

Kirklees Local Plan Examination

Stage 3 – Matter 17 – Employment Policies

Response to the Inspectors request for the Council to clarify when policy PLP 9 (Supporting Skilled and Flexible Communities and Workforce) would be applied, the need for the inclusion of threshold criteria and clarification of viability implications.

15 May 2018

1. Introduction

- 1.1 During the Stage 3 Matter 17 (employment policies) examination hearings the Council were requested to clarify when policy PLP9 (Supporting skilled and flexible communities and workforce) would be applied and whether there was a need to include thresholds to the policy criteria. The Council were also asked to clarify the viability work undertaken on the policy and what the likely cost implications would be on implementing schemes.
- 1.2 This note sets out the Council's response to the above issues.

2 Context

- 2.1 Maximising powers to promote, influence and create local employment and skills opportunities through planning policy assists in strengthening the approach to securing employment, skills and supply chain opportunities for local people and businesses. Policy PLP9 will applied to developments of sufficient scale to secure delivery of these objectives.

2.2 How and when will policy PLP9 be applied

- 2.3 The objective of this note is to provide clarity to developers, development management officers (DMOs), economic regeneration officers (EDOs) and stakeholders regarding the basis on which PLP9 will apply. It details the obligations required from developments and sets out the basis on which the level of obligation would be applied.

3. Thresholds

- 3.1 Where apprenticeship schemes (including taking on the locally unemployed) are being sought DMOs and EDOS would apply policy PLP9 on major applications of 3,500 square metres and above and/or developments of 60 dwellings or more. Applying these thresholds is justified on the basis sites of this scale and above are likely to support an apprenticeship scheme of 2 years and beyond. The evidence underpinning these thresholds has been derived from the monitoring data for business and industry and the Housing Technical Paper (SD23) for housing thresholds.
- 3.2 With regards to the business and industrial threshold, this has been based on completions data taken from the Council's monitoring of planning permissions for business and industry. This data took account of all business and industrial completions since 1 April 2008 and where the development duration was for 2 years or more. The figure of 3,500 sqm is the average floorspace figure for these developments. Table 1 in Appendix A of this note presents the full data set used to calculate the 3,500 sqm average.

- 3.3 With regards to the housing thresholds, these have been informed by document SD23 and in particular the evidence presented within this in relation to build out rates (paragraph 5.23 and Table 10) and lead in times (paragraph 5.20 and Table 9). This concludes that housing developments taking 2 years or more would be for developments of at least 60 dwellings. This is based on delivering 30 dwellings per annum on single developer sites.
- 3.4 It is considered developments of a scale falling below these thresholds would achieve full build out within a 2 year period and cannot therefore deliver an apprenticeship scheme for a sufficient duration. In such instances alternative training programmes would be explored with applicants to support and improve work experience opportunities and upskilling of the workforce.
- 3.5 The Council would explore alternative training programmes with applicants to assist in the up-skilling of their existing workforce – through training days – and participation in initiatives such as work experience with local schools, colleges and universities. This would be negotiated on a case by case basis to determine feasibility and to tailor the most appropriate scheme to the applicant.
- 3.6 Where schemes are proven not to be feasible – or in instances where developers already have established training/apprenticeship programmes – then the Council would not pursue the implementation of obligations under policy PLP9.

4. Background

- 4.1 Securing employment, training and enterprise opportunities for Kirklees residents and businesses from planning and capital spend is central to tackling inclusive growth and the objectives of the Kirklees Economic Strategy.
- 4.2 Through the planning system it will be possible to require that developers and contractors provide new entrant jobs, including apprenticeships and work experience placements and initiatives for local residents, particularly those in the most deprived areas of Kirklees.

5. Proposed process

- 5.1 The Council would apply policy PLP9 to provide clear and transparent guidelines and process by which opportunities could be secured.
- 5.2 The following approach is proposed

Pre-application

- Developers engaged in pre-application discussions would be reminded of PLP9 and signposted to EDOs to receive relevant pre-application support for meeting the requirements of PLP9
- EDOs would provide information relating to the obligations and signpost developers to local, regional and national support to fulfil any obligations they plan to commit to
- An exemplar PLP9 Employment and Training template would be shared with the developer for their use if they wished

Application

- At application, DMOs would identify major applications of 3,500 square metres and above and developments of at least 45 dwellings on sites of less than 200 dwellings or at least 75 dwellings on sites of 200 or more dwellings and provide this information to EDOs
- DMOs would advise the developer of the requirements in planning policy PLP9 and advise that an EDO will be in touch.
- The EDO would contact the developer and provide details on the PLP9 areas and signpost these businesses to local, regional or national partners for more in depth support to meet the obligations they wish to commit to

