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# STRATEGIC PLANNING & ENVIRONMENT

## Overview and Scrutiny Committee

<b>Report for:</b>	Strategic Planning & Environment Overview and Scrutiny Committee
<b>Title of report:</b>	Employment and Skills Supplementary Planning Document
<b>Date:</b>	16 <sup>th</sup> March 2022
<b>Report on behalf of:</b>	Councillor Alan Anderson, Portfolio Holder for Planning and Infrastructure
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A Draft Employment and Skills Supplementary Planning Document Appendix B Draft Employment and Skills SPD Community Impact Assessment
<b>Background papers:</b>	<ol style="list-style-type: none"> <li>1. Economic Development Update Report 24 November 2021</li> <li>2. Economic Recovery Strategy Report 19 October 2021</li> <li>3. Dacorum Economic Recovery Plan (2021)</li> <li>4. Dacorum Borough Council Commissioning &amp; Procurement Strategy 2019-2024</li> </ol>
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	APD: Approved Delivery Partner SCI: Statement of Community Involvement SPD: Supplementary Planning Document

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<b>Corporate Priorities</b>	Building strong and vibrant communities Ensuring economic growth and prosperity
<b>Wards affected</b>	ALL
<b>Purpose of the report:</b>	<ol style="list-style-type: none"> <li>1. To consult the Committee on the Draft Employment and Skills Supplementary Planning Document (SPD).</li> </ol>

<b>Recommendation (s) to the decision maker (s):</b>	1. That Committee informs Cabinet of its views on the Draft Employment and Skills SPD (Appendix A).
<b>Period for post policy/project review:</b>	<b>5 years</b>

## **1 Introduction/Background:**

- 1.1 The Draft Employment and Skills SPD (Appendix A) is a new tool that will enable the Council to ring-fence specific opportunities arising from a development to benefit the Borough's residents, thereby generating additional social value.
- 1.2 Attracting social value and benefits from developments and procurements for the local community has become increasingly important within the public sector. The Public Services (Social Value) Act, which came into force in England and Wales in January 2013, requires the commissioners of public services to consider how they can secure wider social, economic and environmental benefits from their activities. Initially this focussed on social value in relation to the procurement of goods, works and services, but many local authorities are now extending their scope to include gain from planning developments.
- 1.3 The Draft SPD sits under Policy CS14 of the Dacorum Core Strategy (2013) which states "*Initiatives that help the local workforce adjust to change and develop their skills will be supported*". The Council's focus on improving local employment opportunities and skills is set out within the Dacorum Corporate Plan (2020-2025), the Dacorum Growth and Infrastructure Strategy to 2050 and the Dacorum Economic Recovery Plan.
- 1.4 This report sets out the Council's role in the social value agenda and how the SPD will help deliver economic priorities, before explaining the implementation of the SPD and the next steps to adoption.

## **2 Purpose of the Employment and Skills SPD**

- 2.1 The Dacorum Economic Recovery Plan (2021) sets out in detail the economic challenges the Borough faces and the impact these are having on the local workforce shown through educational attainment, average wages and the number of economically inactive residents, particularly amongst young people aged 18-21. This highlights that slow recovery from the pandemic and ongoing automation in workplaces may create mismatches between the skills of the workforce and those needed for new job opportunities, leading to a decline in residents' economic wellbeing.
- 2.2 The Dacorum Economic Recovery Plan aims to drive forward Dacorum's ambition as a key contributor to economic growth and wellbeing with priorities and actions to tackle economic issues and help ensure a future successful economy. The Employment and Skills SPD will be a significant tool in achieving this.
- 2.3 The SPD aims to:
- Increase employment opportunities by helping local businesses to improve, grow and take on more staff;
  - Help businesses to find suitable staff and suppliers, especially local ones;
  - Improve the skills of local people to enable them to take advantage of the resulting employment opportunities; and
  - Help businesses already located in Dacorum to grow and attract new businesses into the area.

2.4 The SPD will be used by:

- Applicants when preparing development proposals;
- Planning officers, to negotiate with applicants/agents;
- Economic development officers, when assessing local needs and the impact development could bring;
- Legal officers when preparing legal agreements (S106) that incorporate the SPD's requirements for delivering social value; and
- Elected Councillors when assessing development proposals in advance of and at planning committee.

### **Implementing the SPD**

2.5 Once adopted the SPD will become a material planning consideration when determining individual planning applications. The draft SPD includes development thresholds for when a Social Value Strategy will be required. These are set at 30 or more homes for residential development and building(s) of 1,000m<sup>2</sup> or more for non-residential. Opportunities will primarily be delivered during the construction phase. In addition, where appropriate, commercial development should also include a commitment to target local residents when recruiting for employment opportunities that will be created by the end-use occupation phase.

2.6 The Council will provide support to developers and help them access local networks, providers and schools in order to successfully implement the SPD. The Council can choose to provide this resource directly or procure an external body (an Approved Delivery Partner) to manage the process.

2.7 Development Management Officers will make applicants aware of the obligation and that a Strategy will be a requirement to secure permission for development that meets the threshold. A social value forecast will first be used to set a target for the number of social value weeks the specific development will be expected to deliver, generated by an industry approved model and regionally specific information.

