

# Pope's Road, Brixton: Employment and Skills Strategy

AG Hondo Pope's Road BV

A report by Volterra Partners, March 2020

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
	KEY ISSUES IDENTIFIED IN THE LOCAL AREA .....	2
	IMPACT BRIXTON .....	3
	IMPACTS OF THE PROPOSED DEVELOPMENT.....	4
	PROPOSED DEVELOPMENT’S EMPLOYMENT AND SKILLS AIMS.....	4
	LINKS TO AFFORDABLE WORKSPACE.....	6
<b>2</b>	<b>INTRODUCTION .....</b>	<b>8</b>
<b>3</b>	<b>LOCAL CONTEXT .....</b>	<b>10</b>
	GEOGRAPHICAL AREAS .....	10
	WHAT HAS BEEN ACHIEVED SO FAR? .....	10
	PLANNED GROWTH & FUTURE PRIORITIES.....	21
	SUMMARY OF BASELINE INDICATORS.....	22
<b>4</b>	<b>ISSUES AND OBJECTIVES IDENTIFIED IN POLICY.....</b>	<b>23</b>
	LBL ISSUES AND OBJECTIVES .....	23
	LONDON ISSUES AND OBJECTIVES .....	26
	SUMMARY OF KEY ISSUES AND OBJECTIVES .....	28
<b>5</b>	<b>THE IMPACT OF THE PROPOSED DEVELOPMENT.....</b>	<b>29</b>
	THE IMPACT OF THE PROPOSED DEVELOPMENT DURING CONSTRUCTION .....	29
	THE IMPACT OF THE PROPOSED DEVELOPMENT DURING OPERATION.....	29
	BENCHMARKS AND BEST PRACTICE .....	32
<b>6</b>	<b>THE APPLICANT’S EMPLOYMENT AND SKILLS AIMS.....</b>	<b>35</b>
	KEY STAKEHOLDERS .....	35
	EMPLOYMENT AND SKILLS AIMS.....	35
	HOW DO THE PROPOSED DEVELOPMENT’S AIMS ADDRESS THE IDENTIFIED ISSUES AND OBJECTIVES? .....	41
<b>7</b>	<b>LINKS TO AFFORDABLE WORKSPACE .....</b>	<b>43</b>
	COMPLEMENTARY LINKS BETWEEN AFFORDABLE WORKSPACE & ACHIEVING EMPLOYMENT AND SKILLS OBJECTIVES.....	43
<b>8</b>	<b>CONCLUSION .....</b>	<b>45</b>
	<b>DISCLAIMER.....</b>	<b>47</b>

## 1 Executive Summary

1.1 Volterra Partners has been commissioned by AG Hondo Pope's Road BV ('the Applicant') to provide an Employment and Skills Strategy for the Proposed Development incorporating an office-led, mixed-use development at Pope's Road, Brixton, within the London Borough of Lambeth ('LBL'). The Proposed Development will comprise of 20-storeys ('Ground + 19') and 9-storeys ('Ground + 8') in two adjacent buildings. B1 office space will be provided at floors 2 to 19, with flexible floorspace provision (A1/A3/B1/D1/D2 uses) provided at the ground and first floor levels, acting as an extension to the existing Brixton Market. In the other building, a publicly accessible restaurant will be provided on the 8<sup>th</sup> floor. The total Gross Internal Area (GIA) of the Proposed Development will amount to 29,002m<sup>2</sup>, of which 25,445m<sup>2</sup> GIA will be B1 floorspace. More specifically, the application is for the following development:

*"Demolition of the existing building and erection of a part G + 19, part G + 8 storey building comprising flexible A1/A3/B1/D1/D2 uses at basement, ground and first floor, with restaurant (A3) use on floor 8 and B1 accommodation on floors 2 to 19, with plant enclosures at roof level, and associated cycle parking, servicing and all necessary enabling works."*

1.2 The site of the Proposed Development is situated in the heart of Brixton Market. The Proposed Development will seek to bring significant employment opportunities to the local area as well as Brixton and the LBL more widely, in addition to London as a whole.

