

Planning Obligations SPD

Appendix 1B: Local Labour, Skills, Employment and Skills Obligations

Context/background

The OPDC area represents a set of unique challenges, and opportunities:

- There are a substantial number of Super Output Areas (SOAs) classed as being within the top 10% deprived nationally and a significant number of SOAs within the top 20%. Household incomes in the area are lower by around one-quarter; long-term unemployment is more common; and levels of education tend to be below London averages.
- There are already 1,700 business in the industrial area, across a range of sectors, that employ around 43,100 people and generate £2.1 billion for the UK economy.
- As London's largest regeneration area and industrial location, growth and development over the next 30 years has the potential to generate 65,000 new jobs and £7.6 billion worth of value for the UK economy.
- Major investment in HS2 and OPDC infrastructure and development sites will also create thousands of jobs in the construction sector.

The scale of development and investment represents a once in a lifetime regeneration opportunity, with significant potential for schemes to deliver transformational benefits to the local communities in and around the OPDC area. The Employment, Training and Economic opportunities that OPDC expect to see generated from development include (but are not limited to) those listed in the Table below. The Table distinguishes between those opportunities that may be secured as non-financial and financial contributions.

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
N/A – demonstrated through planning application	Paid employment: Number of new jobs created. OPDC's Development Capacity Study includes assumed employment densities based on HCA Employment Density Guide. Job targets for Site Allocations are set out in Table 3.1 of the Local Plan.	N/A		
Both – non-financial and financial (linked to calculation)	Apprenticeships: A paid job where the employee learns and gains valuable experiences. Alongside on-	1 opportunity for an unemployed local resident per 10 C3 units/ 25 C2 units and/or 500 sqm of	This approach was selected following a review of the host borough	

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
	<p>the-job training, apprentices spend a proportion of their working hours completing classroom-based learning with a college, university or training provider which leads to a nationally recognised qualification. Should be considered where the duration of the development is sufficient to enable a full apprenticeship to be delivered, or where there is a mechanism to move apprentices to different sites.</p>	<p>non-residential floorspace, of which normally:</p> <p>At least 50% should be secured as apprentices and the remaining as work placements</p>	<p>approaches and the Construction and Industry Training Board (CITB) benchmarks.</p> <p>A floorspace based measure will mean that the employment opportunities secured are linked to the scale of the development.</p> <p>The selected approach is considered to strike the appropriate balance between apprentices and paid and unpaid work placements.</p>	
Non-financial	<p>Work experience placements:</p> <p>Can be tailored for young people or adults and be paid or unpaid. Unpaid placements should be limited to less than 1 month. Placements can be useful for short-term developments with limited scope for apprenticeships or long-term jobs. Forms of work experience placements (such as traineeships and internships) are included in this table.</p>			
Non-financial	<p>Traineeships (see work experience placements):</p> <p>Placements for young people (typically 16-24 year olds) who don't have the skills or experience to take on a job or apprenticeship. Traineeships act as a skills development programme, where you complete an unpaid work placement alongside a training course.</p>	N/A		

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
	They provide opportunities to gain the relevant skills and experience to take on an apprenticeship and prepare for work. Available from 16 years, so may not be suitable in construction where e.g., where health and safety requires workers to be 18+. Generally last around 6 months. May be useful feeder for apprenticeships on longer developments.			
Non-financial	Internships (see work experience placements): Generally, should be paid due to duration and nature of tasks involved. Can be useful feeder for lesser known roles in construction that may appeal to graduates.	N/A		
Non-financial	Use of local labour during construction: See definitions of 'local' below.	20% target	<p>The target is derived with consideration to the benchmarking of the host borough targets¹.</p> <p>Given the scale of the opportunity and deprivation in and around the OPDC area, it is considered that 20% is an appropriately ambitious but deliverable target.</p>	<p><i>Calculation guidance</i></p> <p>A - Number of construction jobs created based on the labour forecast projections supplied by applicant</p> <p><i>Multiplied by</i></p> <p>B - 20%</p>

¹ [Brent Council adopted Planning Obligations Supplementary Planning Document; Hammersmith and Fulham Employment and Skills Code](#)