2.8 A Social Value Strategy will then be prepared setting out the training and employment weeks to be delivered by the developer. Types of measures that will be encouraged through this process include:

- Targeted recruitment and training requirements, ensuring that apprenticeships and other work opportunities help to alleviate unemployment;
- Work placement opportunities designed to support education and learning;
- Targeted vacancy filling or maximising the use of employment support partners;
- Supporting the integration of the local supply chain, helping to develop a wider business base both for the delivery of services and materials;
- Provision of opportunities for social enterprises, which have explicit social, economic or environmental aims;
- Participation in the promotion of education initiatives, supporting the transition between school and work;
- Participation in forums created to promote sector development, sharing good practice to stimulate improvement;
- Participation in forums created to promote community development, maximising the benefits of a strong voluntary and community sector.

2.9 The Social Value Strategy will be included within the development's S106 agreement. Once in place, the Strategy's measures will be delivered via a Social Value Delivery Plan, which will set out specific actions such as undertaking recruitment through Jobcentre Plus and other employment agents, creating apprenticeships, providing work experience and placements for students and young people, and delivering accredited training opportunities. These activities will be regularly monitored during the construction phase. The overall impact of the SPD will also be monitored and a measure included within the Annual Monitoring Report published by the Council.

### **Next steps**

- 2.10 Subject to the views of this Committee, and subsequent approval by Cabinet, formal public consultation on the Draft Employment and Skills SPD will take place in accordance with the Council's Statement of Community Involvement (SCI).
- 2.11 Following the consultation the Council will consider the views raised and make any changes it feels are necessary to the document before bringing the final Draft back to this Committee and then on to Cabinet and Full Council for adoption.

### **3 Options and alternatives considered**

- 3.1 Continue the current situation – no additional benefit to residents secured from future housing and commercial development, some opportunities may be delivered at the discretion of the developer, however these would not be targeted, measured or recorded.
- 3.2 Require development to submit a Social Value Strategy with the developer determining the need and requirements – this would deliver some additional benefit to residents, however there would not be measures in place to ensure it was proportionate to the scale of development and tailored to meet local needs.

### **4 Consultation**

- 4.1 The following sections have been consulted on the work undertaken to date:

- Development Management
- Strategic Planning
- Economic Development
- Hemel Garden Communities
- Community Partnerships
- Housing Development
- Housing Strategy and Policy

### **5 Financial and value for money implications:**

- 5.1 Funding to prepare the Draft Employment and Skills SPD is provided from existing base budgets.
- 5.2 The SPD will enable the Council to secure employment and skills opportunities for local residents from development that meets or exceeds a set area/number of units threshold. Requiring development to invest in the current and future local workforce will have a direct impact on individuals, will improve the overall skills level of the Borough's working population enabling businesses to flourish and will in turn bring wider social and economic benefits to Dacorum.
- 5.3 The requirement for developers to prepare a Social Value Strategy will include payment of a financial contribution relating to the Council's costs in providing advice to the applicant and undertaking the delivery, monitoring and reporting of social value.

### **6 Legal Implications**

- 6.1 The Social Value Act (2012) requires public bodies to consider how the services they commission and procure might improve the economic, social and environmental wellbeing of their local community. The Council has incorporated this objective into the Commissioning and Procurement Strategy (2019-2024) that seeks to deliver additional value to the community through the Council's contracts. Nationally, the range of activities that deliver social value is now widening and a growing number of Councils are looking to capitalise on this by integrating social value into their planning process. The most practical opportunity to achieve this is for a development to produce a Social Value Strategy.

### **7 Risk implications:**

- 7.1 Given the long term changes in employment and retail expected as a result of the pandemic and future automation, it is important that the Council has planning guidance in place to enable the local workforce to adapt and develop skills that will meet future needs. The guidance will ensure that residents gain additional benefits from major development and will help support the Borough's long-term prosperity.

7.2 Without these measures, there is the risk that jobs created through the construction and operation of new buildings are taken by workers from outside the Borough, and that the skills of the local workforce become misaligned with emerging employment sectors.

## **8 Equalities, Community Impact and Human Rights:**

### **Community Impact Assessment (Appendix B)**

8.1 The types of positive outcomes to be delivered include:

- Social Value Strategies will be expected to demonstrate opportunities aimed at young people to help alleviate unemployment and build skills, such as through targeted recruitment, apprenticeships and work placement opportunities.
- Developers will be encouraged to set out how they would engage with local schools and support them to promote the skills and qualifications needed for employment amongst young people aged 11 to 16 years, and also to support the transition between school and work.
- The Social Value Strategy should consider provision of opportunities for social enterprises, which have explicit social, economic or environmental aims.
- The activities of the Social Value Strategies will improve the economic wellbeing of individual residents in the Borough who may currently be impacted through having a low income, holding lower qualifications or being economically inactive.

### **Human Rights**

8.2 There are no Human Rights Implications arising from this report.

## **9 Sustainability implications (including climate change, health and wellbeing, community safety)**

9.1 The Draft SPD will enable additional social benefits to be secured from planned growth through the delivery of skills, training and employment outcomes targeted at local residents, education providers and businesses. Given the likely level of growth expected over the new plan period and initiatives such as the Hertfordshire Innovation Quarter and Hemel Garden Communities, the impact of this new policy could be transformative to both individuals and the local economy.

## **10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

10.1 There are no implications for Council infrastructure arising from this proposal.

## **11 Conclusions:**

11.1 Dacorum is likely to see significant growth and investment over the coming decades, particularly in housing and employment development. There is the opportunity to draw added value from these developments to directly benefit the Borough's residents and economy by requiring development above a set threshold to prepare and implement a Social Value Strategy.

11.2 By introducing the SPD requirement, the Council can act on its crucial role in the social value agenda and create opportunities for skills and apprenticeships, delivering on the priorities of the Dacorum Economic Recovery Plan.