

Section 106 & Employment and Skills Plan Guide

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This London Borough of Lambeth (‘the Council’) guidance document is a reference guide to support section 106 (‘s106’) developers with meeting the local training, skills, and job brokerage requirements found in the [Local Plan](#) 2021; relevant requirements can be found in Policy ED 15 and Annex 9 of the Local Plan.

1. Acronyms

- **s106** – Section 106
- **ESP** – Employment and Skills Plan
- **CITB** – Construction Industry Training Board

2. Frequently Asked Questions

General

- 1. What is section 106?**

S106 is an agreement between a landowner and the Council which sets targets for planning contributions to ensure that Lambeth residents benefit from real estate development and efforts are made to mitigate potentially negative impacts of neighbourhood change. Planning contributions include financial and non-financial commitments. Lambeth Council’s approach to s106 follows the national policy, as set out in the Town and Country Planning Act 1990.
- 2. When is an Employment and Skills Plan (ESP) required?**

The s106 will determine the developer’s required financial contribution to support employment and training schemes in the borough. In addition, major developments are required to deliver a series of non-financial contributions (e.g. local jobs, apprenticeships, training opportunities). These are established in a site-specific Employment and Skills Plan, agreed between the council and the developer. A major development is defined as a residential project with 10 or more units or a commercial/mixed-use project of 1,000 sq. m. or larger.
- 3. What is the process for agreeing and monitoring skills and employment contributions?**

See process diagram at the end of this document.
- 4. Who can I discuss s106 skills and employment obligations or my draft ESP with?**

If you have questions about your planning proposal or other questions prior to applying, please contact the Employment & Skills team (EmploymentandSkills@lambeth.gov.uk).

Benchmarking Targets

5. How do you calculate targets?

The Employment and Skills contribution targets are calculated based on benchmarks set out in the Local Plan. See below for an overview of how obligations are calculated.

Employment & Skills Obligation	Policy Guidance
Job Starts (Construction & End Use)	A target of 25 per cent of all jobs created by the development (in both the construction phase and net additional jobs for the first two years of end-use occupation of the development) to be secured by the council for local residents.
Apprenticeship	One new apprenticeship (Level 2 or above) for every 1,000 m ² of development or every 10 residential units provided; can be from the construction or end-use phase, or a combination of the two and open to candidates nominated by the Council.
Supported Employment	Every 2,500 m ² of development to be capable of generating at least one paid job placement lasting for a minimum of six months, with appropriate support to make them suitable for long-term unemployed Lambeth residents.
Work Smart Activity	Educational engagement, including careers inspiration and employability support for schools, colleges, and youth employment partners. Calculated based on construction value and CITB guidance.
Work Experience	Short-term work-based learning opportunities. Calculated based on construction value and CITB guidance.

6. How is the financial contribution to support employment and skills calculated?

The contribution is based on the uplift in building area which can support employment (e.g., increase in area of office, retail, hotel). Using standard employment densities from a nationally cited guide, we estimate the number of jobs that can be supported by the uplift in built area.

We then apply 25% to estimate the local job requirement, 17.8% of which will need additional training based on the proportion of Lambeth residents who have NVQ1 qualifications or less. The financial contribution is £6,500 (the cost of training an unemployed person) for each of those jobs. These calculations are outlined in Annex 9 of the [Local Plan](#) (pg. 374).

7. What happens if we don't meet the obligations?

While we expect all developers to endeavour to meet all designated targets and benchmarks for local employment and skills, we understand that in some instances targets cannot be met. When non-financial contributions are not met, or if the owner elects, the council will levy a compliance payment, or monetary contribution-in-lieu, on unmet in-kind outcomes. Please find contribution amounts below.

Employment & Skills Obligation	Contribution per target shortfall
Job Starts	£6,500
Apprenticeship	£26,000
Supported Employment	£8,217
Bespoke pre-employment and skills training	£6,500
Youth-oriented career development activities (total)	£14,951
<i>Work Experience</i>	£12,950
<i>Work Smart Activity</i>	£2,001

Creating an ESP

1. Are there specific groups or people our ESP should aim to support?

The [Skills & Employment Strategy](#) sets out the Council's approach to overcoming the long-term social and economic inequalities faced by many residents of the borough. In particular, the strategy prioritises support for the following groups:

- Residents from Black and Minority Ethnic backgrounds
- Young people who are care leavers, not in education, employment or training (NEET), or at risk of becoming NEET such as those known to the criminal justice system*
- People who are homeless or at risk of homelessness*
- People with health conditions and disabilities, including mental health problems, and their carers
- Parents with young children
- People at risk or victims of domestic violence
- People aged 50 and above
- Groups which are a combination of the above (intersectionalities)

We encourage applicants to develop skills and employment offers to support one or more of these priority groups.

2. What should our Employment & Skills Plan look like?

Please contact the Employment and Skills team for the latest ESP template (EmploymentandSkills@lambeth.gov.uk).

Meeting Targets

3. Does Lambeth provide a job brokerage service?

Yes! Please post job opportunities on the Council's job brokerage site – <https://opportunity.lambeth.gov.uk/>

4. Our project is very unique, and we anticipate challenges meeting the targets. How can you help us?

We appreciate that each project is special. While we recognise that, we are committed to working with landowners to create meaningful employment and training opportunities for

* Note – some Lambeth residents may temporarily be living outside of the borough (e.g., care-experienced youth or residents placed in temporary accommodation, i.e., short-term council housing); if these residents are supported through ESP obligations (e.g., local jobs, apprenticeships), landowners are encouraged to report these outcomes to the Employment & Skills team as part of project monitoring.

Lambeth residents. Some common challenges we hear about are listed below, along with our standard responses:

“We use specialised trades so will struggle to hire locally.”

Consider the project as a whole and where you can meet employment and skills contributions beyond the specialised construction trades (for example, through your contracts for cleaning, security, traffic marshals). As well, we highly encourage you to provide training support to current or new employees for upskilling to help strengthen the resilience of the workforce so in the future there is a local labour force able to fill those specialised opportunities (especially in the green economy and life science sectors).

“We subcontract much of our work and can’t control what the subcontractors do.”

The Skills & Employment planning obligations requires that 25% of project employees are Lambeth residents; it is the responsibility of the landowner to ensure that commitment is met. If the main contractor is not able to achieve the 25% target through their own directly controlled workforce, the owner can communicate the commitments to subcontractors and support the supply chain to hire locally. You can ask the Employment & Skills team for precedent language to include in your contracts.

“It’s short construction timeline so won’t have enough time to support an apprenticeship”, or “it’s a small company so can’t take on an apprentice.”

We count apprenticeship starts, as well as any existing apprentices on the project who are Lambeth residents. We can also work with your development team to help place 'displaced' apprentices (people coming to the end of their placement or the construction site is wrapping up). We also suggest that you work with a registered Apprenticeship Training Academy.

3. Process Diagram

