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19 March 2012

S U M M O N S

MEETING: Economic Development Board
DATE: 27 March 2012
TIME: 6.00pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Lisa Young

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Carter CR) (ex officio)
Chairman of the Policy and Organisation Board
(Councillor Hook) (ex-officio)
Councillor Lane (Chairman)
Councillor Langdon (Vice Chairman)

Councillor Allen	Councillor Mrs Hook
Councillor Ms Ballard	Councillor Kimber
Councillor Chegwyn	Councillor Ronayne
Councillor Edgar	Councillor Mrs Searle

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE FORMAT

1. APOLOGIES FOR NON-ATTENDANCE

2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3. MINUTES MEETING OF THE BOARD HELD ON 22 FEBRUARY 2012

4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Friday, 23 March 2012. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Friday, 23 March 2012).

6. SECURING TRAINING AND LOCAL EMPLOYMENT THROUGH PLANNING OBLIGATIONS -RESULTS OF CONSULTATION

To approve a policy guidance note to secure training and local employment through planning obligations following a period of consultation on a draft policy guidance note.

Part II

Contact Officer:
Chris Payne
Ext. 5216/ Lynda
Dine Ext 5231

7. ANY OTHER ITEMS

-which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.

AGENDA ITEM NO. 6

Board/Committee:	Economic Development Board
Date of Meeting:	27 th March 2012
Title:	Securing training and local employment through planning obligations -results of consultation
Author:	Borough Solicitor
Status:	FOR DECISION

Purpose

To approve a policy guidance note to secure training and local employment through planning obligations following a period of consultation on a draft policy guidance note.

Recommendation

That the Council approves the Policy Guidance Note to secure training and local employment through planning obligations set out in Appendix B.

1 Background

- 1.1 The Economic Development Board at its meeting on 26th January 2012 agreed to consult on a draft policy guidance note with a view to securing local employment and training through the use of planning obligations. This note linked to the implementation of policy R/DP3 in the Gosport Borough Local Plan Review.

2 Report

- 2.1 Consultation took place on the draft Policy Guidance Note between 27th January 2012 and 24th February 2012. A total of 165 organisations were consulted on the policy guidance note and given the opportunity to respond, including through completion of a questionnaire. Both the note and questionnaire were placed on the GBC website.
- 2.2 An analysis of the responses to the consultation is contained in Appendix A. The appendix gives details of the range of organisations consulted and a summary of views of those who responded to the questionnaire. Where particular comments have been made by respondents an officer comment has been added to address the respondent's comment. In total 20 responses were received and 17 of the respondents supported the introduction of the policy guidance.
- 2.3 Given that the vast majority of respondents supported the draft policy guidance note it is not proposed to make any substantial changes to

the document. However, some respondents expressed concerns about viability whilst others were concerned about the per capita contribution to be sought. Given these concerns the effectiveness of the policy guidance note will be monitored and if necessary the policy guidance note will be reviewed. It is proposed to amend the policy guidance note accordingly to allow for the review if required.

- 2.4 It is considered that the policy guidance note as amended and set out in Appendix B should be approved to support policy R/DP3 in the Gosport Local Plan Review 2006.
- 2.5 If Members approve this policy guidance note it is appropriate for the methodology to be applied to all new applications and pre-application enquiries with effect from 1st April 2012.

3 Risk Assessment

- 3.1 If the Council does not secure local training and employment in connection with appropriate development proposals it would be a lost opportunity to enhance local employment prospects. There is a risk that developers will see this initiative as an additional burden on development, which may deter investment. However, when assessing the risk to the proposed development, consideration will be given to the other development constraints and obligations that may be associated with the proposed scheme on a site by site basis.

4 Conclusion

- 4.1 The policy guidance note on 'Securing Employment and Training Measures through planning obligations secured by Section 106 Agreements' provides a mechanism to ensure that developments complement and benefit the local labour market and economy, by supporting job creation, raising skills and enabling local people to compete for the jobs generated.

Financial Services comments:	None for the purposes of this report
Legal Services comments:	None for the purposes of this report
Service Improvement Plan implications:	This policy aspects guidance note will in due course be incorporated in the proposed Local Plan 2029
Corporate Plan:	This initiative would be in line with the strategic priority of maximising employment opportunities.
Risk Assessment:	See section 3 above
Background papers:	Report to Economic Development Board 26 th January 2012
Appendices/Enclosures:	
Appendix 'A'	Summary and Analysis of Consultation Responses

Appendix 'B'	Policy guidance note on 'Securing Employment and Training Measures through planning obligations'
Report author/ Lead Officer:	Chris Payne/Lynda Dine

APPENDIX A

Policy Guidance Note: Securing Employment and Training Measures Through Planning Obligations

SUMMARY AND ANALYSIS OF CONSULTATION RESPONSES

APPENDIX A

Introduction

Gosport Borough Council conducted consultation on the draft policy guidance, '*Employment and Training Measures secured by Section 106 Agreements*' between 27th January and 24th February 2012. The Borough Council received representations from 20 organisations.

