

# SPG

supplementary planning guidance

## Construction training and local employment agreements



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## Supplementary planning guidance

### CONSTRUCTION TRAINING AND LOCAL EMPLOYMENT AGREEMENTS

#### Introduction

1.1 A severe skills shortage faces the construction industry nationally. This Supplementary Planning Guidance (SPG) provides detailed advice to both planners and developers as to how the planning system can be used to attempt to address this shortage as well as providing training opportunities in other industries and sectors for entry-level employment opportunities for disadvantaged priority groups e.g. long-term unemployed, single parents, incapacity benefit claimants, young people, minority groups. It sets out how the council will seek to secure construction training and local employment agreements for local people to



benefit from large scale development activity within West Lothian. The guidance is not compulsory and is indeed voluntary.

1.2 The SPG is non-statutory guidance which supplements the policies within the council's adopted West Lothian Local Plan. It offers detailed guidance to assist in the implementation of policy.

1.3 Primarily, this SPG is concerned with the use of planning agreements to secure the voluntarily provision of construction and other similar training through Local Employment Agreements (LEAs) on appropriate significant developments. Supplementary planning guidance may be taken into account as a material consideration, the weight accorded to it being increased if it has been prepared in consultation with the public and has been the subject of council approval.

1.4 The objectives of the SPG are as follows:

- to set out the policy framework related to the use of planning and voluntary agreements to achieve construction training and training in other sectors;
- to set out the benefits associated with construction training and training in other sectors; and
- to provide best practice guidelines for the provision of construction training and training in other sectors.

#### The policy framework

2.1 Agreements relating to employment matters, and specifically the provision of construction training and jobs through LEAs under the Local Government (Scotland) Act 2003 will make a measurable contribution to reducing social exclusion within West Lothian and achieving sustainable development and thereby will comply with Section 20 of the Local Government (Scotland) Act 2003 which enables the securing of funding and other benefits where these will 'promote and advance well being', as will be the case with the outcome of providing training to young people and disadvantaged people in society, this being the primary aim of this SPG.

2.2 Therefore, where appropriate, the council will seek agreement with developers to secure a commitment to provide employment opportunities, principally in construction training. However, the provision of construction training should not be considered in isolation. It should form part of an agreement of measures which together may meet a range of community needs. The nature of the commitment, and the decision on whether to seek a commitment to provide construction training and training in other sectors, will depend on the nature of the development proposal and its scale and location.

2.3 Construction training places and other related jobs provided by a development will usually be allocated to local people in most need. However, a degree of flexibility will be used to allow residents from the rest of West Lothian to benefit from training opportunities where these opportunities are unlikely to be taken up by the local long term unemployed.



2.4 In most cases the legal agreement will relate to employment on the development site. However, support for generalised construction training or pre-recruitment activity (see paragraph 4.13) may also be appropriate in some circumstances.

2.5 Planning agreements, like planning permissions, relate to the land rather than an individual developer. Therefore, it should be noted that any subsequent occupiers of a site will be bound to any commitments to training which were included within a planning agreement.

### **The benefits of construction training and local employment agreements**

3.1 Whilst the signing of a formal section 20 legal agreement under the Local Government (Scotland) Act 2003 (agreements will be completely voluntary) will underpin the developer's commitment to provide construction training and job opportunities through their developments, the council aims to work in partnership with developers and other interested parties to reap the considerable benefits associated with the delivery of these job opportunities. The benefits include:

- reduction of social exclusion by offering first, employment to unemployed people and disadvantaged communities training and employment;
- reduction of the acute skills shortage, and associated wage inflation, within the construction industry and in other sectors that are currently experienced, such as engineering and manufacturing where appropriate;
- reduction of short, medium and long term local unemployment by improving the skills base of local unemployed people;
- the creation of a locally recruited workforce which will minimise travel to work distances, thereby reducing traffic and associated traffic emissions;
- improvement of training outcomes due to the link with jobs; and
- allowing developers to ensure community involvement within a development proposal, fostering an increased sense of 'ownership'.

## Best practice guidelines

4.1 The advice within the SPG largely reflects the guidelines developed by West Lothian Council by strategic development planners, economic development staff and other key stakeholders such as key core development area developers, other major developers and other stakeholders such as the chambers of commerce and the local business community.

### When should a development provide construction training and job opportunities?

4.2 The majority of planning applications within West Lothian are for relatively small-scale proposals, consisting of changes of use or the extension of existing buildings. It will not normally be appropriate to negotiate construction training and local employment agreements on these sites.

4.3 Construction training in other sectors will normally only be sought on developments which are likely to be of a sufficient scale to support trainees on site. A general guide to these is provided below, however, it should be made clear that complying with and taking account of the guidance is not compulsory, and the council would welcome agreements where possible on smaller developments as well as accepting that not all developers above the threshold will necessarily want to sign up to the guidance.