1.3 According to LBL's Planning Guidance on employment sites and business premises<sup>1</sup>, both planning obligations and employment and skills obligations will be sought to help deliver LBL's policy aims in the case of all major developments. A major development is defined in the Lambeth Local Plan as a development involving:

- The provision of a building or buildings where the floor space to be created by the development is 1,000m<sup>2</sup> (GIA) or more; or
- Developments carried out on a site having an area of 1 hectare or more.

1.4 As the Proposed Development falls within the description of the developments required to submit a standalone Employment and Skills strategy, this strategy specifically sets out the approach through which the local employment and skills benefits would be maximised by the Proposed Development.

1.5 The strategy starts by considering the issues prevalent in the local area, then it identifies the economic benefits of the proposals, and finally through linking the two it provides a set of aims and commitments that the Applicant will make to ensure that the Proposed Development plays its role in positively addressing those local economic issues.

### Key issues identified in the local area

1.6 Volterra has examined the local context, through analysis of baseline economic indicators and employment and skills objectives identified in local authorities' policies, in order to identify the most pressing issues in the local area. A summary of these

<sup>1</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document

baseline indicators is provided in the table below. The issues are colour coordinated in a Red-Amber-Green (RAG) system in order to represent: Red – most significant socio-economic issues; Amber – issues remain; and Green – the area scores relatively well on these issues.

Indicator	LBL
Employment	The proportion of economically active residents (82%) remains above that of London (78%) & Great Britain (79%), with total employment within LBL seeing large growth in recent years.
Unemployment	The unemployment rate remains high in LBL, consistently above the national and regional comparators. Furthermore, there remains a significant mismatch in the types of jobs sought by unemployed LBL residents and the vacancies available in the borough, and there are identified subgroups who experience significantly higher rates of unemployment than the average.
Unemployment – vulnerable groups	Following on from the relatively high unemployment rate experienced across the whole LBL population, sub-groups of the LBL population who are often under-represented in the labour market also experience higher than average unemployment rates.
Earnings	Earnings growth has recently been lower than comparators and other Inner London boroughs, with average earnings in line with that of London & Inner London.
Qualifications	A larger proportion of LBL residents have achieved each NVQ stage than the Inner London or London averages. LBL has seen significant growth in the proportion of residents achieving each NVQ stage in the last 10 years.
Apprenticeships	Apprenticeship starts per worker in LBL are substantially below the national average, although higher than the average across London.
Deprivation	Many areas of the borough remain highly deprived in terms of employment, including the area surrounding and containing the Proposed Development in particular. There remain large inequalities in the level of employment deprivation across the borough. By contrast, the borough ranks well in education, skills and training.

## Impact Brixton

- 1.7 Impact Brixton, described in more detail in the box below, is a community workspace previously housed in Pop Brixton. They are in the process of becoming rehoused into the applicant-owned Brixton Market. In doing this, a close working-partnership has been formed between Impact Brixton and the Applicant, with it envisaged that upon completion of the Proposed Development, Impact Brixton will relocate to the site and manage the affordable workspace that will be provided (c. 2,600m<sup>2</sup>, or 10% of total B1 floorspace). This would represent a c. four-fold increase in the size of space they are due to imminently occupy within the market.

### What is Impact Brixton?

Impact Brixton is a place to call home for a diverse community of entrepreneurs, freelancers, dreamers, creators and social change makers in South London. Launched in 2014 as a community workspace for mission-led organisations, it has since become a home for community-led change, with projects such as the People’s Fridge and Open Project Night bringing together people and organisations of all backgrounds.

## Impacts of the Proposed Development

### Construction phase

- 1.8 During the 3.3-year construction phase, it is estimated that there would be an average of 440 workers on-site, amounting to 1,450 gross job years over the entire construction period. The additional employment generated presents a significant opportunity for local residents, as well as the wider supply chain impacts that will benefit businesses in the local area through increased worker expenditure.

