date. Each plan contains targets for the delivery of local people into jobs, apprenticeships and supply chain opportunities. These have primarily been within the construction sector to date, with some opportunities with end users in the retail sector.
- 4.1.3 Where construction has commenced, 895 people have been supported into jobs and a further 38 young people into apprenticeships 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.

4.2 Procurement

- 4.2.1 32 contract specifications met the threshold value of £100k and have been subject to an option appraisal to determine whether it is appropriate to include employment and skills obligations. 18 were considered not to be suitable contracts for the inclusion of employment and skills obligations. 9 contracts were considered unsuitable on grounds of value for money; 8 due to the nature of the contract being procured; 1 contract tendered did not proceed due to the quality of the submissions received. The remaining 7 contracts are currently at various stages of the procurement process. The focus of the contracts is in construction and provision to support young people.
- 4.2.2 7 contracts let by the Council have included employment and skills obligations and have so far generated 245 jobs and a further 93 young people into apprenticeships. Of the 7 contracts 5 have been delivered and these were construction / refurbishment and horticulture related .
- 4.3 It should be noted that 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 remain modest due to the lengthy lead time on activity delivered through this process but are increasing .In total, over 1,000 jobs and 129 apprenticeships have been created or safeguarded to date and this number is expected to grow as the increasing number of contracts and developments in the pipeline commence.

5 Corporate Considerations

5.1 Consultation and Engagement

5.1.1 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 proposed that these stakeholders are provided with information on and engaged in the annual review process. Dates for the consultation are being planned during November 2013.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 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 contribute to reducing 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 include minimum levels to be achieved and are targeted to specific communities and claimant groups as well as cohorts of young people engaged in employability and skills programmes.

5.3 Council policies and City Priorities

5.3.1 This activity contributes to the achievement of objectives and targets in the Best Council Plan, in particular promoting sustainable and inclusive economic growth and building a child friendly city. The activity contributes 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.

5.4 Resources and value for money

5.4.1 Implementation of this approach is being undertaken within existing resources. Support offered to developers and contractors to implement their obligations includes access to a range of existing publicly funded programmes.

5.5 Legal Implications, Access to Information and Call In

5.5.1 Activity to secure employment and skills obligations complies with the Public Contract Regulations 2006 and does 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.

5.6 Risk Management

5.6.1 The impact of introducing employment and skills obligations on developers will need to be kept under review and 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.

6.0 Conclusions

6.1 There has been an increased number of opportunities to apply employment and skills obligations to contracts and planning agreements and work will continue to apply the approach to those developments with significant employment generating potential during construction and in end uses. This will be achieved through joint working between services and early engagement with developers.

6.2 The lengthy lead time on activity delivered through this process, will mean outcomes may not always change significantly between reporting periods.

6.3 It is proposed that a detailed report be prepared for Scrutiny Board following a review of implementation in November. This will report impact and review the effectiveness of processes and procedures and enable key stakeholders to contribute their views and cases studies of the beneficiaries.

7.0 Recommendations

7.1 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.
- note that a further report will be provided to the February 2014 meeting of Scrutiny Board providing detailed information on the outcomes achieved following the annual review to take place in November 2013.