

Report to: Cabinet

Date: 9 July 2020

Title: Newhaven Local Employment and Training Technical Guidance Note

Report of: Ian Fitzpatrick, Director of Regeneration and Planning

Cabinet members: Cllr Emily O'Brien – Cabinet Member for Planning
Cllr James MacCleary – Cabinet Member for Regeneration and Prosperity

Ward(s): All Newhaven Wards

Purpose of report: Adoption of the pilot Newhaven Local Employment and Training Technical Guidance Note (TGN), following endorsement by the Planning Applications Committee on 10 June 2020.

Officer recommendation(s):

1. To adopt the Newhaven Local Employment and Training TGN, subject to Recommendation 2 (below), as set out in Appendix 1.
2. To note the comments made by the Planning Applications Committee on 10 June 2020 as set out in Paragraph 4.2 and note that the pilot TGN will be closely monitored by Officers.
3. To delegate authority to the Head of Regeneration, in consultation with the Lead Cabinet Member for Planning and Director of Regeneration and Planning to make any minor or technical adjustments found necessary in the Newhaven Local Employment and Training TGN.

Reasons for recommendations: Newhaven is a focus for regeneration and is home to an Enterprise Zone. There is a high level of development planned. Equally, Newhaven has lower skills on average amongst its working age population compared to surrounding areas.

The level of development planned is likely to generate employment in the construction and operational phases of development. This is an opportunity to recruit local people and offer training and development, particularly for those who are seeking employment or a career change. Pre-employment programmes provide dedicated training and a guaranteed interview to those who are often furthest from the job market. The adoption of the pilot TGN will enable local employment and training policy to be tested to establish if it is beneficial for Newhaven residents.

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1 Introduction

- 1.1 Every development creates jobs, whether solely through the construction phase or additionally through the end use. The Council working in partnership with developers and, where relevant, end users will help to link physical regeneration to employment opportunities for local people and promote procurement opportunities for local businesses. This will be achieved through planning obligations secured by Section 106 Agreements, Unilateral Undertakings or planning conditions. Such activity has been successfully implemented by Eastbourne Borough Council since 2013.
- 1.2 Newhaven has the highest rate of Job Seekers/Universal Credit claimants within the Lewes District and deprivation reporting for the education, training and skills domain. This highlights areas of Newhaven that fall within the most deprived 10% nationally.
- 1.3 A Technical Guidance Note is advisory and provides further detail to policy. The Newhaven Local Employment and Training TGN adds detail to the Lewes District Local Plan Part 1, Joint Core Strategy 2010 – 2030, May 2016. It formalises the Council's approach by:
- Establishing a framework as to how local labour agreements will be secured
 - Indicating the financial contribution in advance and outlining the delivery process
 - Providing site specific obligations
 - Providing a mechanism to ensure essential early discussions occur as may otherwise be too late to implement
 - Highlighting the range of free labour market support available to help the developer, construction supply chain and operator with their recruitment and training needs, all of which adds value to the local economy.
- 1.4 The TGN is a pilot seeking to improve employment and training in Newhaven. Newhaven has been identified for this pilot based on the employment potential offered through development and post the Covid-19 pandemic it will be a mechanism to ensure employment and training measures remain a priority. The following findings also support the need for a TGN in Newhaven:
- As at March 2020¹ Newhaven had the highest proportion (4.9%) of Jobseeker Allowance/Universal Credit claimants in the Lewes District as a % of working age population. It is acknowledged that the impact of the Covid-19 pandemic will have led to a further increase in claimant numbers since this time.

¹ East Sussex in Figures - Claimant Count including JSA and Universal Credit, 2018-2020 - towns

Figure 1: JSA / UC Claimant Count by Town - March 2020

Town	Claimant Count (%)
Newhaven	4.9
Peacehaven	3.0
Lewes	2.3
East Saltdean & Telscombe	2.2
Seaford	1.9
LDC Overall	2.4
<i>NB. % of Working Age Population (16-64 years)</i>	

- The Index of Multiple Deprivation (IMD)² 2019 has seven domains namely: income, employment, health and disability, education, training and skills, barriers to housing and services, living environment and crime. People may be counted in one or more of the domains. In Newhaven four areas fall within the top 20%³ of most deprived nationally. In two areas reporting for the education, training and skills domain⁴ falls with the most deprived 10% nationally.

- 1.5 Nationally, the Covid-19 lockdown has caused a sharp rise in unemployment claimants, has had serious implications on the nation's health and a significant impact on business and the economy. Financial business support packages have been put in place and the County Council in conjunction with Districts, Boroughs and partners have established an economic recovery plan. Locally, the TGN will assist in the recovery by capitalising on employment and training initiatives associated with new developments.
- 1.6 Reporting on apprenticeship starts for all sectors for quarters 1 – 2 ending January 2020 for Lewes Parliamentary Constituency⁵ returns 220 starts. Full year reporting for 2018/19 returned 420 starts. Apprentice starts reporting in Lewes District Authority⁶ for the construction, planning and the built environment to quarter 2 ending January 2020 returns 20 starts. The introduction of the Apprenticeship Levy and changes in funding arrangements for SMEs has impacted apprenticeship starts with the National Audit Office's Apprenticeship Starts report dated 6 March 2019 reporting an overall 26% fall for seven sectors since the introduction of the levy in 2017. It is anticipated that the Covid-19 pandemic is likely to have a negative impact on apprenticeship starts and completions within the District.

