



CITY & COUNTY OF SWANSEA

DEADLINE III

Internal Power Generation Enhancement for Port Talbot Steelworks

PINS REFERENCE: EN010062
CCS REFERENCE: 2014/0138

Economic Regeneration & Planning
Civic Centre
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The comments made below relate to the Applicant's response to the City & County of Swansea's LIR and agenda item 6 of the issue specific hearing on the draft Development Consent Order on the 12th February 2015.

LIR Comments

Socio-economic impacts

Applicant's paragraph 3.3 to 3.5 (inclusive)

It is acknowledged that the final sentence of paragraph 6.16 of the Council's LIR is confusing and should read "CCS would wish to see this secured either by requirement **or** Development Consent Obligation". By way of further clarification, CCS would agree with the Applicant that the most appropriate mechanism would be a development consent obligation.

To this end, and further to the specific agenda item 6 for the issue specific hearing for the draft development consent order, please see extract from the Council's adopted Supplementary Planning Guidance for Planning Obligations (March 2010) provided as Appendix A, relating to 'Employment and Enterprise'.

By way of further explanation here, 'Beyond Bricks and Mortar' is an important initiative to secure social benefits from procurement and regeneration activity in the City and County of Swansea for the lasting benefits of the community.

By introducing social benefit clauses such as targeted recruitment and training into contracts the aim is to ensure that members of the community, especially young people and those who have been out of the job market for some time are given opportunities of meaningful training and employment.

It represents a holistic approach to regeneration that will allow Swansea and the wider region's communities to benefit from those physical regeneration projects, particularly bringing economically inactive people back into the labour market.

The project has arisen from the Swansea 2020 economic regeneration strategy which has been specifically tasked with addressing the issues of deprivation in Swansea linked to low income and low levels of employment. The project is designed to bring added value to the delivery of physical regeneration projects and other council contracts.

This approach also involves promoting initiatives that will allow local companies to become part of larger supply chains as an integral part of the physical development process.

Social benefit clauses offer a new approach to public procurement and can be defined as requirements made of a development or contract that would not normally have them as a defined or measured outcome. Clauses can be included to influence the following areas:

- Targeted training and recruitment, e.g. long term unemployed

- Supply chain initiatives, committing to local sourcing
- Community consultation (considerate contractors)
- Contributions to education
- Promotion of social enterprises
- Environmental benefits during works and at completion

CCS is committed to work with the Applicant to deliver the above objectives by way of development consent obligation.

The aforementioned Supplementary Guidance can be viewed in full via the following link:

<http://www.swansea.gov.uk/spg>

Ecology

CCS raises no further issues in respect of ecology.

3.6 Employment and Enterprise

3.6.1 Policy Background

The Welsh Index of Multiple Deprivation identifies deprivation in Swansea based upon low income and low levels of employment with significant pockets of economic inactivity. The Swansea 2020 Economic Regeneration Strategy seeks to address these issues, particularly by bringing economically inactive people back into the labour market and developing employment progression routes to enable these people to move on to higher skilled, higher paid jobs, thereby raising their income levels.

The Council recognises that promoting social justice and opportunities for non-employed people is a key element of the WAG's commitment to sustainable development. It has therefore included the following commitment in its Economic Development Strategy:

“Tackling poverty and promoting inclusion – Swansea 2020 not only seeks to raise prosperity levels in Swansea, but also to spread prosperity across the City and County. It aims to address barriers to entering the labour market and create an economic environment that provides opportunities for all Swansea’s citizens, therefore helping to lift individuals and households out of poverty¹”.

To achieve this, a specific initiative called “Beyond Bricks and Mortar” is designed to bring added value locally to the delivery of physical regeneration projects. It represents an approach to regeneration that will allow Swansea and the wider region to benefit and reflect the Council's intention to deliver the strategic aims and cross cutting themes of the Economic Regeneration Strategy – Swansea 2020. Delivery of the strategy involves working with a wide range of public, private and third sector agencies, particularly with WAG and private sector developers. The framework for this co-operation is the Council's Targeted Recruitment and Training (TR&T) protocol that is available separately from the Beyond Bricks and Mortar Team based at the Business Centre Swansea. The Council will use the TR&T protocol as a basis for negotiation and provide information to developers on the type of contribution and/or initiative that may be sought. The protocol identifies opportunities which may arise during the construction phase of a development.