This document sets out the following:

- details of the consultation exercise;
- a summary of comments received;
- consideration of each comment together with any proposed changes to the policy statement.

Consultation methodology

Following a report that went to the Gosport Borough Council's Economic Development Board on the 26th January 2012, it was agreed that the Borough Council would consult on policy guidance to implement training and employment plans for developments requiring planning permission over a specified threshold.

The consultation sought views on

- the overall approach contained within the policy,
- the type of activity that would be contained within a plan,
- the thresholds at which a plan would become a requirement
- the in-kind or actual contributions the Council would expect developers to make.

The consultation was conducted between the 27th January and the 24th February 2012.

A total of 165 organisations were consulted with, representing a range and balance of stakeholder interests, and broken down as follows:

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- 15 advisory organisations. This included sector specialists such as the British Marine Federation, community and voluntary sector representatives, Jobcentre Plus, Homes and Communities Agency, Partnership for Urban South Hampshire, Marine South East and the Chamber of Commerce.
- 50 businesses
- 19 Commercial Agents
- 8 Consultants
- 18 Developers
- 21 Education and training providers, including local schools and colleges, the Skills Funding Agency and Portsmouth & South East Hampshire Education Business Partnership
- 3 local Housing Associations
- 9 housing developers
- 22 planning consultants

It should be noted that some of the larger organisations consulted have multi-faceted functions and it was difficult to group solely as developers, consultants or commercial agents as they provide all these services. The relatively high number of planning consultants in the distribution reflects previous requests to be informed of all planning policy consultations issued by the Council.

The organisations were individually contacted by letter, explaining the purpose behind the consultation and providing links to the relevant board papers. Respondents were asked to complete an enclosed questionnaire and return it in a free post envelope. Electronic copies of the consultation were also made available via the Gosport Borough Council website and the Council's go-Gosport business website. A reminder e-mail was sent out mid-way through the consultation. Throughout the consultation period, an officer was on hand to answer specific queries.

As result of the consultation 20 responses were received.

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Summary and consideration of representations

Response No.	Summary of Key Points	GBC Officer Comment/Action
Q1. The Council wishes to work with developers to agree an employment and training plan as part of the overall development. Do you agree this is a good idea in principle?		
	20 responses. 17 were in favour of agreeing an employment and training plan.	
15	One respondent a local business was worried that the cost of training would be passed down to local employers as a result.	This is not the intention of the policy. Developers are able to recoup cost of training from other sources
16	No - not convinced that this will address the issues such as poor road communications, which perhaps are greater barriers to new employers/ developers	This policy approach sits beside other policies to address traffic congestion
20	No- timing is wrong. Developers are detached from your goals, you need to talk to appointed contractors	The implementation of the policy would better facilitate the dialogue to take place with appointed contractors.
Q2. In developing its approach the Council has applied key thresholds above which we would seek to negotiate an employment and training plan. These are set out below. Do you think these are set at appropriate levels?		
	20 responses. 13 were in agreement, 1 did not understand question, and 3 were not in position to comment. 1 unable to provide a specific comment. 1 against & 1 thought the thresholds unlikely to be met	
20	It is unlikely that these thresholds applied to commercial projects will be met for sometime	It is proposed that the effectiveness of this policy guidance note will be monitored and if necessary reviewed.
8	One commented that greater justification required e.g. why is residential development not set at 50 units which is classified as 'major development'	Housing developments of 40 dwellings is likely to generate the need for 50 jobs by increasing the working age population by 50. The fifty employee threshold has been used as this is considered to be a reasonable scale of employment generation to warrant securing training measures. It also accords with the European Commission's definition of a medium sized business in terms of employment.
12 & 14	Two commented that other factors such as site development constraints and other obligations, such as addressing land contamination and off site infrastructure needed to be taken into account	Consideration will be given as part of the negotiation phase together with other relevant planning matters.