The implementation of the TGN will assist in encouraging apprenticeships in the construction sector.

2 East Sussex in Figures, ID 2019, IMD – Super Output Area

3 The IMD provides an overall score of multiple deprivation based on a weighted combination of the seven domains. IMD scores are recorded by Super Output Areas (SOAs) and ranked across England from 1 (most deprived) to 34,844 (least deprived). Two SOAs in Newhaven Valley ward score 5223 and 6735 and two SOAs in Newhaven Denton and Meeching ward score 7680 and 8166

4 East Sussex in Figures, ID 2019, Education, Skills and Training Domain, Super Output Area

5 Apprenticeship Starts since May 2010 and May 2015 by Region, local authority and parliamentary constituency as of Q2 2019/20 (web link as footnote 6)

6 Apprenticeship and Traineeship statistical data sourced from Gov.uk website:

<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships#apprenticeship-and-traineeships-current-data>

2 Proposal

- 2.1 Lewes District Council is proposing a Newhaven Local Employment and Training Technical Guidance Note (TGN) to assist in securing local labour agreements as part of development proposals. The level of development planned in Newhaven in the forthcoming years will create a significant number of jobs and this TGN will play an important role in helping to secure local employment at both construction and operational stages of these developments.
- 2.2 The TGN is directly linked to the requirements in the Lewes District Local Plan Part 1, Joint Core Strategy 2010 – 2030.
- 2.3 Where proposed developments reach the thresholds, the Council will seek a local labour agreement which will include:
- Employment and training measures
 - An Employment and Training Plan (ETP) that sets out how relevant employment and training measures will be delivered
 - A financial contribution
- 2.4 It is important to note that LDC will not be employing staff recruited during the implementation of a S106 for a development. Officers will encourage developers and end operators to commit to paying the Real Living Wage; however Members should note that this is not legally enforceable via the TGN/S106 mechanisms.

3 Outcome expected and performance management

- 3.1 To ensure deliverability, the Newhaven TGN will only apply to larger commercial and residential developments. Prescribed thresholds have been set for commercial developments of 1,000 sq m. or more that create 25 jobs or more and those deemed of strategic importance, and residential development that involve ten or more units. At this scale of development, the opportunities for local employment will be significantly greater. The thresholds identified will be kept under review, to allow for future amendments as deemed appropriate.
- 3.2 The TGN sets out the types of measures and activities that the developer and operator could deliver and will be agreed appropriate to the nature and scale of each development.
- 3.3 As a minimum, the Council will expect the following types of obligations:
- Employment and use of Small and Medium Sized Enterprises (SMEs) in East Sussex during the construction phase – at least 25%
 - Agree an ETP to deliver a recruitment and training campaign linked directly to the construction and operational jobs targeted at those unemployed or seeking a career change
 - Provide apprenticeships and work experience placements for the unemployed and those in education
 - Provide NVQ (or equivalent job related tickets) training for subcontractors associated with the construction of the development only
 - Contractor and sub-contractors to be given clear written details of the labour

- market obligations that need to be honoured
- A financial contribution.

Members should note that each development will have obligations defined in the S106 agreement. These will vary from site to site dependent on the scale of development, as well as perceived deliverability.

3.4 It is envisaged that the implementation of the Newhaven Local Employment and Training TGN pilot will assist in maximising employment opportunities, work placements, education, training and career initiatives from new developments. Officers will consider a range of methods to effectively monitor outcomes, shape programmes and interventions to ensure maximum benefit for local people.

4 Consultation

4.1 The Council's approach has been informed by:

- Desktop research undertaken on other local authority approaches
- Feedback from Skills East Sussex Construction Task Group
- Extensive use of local labour agreements in Eastbourne Borough Council (since April 2013)
- Targeted consultation: Newhaven EZ Employment and Skills Task Group, Newhaven Town Council and social housing provider / developer.

4.2 Officers presented the proposed TGN to the Council's Planning Applications Committee on 10 June 2020. Committee Members unanimously endorsed the proposals, raising a number of comments which are shown in the Committee Minutes in Appendix 2.

4.3 The comments made by Committee Members recognise that the proposed TGN is an exciting and positive opportunity for Newhaven. It is recommended that Cabinet notes the comments made by PAC Members and note that the pilot TGN will be closely monitored. Progress reports will be provided to both PAC and Cabinet on a regular basis to allow Members to consider any adjustments that may need to be made.

