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| <p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">ECONOMIC REGENERATION, HOUSING AND THE ARTS POLICY & ACCOUNTABILITY COMMITTEE</p> <p align="center">20th April 2016</p> |  |
| <p>Use of S106 for Training and Skills</p> | |
| <p>Report of the Director for Planning and Growth</p> | |
| <p>Open Report</p> | |
| <p>Classification - For Policy & Accountability Review & Comment</p> <p>Key Decision: No</p> | |
| <p>Wards Affected: All</p> | |
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| <p>AUTHORISED BY:</p> <p>.....</p> <p>DATE:</p> |
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1. EXECUTIVE SUMMARY

The council collects Section 106 funding from major developments in the borough, a proportion of which are applied to economic development activities for jobs, employment and business activities. This report details expenditure to date of Section 106 against current activities that were agreed at Cabinet in January 2014.

Future application of the funds available will be against the new 2016-2026 Economic Growth Strategy which is reported to the July 2016 Cabinet for approval. This Economic Growth Strategy responds to the administrations key objective:

Hammersmith & Fulham will be the Borough where economic growth and enterprise thrives, businesses are resilient, economic, social and cultural growth are fostered with improved skills, opportunities and jobs for residents

2. RECOMMENDATIONS

- 2.1 The report be noted. A further report will be presented detailing future proposals against the Economic growth Strategy 2016-26 in due course.

3. INTRODUCTION AND BACKGROUND

- 3.1 Section 106 agreements (“S106”) are agreements entered into as part of the planning process to mitigate the impact of developments taking place on the borough. These must comply with the requirements of regulation 122 of the Community Infrastructure Regulations 2010 in that they must be: -
- 3.1.1 Necessary to make the development acceptable in planning terms
 - 3.1.2 Relevant to the development being permitted
 - 3.1.3 Reasonable in scale and kind.
- 3.2 S106’s are used either to require a financial contribution from a developer, or require the developer to undertake some specific action (or prohibit an action). In the case of training and skills this takes the form of either requiring a developer to provide facilities and jobs, employment & business opportunities as part of a development, or, require the payment of a contribution to enable the Council to deliver those benefits or in some cases the combination of the two.
- 3.3 Finally, this report also explains the relationship of the Community Infrastructure Levy to training and skills.

4. PLANNING POLICY FRAMEWORK

- 4.1 All planning applications must be determined in accordance with the development plan in force unless material considerations indicate otherwise. This requirement is set out in section 38(6) of the Planning and Compulsory Purchase Act. Therefore the most important place to start in establishing the requirement for training and skills obligations is in the development plan for the borough. Note the current Local Plan is under review and a new Local Plan is being prepared that will better respond to the changing economic profile of the borough. Section 106 expenditure will also be aligned to this new plan
- 4.2 Provision is made for the jobs, employment and business requirements of the Borough in Planning Policy documents, which make it relevant to the determination of any planning application.
- 4.3 The development plan documents for the borough are: -
- The London Plan
 - The Core Strategy; and

The Local Plan (as noted, under revision).

4.4 The current core policy relating to Training and Skills is: -

Policy - DM B3

Local employment, training and skills development initiatives

The council will seek appropriate employment and training initiatives for local people of all abilities in the construction of major developments and in larger employment generating developments, including visitor accommodation and facilities when these are completed.

Note the new Economic growth Strategy places emphasis on business growth through expansion of key sectors, inward investment, enhanced skills provision, further increases in employment and support for our most vulnerable adults

5. FUNDS IN HAND

The table below sets out the current funds in hand that are available for training and skills projects. The council is currently considering the delivery of the Bridge Academy project, which will provide training and skills resources on site, which may need to call on some of these funds, however the details of this are as yet undefined.

| S106 Ref. | S106 Site | Purpose | Contribution (£) |
|------------------|---|---|-------------------------|
| 687 | 58 Shepherd's Bush Green | Training & Recruitment scheme | 21,930 |
| 784 | 282 - 292 Goldhawk Road W12 | Workplace and Training | 9,000 |
| 795 | Earls Court 2 Exhibition Centre, Lillie Bridge Rail Depot | Training and Skills | 135,399 |
| 733 | Earls Court, Seagrave Road | Training and Employment | 157,898 |
| 828 | 176 - 182 Goldhawk Road London W12 | Employment and Training | 32,000 |
| 804 | 77 - 89 Glenthorne Road | Employment and Training | 50,050 |
| | | Employment and Training (WSTF06) | 15,056 |
| | | Regeneration and Employment Initiative (WSTF23) | 233,424 |

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| 459 | BBC White City, 201 Wood Lane | Training, Education, Employment and Regeneration projects drawn from the White City Community Plan | 87,881 |
| | | Total | 742,638 |

6. NON FINANCIAL OBLIGATIONS

6.1 In addition to the agreed direct financial contributions the council also agrees none financial commitments including but not limited to:

- Apprenticeships for 16-18 year olds
- Work placements

Because of the reducing levels of unemployment the number of apprenticeships places awarded has been limited to 120 for 16-18 year olds. However the new Skills Funding Agency rules for apprenticeships coming into force for the academic year 2016 -17 allows for apprenticeships to be available to all age groups and for different skills at higher levels. Final details to be available and will be reported in the follow on report

7. COMMUNITY INFRASTRUCTURE LEVY

7.1 In addition to the S106s, the Council has now adopted a charging schedule for Community Infrastructure Levy ("CIL") which is a set charging rate based on a fixed rate per square metre of new development taking place, subject to a number of exceptions. The Councils adopted charging schedule is attached as Appendix 1. The impact of this will be to reduce the funding available for economic development activities as Section 106 will be limited and replaced by CIL

7.2 The key points to be noted here is what the funds are able to be used for. Unlike funds received as a result of a S106 agreement, the funds do not have to be used to address the impact of the specific development from which they are generated, however instead must be used to fund the delivery of "Infrastructure needed to support development". It can also be used to fund the maintenance, operation and repair of that infrastructure.

7.3 At present the boroughs intended use of these funds has not yet been fully defined, however given the restrictions on the use of this money, there is limited scope for funding the wider training and skills income from this source, save for the physical infrastructure necessary.

8. EQUALITY IMPLICATIONS

8.1. There are no equality implications relevant to this report.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

| No. | Description of Background Papers | Name/Ext of holder of file/copy | Department/ Location |
|-----|----------------------------------|---------------------------------|----------------------|
| 1. | None | | |

LIST OF APPENDICES:

Appendix 1 – CIL Charging Schedule