### Operational phase

- 1.9 Once completed, it is estimated that the Proposed Development will support 1,850 direct jobs on-site (1,600 FTEs). The jobs created by the Proposed Development are likely to be more in line with those sought by unemployed LBL residents than vacancies that currently exist in the borough, providing further opportunities for local residents.

### Proposed Development's employment and skills aims

- 1.10 The proposed employment and skills commitments that will be made by the Applicant are summarised below.

### Local jobs

- 1.11 LBL is committed to increasing the numbers of newly created jobs which go to local residents. With this in mind, they have set a target that 25% should go to Lambeth residents<sup>2</sup>. However, this hides a more complex issue which is that some sectors are considerably more likely to employ local people than others. With this in mind, the Applicant intends to use reasonable endeavours to achieve a set of sectoral-specific targets for local employment opportunities, based on an uplift from existing to aspirational proportions of the relevant workforce, which provides a meaningful way to deliver the borough's total workforce target. The proposed percentage commitments are outlined in the table below, and show that through this commitment, **a maximum of 230 employment opportunities (job years) could go to LBL residents during construction, with a further maximum of 390 opportunities made available during operation, if all jobs created were considered new.** The Applicant is open to working with the council to deliver local jobs through its proposals in the most meaningful and appropriate way given the range of uses which will be delivered on site.

Phase & type		Pope's Road proposed obligation
Construction (job years)		<b>16%</b>
Operational	Office	<b>20%</b>
	Retail	<b>32%</b>
	Restaurant	<b>38%</b>
	Leisure	<b>33%</b>
	Total	<b>21%</b>

<sup>2</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document.

- 1.12 It is envisaged that these sector-specific targets for operational employment opportunities will be set with respect to new operational jobs, due to the fact that tenants choosing to initially occupy the Proposed Development will most likely bring an existing workforce with them, which, if relocating from some distance away, is unlikely to immediately be able to be made up of the required proportion of LBL residents.

#### What have Impact Brixton already achieved?

Impact Brixton will also strengthen the local employment offering, as local jobs would be more deliverable through the local community-focused space, which will be housed directly on-site.

160 members have already moved into the new space at Brixton Market, the majority of which are LBL residents. This space is only a quarter of the size of the space that Impact Brixton would potentially move into at the Proposed Development, highlighting the scope to deliver substantial numbers of employment opportunities to LBL residents.

#### Raising the skills and aspirations of local people

- 1.13 The Applicant intends to commit to providing a number of apprenticeship positions through the demolition and construction phase, and the end-use operational phase. **In line with LBL policy, the Applicant will commit to the recruitment of one apprenticeship per 1,000sqm (GIA) of development**, equating to the recruitment of 26 apprenticeships over the overall construction and/or operational phases.
- 1.14 The Applicant will also commit to the **recruitment of one individual who has been long-term unemployed per 2,500sqm (GIA) of development**, equating to the recruitment of 10 opportunities for the long-term unemployed in the end-use operational phase.
- 1.15 Based on the HACT social value index, achieving this target of 26 apprenticeships and moving 10 long-term unemployed into employment would have a social value of c. £205,500.
- 1.16 **The Applicant will also encourage end-use occupiers to target hard-to-reach priority groups suffering disproportionately from unemployment or low skills when seeking to fill vacancies arising at the Proposed Development, where it is legally possible to do so.** In addition to this, the Applicant will use reasonable endeavours to ensure that a number of direct “supported employment” positions are made available to Lambeth

#### How will this happen?

The Applicant will build on existing programmes already operated by Impact Brixton that focusses on providing tech and digital training to a large diverse group in the community. These programmes will provide invaluable skills to individuals needing them the most, bringing the most affected members back into the workforce. Additionally, programmes will be ran targeting under-represented groups in society, such as women through ‘Female Founders’ networking events, and ethnic minorities.

residents that fall into one of the hardest to reach groups, such as the long-term unemployed or residents living with a disability.