5 Corporate plan and council policies

5.1 The Council's Corporate Plan 2020 – 2024 seeks to *'increase local employment opportunities by directly promoting recruitment from lower income areas'*. The pilot TGN will work with contractors and operators to offer development specific employability courses offering a guaranteed interview for those who successfully complete the training. The TGN will generate new employment opportunities, which is in line with the Council's core priority to build community wealth.

5.2 The Council's Sustainability Policy 2018 encourages sustainable economic growth achieved by working with private and public partners on key strategic sites and working with the East Sussex College Group to address skills gaps and employability issues. The TGN seeks the use of local businesses and suppliers within East Sussex and collaboration with local education and training providers. Local employment and partnership working reduces travel and encourages the use

of public transport. It is therefore considered that the proposed TGN fits strongly with the Council's Sustainability Policy.

- 5.3 The Lewes District Local Plan Part 1, Joint Core Strategy 2010 – 2030 has been subject to wide consultation with stakeholders and the local community throughout its preparation. The Technical Guidance Note does not provide new policy, but will help to deliver one of the Council's key strategic objectives – *to stimulate and maintain a buoyant and balanced local economy through regeneration of the coastal towns.*
- 5.4 The Newhaven Enterprise Zone is a key local regeneration vehicle and is led by the South East LEP in partnership with the Council. The EZ's Strategic Framework, 2018 was developed in conjunction with local partners. It has three priorities, one being inclusive growth focussing on skills, further and higher education and business productivity. The adoption and implementation of the Local Employment and Training TGN pilot will assist in the achievement of the actions associated with the inclusive growth priority, particularly those focussing on skills, further and higher education and business productivity. As noted in paragraph 4.1, the Enterprise Zone's Employment and Skills Task Group has been engaged in the drafting of this TGN.

6 Business case and alternative option(s) considered

- 6.1 Officers have considered a range of options for implementing a local labour TGN, These include:
- A TGN covering the whole of Lewes district (ie. outside SDNPA)
 - A TGN covering coastal areas (ie. Seaford, Peacehaven and Newhaven).
- 6.2 Although the coastal part of the district typically has more substantial pockets of deprivation than some of the district's more inland areas, Newhaven was identified as having the greatest opportunity and likely impact due to the high number of JSA and UC claimants. As noted in this report, Newhaven also has higher levels of deprivation and lower levels of education, training and skills. The scale of development planned for Newhaven within the Local Plan offers an opportunity to encourage apprenticeships and maximise deliverable outputs from the TGN.
- 6.3 Members should note that the Newhaven Local Employment and Training TGN is a pilot scheme, which will be monitored and reviewed prior to considering any wider adoption in the District.

7 Financial appraisal

- 7.1 There are no immediate direct revenue consequences arising to the Council as a direct result of this report. The cost of the consultation and publication of the Newhaven Local Employment and Training Technical Guidance Note and any other costs associated with the report's recommendations are to be contained within existing department revenue budgets.

8 Legal implications

- 8.1 The Planning Applications Committee has the power to make recommendations to Cabinet on all matters of policy arising from the exercise of its powers and duties. On 10th June 2020 it resolved to endorse the TGN, as set out in Appendix 1 subject to the comments shown in Appendix 2 and recommended its adoption by Cabinet. LDC-8517-HM 19 June 2020

9 Risk management implications

- 9.1

Risk	Likelihood	Impact	Mitigation
Developer refuses to comply with Local Employment and Training TGN	Low	High	TGN is pilot that will be reviewed on a regular basis to address such issues arising
Delay in planning process	Medium	High	To ensure compliance with planning process, employment and training initiatives may be addressed via a planning condition
Additional burden stymies development	Low	High	Discussions with Policy colleagues highlight lower CIL charges in coastal areas of the district
Minority groups are not able to access opportunities	Low	High	Officers work with all local stakeholders and groups to maximise awareness of opportunities
Reduced development post Covid-19	High	High	Council support and co-ordination with contracting, employment and training initiatives

10 Equality analysis

- 10.1 An Equality Screening has been completed. The proposed Local Employment and Training TGN for Lewes District builds on a successful model operational in Eastbourne since 2013. Following consultation with Newhaven partners the obligations for extra curricula, careers activities and working with local unemployed people via various programmes has been enhanced to strengthen the commitment to those who are disadvantaged and/or who have additional needs or support.

11 Environmental sustainability implications

11.1 As demonstrated in paragraph 5.1, the adoption of the Local Employment and Training TGN encourages sustainable economic growth and offers benefits in accordance with the principles of the Sustainability Policy 2018.

12 Appendices

- 12.1
- Appendix 1: Newhaven Local Employment and Training Technical Guidance Note
 - Appendix 2: Minute extract from Planning Applications Committee, 10 June 2020

13 Background papers

13.1 The background papers used in compiling this report were as follows:

- Lewes District Local Plan Part 1, Joint Core Strategy 2010 – 2030, May 2016
- Re-imagining Lewes District - Corporate Plan 2020 – 2024
- Equality and Fairness Screening