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| <p><b>Cabinet</b></p> <p>25 July 2017</p>   |  <p><b>TOWER HAMLETS</b></p> |
| <p><b>Report of:</b> Ann Sutcliffe, Acting Corporate Directorate, Place</p>               | <p><b>Classification:</b><br/>Unrestricted</p>  |
| <p><b>Approval of the Allocation of S106 Funding to the WorkPath Training Project</b></p> |   |

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| <b>Lead Member(s)</b>         | <p><u>Covering Cabinet Report</u><br/>Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Project Initiation Document:</u><br/>Cllr Joshua Peck, Cabinet Member for Work &amp; Economic Growth</p>                      |
| <b>Originating Officer(s)</b> | <p><u>Covering Cabinet Report</u><br/>Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>WorkPath Training Project</u><br/>Clare Coombe, Pre-Employment Manager, Growth and Economic Development</p> |
| <b>Wards affected</b>         | All   |
| <b>Key Decision?</b>          | Yes   |
| <b>Community Plan Theme</b>   | A Fair and Prosperous Community   |

## 1. EXECUTIVE SUMMARY

- 1.1 This document has been formed in order to seek the approval of the Mayor in Cabinet for the allocation of £530,244 in Section 106 (S106) funding to the proposals set out in the WorkPath Training Project Initiation Document (PID), which is attached to this Cabinet report.
- 1.2 The WorkPath Training project involves the expenditure of £530,244 of S106 funding on sector specific training that is required to upskill local, unemployed and under-employed residents to enable them to secure sustainable employment.
- 1.3 The project has been identified in direct response to the strategic priorities of the Council's Employment Strategy 2011. It is part of the coordinated work across the Council and its partners to address the creation of opportunities, and to give

local people the skills required by employers in the borough. The project aims to identify a number of sector specific training opportunities to support Tower Hamlets residents (learners) in developing sector specific skills in response to current employer demand in and around London.

- 1.4 The Training for Employment Team will facilitate the training of 1,112 learners across a range of sectors including security, education, hospitality, retail, and customer service between May 2017 and May 2019. Once qualified, the learners will be passed to Information and Guidance Officers, and Brokerage Officers who will present them to local employers to fill vacant job opportunities. All learners will receive dedicated training support whilst on their programme, and will be tracked and monitored in their progression and entry to the labour market.
- 1.5 Table 1 below sets out the amount requested for the overall project and the source of funding.

**Table 1:** Source of Funding and Overall Amount Requested for Allocation

| Project Title     | Amounts         |          |     |
|-------------------|-----------------|----------|-----|
|                   | Overall Request | S.106    | CIL |
| WorkPath Training | £530,244        | £530,244 | -   |

## **RECOMMENDATIONS**

- 1.6 The Mayor in Cabinet is recommended to:
1. Approve the allocation of £530,244 of S106 funding to the WorkPath Training project as profiled in the PID attached at Appendix A, and in Table 1 of this report.

## **2. REASONS FOR THE DECISIONS**

- 2.1 The WorkPath Training project is fulfilling a specific S106 obligation of supporting Tower Hamlets residents into employment and training, which is a commitment of the Mayor. The WorkPath Training project is cost effective as it will upskill 1112 residents and move them forward into further training and sustainable employment. This feeds into the 2011 Employment Strategy and the Mayor's pledge to reduce unemployment in the borough and increase the economy.
- 2.2 The existing WorkPath Training project has been funded by S106 over the past 2 years which has enabled the delivery of employer-led training packages with specific learning outcomes for all residents who access the service and require training for employment. The training listed in the PID continues the work that has been delivered successfully over this time. The S106 funding does not have any delivery restrictions other

than requiring the beneficiaries to be LBTH residents unlike other funding streams which stipulate that recipients must claim specific unemployment benefits, have a limited educational background, or are from a particular section of the community. Therefore the S106 funding allows the WorkPath service to offer far more training and employment preparation opportunities to more residents of the borough who require support.