#### Engagement with local schools and colleges

- 1.17 In line with the LBL Employment and Skills SPD, it is envisaged that **engagement with educational institutions will be directly provided within the Proposed Development through programmes run by the Applicant in collaboration with Impact Brixton**. The workspace housed on-site will provide both enterprise training for businesses as well as employment training for individuals and pupils of local education institutions, creating skills directly required for employment in the financial and corporate world.

#### Monetary contribution

- 1.18 Any major development makes contributions and commitments via a Section 106 agreement. The financial contributions made here can be used to fund appropriate employment and skills initiatives aimed at maximising the potential for Lambeth residents to compete for jobs being created at the Proposed Development. **The Applicant will therefore pledge an employment and skills monetary contribution as part of the application, with the total amount subject to s106 negotiations**. These negotiations will utilise the formula provided in LBL's Employment and Skills SPD, after agreement on the total quantum of jobs at the Proposed Development.

#### Wages

- 1.19 Finally, with respect to the London Living Wage (LLW), the Applicant will make reasonable endeavours to ensure that:
- **All full-time operational staff directly employed by the Applicant will be paid the LLW; and**
  - **The LLW will be promoted for all construction and operational employees that are not directly employed by the Applicant but are working at the site.**

#### Links to affordable workspace

- 1.20 The Applicant is happy to comply with Lambeth's requirement for 10% of floorspace to be provided as affordable workspace. This equates to the provision of c. 2,600m<sup>2</sup> GIA / 1,770m<sup>2</sup> NIA of affordable workspace. It is the preference of the applicant to work in partnership with Impact Brixton, who will manage and operate the affordable workspace within the Proposed Development.
- 1.21 **Utilising Impact Brixton as the affordable workspace provider will create a more holistic approach towards the package of public benefits offered at the Proposed Development, as it would allow Impact Brixton to use the space to not only provide discounted workspace to local residents and businesses, but also operate employment and upskilling programmes to the benefit of local residents. This will in turn make the affordable workspace complementary with the employment and skills aims outlined in this strategy.**
- 1.22 Just as Impact Brixton's model and focus has evolved over time to the successful community-focused project that it is today, it is possible that this will further evolve to meet the needs of local people and businesses. The Applicant is committed to delivering its affordable workspace provision in such a way that it continues to build

on what has been achieved to date and further serves the needs of local workers, job seekers, entrepreneurs and community groups.



## 2 Introduction

2.1 The Employment and Skills Strategy for the redevelopment on Pope's Road ('the Proposed Development') has been prepared by Volterra Partners ('Volterra') on behalf of AG Hondo Pope's Road BV ('the Applicant'). It accompanies the application for planning permission.

2.2 The scheme will be an office-led development, comprising of 20-storeys ('Ground + 19') and 9-storeys ('Ground + 8') in two adjacent buildings. B1 office space will be provided at floors 2 to 19, with flexible floorspace provision (A1/A3/B1/D1/D2 uses) provided at the ground and first floor levels, acting as an extension to the existing Brixton Market. In the other building, a publicly accessible restaurant will be provided on the 8th floor. The total Gross Internal Area (GIA) of the Proposed Development will amount to 29,002m<sup>2</sup>, of which 25,445m<sup>2</sup> GIA will be B1 floorspace. More specifically, the application is for the following development:

*"Demolition of the existing building and erection of a part G + 19, part G + 8 storey building comprising flexible A1/A3/B1/D1/D2 uses at basement, ground and first floor, with restaurant (A3) use on floor 8 and B1 accommodation on floors 2 to 19, with plant enclosures at roof level, and associated cycle parking, servicing and all necessary enabling works."*

2.3 The site of the Proposed Development is situated within the heart of Brixton Market, which can be accessed by either Atlantic Road or Pope's Road. Brixton has been identified in the Intend to Publish London Plan<sup>3</sup> as one of 35 major centres in Greater London, highlighting its importance to London, both culturally and economically. The site is extremely accessible by public transport, judged to have a public transport accessibility rating (PTAL) of 6b – the highest rating that can be achieved due to its close proximity to a major over ground & underground station.