¹ Swansea 2020 Economic Development Strategy

Appendix A

Justification

- High levels of unemployment, low incomes and deprivation persist in some areas of the County because of barriers to employment that some people experience, most notably the lack of skills that are required in the jobs market.
- Reducing deprivation is an essential part of developing socially sustainable communities, especially in growing and intensifying communities.
- Sourcing local labour, and reducing the need to travel is a fundamental part of creating of sustainable communities.
- Local authorities have an express power to support sustainability under Section 2 (1) of the Local Government Act 2000 and the Local Government Best Value Order of 2002 (commonly known as the “well-being” power). Every local authority has the power to do anything which they consider is likely to achieve any one or more of the following objects:
 - (1) The promotion or improvement of the economic well-being of their area;
 - (2) The promotion or improvement of the social well-being of their area; and
 - (3) The promotion or improvement of the environmental well-being of their area.
- The inclusion and implementation of social benefit clauses makes a direct contribution to the Council’s Corporate Improvement Plan for 2008/2012 (Economy) and the Local Service Board’s priorities of “Economic Inactivity” and “Young People not in Education and Training.” (NEETS).

3.6.2 Trigger for Planning Obligation

In delivering regeneration projects, the Council’s approach involves ensuring that social benefit clauses are included in contracts and/or development agreements to promote initiatives that will allow local supply chains to benefit and local people to be employed and/or trained as an integral part of the development process.

Appendix A

Generally, social benefits will be considered and measured in two main areas:

- **Targeted recruitment and training;**
- **Development of local supply chains.**

The Council may also seek to negotiate contributions, depending on the context of the site, including:

- **Provision of affordable business space;**
- **Local procurement and supply chain measures;**
- **Direct labour agreements, work experience, and/or apprenticeship schemes, facilitated by appropriate local training providers;**
- **Relocation assistance for existing businesses;**
- **Funding for training and recruitment and supply-chain activities linked to the development.**

The contributions can support existing or new programmes carried out by the Council, the developer or others (as agreed by the Council and the developer). As a part of any consultation on an individual scheme, there will be discussions regarding its scope and capacity to deliver social benefits, the availability of local supply chains, and the general supply side of any physical development/social benefit equation.

In addition there are likely to be significant opportunities to provide training and to develop employment skills throughout the post construction and “end-user” phases of a development. The Council therefore intends to continue to seek opportunities to expand the local labour market and provide training opportunities for non-working people to meet the training and recruitment needs of future occupiers.

Establishing the Need for a Developer’s Contribution

Whilst it can be expected that some opportunities for non-employed people will be achieved through pre-employment programmes, there will be greater impact if developers and their contractors are pro-active about engaging with non-employed people, especially those that have participated in pre-employment training and need the opportunity to convert this into a marketable skill. Taking into account the likely labour requirements and trainee opportunities in the construction industry from developments, if 10% of these requirements are targeted at disadvantaged persons a positive impact in areas of deprivation and economic inactivity will result.

Appendix A

It is anticipated that in facilitating this process, there will be opportunities to identify the specific requirements of developers and contractors in order to deliver this added value. Establishing appropriate supply chains that provide support for engaging with those who would benefit from employment, and ensuring that training is in place and properly resourced, involves a wide-ranging commitment to engage with local networks.

Facilitating that process will be nominated officers in the Council's Economic and Strategic Development Division's Beyond Bricks & Mortar Team who have been appointed to make these important connections and the business case for each social benefit identified. However, the Council and its partners and agents do not promise to provide suitable agencies, trainees or labour to contractors and employers. All appointment, recruitment, supervision and discipline responsibilities rest with the employers.

