

Planning Obligations Code of Practice

1. Employment and Training (Adopted 2006)

1. INTRODUCTION

1.1 The health of the economy is important to the standard and quality of life for people. There are two main elements to the economic prosperity of the Borough. First, is the local environment that businesses and enterprises operate in i.e. locations, transport links, land and premises, and support mechanisms. The second element of the economy is about job creation and the ability of local residents to compete for employment opportunities within and outside the borough. This Code of Practice has been prepared in the light Paragraphs B31 and B32 of Circular 5/05 - Planning Obligations so as to increase public confidence in the planning obligations system and assist developers by improving speed, predictability, transparency and accountability. It sets out the Council's approach to securing employment and training within the borough for its future economic prosperity.

1.2 The following three main issues are addressed:

- Contributions to be made to offset the adverse impacts arising from loss of employment generating uses.
- Construction training for local inhabitants in proportion to the scale of the development activity within the borough.
- Opportunities for local businesses to compete for work which is related to the development.

1.3 Guidance is provided in respect of the following:

- Background to employment in the borough.
- Planning policy and guidance.
- Development creating loss of employment.
- When a development should provide construction training.
- Employment and Training requirements for developers.
- Training Initiatives Contributions.
- Development creating opportunity for local businesses.
- The s106 Agreement.
- Implementation.

2. BACKGROUND TO EMPLOYMENT IN THE BOROUGH

- 2.1 In Haringey there is an increasing pressure for changes of use from employment to non-employment generating uses, some of which is on employment land. National and regional policy prescribes to the notion of assessing whether employment-generating sites might be better used solely for housing or mixed use developments.
- 2.2 The availability of local employment uses and opportunities is a high priority for Haringey. It is critical for the diversity of the economy, ensuring viable growth and development, reducing the need to travel, alongside the adverse environmental effects of commuting. Haringey's unemployment rate is the 5th highest of all London Borough's. The loss of local employment uses (particularly in the deprived areas of Haringey) can negatively impact upon local access to employment, the economic competitiveness of local areas and regeneration objectives.
- 2.3 There is an imbalance between the acquired skills of the local labour force and the job opportunities within the borough. Some of the characteristics of the local labour market include low qualifications and skill levels, low levels of numeracy and literacy, and a significant number of skilled labour travelling out of the borough for work. This combined with the increasing amount of development proposed could lead to a major skill shortage in the borough. The London Plan envisages 47,000 new homes and 26,000 additional jobs within North London. Major employment intensification sites within the borough include the areas of regeneration at Tottenham Hale and Haringey Heartlands/Wood Green. The skills of employees, job seekers and young people will need to be improved to meet the demand for skilled labour.
- 2.4 Haringey Council's Economic Regeneration Unit have produced the following documents to guide the future of employment generating uses in the borough:
- Haringey City Growth Strategy.
 - Haringey Employment Partnership Employment & Skills Strategy.
- 2.5 The City Growth Strategy is a business led strategy for economic redevelopment and regeneration, which focuses on the eastern part of Haringey. It contains strategies and actions that aim to:
- Make Haringey a more competitive location for new and existing businesses.
 - Increase income, wealth and job opportunities for Haringey residents.
 - Change perceptions and attitudes regarding opportunities in Haringey especially Tottenham.
 - Uncover and unlock economic advantages and opportunities within the deprived inner city areas.

- 2.6 The Employment and Skills Strategy's vision is the following:
- To move towards full employment by working together to develop a highly trained workforce.
 - Promoting equality of opportunity and choice.
 - To provide effective support to residents which will enable them to take advantage of employment opportunities in Central London and the sub regional economy, in order to significantly narrow the gap between employment rates in the East and West of the borough.
- 2.7 The employment contributions received through planning obligations will go towards meeting these aims and vision.

3. PLANNING POLICY AND GUIDANCE

3.1 National Government Guidance

3.2 Government advice in respect of section 106 of the Town and Country Planning Act 1990, as amended by the Planning and Compensation Act 1991, is contained in ODPM Circular 05/2005 – Planning Obligations. The purpose of planning obligations are to secure acceptable development, which would otherwise be unacceptable in planning terms. Obligations can involve cash or in-kind contributions towards a range of infrastructure and services that can include employment. The Government is seeking to improve the planning obligation system by promoting greater speed, predictability, transparency and accountability.

