

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 27<sup>th</sup> 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 facilities<sup>1</sup>.

### 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*<sup>2</sup>. 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 website<sup>3</sup>.

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 0.46<sup>4</sup> 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.<sup>5</sup>

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1 [www.gosport.gov.uk/localplanreview](http://www.gosport.gov.uk/localplanreview)

2 [www.push.gov.uk/pic-110111-r05-gtu-kra-.pdf](http://www.push.gov.uk/pic-110111-r05-gtu-kra-.pdf)

3 [www.push.gov.uk/rp-17-0411\\_push\\_magazine\\_print\\_lo-res.pdf](http://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%)<sup>6</sup>.
- 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%.<sup>7</sup>
- 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.<sup>8</sup>
- There are lower skills levels in South Hampshire and Gosport. Only 16.8% of the population in Gosport have achieved at NVQ level 4<sup>9</sup> and above compared to 33.9% in the South East and 31.3% nationally. Levels are also lower at NVQ level 2<sup>10</sup> and above with 60.2% achieving this level in Gosport compared with 70.8% regional and 67% nationally.<sup>11</sup>
- 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)<sup>12</sup>
- 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.<sup>13</sup>
- 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.<sup>14</sup>

### **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

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

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

<sup>8</sup> Jobcentre Plus vacancies-summary analysis

<sup>9</sup> HND, Degree and Higher Degree level qualifications or equivalent

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

<sup>11</sup> ONS annual population survey cited by Nomis (Dec 2011)

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

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

<sup>14</sup> 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 people<sup>15</sup>.

### **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.

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<sup>15</sup> 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

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.