- 2.3 Match funding and using a variety of other funding options has been considered, however the criteria severely restricts the work the Council is able to do, and reduces the number of residents who would be eligible to access the training. S106 funding allows the service to open up the training to all residents in the borough who are eligible to work in the U.K. whereas other funding sources do not. S106 therefore enables the WorkPath service to support greater numbers of residents to prepare and access sustainable employment opportunities.
- 2.4 The project will help to connect businesses with their community; increase employment; and contribute to the delivery of positive improvements to people's lives and the local economy, which underpins the Community Plan theme of:
  - A Fair and Prosperous Community.
- 2.5 Please refer to the attached PID in Appendix A for more information about the overall project outcomes and the individual training programmes.

### **3. ALTERNATIVE OPTIONS**

- 3.1 The alternative option is to not allocate the funding to the overall project. However it should be noted that the use of the S106 funding specified in this report is restricted, as it must be spent in accordance with the legal agreement related to the development from which it originates. This may limit the expenditure of the S106 funding to certain infrastructure types or projects, and also by geographical location.
- 3.2 Any alternative expenditure of this funding would have to be on projects that would meet the requirements of the relevant S106 Agreement.

### **4. BACKGROUND**

#### S106

- 4.1 S106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning obligations/S106 Agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making development acceptable which would otherwise be unacceptable in planning terms.

- 4.2 S106 contributions must be spent in accordance with the agreement to which they relate. The contributions secured in S106 Agreements are usually tied to the need to provide a certain type of project in a defined location.

#### PID

- 4.3 The background to the WorkPath Training project is provided below. For further, detailed information it is necessary to consult the PID attached at Appendix A.
- 4.4 The WorkPath Training PID sets out the proposals to support the delivery of 170 training courses totalling 1112 learners to access sector specific training across a range of industries. This is with a view to improving the learners' skills and abilities in their chosen work specialism, whilst enhancing their individual employability skills. Each programme will be delivered in accordance with the criteria of the awarding body, and will either be delivered at the WorkPath Employment & Skills Centre in Canary Wharf, or with partner organisations across the borough. This is to ensure full accessibility for candidates and appropriate support from recruiting employers.
- 4.5 The London Borough of Tower Hamlets is the 10th most deprived area in England out of 326 local authority areas. Income based deprivation within the borough ranges from 8% in the St Katharine's Dock area to 62% in Millharbour which in contrast is also home of the heart of the financial district, Canary Wharf. The 2011 Census results show that in 19% of households in the borough, English is not the main language spoken. There is a strong correlation between language proficiency and worklessness. Residents with English as an additional language who were workless were more than four times as likely to rate their proficiency as poor than those in full-time work; 10.1% of the population across Tower Hamlets are registered as having no qualifications, and 81.6% with only a Level 1 qualification. There is a strong link between residents without or with low qualifications and worklessness, with these groups at a higher disadvantage and more likely to struggle to find work, or sustain work over a 12-month period.
- 4.6 The Employment Strategy 2011 and its associated action plan include a commitment to supporting the unemployed into the labour market in a sustainable manner. In response, the WorkPath Training project will provide employment-led training to enhance residents' core skills and sector specific qualifications, and improve their employability so they can secure sustainable employment.
- 4.7 Table 2 sets out the details of the training courses available and the number of learners per course over the two-year period.

**Table 2: Training Delivery Breakdown**

|  | No. of Courses | No. of Learners | No. of Courses | No. of Learners | Total no. of Learners | Total Courses Over 2 Years |
|--|----------------|-----------------|----------------|-----------------|-----------------------|----------------------------|
| Course   | Year 1         |                 | Year 2         |                 |                       |                            |
| NVQ 2 Support Work in Schools                  | 2              | 56              | 2              | 56              | 112                   | 4                          |
| Midday Meals Supervisors                       | 4              | 48              | 4              | 48              | 96                    | 8                          |
| Security                                       | 5              | 60              | 5              | 60              | 120                   | 10                         |
| Vocational ESOL                                | 3              | 32              | 9              | 108             | 140                   | 12                         |
| Cash & Card Handling                           | 2              | 24              | 3              | 36              | 60                    | 5                          |
| Customer Service/ Behaviours in the Work Place | 4              | 48              | 4              | 48              | 96                    | 8                          |
| Barista training                               | 2              | 24              | 2              | 24              | 48                    | 4                          |
| L2 Food Hygiene Training                       | 3              | 36              | 3              | 36              | 72                    | 6                          |
| Retail Works                                   | 2              | 40              | 2              | 40              | 80                    | 4                          |
| ICT training & BCS Online Basics Qualification | 12             | 144             | 12             | 144             | 288                   | 24                         |
| <b>Total</b>                                   | <b>39</b>      | <b>512</b>      | <b>46</b>      | <b>600</b>      | <b>1112</b>           | <b>85</b>                  |