3.3 The London Plan

3.4 The Mayor's London Plan (2004) identifies the need to improve London's skills base, improve employment opportunities for London and remove barriers to employment.

3.5 **Policy 3A.25** states that major developments, in or with the potential to impact on, Areas of Regeneration should be subject to social and economic impact assessments. These should consider the direct and indirect effects of a development on Areas for Regeneration, and be prepared by developers. It states that local neighbourhood needs should be used as a basis for negotiating local community benefit from development, including Section 106 agreements.

3.6 **Policy 6A.4** identifies learning and skills as two key priorities for planning obligations.

3.7 Draft further Alterations to the London Plan, May 2006

3.8 The London Plan is currently being reviewed. The proposed changes are set out in the London Plan Further Alterations.

3.9 Revised **Policy 3A.15** Protection and enhancement of social infrastructure and community facilities states;-

Policies in DPDs should assess the need for social infrastructure and community facilities in their area, and ensure that they are capable of being met wherever possible. These needs include primary healthcare facilities, children’s play and recreation facilities, services for young people, older people and disabled people, as well as libraries, sports and leisure facilities, open space, schools, nurseries and other children provision, training facilities, community halls, meeting rooms, places of worship and public toilets. Adequate provision for these facilities is particularly important in major areas of new development and regeneration.

Policies should seek to ensure that appropriate facilities are provided within easy reach by walking and public transport of the population that use them. The net loss of such facilities must be resisted and increased provision be sought, both to deal with the increased population and to meet existing deficiencies.

The Mayor will and boroughs should have regard to the additional guidance in the SPG on ‘Meeting the spatial needs of London’s diverse population’.

3.10 Unitary Development Plan

3.11 Haringey’s Unitary Development Plan was adopted on 17th July, 2006 and includes the following policy;-

3.12 Policy UD8 PLANNING OBLIGATIONS

The Council, where appropriate, will enter into planning agreements under section 106 of the Town and Country Planning Act. Such agreements will be used to:

- a) offset the relevant adverse impacts that might arise as a result of the development including those on the environment, transport, local economic conditions, social, recreational, health, educational, emergency services, and community facilities that may arise from development; and**
- b) overcome problems associated with a development proposal where planning conditions would not be suitable.**

3.13 Table 1 in SPG10a – “The Negotiation, Management and Monitoring of Planning Obligations” shows the types of benefits the Council wishes to secure from different types of development, which includes employment training, and the loss of employment.

3.14 Chapter 5 of the UDP sets out the policies in respect of employment and Schedule 3 lists the Defined Employment Areas in the borough.

4. DEVELOPMENT CREATING LOSS OF EMPLOYMENT

- 4.1 For development involving the change of use from employment to non-employment uses, it may be appropriate to consider the contribution that such proposals can make towards delivering wider employment regeneration benefits. This approach is not intended to apply to changes of use that involve the loss of employees, employment floor space or land in accordance with planning policies per se, but may be applicable as part of a wider regeneration or planning strategy for a defined area. For example, it may be applicable in scenarios where onsite provision of employment activity is not viable or its loss is required as part of a planned strategy proposed in a masterplan, planning brief or/and regeneration strategy. Here contributions will be specifically targeted to support other employment generating uses and/or other employment initiatives in any defined strategy area.
- 4.2 When determining the amount of contribution appropriate for any proposal involving the loss of employment use, UDP policies and area based strategies will be taken into account. 'Employment use' could mean either land area, floor space, number of employees or a combination, depending on the site-specific issues involved.
- 4.3 This contribution is intended to deliver wider employment regeneration benefits to the local area. For example, these benefits could include actions and measures outlined in the *Haringey City Growth Strategy* (October 2003), which seeks to improve the local business environment to make Haringey a more competitive location for new and existing businesses. Other uses could include:
- Off-site provision of units for employment use.
 - Contribution towards a mixture and variety of building types.
 - Replacement of outmoded, unattractive and potentially unviable employment units with modern spatial requirements and facilities.
 - Contribution towards maintaining a diverse range of job opportunities for local residents.
 - Provision of options for relocation of smaller businesses because of more comprehensive development proposals.
 - Assistance in the creation of more mixed and sustainable developments that can be more robust, flexible and adaptable to change.
- 4.4 The following table provides indicative figures for the average number of employees that may be lost as a result of development proposals on employment land of a certain use. It may be used as a referencing tool to calculate any financial contribution.