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Response No.	Summary of Key Points	GBC Officer Comment/Action
7	Yes. Would developments generating less than 50 jobs also be considered?	The fifty employee threshold has been used as this is considered to be a reasonable scale of employment generation to warrant securing training measures. It also accords with the European Commission's definition of a medium sized business in terms of employment. It is considered that this is an appropriate threshold but it is proposed that the effectiveness of this policy guidance note will be monitored and if necessary reviewed.
15	One was not in agreement. Felt it would push up the price of industrial land.	This policy guidance note allows for a wide range of predominantly in kind measures to be incorporated in a training plan. Financial contributions will only be sought where this is the developer's preference or in kind contributions are not appropriate. These measures are not intended to adversely effect investment in the Borough.
Q3.The guidance provides an indicative list of the types of measures we would seek to secure. They are listed below. Do you think these are appropriate measures?		
	20 responses. 17 in agreement, 2 against, 1 not in a position to comment.	
15	Not in agreement. "Most of this would be carried out by end user companies not developers therefore it seems misguided. Construction skills only apply during the short term front end while 'developers' are involved and are not relevant to the long-term picture. Apprenticeships are only applicable for established companies and many do not provide development of the right skills and knowledge. The scheme required is to bring school leavers up to reasonable levels of literacy, numeracy and general knowledge."	The measures included in the consultation document are examples and are not intended to limit or preclude new measures. The aim is to provide a comprehensive package of measures that support workforce development, to attract and benefit both developers and end users
17	No – Surely several of these are already in place, If you are looking to boost employment you should be looking to additional services, as existing clearly isn't enough	The idea is to increase the up take of existing measures, adding to, or extending, these as appropriate.
Q4. Evidence suggests¹ that an equivalent value of £50 per capita increase in the local workforce appears to be a reasonable basis on which to secure a package of training measures. Do you agree with this assumption as a starting point for negotiating an employment and training plan?		

¹ Warwick Institute for Employment Research The Net Benefit to Employer Investment in Apprenticeship Training 2008

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Response No.	Summary of Key Points	GBC Officer Comment/Action
	20 responses. 9 in agreement. 2 commented that the levy seemed low. 2 did not understand the question. 4 not in a position to comment, 1 not in agreement. 2 no comment	
9	Difficult for a lay person to argue against statistical analysis. An alternative question - "Should GBC strive to achieve a training outcome or objective from the training available or should they train people for the jobs that may occur."	The intention is to ensure that the training provision meets identified workforce needs.
2	Yes. £50 seems low for new development, but may be too high for a company looking to develop its workforce.	The policy guidance note is directed at developers not at established companies. It is proposed that the effectiveness of this policy guidance note will be monitored and if necessary reviewed.
13	Yes. Given Gosport's traffic and employment problems, £50 looks a bit low.	It is proposed that the effectiveness of this policy guidance note will be monitored and if necessary reviewed
15	Not in agreement. Bearing in mind that real advanced manufacturing companies will be investing a great deal more than this in cross-training and 'up-skilling' their workforce then it represents an additional upfront loading which will be inflated by developers with no benefit to the end user company	The negotiation process allows other planned investments in the workforce to be taken into account.
Q5. A training and employment plan may not always be appropriate. In such circumstances the Council will seek to negotiate a financial sum in lieu, specifically for employment and training in Gosport. Do you agree this is a reasonable alternative to the 'in-kind' measures?		
	20 responses. 14 were in agreement overall. 2 no comments. 4 against	
12	An option to pay may not provide the benefits to the local community May be selling yourself short.	It is proposed that the effectiveness of this policy will be monitored and if necessary reviewed.
15	Not in agreement. Overall this causes considerable concern, as it will drive up overhead costs for companies engaged in manufacturing. Gosport should seek to drive down operating overhead costs, allowing them to invest in training. At present there is too much spin in the whole process and money can be redirected into effective training that solely benefits so called training organisations. Then the cost will be passed on in inflated form by the 'developers' and the end result will be employers paying more than twice to achieve a real result.	The aim is to work with developers and not impose barriers to development. Consideration will be given to the impact on viability as part of the negotiation phase. It is proposed that the effectiveness of this policy will be monitored and if necessary reviewed.

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Response No.	Summary of Key Points	GBC Officer Comment/Action
6	No. Training and employment is either viable or not. Extracting yet more money from already stretched projects jeopardises development activity to the detriment of all.	The aim is to work with developers and not impose barriers to development. Consideration will be given to the impact on viability as part of the negotiation phase. It is proposed that the effectiveness of this policy will be monitored and if necessary reviewed
9	Yes. Only if it is specific and detailed with a measured meaningful outcome. It should not pay for one or two day 'nice to do' courses.	It is the intention that the policy will address identified workforce development needs.
8	Yes. Provided there is evidence to support financial sum in lieu. How will this work when CIL comes into force?	.Section106 agreements will still apply for employment and training after the CIL is introduced.
3	Fine, but firms will always take a cheaper development option. A financial sum could deter.	The aim is to work with developers and not impose barriers to development. Consideration will be given to the impact on viability as part of the negotiation phase. It is proposed that the effectiveness of this policy will be monitored and if necessary reviewed.
17	I think it is a fine line between encouraging employment and discouraging development. In these difficult times it might make all the difference between Gosport and an alternative location	The aim is to work with developers and not impose barriers to development. Consideration will be given to the impact on viability as part of the negotiation phase. It is proposed that the effectiveness of this policy will be monitored and if necessary reviewed
20	No hurdles should not be put in the way of new projects at this stage in the economic cycle	The aim is to work with developers and not impose barriers to development. Consideration will be given to the impact on viability as part of the negotiation phase. It is proposed that the effectiveness of this policy will be monitored and if necessary reviewed.

