

8 Employment and business support

- 8.1 Local businesses can provide employment for local people and new business development can benefit the local economy and existing businesses through the use of local shops, facilities and services. Core Strategy Policy CS8 – Promoting a successful and inclusive Camden economy and Development Policy DP13 – Employment premises and sites aims to ensure that the borough’s economy will be strong and diverse and that Camden’s residents can play a role in this by supporting training and employment opportunities.
- 8.2 There is an identified skills gap between Camden residents and the jobs on offer in the Borough. Currently, only 23% of the workforce in Camden is resident in the Borough. Local employment and training initiatives can open up job opportunities for people from many sectors of the community, who may otherwise find it difficult to access employment offered by existing and new businesses, helping to bridge the identified skills gap.
- 8.3 The Council may require developers to assist with training and employment initiatives via section 106 Agreements where the development impacts on the availability of jobs for Camden residents, including the following types of development:
- Any commercial land use where the proposed development could offer local employment opportunities, or would have the potential to provide it on account of its floorspace (i.e. greater than 1,000sq m or 50 jobs);
 - A development in a location where there are identified employment and training issues (e.g. higher than Borough-average levels of unemployment, lower than Borough-average levels of skills/education attainment);
 - Where major developments result in the loss or displacement of existing employment opportunities; and
 - Major infrastructure or development projects involving significant construction contracts (e.g. over £3 million build costs or 1,000sq m or more net additional floorspace).
- 8.4 Schemes that provide 1,000sq m or more of net additional floorspace could potentially have build costs exceeding £3 million if they are costly schemes, for example for very high specification buildings. The Council will therefore expect schemes of this size or larger to provide employment or training initiatives secured by s106 with the Council, unless evidence is provided to demonstrate that the scheme is below the £3m build cost trigger.
- 8.5 A financial contribution to assist local residents to receive training in the skills that would enable them to access the jobs created by the new development may be sought. These monies will be held by the Council and used to support activities that create or promote opportunities for employment or training.

- 8.6 Developers may need to fund or provide construction training opportunities for local residents related to a development, either through recognised local initiatives or partnerships (e.g. Kings Cross Construction Skills Centre), or through in-house training schemes operated by their contractors and agreed with the Council's Economic Development Team.
- 8.7 Developers and occupiers of new development will be strongly encouraged to put in place measures to seek to recruit widely from Camden's resident population, for example by registering all vacancies with the local Job Centre, by advertising in the local press and running local recruitment events. As part of this approach, the Council also encourages developers and their contractors to recruit local residents for construction jobs during development of the scheme.
- 8.8 Contributions to employment and business support will be primarily funded through section 106 where legally justified rather than CIL because they do not constitute infrastructure as defined by the CIL regulations and also will not be subject to pooling restrictions.

Developments which result in a loss of employment space

- 8.9 Policies CS8 and DP13 aim to protect employment sites which provide employment opportunities. However, in exceptional circumstances we may agree that change of use is acceptable. In these circumstances, where the loss of employment use can be expected to result in a reduction of job opportunities for Camden residents, developers may be required to contribute towards measures which create or promote opportunities for employment or training of local people.
- 8.10 In line with paragraph 13.11 of Policy DP13, the term 'business' and 'employment' refer to B1, B2, B8 uses and other sui generis uses of a similar nature.
- 8.11 A contribution will only be sought in cases where:
- the net loss of employment space is 500sq m or more;
 - where the building is occupied by a commercial tenant or has only recently been vacated; and
 - it meets relevant policy and legal tests
- 8.12 The calculation will take account of the proposed alternative use of the floorspace, such as for education or training use, and whether this use can be expected to create employment or training opportunities for Camden residents.

- 8.13 The planning obligation for loss of employment floorspace will be based on the following formula:

Gross employment floorspace lost (sq m) / 12sq m (space requirement per full time employee¹) = full time jobs lost.

Full time jobs lost x 23% [% of Camden residents in the workforce]
x £3,995 [cost to provide training per employee] = contribution

These figures will be subject to review and may be updated to reflect the latest information.

Worked example 1: Change of use from employment to residential

- 8.16 If the existing building provides 1,000sq m of employment floorspace and a change of use to residential is proposed, we will expect a contribution of £76,571 to cover training and employment support measures.

Net fulltime jobs lost, in this case the no. of full time jobs expected if use continues:

$1000\text{sq m} / 12\text{sq m} = 83 \text{ FT jobs lost (floorspace / average space per worker)}$:

No. of jobs lost which would be expected to be filled by Camden residents:

$83 \times 23\% = 19 \text{ jobs (FT jobs lost} \times 23\%)$

Cost of retraining and supporting number of Camden residents who would be expected to be employed in former use:

$19 \times £3,995 = £76,571$ (No. of jobs lost which would be expected to be filled by Camden residents multiplied by retraining costs)

1.1

¹ Employment density estimates provided by the Homes and Communities Agency (2010) for general office uses, Alternative HCA figures may be used for B2 and B8 uses.

Worked example 2: Change of use from employment to hotel

- 8.23 If the existing building provides 4,000sq m of employment floorspace and a change of use to hotel is proposed we will expect a contribution of £260,341 to cover employment training. This takes account of the hotel use providing 50 FTE jobs.

The contribution required would recognise that the hotel would generate some employment opportunities for Camden residents but the number of full time jobs created would be fewer than if the building remained in its former use. The contribution is based on the difference between the number of jobs expected to be supported if a building remained in its existing employment generating use and the number of jobs expected to be generated by the hotel use.