Employment type	Average floor space per employee (m ²)
B1 Businesses	15
B2 General Industrial	30.3
B8 Storage and Distribution	34.5

Source: (London Industrial & Warehousing Land Demand, GLA, Aug 2004) & (London Office Policy Review, GLA, Aug 2004).

5. WHEN A DEVELOPMENT SHOULD PROVIDE CONSTRUCTION TRAINING.

5.1 The majority of planning applications within the London Borough of Haringey are for relatively small scale proposals, consisting of changes of use or the extension of existing buildings, including houses. It will normally not be appropriate to require construction training or local labour initiatives on these sites.

5.2 Major employment generating construction projects have the potential to provide the training and experience necessary to acquire and improve the local labour skills base, thus allowing them to attain greater job security and professional development. Training has a pivotal role in reducing unemployment and providing greater flexibility in the local economy. The training of local people provides positive feedback into the local economy by allowing businesses to have access to an appropriately skilled workforce.

5.3 Construction training and or local labour initiatives will be sought through the developer or main contractor, on developments that are likely to be of sufficient scale to make such initiatives reasonably and practically possible on-site. The following thresholds will be used to determine whether construction training and other local labour initiatives will be required in respect of new development:

- **The gross Construction Costs to be £5 m or more, and/or**
- **A gross annual turnover of £5 m or more, and**
- **A construction period of over six months.**

5.4 The following provides an indicative guide to the types of proposal that are most likely to fall within the above thresholds:

- **Housing developments consisting of over 50 units.**
- **Commercial developments over 6000sq m.**
- **Schemes of strategic importance which are of a scale and type which will require referral to the Mayor for London; and**
- **Schemes located within Opportunity Areas or Areas of Intensification as identified in the London Plan as being Tottenham Hale, and Haringey Heartlands/Wood Green respectively.**

- 5.5 In determining the construction cost and period for development, the developer will be required to provide the Council with appropriate information to make an accurate and quantitative assessment.
- 5.6 Haringey Council has formed a partnership with Construction Web to facilitate the construction training and employment programme in Haringey. Urban Futures, who are an urban regeneration agency, manage the Construction Web initiative. The Construction Web Targeted Recruitment and Training Initiative seeks to ensure that people resident in the London Borough of Haringey, and other boroughs, are trained and equipped with relevant employment skills and that a proportion of people resident in Haringey are employed in the construction process that is the subject of any relevant planning permissions. The objectives of Construction Web are to:
- Address barriers to work amongst the most disadvantaged, disaffected or excluded.
 - Develop a responsive programme that leads individuals from economic inactivity to employment.
 - Connecting non-employed people with newly created jobs in opportunity area.
 - Boost the competence of employed people to ensure job progression and to supply employers with required workplace skills.
 - Supporting the learning sector - in particular to increase relevant vocational learning, raise general levels of participation and professional development.
 - Provide links with the major contractors and local sub-contractors.
 - Provide an interface between employment and training requirements,
 - Make links with training providers and local colleges.
- 5.7 Construction Webs operational command is not confined to Haringey, but has developed links across the North London Sub-Regional area. Construction Web will seek to supply labour using local labour living in close proximity to the construction site.