2.4 According to LBL's Planning Guidance on employment sites and business premises<sup>4</sup>, employment and skills obligations will be sought to help deliver LBL's policy aims in the case of all major developments. The Proposed Development's compatibility with the Employment and Skills SPD<sup>5</sup> is a material consideration in the determination of planning applications. A major development is defined in the Lambeth Local Plan, and in the context of the Proposed Development relates to:

- The provision of a building or buildings where the floorspace to be created by the development is 1,000m<sup>2</sup> (GIA) or more; or
- Developments carried out on a site having an area of 1 hectare or more.

2.5 The Applicant is committed to ensuring the benefits of the Proposed Development are maximised and retained within the local area to the extent that this is possible. As the Proposed Development falls within the description of the developments required to submit a standalone Employment and Skills strategy, this strategy specifically sets out the approach through which the local employment and skills benefits would be maximised by the Proposed Development. The Applicant is committed to providing employment, training and education to local residents, including disadvantaged

<sup>3</sup> Mayor of London, 2019. London Plan – Intend to Publish Edition

<sup>4</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document

<sup>5</sup> Ibid.

residents with lower qualifications or who are previously unemployed, helping them have access to opportunities during both the construction and the operational phase of the Proposed Development.

2.6 By examining the local context, through analysis of baseline indicators and employment and skills objectives identified in LBL and Greater London Authority (GLA) policies, Volterra has identified the most pressing socio-economic issues in the local area that the employment and skills objectives could help to positively impact upon. The core policies referred to in this report include:

- LBL Adopted Local Plan, 2015
- LBL Employment and Skills SPD, 2018
- LBL Draft Revised Local Plan, 2020
- Adopted London Plan, 2016
- Draft ('Intend to Publish') London Plan, 2019

2.7 Aims and commitments have then been set to try to ensure that the Proposed Development plays its role in positively addressing those local socio-economic issues.