- EDOs would ask the developers to prepare a training and employment plan (T&E) which would detail the obligations they wish to commit to
- The T&E plan would include steps being taken to meet commitments in the following areas;
 - Participation in initiatives and work experience with local schools, colleges and universities
 - Up-skilling their existing workforce
 - Taking on apprentices
 - Taking on the locally unemployed

Monitoring

- The policy will be monitored to determine its impact and the number of apprenticeship scheme/training programmes secured through policy PLP9

6. Viability and Anticipated Implications for developers

- 6.1 As part of the plan preparation a viability study of the Local Plan and Community Infrastructure Levy was undertaken and published in October 2015. This study is available in the Local Plan examination library under section 8 – Community Levy Viability Study and is submitted as document ‘CIL1 – Kirklees Local Plan and Community Infrastructure Levy Viability Study 2015’. This study included a need to prepare evidence of the impact on development viability of the Kirklees Local Plan policies over a 15 year period and included an assessment of policy ‘PLP9 – Supporting skilled and flexible communities and workforce’. At the time of assessment the policy was referenced as DLP10 in the Draft Local Plan. The study concluded there was potential for the policy to have an impact upon viability (CIL1, Table 2.1, page 8).
- 6.2 Although policy DLP10 (now PLP9) had initially been screened as having a potential impact upon viability, further analysis was undertaken and concluded that no specific cost could be ascribed. This was determined on the basis the policy is worded in a way which provides no clear or definitive cost impact. There is no prescription as to the measures that are required – the examples cited within the policy are only examples and caveated as such and the policy aspiration could be met simply by recruitment of local labour as part of construction contracts or in-house training with no material cost impact. Because of this flexibility in the policy the viability appraisal (CIL1) considered it would be overstating the impact of the policy to add a specific cost and instead allow for it through the overall budget for abnormals and S106.
- 6.3 In circumstances where Council aspirations for training and employment contributions exceed the levels allowed for in the viability appraisals, the ‘wherever possible’ reference at the beginning of the second paragraph of PLP9 provides a caveat that will ensure the obligation is not allowed to undermine the delivery of development.
- 6.4 Although the conclusion above demonstrates there is no clear or definitive cost impact, the Council has also undertaken analysis of training schemes to provide an indicative figure of the costings for training.
- 6.5 Best practice used to inform the Council's proposals shows that costs, as a proportion of construction value, can be relatively low. The main cost is that associated with the management and delivery of the T&E. On larger schemes, developers may recruit a dedicated project officer role but on smaller scheme this is more generally undertaken by a part-time project officer.
- 6.6 Other costs such as wages of staff and apprentices and cost of training need to be considered. Wage costs can often be significantly off-set against the productivity of the staff member and grants, which may be drawn down by the company employing them.

6.7 Using average staff, workforce development and apprenticeship costings the following financial implications are anticipated and would be shared with the developer at pre-app or application stage. These are calculated as follows;

Obligations	Estimated staff costs to implement	Estimated Training costs (depending on level and type of apprenticeship)
Participation in initiatives and work experience with local schools, colleges and universities	Activity pre-planning ½ day Activity delivery ½ day Activity post-planning ½ day	N/A
Up-skilling existing workforce	HR/Manager planning ½ day Staff time attending training - variable	£100 - £12k
Taking on apprentices		
Higher level apprenticeship	£18k increasing to £29k over 4 years	£5 to 12k
Lower level apprenticeship e.g. admin	£9k increasing to £11k over 3 years	
Taking on the locally unemployed	£9k increasing to 11k over 3 years	£5k to 12k

7 Conclusion

- 7.1 Following the evidence presented in this note it has been established there is a need to put in place thresholds in relation to applications that would trigger the need to consider their potential to accommodate training programmes and/or apprenticeship schemes. In view of this the Council has put forward a proposed modification to policy PP9 – supporting skilled and flexible communities and workforce to take account of this requirement (see Appendix B).
- 7.2 Furthermore the addition of the policy modification will also result in the need to include a new monitoring indicator to track the effectiveness of the policy. This has also been appended (see Appendix C).