Sites that the council will seek agreements on are likely to include developments with an estimated construction cost of over £2 million AND a construction period of over three months are likely to be considered as candidates to sign up to these Local Employment Agreements.

4.4 The council considers that the following types of proposal are also likely to be of a sufficient scale to accommodate trainees:

- housing developments consisting of over 25 units;
- commercial developments over 3000 sq m (approximately 32,000 sq ft);
- schemes for the development of the core development area (as listed in the adopted West Lothian Local Plan); and
- schemes of strategic importance which are of a scale and type which will require referral to the Scottish Government and are identified as 'national developments' under the new planning legislation.

Construction training will also normally be sought for developments carried out by the council which meet the indicative thresholds. This will allow the council to lead by example as well as maximising employment opportunities within West Lothian.



## **What should be included in the legal agreement or any voluntary agreement agreed between the council and third parties?**

4.5 A legal or voluntary agreement would normally contain a number of elements which may include:

- a contribution by the developer towards construction training;
- the provision of waged construction training placements on the development site;
- a requirement to provide information that the council can use to monitoring the success of a scheme; and
- larger schemes should also include the provision of a serviced, on site recruitment and/or training facility.

### **Contribution towards construction training**

4.6 The council has adopted a standard formula to calculate the value of the contribution as set out below:

- The council will expect a developer to provide £2,500 for every £1 million worth of construction costs. For example a scheme costing £5 million will generate a £12,500 contribution.
- The council would be happy to negotiate the contribution on very large schemes.
- The formula requires the developer to share with the council an estimate of construction costs.

### **Key principles in relation to considering developer contributions**

4.7 The figure of £2,500 has been used because it represents approximately two-thirds of the cost of a construction NVQ college training programme. The contribution is intended to supplement mainstream resources. The figure may have to be raised if the cost of the training programme changes. However the contributions suggested are estimates only and the council recognises that any agreement is not compulsory and will be subject to negotiation.

4.8 Any contribution will be passed onto the council's Economic Development unit who will let a contract or otherwise secure training with an approved training provider or directly through the council itself. The training provided will reflect the particular construction skills or training in other sectors required.

### **The provision of waged construction training placements on the premises**

4.9 A Section 69 or 75 legal agreement or voluntary agreement under section 20 of the Local Government (Scotland) Act 2003, should, where one is negotiated, contain a clause which ensures that construction training is provided on the development site or training in other sectors is provided within the finished development. This will help rectify the existing acute shortage of training placements available to those on existing construction training and training in other sectors courses.



4.10 The planning agreement should, where one is negotiated, require the developer to include a 'reasonable endeavors clause' to ensure that the developer provides a given



number of construction training places on the site. The number of 'training placement weeks' shall be calculated in a similar way as the general contribution to construction training i.e. at least thirty weeks of waged construction training places should be provided for every £1 million of construction costs. Waged training placements should be with either the developer, contractor or sub contractor and should be in accordance with the Working Rule Agreement. These wages do not form part of the contribution to construction training discussed in paragraph 4.6.

#### **Other contributions towards construction training or training in other sectors**

4.11 The developer will be invited to offer further contributions towards construction training or training in other sectors where the proposed development is either:

- of 'strategic importance' in that it would be considered a nationally important development in terms of emerging legislation; or
- involves the development of a 'core development area site', as defined by the adopted West Lothian Local Plan;

4.12 This allows the employment opportunities for West Lothian residents to be maximised as takes the advantage of the economies of scale associated with the construction of the largest projects.

4.13 These additional contributions could include:

- on site recruitment centre/employment broker;
- job fairs;
- provision of a serviced, on-site recruitment and/or training facility, or a financial contribution to fund full time training places on site by an approved trainer.

#### **Requirement to provide monitoring information**

4.14 Any planning or voluntary agreement should include a requirement to provide information which allows the council to evaluate the success of the scheme, and provide information which will be useful in developing further proposals and agreements. This could include the number of trainees on site, the number of weeks they have completed and their skill areas.

## **FLEXIBILITY**

4.15 The council recognises that a degree of flexibility is required. Whilst contributions towards construction training and training in other sectors will be suitable for the majority of the larger development proposals, the nature of the contribution may vary. Some developments may lend themselves to training placements and on-site recruitment, whilst in others it may be more appropriate for developers to provide financial contributions to off-site training places. The council will work in partnership with developers to find an appropriate balance and to tailor the construction training needs to the special circumstances of different developers and sites.

4.16 Developers are advised to contact the council's Development Planning unit and Economic Development service at the earliest opportunity to discuss whether proposals are likely to be of a sufficient scale to support the construction training process or for any further queries on this guidance. Council officers will be able to advise developers on the nature of the training sought.



### **Further information**

For further information or advice please contact:

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