4.8 Table 3 indicates the number of anticipated new jobs created from the training opportunities.

**Table 3: New Jobs Created from Training Opportunities**

| Training programme             | Number of residents trained | Percentage of trained residents into further training <u>OR</u> employment | Total number of residents expected to secure employment after training |
|--------------------------------|-----------------------------|--|--|
| Security SIA Door Supervisor   | 120                         | 75%  | 90   |
| L2 SWiS                        | 112                         | 80%  | 90   |
| Midday Meals Supervisor course | 96                          | 80%  | 77   |
| Customer Service               | 96                          | 85%  | 41   |
| Cash Handling                  | 60                          | 85%  | 25   |
| Barista Training               | 48                          | 85%  | 41   |
| Vocational ESOL                | 140                         | 90%  | 63   |
| L2 Food Hygiene                | 72                          | 85%  | 41   |
| Retail Works                   | 80                          | 85%  | 34   |
| IT Training                    | 288                         | 70%  | 101  |
| <b>Total</b>                   | <b>1112</b>                 |  | <b>603</b>   |

4.9 The project budget is set out in Table 4.

**Table 4: Project Budget**

| <b>Financial Resources</b>                     |                 |                       |                                   |
|--|-----------------|-----------------------|-----------------------------------|
| <b>Description</b>                             | <b>Amount</b>   | <b>Funding Source</b> | <b>Funding (Capital/ Revenue)</b> |
| NVQ 2 Support Work in Schools                  | £116,000        | S106                  | Revenue                           |
| Midday Meals Supervisors training              | £11,200         | S106                  | Revenue                           |
| Security SIA Door Supervisor                   | £100,000        | S106                  | Revenue                           |
| Vocational ESOL                                | £90,870         | S106                  | Revenue                           |
| Cash & Card Handling                           | £6,000          | S106                  | Revenue                           |
| Customer Service/Behaviours in the Work Place  | £5,280          | S106                  | Revenue                           |
| Barista Training                               | £10,080         | S106                  | Revenue                           |
| L2 Food Hygiene Training                       | £3,600          | S106                  | Revenue                           |
| Retail Works                                   | £10,400         | S106                  | Revenue                           |
| ICT training & BCS Online Basics Qualification | £12,000         | S106                  | Revenue                           |
| Specific Employer Lead Training Activities     | £50,000         | S106                  | Revenue                           |
| Contingency                                    | £40,000         | S106                  | Revenue                           |
| Training Staff Management Costs                | £69,814         | S106                  | Revenue                           |
| Evaluation Costs                               | £5,000          | S106                  | Revenue                           |
| <b>Total</b>                                   | <b>£530,244</b> |                       |                                   |

- 4.10 The WorkPath Training project is fulfilling a specific S106 obligation of supporting Tower Hamlets residents into employment and training. Employment opportunities arising from new developments in the borough must be accompanied by training to upskill residents so that they can compete for jobs. It also supports the Mayor's commitment to assisting residents to upskill and access employment opportunities within the borough and across London. The WorkPath Training project is cost effective as it aims to 'upskill' 1,112 residents and move them forward into further training and sustainable employment. This feeds into the 2011 Employment Strategy and the Mayor's pledge to reduce unemployment in the borough and increase the economy.
- 4.11 The project has been specifically designed to create and enhance training and employment opportunities for Tower Hamlets residents looking for work, and as such meets the Council's criteria in relation to the securing of economic benefits within its project delivery. The training is delivered in a flexible way to ensure that it is accessible and fit for purpose. Working closely with local employers the Council is able to generate more employment opportunities for local residents with which they may not have originally been able to access. The training assists in bridging the gap between local employers and the community by developing working partnerships that meet the requirements of businesses and unemployed residents.

