

Cherwell District Council

Executive

3 April 2017

Update: Construction Apprenticeships and Skills

Report of Commercial Director and Head of Strategic Planning and the Economy

This report is public

Purpose of report

The purpose of this report is to provide an update for the Executive on the progress being made to secure construction apprenticeships arising from the planned growth across the District. It is a year since the Executive approved guidance which was intended to operate informally to secure construction apprenticeships and skills through the processing of planning applications by the Council (attached at Appendix 1). It is therefore timely to review how the initiative has been progressing.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the report.

2.1 Background

- 2.1 Over the past 2-3 years, the Bicester Delivery Team has been working with partners to progress a scheme to allow a sustained programme of construction apprenticeships to be delivered, taking advantage of the scale of growth that is planned for the District. The scheme's original focus was to bring forward apprenticeships through the construction of NW Bicester. In doing this the Team was mindful of the Eco Town planning principles and the leverage this gives the Council as a planning authority to encourage the development to be economically sustainable. However the concept has broadened over time and the approach now looks to secure opportunities across the District.

The scheme has two main components:

- i) Securing a target number of apprenticeships

A planning policy approach has been devised to secure construction apprenticeships through S106 agreements attached to outline planning applications over a certain size. The approach and application thresholds are

contained in the Interim Position Statement on Planning Obligations for Construction Apprenticeships and Skills referred to above and attached at Appendix 1.

ii) **Setting up and operating an Apprenticeship Training Agency (ATA)**

A key element in the successful delivery of the programme has involved the setting up of a local Apprenticeship Training Agency (ATA). In essence the Council's role has been to find a way to secure construction apprenticeships through development and then provide developers with a straightforward means of delivery. The ATA will smooth the process for developers as it can manage apprenticeships rather than the developer needing to. It will provide the necessary insurances and health and safety training as well as accessing suitable local candidates, liaise with local training providers to secure the appropriate college training and support, and with developers to agree the nature of the apprenticeship and on-site placement timescale.

2.2 It has always been the intention to develop a model and to implement it in the Cherwell District initially, and in time to roll out to the South Northants District. Ultimately the intention is that this approach could be used Oxfordshire wide and beyond.

2.3 The scheme was the subject of a successful bid for grant funding from OxLEP in December 2014. Cherwell District Council received £50,000 specifically to set up the ATA and to cover its early operation. A report went before the Executive in April 2015 which outlined the scheme. The Executive noted the report and approved CDC to be the accountable body as recipient of the grant. In April 2016 the Executive approved Appendix 1 as informal planning policy guidance and also delegated to the Leader the appointment of a Cherwell District Council representative on the ATA Board. It also requested that an update on the initiative be provided a year on from the meeting, hence this report.

3.0 Progress since the last Executive Report (April 2016)

3.1 Securing apprenticeships through NW Bicester S106 agreements

Although no apprenticeships have yet been formally secured through S106 agreements, a number of constructive discussions are currently underway as part of the preparation of S106 agreements to be attached to outline consents at NW Bicester. As a result of on-going negotiations with A2 Dominion, the lead developer of NW Bicester, the Bicester Delivery Team expects to secure approximately 100 new apprenticeships through S106 agreements to be completed over the next 12 months. Negotiations with Dorchester on the Upper Heyford site have commenced and based on the policy approach set out in the Developer Contributions SPD, CDC would be looking to secure approximately 110 new construction apprenticeships through the current submitted and forthcoming applications for development at the site - should they gain consent. The S106 agreements will be drafted so that developers are encouraged to use The Apprenticeship and Training Agency or other equivalent approach to be approved in writing by CDC, to manage the apprenticeships.

3.2 The Interim Position Statement on Planning Obligations for Construction Apprenticeships and Skills (Appendix 1)

The Executive previously approved the Interim Position Statement to operate as informal guidance, prior to informing a relevant policy within the Cherwell District Council Local Plan Part 2 and the Developer Contributions Supplementary Planning Document (SPD). The policy approach contained in the Interim Position Statement has now been incorporated in CDC's Draft Developer Contributions SPD (November 2016) which was the subject of public consultation between 14 November 2016 – 9 January 2017.

3.3 In due course and in accordance with the Council's Local Development Scheme (LDS), all representations received will be considered and, where necessary, amendments made to the Draft Developer Contributions SPD. It is also intended that an approach to secure apprenticeships more broadly (not just confined to construction) will be considered for inclusion within the emerging Cherwell Local Plan Part 2.

3.4 Setting up the ATA

The Bicester Delivery Team has set up *The Apprenticeship & Training Company Ltd*. It is a company limited by guarantee, operating on a not-for-profit basis, which was incorporated in 2015. It has been approved by the Skills Funding Agency (SFA) to deliver the service, via its 'Recognition' process. The SFA closely regulates and monitors who can deliver this service. A Company Director is in place to manage the company set up and operation. The Company is not operated and owned by CDC.

3.5 A 5 strong Board has been appointed and has been meeting on a regular basis since July 2016. All meetings are minuted. The aim is for the Company to start trading by April 2017 so it can start to manage apprenticeships for developers and contractors shortly after. As accountable body for the OxLEP grant, CDC has appointed Cllr John Donaldson as its representative to sit on the Board. Cllr Barry Wood also sits as the Board member with accountancy skills and has been formally approved to do so by CDC through a Lead Member decision. The other Board members between them have PR / Communications, HR, Recruitment Agency / ATA backgrounds and is expected that a representative from a local firm of solicitors will also join shortly.