It is anticipated that developments of a value of £2 million and over could require Social Benefits targets in the form of TR&T requirements and supply chain initiatives in the first instance. However, notwithstanding this threshold of £2 million all developers will be required to enter into dialogue with the Council to assess the possibility of a contribution to targeted recruitment and training and supply chain initiatives.

Other factors influencing the requirement for insertion of these Social Benefit Clauses are:

- **The nature and scale of the development;**
- **Likely employment generation from the development;**
- **The number of jobs and gross floorspace to be lost or replaced;**
- **The nature and number of existing jobs affected by the proposed development;**
- **In the case of vacant sites or premises the previous use and job creating potential/employment levels based upon worker/floorspace ratios for those uses;**
- **Identified recruitment and training issues or problems related to specific uses and local areas in general.**

3.6.3 Basis for Calculation

In relation to the construction phase of development the following types of requirements may be included:

- A minimum of 52 person weeks employment for new entrant trainees² recruited from a source agreed by the Council for each £1 million in works value (and pro-rata);
- An additional payment to the Council of a deposit-sum of £65 per new entrant trainee week may also be required, such payments to be returned with interest (at a rate determined by the Council from time to time) on the basis of a contractor's Quarterly Performance Statements;
- The provision of a minimum of 10 person-weeks of unwaged work experience per £1 million in works value (and pro-rata);
- Every vacancy on site, including those with sub-contractors to be notified to agencies named by the Council, and candidates identified by these agencies are to have an equality of opportunity in the selection process;
- Support for the Council initiatives to identify and nurture additional supply-chain organisations;
- The provision of Trainee Recruitment Notifications (signed by the trainee to permit the provision of personal data to the Council and its agents for contract monitoring purposes only) and Trainee Completion or Termination Notifications;
- Maintaining a site security record that is available for inspection by the Council at any reasonable time and which includes the home address of each person engaged in the contract.

² a new entrant trainee is a school or college leaver or an adult that has not been employed in the construction industry during the previous 12 months and who is undertaking training towards a construction industry recognised qualification.

Appendix A

Calculation of TR&T Requirements in the Construction Phase

- (a) Estimated site works value
= £.....(enter figure)
- (b) Labour content: site works value x [40]%
= £.....(enter figure)
- (c) Average gross weekly wage + on-costs
= £.....(enter figure)
- (d) Divide labour content by weekly wage
=total person weeks
- (e) New entrant trainee target: D x 10%
=person weeks
- (f) Unwaged work experience target: D x 2%
=person weeks

The above calculation forms the basis for negotiations. There is a requirement for a TR&T Method Statement, using the Council's pro-forma, to be completed which will set out how the desired outcomes will be achieved.

A model set of documentation is available from the Beyond Bricks & Mortar Team at the Business Centre Swansea.

End-User Opportunities

In relation to developments that will accommodate a workforce the following commitments from employers on the site should be sought:

- To support the work of the Council to target employment opportunities at people registered with agreed agencies, including in particular new entrants and those returning to the labour market;
- [50]% of employees are residents of the County;
- [30]% of the vacancies in the first occupation of the employment premises are filled by people who were not in employment when selected³;

³ People not in employment can include school, college and university leavers, people claiming job-seekers allowance and incapacity benefits or income support, ex-offenders, refugees and asylum seekers that have the right to work, and people returning to the labour market.

Appendix A

Planning Obligations Supplementary Planning Guidance

- [20]% of subsequent staff turnover or business growth vacancies are filled by people who are not in employment when they are selected;
- To work with one or more of the agencies identified by the Council from time to time and to develop pre-recruitment training and induction packages and provide candidates completing these packages or otherwise being put forward by the agency(ies) with a guaranteed interview;
- Each person employed under the above sections to have a Personal Development Plan that incorporates training, mentoring and support;
- To provide the Council with a quarterly review that reports on the outcomes achieved against the agreed Method Statement, and provides a new Method Statement with agreed measures for the forthcoming period.

Model documentation relating to end user opportunities is available from the Beyond Bricks & Mortar Team at the Business Centre Swansea.