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
Both – non-financial and financial (linked to calculation)	Use of local labour during end use: See definitions of 'local' below.	% target based on proportion of local people in need of employment across 3 host boroughs (average).	The percentage target will reflect and respond to local conditions, as these change over time, and is based on a public and robust data source.	<p><i>Calculation guidance</i></p> <p>A - Number of end use jobs created with reference to OPDC's Development Capacity Study that includes assumed employment densities based on HCA Employment Density Guide or the latest HCA guide if it is superseded; or specific job targets for Site Allocations set out in Table 3.1 of the Local Plan.</p> <p>Multiplied by</p> <p>B - Average % unemployment across the host boroughs. This figure should be based on the proportion of host borough residents in need of employment (unemployed +economically inactive and want to work) based on NOMIS data.</p>
Non-financial	Schools engagement: This could include talks from developers and contractors in schools, working with careers guidance staff / providers,	N/A		

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	taking part in careers events / fairs, hosting visits from schools on site/offices			
Non-financial	Careers information: Working with careers guidance providers, National Careers Service, local brokerages to provide information about roles and careers available	N/A		
Non-financial	Accredited and non accredited training: Training that may or may not result in a recognised qualification, and some may be fundable (e.g. by Adult Education Budget (AEB) and some may not. Different types serve different purposes e.g. specialist construction skills may not be fundable and may be employer-specific rather than independently accredited.	N/A		
Non-financial	Pre-employment training: Can be industry-specific, e.g. an introduction to construction, or more general, e.g. employability skills	N/A		
Non-financial	Progression opportunities: For those already employed, on the job training to allow progression to better pay and responsibility.	N/A		
Non-financial	Training and payment for construction cards: Construction cards e.g. CSCS are usually not fundable by AEB, but are essential to work and progress in construction, therefore are useful to fund with s106.	N/A		

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
Non-financial	On site skills training centres	N/A		
Non-financial	Local supply chain: Use of local suppliers during demolition and construction (including fit out) phases.	10% of contract value	<p>Within the OPDC area, London's largest industrial estate, with 1,700 businesses covering a range of sectors, is located next to the core development area in Old Oak and Park Royal.</p> <p>The area already generates £2.1 billion GVA per annum to the UK economy and growth in the area is projected to increase this to a minimum £7.6 billion. Given the scale and the diverse nature of activities within the industrial area, 10% is considered to be an appropriate benchmark and is a benchmark which has been adopted by the nearby Royal Borough of Kensington and Chelsea.</p> <p>The local supply of goods and services as part of the construction and end use of the development will support a sustainable</p>	

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
			economy and provide opportunities for additional employment for local people. The use of local businesses forms a key part of the measures required to mitigate transport and environmental impacts and help make development acceptable.	
Financial	<p>Contribution towards Local Labour, Skills, Employment and Economic opportunities: Financial contributions should be collected to fund business support, recruitment and upskilling activities delivered through the Forge @ Park Royal.</p> <p>Opportunities to support local businesses to secure contracts on site or in end use, thus boosting business and securing or creating new jobs, include:</p> <ul style="list-style-type: none"> Funding/initiatives that support opportunities for local companies to engage with developer and contractors, e.g. meet the buyer events 	<p>£3,125 - cost of job/training/support per person</p> <p>A contribution towards other opportunities/events to support the use of local suppliers will be based on scale of fees ranging from £6,400 - £12,800.</p>	<p>This figure has been arrived at by benchmarking and calculating the average cost for the host boroughs to support a local person into employment or training².</p> <p>The Forge @ Park Royal is a collaborative business support, recruitment and upskilling service, with OPDC working with the 3 host boroughs and other partners. The contributions will be directed to this service to ensure that it has the capacity to support</p>	

² [Brent Council adopted Planning Obligations Supplementary Planning Document; Hammersmith and Fulham Employment and Skills Code](#)

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
	<ul style="list-style-type: none"> Funding for business support programmes. 		developers to fulfil their obligations i.e. to support local people into jobs, apprenticeships, placements and to work with local businesses.	

The approach to working with developers should result in an agreement that has considered all of the above opportunities and the nature and scale of the development, to arrive at an appropriate mix of activities and obligations.

The definition of 'local', in the context of both local people securing opportunities, and local companies participating in the supply chain are those that are primarily based in Brent, Ealing and Hammersmith and Fulham, or otherwise agreed by OPDC.

In exceptional cases, where it is not feasible to deliver on site contributions and OPDC agrees, then a financial contribution in lieu of this may be considered.