Gosport Borough Council

Policy Guidance Note

Securing employment & training measures through planning obligations

April 2012

*Delivering
for Gosport*



Policy Guidance Note

Securing Employment and Training Measures through planning obligations by using Section 106 Agreements - April 2012

Introduction

Following a period of consultation Gosport Borough Council on 27th March 2012 at a meeting of its Economic Development Board agreed to publish a guidance note on its intention to secure employment and training measures through planning obligations by using section 106 agreements associated with major development proposals. This guidance note provides a framework as to how these employment and training measures will be secured.

This Guidance note is linked to requirements of Policy R/DP3 in the Gosport Borough Local Plan Review 2006. Policy R/DP3 specifically relates to the provision of infrastructure, services and facilities¹.

Background

The Partnership for South Hampshire (PUSH) Joint Committee in January 2011 approved the adoption of the *PUSH Policy Framework: The Use of Developer Contributions to Provide Workforce Training*². The same Committee also agreed to the preparation of a Good Practice Guide. The Good Practice Guide 'Securing Training and Local Employment through Section 106 Agreements' was launched in December 2011 and can be found on the PUSH website³.

The PUSH policy framework makes the case and justification for seeking developer contributions for training and employment in relation to the PUSH economy. Since the mid 1980s, South Hampshire's economic growth has been consistently below that achieved by the South East Region as a whole. The framework identifies a number of factors that demonstrate the need to improve training and skills in the sub-region. A set of key local indicators are set out below to emphasise the need to improve employment and training opportunities locally including:

- The job density in Gosport is 0.46⁴ which is one of the lowest in the country. This compares with a South East average of 0.8 and a UK average of 0.78.
- The proportion of the working age population that is economically inactive in Gosport is 21.9% which is higher than the Hampshire (18.9%) and South East (20.7%) averages.⁵

¹ www.gosport.gov.uk/localplanreview

² www.push.gov.uk/pic-110111-r05-gtu-kra-.pdf

³ www.push.gov.uk/rp-17-0411_push_magazine_print_lo-res.pdf

⁴ total jobs to working age population

⁵ ONS Annual Population Survey Apr 10-Mar 11 cited by Nomis Official Labour Market Statistics

- There is a higher proportion of working age claimants including those on job seekers allowance in Gosport (10.3%) than the regional average (8.5%)⁶.
- There is also a higher proportion of unemployment among young people with 8.0% of 18-24 year olds in Gosport unemployed compared with a regional average of 5.4%.⁷
- There are 8.6 Job Seekers Allowance claimants per unfilled job centre vacancy in Gosport compared with 4.6 nationally and 2.5 in Hampshire.⁸
- There are lower skills levels in South Hampshire and Gosport. Only 16.8% of the population in Gosport have achieved at NVQ level 4⁹ and above compared to 33.9% in the South East and 31.3% nationally. Levels are also lower at NVQ level 2¹⁰ and above with 60.2% achieving this level in Gosport compared with 70.8% regional and 67% nationally.¹¹
- Levels of enterprise is lower with fewer new firms being formed in South Hampshire (36 per 10,000 population in South Hampshire compared to the region's total of 48.6 per 10,000)¹²
- Business density is lower in Gosport with 18.9 businesses per 1,000 head of adult population compared with 38.1 in Hampshire and 38.5 in the South East.¹³
- The area has lower labour productivity which is evidenced in lower earnings. Gross weekly earnings in Gosport for residents are £455.2 (2011) which is lower than the South East (£554.4) and national (£503.1) averages.¹⁴

Use of Planning Obligations and Section 106 Agreements

Section 106 agreements can be used to secure planning obligations related to new developments including improving training and skills. However the Government has set tests when a Section 106 agreement can be used. These are:

- Is the obligation necessary to make the development acceptable in planning terms?
- Is the obligation directly related to the development?
- Is the obligation fairly and reasonably related in scale and kind to the development?