3.6 The Company is due to take up office premises in Banbury over the next few weeks and details are being finalised for Company documentation (e.g. Memorandum and Articles), official appointment of non-executive directors and company insurances ready for submission to Companies House. CDC's Legal Team are being closely involved to ensure due diligence, in respect of the spending of the OxLEP grant fund and also as regards the involvement of two CDC councillors on the Board.

3.7 At the moment the Company has 3 contracts in the early stages of negotiation to provide services to major building contractors and developers and another contract which it has recently secured. These are as a result of speculative enquires to sites that are about to commence construction or are in the early stages of construction - the opportunities have not been secured through the planning system.

- 3.8 OxLEP has been monitoring how the funding has been spent on a quarterly basis and signed off the final tranche of funding in January 2017. It has been satisfied with the way the project has been progressing and has been managed. Just over a quarter of the grant has yet to be spent and will continue to support the Company in its first year of trading.
- 3.9 Some common emerging themes are beginning to emerge from early discussions with developers and contractors about this initiative:
- An awareness that their organisations will be paying the Apprenticeship Levy (coming into force in England and Wales from April 2107) and a desire to obtain maximum benefit from this;
 - An acknowledgement that there is an on-going paucity of relevant trained construction workers which is having an adverse impact on construction businesses;
 - A worry that with the impending departure of the UK from the European Union, the existing skills situation will worsen significantly;
 - A desire to look at legacy planning for the skills needed by the construction industry in the future.

For all these reasons, discussions to date with developers and contractors have been positive in nature as they have been appreciative of an initiative that will assist in tackling with the above concerns.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Increasing the number of new apprenticeships in England is a high profile Government objective. Cherwell District Council supports this aspiration. The amount of new development taking place in the District over the next 20 years or so, coupled with the evidenced shortage of construction skills provides both an incentive and opportunity to secure the provision of new construction related apprenticeships through the land use planning system.
- 4.2 The Cherwell District Council Local Plan Part 1 as well as CDC's Economic Strategy contain strategic aspirations relating to the need to support an increase in skills and training within the District. The Interim Position Statement (Appendix 1) has usefully provided detail for developers and colleagues in CDC's Development Management on how this overarching strategic aim can be achieved through the land use planning process, prior to having statutory planning policy in place.
- 4.3 The signals from informal discussions with developers to date are that they generally support the approach CDC is promoting, as a helpful initiative designed both to increase the number of local skilled construction operatives available to support the building industry, as well as promoting the construction trades generally as a valuable future career path for young people.
- 4.4 The setting up and operating of The Apprenticeship and Training Company to manage apprenticeships on behalf of developers and their contractors is a key element of delivering the apprenticeships. This is because it will make the whole process easier for developers by managing all the elements that go towards supporting an individual towards the successful completion of an apprenticeship.

Given that CDC is the accountable body for the OXLEP grant, as well as its strategic commitment to support skills and training, it is appropriate that there is CDC representation on the Board.

5.0 Consultation

- 5.1 External discussions about the principle of securing apprenticeships through the planning system have been carried out with the lead developers of NW Bicester and developers of Upper Heyford as detailed above.
- 5.2 Internal discussions on the principle and detail of the planning policy approach have been had with Solicitor, Team Leader Planning, Shared Legal Team, Development Control Team Leader, Development Control and Major Projects, CDC, Head of Strategic Planning and the Economy, Cherwell and South Northants and Principal Planning Officer, Planning, Housing and Economy, CDC.
- 5.3 On-going discussions have been had with Solicitor, Cherwell and South Northants Shared Legal Service and Assistant Director – Transformational Governance, in relation to setting up the ATA Company and making sure due diligence has been carried out and any associated risks identified and mitigated according to CDC's agreed processes for commercial activities.

6.0 Implications

Financial and Resource Implications

- 6.1 The implementation of the planning policy approach to securing apprenticeships can be resourced within existing budgets and staff resources. *The Apprenticeship & Training Company Ltd.* is being resourced through the OxLEP City Deal grant funding which is not yet completely spent.

Comments checked by:

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Legal Implications

- 6.2 There are no legal implications arising directly from this report. The Guidance at Appendix 1 was operating as informal interim guidance for CDC Development Control officers and applicants, but has since been incorporated in CDC's draft Developer Contributions SPD which has recently been out to public consultation. The Planning Policy Team are currently dealing with all responses received and will take these into account in any subsequent amendments to the policy approach.

Comments checked by:

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7.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

This report directly links to the following corporate priority and objective set out in the Cherwell District Council Business Plan 2017-2018:

Cherwell: A District of Opportunity

Lead Councillor

Councillor Lynn Pratt, Lead Member for Estates and the Economy

Document Information

Appendix No	Title
1	Cherwell District Council Construction Apprenticeship and Skills Interim Planning Policy Guidance, April 2016
Background Papers	
None	
Reference Documents	
Apprenticeships Policy, England 2015 House of Commons Library Draft Developer Contributions SPD (November 2016) The Apprenticeship & Training Company Ltd. website: www.apprenticeshiptrainingcompany.org.uk	
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