8. Reference Documents

- 8.1 The following reference documents have been used to inform our work to date.
- BIS Research Paper No 67: Employer Investment in Apprenticeships and Workplace Learning
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32306/12-814-employer-investment-in-apprenticeships-fifth-net-benefits-study.pdf
 - HCA Guidance and Toolkit for Developers and Contractors
<https://udc.homesandcommunities.co.uk/sites/default/files/our-work/developer-contractor-guidance.pdf>

- West Yorkshire Combined Authority / Joseph Rowntree Foundation Good Growth through Procurement How to Guide. Electronic version on request

Appendix A: Completion data for planning permissions granted for business and industry whose construction duration took 2 years or more

Application No.	Development Time	B1a (m2)	B1b (m2)	B1c (m2)	B2 (m2)	B8 (m2)	Total Floorspace (m2)
2006/94390	3 years	0	0	0	762	0	762
2000/91496	3 years	0	0	0	1544	0	1544
2004/91488	3 years	279	0	0	0	2787	3066
2008/93946	3 years	0	0	0	0	1710	1710
2005/91521	2 years	1300	0	0	774	1548	3622
2015/90725	2 years	55	0	1450	0	0	1505
2005/91986	2 years	0	0	0	123	712	835
2009/91179	2 years	0	0	220	0	220	440
2011/90489	2 years	0	0	0	6629	0	6629
2007/94965	2 years	0	0	0	2741	0	2741
2012/91325	6 years	0	0	6509	6509	0	13018
2006/92263	2 years	843	0	0	210	586	1639
2004/90074	3 years	718	0	0	2568	0	3286
2007/94669	3 years	1229	0	0	0	19987	21216
2007/90017	2 years	1770	0	0	6818	1637	10225
2003/91477	2 years	0	0	0	460	0	460
2003/92379	3 years	400	0	0	0	0	400
2012/90437	2 years	184	0	0	823	823	1830
2009/92176	2 years	395	0	0	2053	0	2448
2015/92014	2 years	1613	0	0	1944	1944	5501

2014/91190	8 years	372	0	0	2061	0	2433
2007/93061	2 years	464	0	0	5577	0	6041
2008/91120	3 years	0	0	0	1541	0	1541
2013/92872	2 years	353	0	0	1623	1623	3599
2014/93973	2 years	0	0	0	471	0	471
2008/90254	2 years	0	0	698	0	0	698
2006/90451	2 years	350	0	0	252	98	700
2009/93495	2 years	296	401	0	0	0	697
2008/91680	2 years	0	4432	0	0	0	4432
2007/92844	2 years	324	0	0	0	164	488
2010/91275	4 years	6350	0	0	0	0	6350
2007/93658	4 years	3670	0	0	0	0	3670
2007/93353	2 years	0	0	0	0	2701	2701
2014/90885	2 years	0	0	507	2279	2279	5065
		20965	4833	9384	47762	38819	121763

Source: Kirklees Employment Land Supply Review

Appendix B: proposed modification to policy PLP9 – Supporting skilled and flexible communities and workforce

Policy PLP 9

Supporting skilled and flexible communities and workforce

The council will work with partners to accelerate economic growth through the development of skilled and flexible communities and workforce in order to underpin future economic growth to deliver the Kirklees Economic Strategy.

Normally developers will be required to provide an apprenticeship scheme subject to the below thresholds unless they can demonstrate it is not viable. ~~Proposals~~ Proposals for new development will be required to contribute to the creation of local employment opportunities with the aim of increasing wage levels and to support growth in the overall proportion of local residents in education or training. Applicants should reach an agreement with the council about measures to achieve this, which could include: provision of specific training and apprenticeships that are related to the proposed development or support other agreed priorities for improving skills and education in Kirklees or the creation of conditions to support a higher performing workforce, increasing productivity and the in work progression of employees.

The Council will therefore seek to secure an agreed training or apprenticeship programme with applicants where development meet the following thresholds:

- 3,500 sqm of business or industrial floorspace; or
- Housing developments which would deliver 60 dwellings or more

In instances where the development does not trigger one of the above thresholds then wherever feasible the Council will seek to secure alternative education or training programmes with the applicant.

To contribute to skills development, the council will support development which relates to the operational needs of and/or expansion of all of the districts higher, further and specialist education establishments including the University of Huddersfield and Kirklees College.

Ancillary and related uses will also be supported providing it can be demonstrated that such uses are:

- a. genuinely linked to the education establishment and its operations;
- b. in locations where they are compatible with the surrounding land uses;
- c. in accessible locations which minimise the need to travel;
- d. where it does not conflict with the plan's town centre policies or other relevant policies.

Where appropriate any new or proposed extensions to existing campuses should be guided by a comprehensive, up to date strategy and masterplan.

Appendix C: proposed modification to PLP9 monitoring indicators

ID	Policy	Delivery agencies	Indicator name	Target/Trend
<u>PLP9b</u>	<u>Supporting skilled and flexible communities and workforce</u>	<u>Council, developers, education establishments</u>	<u>Number of apprenticeship schemes or training programmes secured where development meet threshold requirements</u>	<u>Positive trend</u>