6. EMPLOYMENT AND TRAINING REQUIREMENTS FOR DEVELOPERS

- 6.1 Developers will be required to agree an undertaking that when implementing the relevant development they will use their best endeavours to meet the requirements of the Construction Web Targeted Recruitment and Training Initiative and the requirements of a Work Placement Co-ordinator (WPC) as identified by the Council. This will include the following:
- I. That where reasonably possible, not less than 20 percent (20%) of onsite workforce (excluding managers and supervisors) employed during the construction of the proposed development comprise of 'local residents'. In the event that achieving 20% proves impracticable for reasons notified in

writing to and approved by the Council then another figure agreed by the relevant parties concerned (acting reasonably) may be acceptable.

Note: 'Local' is defined as employees preferably within the Haringey confines, but where not practicable, will include North London Sub-Region. This is consistent with Construction Web's approach.

- II. That where reasonably practicable not less than 10 percent (10%) of the on-site 'local' workforce (excluding managers and supervisors) employed during the construction of the proposed development comprise of trainees, but in the event that achieving 10% proves impracticable for reasons notified in writing to and approved by the Council then another figure agreed by the parties concerned acting reasonably may be acceptable. These trainees can be self employed or sourced from 'local' Small and Medium size Enterprise's.

Note: The ten percent (10%) trainees is included in the 20 percent (20%) figure of 'local employees' and not the percentage of the workforce on-site as a whole.

- 6.2 The WPC will be responsible for identifying suitable locally based employees and, or trainees and allocating the contractor with the appropriate number of candidates for this initiative. The developer will be the employer.
- 6.3 The WPC may not be able to guarantee the availability of candidates for training or employment. The contractor must allow for compensating any shortfall in this respect in order to meet the required thresholds for local residents and trainees. The compensation may take the form of a financial or physical contribution which will be negotiated with the Council.
- 6.4 The Council recognises that a degree of flexibility is required. Some developments may lend themselves to training placements on site, along with an existing pool of local residents to meet the 'local' labour requirement. For other developments, it may prove impracticable or unreasonable to meet the local labour and training initiatives. Where this is the case, the developer may be required to pay a monetary contribution to the Council. The amount negotiated will take into account both the number of trainees and local residents not employed on-site. In calculating the off-site trainee requirement contribution, the amount calculated will be the equivalent to the cost of employing a construction worker over the construction period allocated for the trainee(s) on-site. The monies requested for payment will be in proportion to the day work rates applicable for that particular year. For this purpose the Council will use www.bcis.co.uk to provide the latest edition for day work rates. This will be used as a referencing tool to make a quantitative assessment for payment towards off-site trainee placements. In calculating the monetary contribution required to meet the 'local' labour initiative, the Council will negotiate payment in respect to the scale of the development and the overall number of employees (excluding managers and supervisors) on-site.

6.5 The number of locally recruited employees and/or trainee's on-site will vary in accordance to the work programme. Over the period of the contract, employees/trainees may be expected on site in the following areas of trade:

- Bricklaying,
- Carpentry and Joinery,
- Electrics,
- Painting & Decorating,
- Plumbing,
- Window Fitting (Carpenters),
- General Operatives,
- IT.

Note: the trades listed above are indicative only and not exhaustive.

6.6 The trades employed by the developer and allocated towards the 'local' employee's and trainees must be agreed with the WPC or other relevant person/organisation identified by the Council, at a pre-contract meeting. These numbers may also vary according to the number of employees and or trainees available in the skill areas offered. Exact numbers allocated at any stage in the contract will be decided through the regular meetings between the WPC or other person/organisation identified by the Council, and the contractor.

7. TRAINING INITIATIVES CONTRIBUTION

7.1 Contributions for Work Placement Co-ordinators (WPCs)

7.2 The Council has identified that it costs approximately £35,000 to employ a WPC (Building London Creating Futures Programme). The WPC provides an important function in being able to source, provide and monitor training opportunities to the unemployed and provide appropriate skills to suitable candidates within the Borough.

7.3 The Council has adopted a standard formula which will be used as a guide to calculate the value of the contribution to support the function and role provided by the WPC. This will be applicable to those planning applications that are subject to a planning obligation in respect of the provision of local labour initiatives and, or construction training.

7.4 The Council will request developers to provide **£3,750 for every £1 million** worth of construction costs. For example, a scheme costing £5 million will generate a £18,750 contribution.

