

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. Data analysis in OPDC's Quantitative Baseline Study (2024) reveals that:

- the OPDC area has a young, diverse and growing population. Most of the population are of working age;
- a fluctuating unemployment rate- in 2021 these figures were higher compared to London and England;
- local working patterns- just over 50% of all workers in the OPDC area are from west London boroughs, including c.35% from the host boroughs (excluding any communities within the OPDC area). Around 24% of workers reside in the OPDC area;
- the OPDC area is relatively deprived, and most people experiencing this in the local area are adults. There are varying levels of educational attainment, with the largest proportion of residents having a level 4 or higher qualification (c.44%), followed by level 3 (c.20%) and then no qualifications (c.15%). There is potential to tap into the existing local talent pool and address skills gaps to reduce polarisation.
- As London's largest regeneration area and Strategic Industrial Location (SIL), 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		

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 construction: See definition of 'local' below.	<p>For construction: a minimum of 1 opportunity for an unemployed local resident per 10 C3 units/ 25 C2 units and/or 500 sqm of non-residential floorspace, of which:</p> <p>50% of the workforce opportunities should be secured as apprentices and the remaining as other pathways to employment (see OB7B).</p>	<p>The percentage target for apprenticeships and other pathways is applied to a floorspace based measure. This 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 other opportunities.</p>	<p><i>Calculation guidance</i></p> <p>A - Floorspace and/or no. of units</p> <p><i>Divided by</i></p> <p>B - 500sqm/10 C3 units/25 C2 units</p> <p><i>Multiplied by</i></p> <p>C – Support fee</p>
Both – non-financial and financial (linked to calculation)	Use of local labour during end use: See definition of 'local' below.	20%		<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><i>Multiplied by</i></p> <p>B - 20%</p> <p><i>Multiplied by</i></p>

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
				C – Support fee
Non-financial	<p>Apprenticeships: A paid job where the employee learns and gains valuable experiences. Alongside on-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>			
Non-financial	<p>Work experience placements: Can be tailored for young people or adults and be paid or unpaid. Unpaid placements should be no longer than 2 weeks. 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): 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</p>	N/A		

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
	you complete an unpaid work placement alongside a training course. 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	Schools engagement: This could include talks from developers and contractors in schools, working with careers guidance staff / providers, taking part in careers events / fairs, hosting visits from schools on site/offices	N/A		
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	N/A		

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
	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.			
Non-financial	Pre-employment training: A programme of demand-led provision to develop pathways through bespoke training and into a range of roles. 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		
Non-financial	On site skills training centres	N/A		
Non-financial	Local supply chain: Use of local suppliers during demolition, construction, fit out and operational phases.	10% of contract value	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.	

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
			<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 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.</p>	

Type of contribution	Type of opportunity	Benchmark	Justification for benchmark	Calculation example/guidance
Financial	<p>Contribution towards Local Labour, Skills, Employment and Economic opportunities: Financial contributions should be collected to fund business support, recruitment and upskilling activities.</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 • Funding for business support programmes. 	<p>£1,850 – fee to support local person into job/ training/support (per opportunity)</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 will support a local person into employment or training.</p> <p>The funding will be invested via the OPDC's Inclusive Growth programmes that involves developing and delivering initiatives focused on business support, recruitment and upskilling service, in partnership with the 3 host boroughs and other partners. The contributions will be directed to the Inclusive Growth programme to ensure that it has the capacity to support developers to fulfil their obligations i.e. to support local people into jobs, apprenticeships, placements and to work with local businesses.</p>	

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.

Please see OB7B and C for further information.