No. of full time jobs expected in an employment generating use (floorspace / average space per worker):

$$4,000 / 12 = 333 \text{ FT jobs}$$

Net jobs lost (FT jobs expected in employment use minus FT jobs in new (hotel) use):

$$333 - 50 = 283 \text{ FT jobs}$$

No. of net jobs lost expected to be filled by Camden residents (net loss of FT jobs X 23% [% of Camden residents in the workforce]): $283 \times 23\% = 65 \text{ jobs}$

Cost of retraining and supporting number of Camden residents who would be expected to be employed in former use: $65 \times £3,995 = £260,341$ (No. of jobs expected to be filled by Camden residents multiplied by retraining costs)

Employment and local procurement during construction

- 8.24 In line with Core Strategy Policy CS8, large schemes which have significant job creation potential will be expected to produce an Employment and Training Strategy which will be secured through a Section 106 agreement. This applies to all major developments which will result in an increase of 1,000sq m or more of floorspace or a net increase of 10 or more homes.

The strategy will involve the developer/point of contact meeting with Camden Council and their nominated partner at pre-tender stage/pre-implementation to discuss an Employment and Skills Strategy for every phase of the development and liaising with local employment providers to fill vacancies.

Construction apprenticeships

- 8.25 Developments over £3 million build costs will be required to recruit one construction apprentice through Camden Council, or its nominated partner, for every £3 million of build where the length of the project allows (generally, where the contract is 52 weeks or more).
- 8.26 A support fee of £1,700 per apprentice placement will also be payable in order to cover:
- pre-employment;
 - recruitment process;
 - training provider brokerage; and
 - post-employment mentoring and support.
- 8.27 Where the length of the project/build does not allow for an apprenticeship placement, a £7,000 fee per apprentice will be payable to allow for the creation of training opportunities elsewhere in the borough. In certain circumstances a bond may be required to secure training and employment measures.

Local recruitment for construction related jobs

- 8.28 The Council encourages developers to recruit from Camden's resident population for construction related jobs. The Council will expect developers to work toward the Construction Industry Training Board (CITB) benchmark which specifies the number of jobs advertised through local employment vehicles. The local employment vehicle will be King's Cross Construction Skills Centre or another agency recommended by the Council. The benchmark should be used as a minimum requirement for developers to meet or exceed and has been created to provide proportionality against the size and type of projects on which they are to be used.

Construction work experience placements

- 8.29 In addition to construction apprenticeships the Council also expects large schemes to provide construction work experience placements for local residents. As a guide the Council will seek to secure one, two-week work experience placement per 20 net additional housing units or 500sq m of net additional employment floorspace, however the Council will also take into consideration other scheme specific factors when agreeing the appropriate number of placements. Work experience placements are to be recruited through King's Cross Construction Skills Centre. The Council will expect provision for work experience placements to be undertaken by the developer to be form part of the Employment and Training Strategy and secured by section 106 agreement.

Local Procurement Code

- 8.30 Developers will also be required through a legal agreement to sign up to the Camden Local Procurement Code where the value of the scheme exceeds £1,000,000. This will involve the developer/point of contact meeting with Camden Council and their nominated partner prior to the implementation of their scheme to discuss potential for local businesses becoming part of the supply chain and to draw up a Local Procurement plan in line with the Local Procurement Code. The Council expects that developers work towards a local procurement target of 10% of total procurement value.

Employment in development after completion

- 8.31 Camden Council encourages the creation of apprenticeships and training placements to help to close the skills gaps between the jobs on offer in the borough and the skills of the local workforce, allowing companies to recruit and retain local people into work. This approach is supported through policy CS8 of the LDF and applies to major commercial developments which will result in a NET increase of 1,000sq m or more of employment space including office, hotel and leisure developments.
- 8.32 The Council will seek to negotiate a section 106 contribution to be used by the Council's Economic Development service to support initiatives which create and promote employment and training opportunities and to support local procurement initiatives in Camden. The contribution is lower than for developments involving a loss of employment space to reflect the fact these developments are providing new employment opportunities. Contributions will be calculated as follows:

Employment space

Net increase in floorspace (sq m) / 12sq m [space requirement per full time employee] = full time jobs created

Full time jobs created x 23% [% of Camden residents in the workforce]
x 35% [% of employees requiring training] x £3,995 [£ per employee requiring training]

Hospitality

No of bedrooms x 0.5 [number of employees per bedroom] = full time jobs created

Full time jobs created x 23% [%of Camden residents in the workforce]
x 35% [% of employees requiring training] x £3,995 [£ per employee requiring training]

- 8.33 Where the end use occupier is known, as part of the s106 we will seek an agreement with the developer to provide a specified number of

apprentice or work experience places within the development. Where the end use occupier is not known, the Council will seek an agreement to ensure that its aims and objectives, in respect of employment and skills, are promoted by brokering a meeting between the new occupier and the Economic Development team.

Central London Forward

- 8.34 The Council cooperates with the Central London Forward boroughs on local training initiatives. Central London Forward is a sub-regional strategic organisation representing the eight central London local authorities. The member local authorities of Central London Forward are Camden, City of London, Islington, Kensington and Chelsea, Lambeth, Southwark, Westminster, and Wandsworth.
- 8.35 When local labour targets cannot be met by residents of Camden, the Council will expect that developers seek to meet these obligations with residents of the Central London Forward boroughs. This requirement will be negotiated on a case by case basis and the details will be secured through s106 agreement.