7.5 The figure of £3,750 is deemed reasonable and appropriate for the service the WPC will provide. The contribution is intended to supplement/match fund mainstream sources.

7.6 Provision of on-site training facilities

- 7.7 To maximise the employment opportunities for residents in the London Borough of Haringey and take advantage of the economies of scale associated with the construction of the largest projects; the provision of a serviced, on-site recruitment and, or training facilities may be required.

8. DEVELOPMENT CREATING OPPORTUNITIES FOR LOCAL BUSINESS

- 8.1 The Council seeks to ensure that local businesses have free and fair opportunity to compete for trading opportunities emanating from developments in the borough. This will ensure that competitive businesses are allowed to grow and take on new employees, to the benefit of the local economy.
- 8.2 Council research has indicated that certain sectors of the business community are under-represented in many supply chains, apparently because they are not part of mainstream networks and hence are not given the chance to compete for certain contracts.
- 8.3 Developers and larger contractors are encouraged to share information about their supply chain and sub-contracting opportunities with local businesses, and to give them a free and fair opportunity to compete for contracts. Construction Web, or other identified WPC's, and Haringey Council's Economic Regeneration Unit can act as an interface between developers, larger contractors and local businesses. Examples of activity that could be undertaken include '*Meet the Buyer*' events, circulation of Invitations to Tender to appropriate organisations, and brokering of introductions to relevant local networks.
- 8.4 The developer should use all reasonable endeavours to co-operate with the Council's Economic Regeneration Unit and the relevant WPC to give opportunities to local suppliers and businesses to tender for such works as may be appropriate for them to undertake.

9. THE S106 AGREEMENT

- 9.1 A planning obligation should normally include a number of elements, which may comprise any of the following;
- A monetary contribution to offset any loss of employment resulting from the development.
 - To use all best endeavours to meet the 'local' labour initiative.
 - To use all best endeavours for the provision by the developer towards construction training.
 - A monetary contribution in respect to the overall construction cost towards the cost of works provided by the WPC.

- To use all best endeavours to co-operate with the Council's Economic Development Unit and Construction Web, or other identified work placement co-ordinator, to fulfil their requirements and provide any such information as required to ensure compliance and monitoring of these requirements.
- Larger schemes should also include the provision of a serviced, on-site training facility.
- A requirement to provide accurate and concise information that the Council or WPC may require to monitor and implement the training scheme or 'local' labour initiative.
- To use all best endeavours to provide opportunities to local suppliers and businesses to tender for works as may be appropriate for them to undertake.
- To use all best endeavours to procure that the Considerate Contractors Scheme shall be complied with and to undertake the development in accordance with the said Considerate Contractors Scheme.

10. IMPLEMENTATION

- 10.1 The Council's S106 Monitoring Officer will notify the Council's Economic Regeneration Unit, relevant WPC (Construction Web) and the developer once the relevant planning permission is implemented and the obligation(s) from the S106 agreement triggered. Advice from the monitoring officer will be given on the conditions and requirements of the planning obligation. The Economic Regeneration Unit will then inform Construction Web or any other appointed WPC. However, developers are strongly advised to contact Construction Web and the Economic Regeneration Unit in advance of implementing any planning permission to ensure that sufficient time is allocated to organising and preparing for the particular requirements of the S106 Agreement. The relevant WPC/Construction Web will be responsible for liaising with the developer or main contractor to discuss and agree detailed terms including drawing together an appropriate implementation plan. The WPC/Construction Web will report to Economic Regeneration who will in-turn report to the Section 106 monitoring officer if or when evidence of monitoring and compliance with the agreement is required.
- 10.2 Whilst, the Council as Local Planning Authority is responsible for monitoring, implementing and enforcing S106 agreements, the WPC/Construction Web will be responsible for the day to day management and monitoring of the developers or main contractors obligation. Best endeavours will be used to meet the requirement of the Planning Obligation insofar as providing 'local' employment and/or training. Where the WPC/Construction Web has found that the developer or main Contractor is not able to meet their obligations, the Council will be responsible for ensuring that the planning obligation is complied with.

Contact Details

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