PUSH and Gosport Borough Council consider that in light of points made above there is a clear case to use Section 106 agreements to secure contributions to ensure that developments complement and benefit the local

⁶ DWP benefit claimants-working age client group cited by Nomis (2011)- (Oct 2011)

⁷ Claimant count=age and duration with proportions (Oct 2011) cited by Nomis Official labour Market Statistics

⁸ Jobcentre Plus vacancies-summary analysis

⁹ HND, Degree and Higher Degree level qualifications or equivalent

¹⁰ 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent

¹¹ ONS annual population survey cited by Nomis (Dec 2011)

¹² Cited in PUSH Policy Framework: The use of Developer Contributions to provide workforce training

¹³ DTI Small Business Survey cited by nomisweb.co.uk ONS mid-year estimates (2008)

¹⁴ ONS annual survey of hours and earnings - resident analysis (Nomis 2011)

labour market and economy, by supporting employment growth, raising skills and enabling local people to compete for the jobs generated. Specific measures could include training (pre employment and vocational), apprenticeships, employment advice, interview guarantees, work placements, transport arrangements and child care. Developers will need to discuss particular measures with the Council and in some instances a financial contribution may be taken in lieu of providing specific measures. The effectiveness of this policy guidance note will be subject to monitoring and where appropriate it will be reviewed.

Development Thresholds

This guidance note will only apply to proposals for development above key thresholds (all figures gross). These are set out below:

- retail, leisure and office development of 1,000 square metres or greater;
- industrial development of 2,000 square metres or greater;
- warehouse development of 4,000 square metres or greater;
- any other development likely to generate 50 full time equivalent jobs or more; and
- residential development greater than 40 units.

These threshold figures have been based on the approximate level of floorspace required to generate a minimum of 50 jobs derived from the Housing and Communities Agency's Employment Densities Guide (2010) and rounded to the nearest '000 for commercial development to establish a workable threshold.

The fifty employee threshold has been used as this is considered to be a reasonable scale of employment generation to warrant securing training measures. It also accords with the European Commission's definition of a medium sized business in terms of employment.

The threshold for residential development is based on the number of dwellings which would result in 50 economically active people¹⁵.

Local Employment and Training Measures to be secured

Where proposed development reaches the thresholds set out, the Borough Council will negotiate and seek contributions for the following types of activity. This list is indicative of the types of interventions anticipated and is not exhaustive. Where appropriate the Council would work to develop an employment and skills plan in partnership with the developer which would seek to maximise benefit to both the developer and the local economy. Where this is not appropriate, financial contributions in lieu will be considered. The Borough Council will have regard to other site constraints and obligations as part of the negotiations.

¹⁵ based on Hampshire County Council's long term projection of 1.22 economically active persons per household.

The mechanism for securing an employment and skills plan or financial contribution is set out below. It is intended that developer contributions (in-kind or actual) will form part of a tailored package including resources levered in from local colleges, training providers and jobcentre plus to deliver the employment and skills plan. Where financial contributions are agreed the funds will be retained specifically for employment and skills development.

Indicative 'in-kind' measures include:

- Work placement (16-19 yrs)
- Work placement (14-16 yrs)
- Curriculum Support Activities
- Career advice
- Pre-employment training
- Work trials and Interview guarantees
- Apprenticeships
- Vocational training (NVQs)
- Jobs advertised through local job centres
- Leadership and management training
- Supervisor training
- Health and safety
- Construction skills certificate scheme
- Support with transport, childcare and work-equipment
- Training infrastructure and equipment

These activities aim to contribute to one or more of the following priorities for Gosport:

- Increased local employment and economic activity rates of residents, especially in areas of deprivation.
- Increasing the employability of local residents, including removing barriers that prevent participation.
- Maximise the number of new jobs created in the local economy being taken up by local residents.
- Increased job density.
- Improving skills levels in both the local labour market and local workforce, with a view to increasing the productivity and competitiveness of the local economy and reducing skill gaps.
- A focus on growth sectors specifically, marine, aerospace, advanced manufacturing, environmental technologies, tourism and leisure, and health and care.

Mechanism for securing Local Employment and Training Measures

At the pre-planning application stage prospective developers whose proposed development would exceed the thresholds set out above are encouraged to contact the Council to discuss potential local employment and training measures that are appropriate to the size of the proposal. In the first instance the developer should contact planning services. It is then likely that planning services will refer the potential applicant to the Head of Economic Prosperity who will be able discuss in more detail the type of measures that are

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appropriate. If the planning application is approved the applicant will be required to enter into a section 106 Agreement with the Council to secure the contribution.