## **5. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 5.1 Following consideration by the Infrastructure Delivery Board, this report requests that the Mayor in Cabinet approves the allocation of Section 106 resources totalling £530,244 to finance a WorkPath Training Project. The contingency element will only be used should it be necessary.
- 5.2 Under the terms of Section 106 agreement PA/10/01049 – the development at 40 Marsh Wall - the developer was obliged to pay the sum of £597,608 plus index linking as an '*employment and training contribution*' to be '*put towards improving access to employment and training for local residents including Skillsmatch, and towards the Enterprise Team including local business support and supply chains*'. It is proposed to use £150,599 of these resources towards this project, together with £379,645 of the Section 106 resources received from PA/13/01276 – the development at London Dock – for which the developer paid £665,052 plus index linking towards '*local employment and training initiatives in the Council's area*'.
- 5.3 This is a revenue project and if approved will be incorporated within the Council's General Fund budget.

## **6 LEGAL COMMENTS**

- 6.1 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning

obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.

- 6.2 As a contract the Council are required to spend any monies received in accordance with the terms of the s.106 agreement. It is therefore important to consider the provisions of each agreement when allocating monies to a particular project. Whilst some agreements allow for a particular contribution to be spent on a type of infrastructure or project across the borough as a whole, other agreements are more specific in requiring that a contribution be linked more closely to the locality of the development.
- 6.3 This report is asking the Mayor in Cabinet to approve the allocation of s.106 resources to the WorkPath Training Project that was recommended for progression by the Infrastructure Delivery Steering Group on the 4th May 2017 and to adopt the necessary capital budget. The allocation of this section 106 funding is considered to be in accordance with the s.106 agreements and therefore lawful.
- 6.5 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

## **7 ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 This report proposes to allocate funding to help deliver training programmes to residents in the borough. In scoping this project, the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is envisaged that these training programmes will empower residents and enhance people's lives through skills development, and contribute to the reduction of inequality by increasing access to employment.

## **8 BEST VALUE (BV) IMPLICATIONS**

- 8.1 The Employment and Enterprise Team continuously strive to ensure that best value is achieved for the Council and its residents. The team is able to use the contacts made through the WorkPath service and the range of external providers and employers to negotiate on pricing and delivery. The training listed in the PID is existing training which has been delivered consistently over the past 5 years in response to resident and employer needs. The training is carried out when demand is high and in line with sector recruitment requirements at scheduled times throughout

the year. These programmes are planned alongside realistic recruitment campaigns, ensuring the maximum number of residents accessing employment post qualification.

- 8.2 Requests for quotations (RFQs) will be used for new training packages/new training providers allowing a continuous review and evaluation of the programmes to be built in and maintained. Should there be a change in market demand for trained staff in a specific sector, the projects will accommodate this need and the focus of the training altered to where the skills gap and vacancies are, ensuring that the money is best spend in the interest of the residents and maximising job outputs with employers.

## **9 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 9.1 Not applicable.

## **10 RISK MANAGEMENT IMPLICATIONS**

- 10.1 The risks relating to the delivery of this project as well as mitigating measures are set out in detail in the attached PID.

## **11 CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 11.1 Not applicable.

## **12 SAFEGUARDING IMPLICATIONS**

- 12.1 The WorkPath service is committed to safeguarding the rights of learners within all training locations. The Employment and Enterprise team is committed to promoting their welfare, protecting their physical and psychological well-being and protecting them from all forms of abuse. All clients accessing the WorkPath service are assessed for their basic skills and core needs, and action plans are created to support their progression into work. The assessments are carried out by trained officers who identify if there are key/special needs including support for disability, mental health, learning difficulties or drug and alcohol dependency. The officers are able to make referrals to partner teams to offer additional specialist support whilst the WorkPath service identifies any learning and skills development prior to job applications.

- 12.2 All trainers, both internal and external are screened and fully trained to ensure they are competent to deliver their training packages to the highest standards with full awareness of how to address learners with additional learning needs. We have clear reporting guidelines in line with LBTH policies to enable full evaluation and investigation of training delivery.

- 12.3 All training-providers sign up to a memorandum of understanding/service level agreement to ensure all training delivery is in line with

WorkPath/LBTH safeguarding procedures. All training is coordinated and co-delivered by Pre-Employment Officers who maintain regular contact with the learners and trainers, and are on hand to address any issues if they should arise. Additionally they also conduct thorough evaluations of the training packages to ensure value for money and allowing adaptation of delivery to meet service and learner needs.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

Appendix A: WorkPath Training PID

### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information)(England) Regulations 2012**

- None

### **Officer contact details for documents:**

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