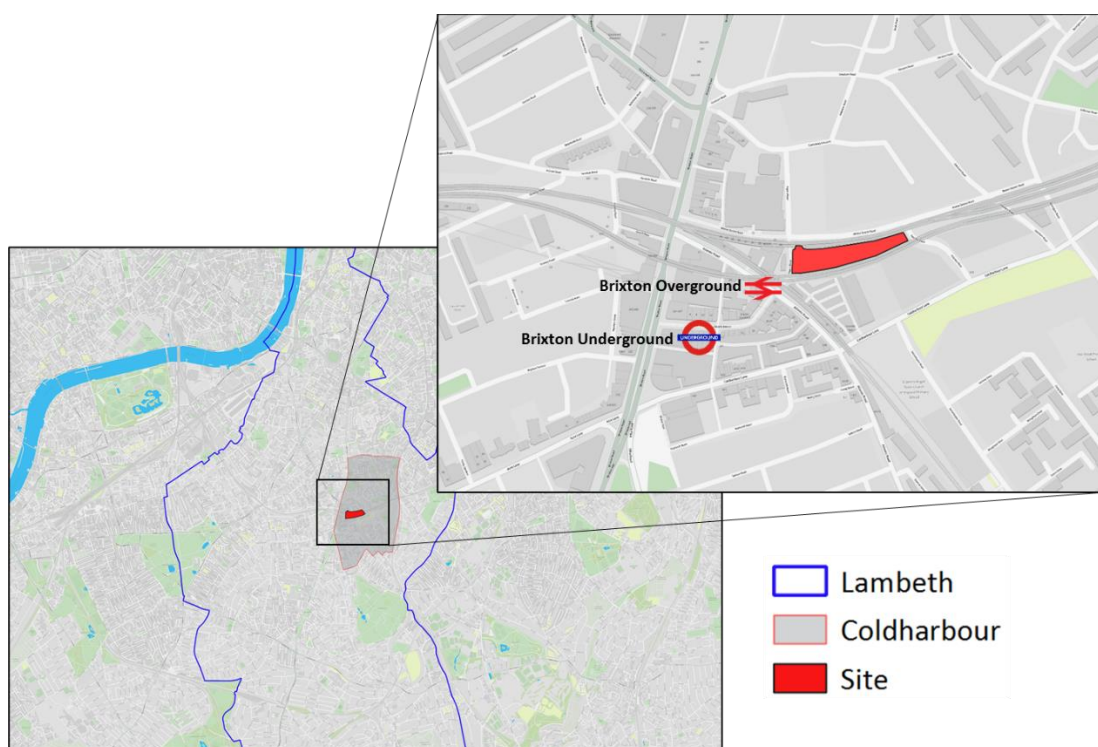
### 3 Local Context

- 3.1 This section summarises the baseline economic characteristics, focusing on employment and skills-based indicators, of the local area surrounding the site of the Proposed Development. This baseline then provides guidance for the design of the Employment and Skills Strategy, by highlighting outstanding issues in the local area and ensuring policies are specifically tailored to these issues to maximise the socio-economic benefits for the local community.

#### Geographical areas

- 3.2 The site of the Proposed Development is located in LBL, in the *Coldharbour* ward. The baseline analysis in this strategy considers the socio-economic conditions in LBL, and more generally across the Inner London and London area (refer to **Figure 1**).

Figure 1: Site context for the Proposed Development



Contain OS data © Crown Copyright and database right (2020)

#### What has been achieved so far?

##### Population

- 3.3 Over the period 2010-2018, LBL experienced an increase in its total population, which grew by c. 28,300 (10%) to 325,900 residents<sup>6</sup>. This growth in population within LBL is just below that of London, which experienced growth of 11% during the same period<sup>7</sup>.

<sup>6</sup> ONS, 2019. Annual Population Survey: mid-year population estimates

<sup>7</sup> Ibid

- 3.4 The working-age population (aged 16-64) within LBL grew at a slower rate over the period 2010-2018 (10%) than those aged 65 and above (16%), but faster than residents aged 0-15 (5%)<sup>8</sup>. The growth in working-age population was above that of London as a whole (8%), but the growth in residents 0-15 and 65+ was below that of London (14% and 18% respectively)<sup>9</sup>.
- 3.5 In 2018, 74% of LBL residents were of working age (16-64), which was the same as in 2010, and remains above the London average of 68%<sup>10</sup>. This suggests that LBL attracts a relatively young, working-age population compared to London as a whole.

#### Total employment

- 3.6 Between 2010 and 2018, LBL experienced significant changes to its employment profile, with a larger proportion of the working age population becoming economically active, and the unemployment rate falling. **Table 1** shows that over the period, the total proportion of the population that were economically active increased from 80% to 82%. Over the same period, the proportion of economically active residents in employment increased from 73% to 76%, with the unemployment rate falling 2 percentage points to 7%.

Table 1: LBL economic activity rates, 2010 and 2018

Variable	2010	2018
Economically active: Total	80%	82%
Economically active: In employment	73%	76%
Economically active: Unemployed	9%	7%

Source: ONS, 2011, 2018. Annual Population Survey

- 3.7 **Table 2** provides a comparison of economic activity and employment rates for LBL, London and Great Britain in 2018. The economic activity rate is above that of the comparators London & Great Britain, but so is the unemployment rate. Therefore, whilst LBL has a population that is overall very willing to be involved in the workforce, there remains a higher than average unemployment rate for residents seeking work which needs to be addressed.

Table 2: Economic activity, 2018

Variable	LBL	London	Great Britain
Total population aged 16-64	245,000	6.0m	40.1m
Number economically active	201,000	4.7m	31.5m
Proportion economically active	82%	78%	79%
Number in employment	187,000	4.5m	30.1m
Employment rate	76%	74%	75%

<sup>8</sup> ONS, 2018. Population estimates – local authority based by single year of age

<sup>9</sup> Ibid

<sup>10</sup> Ibid

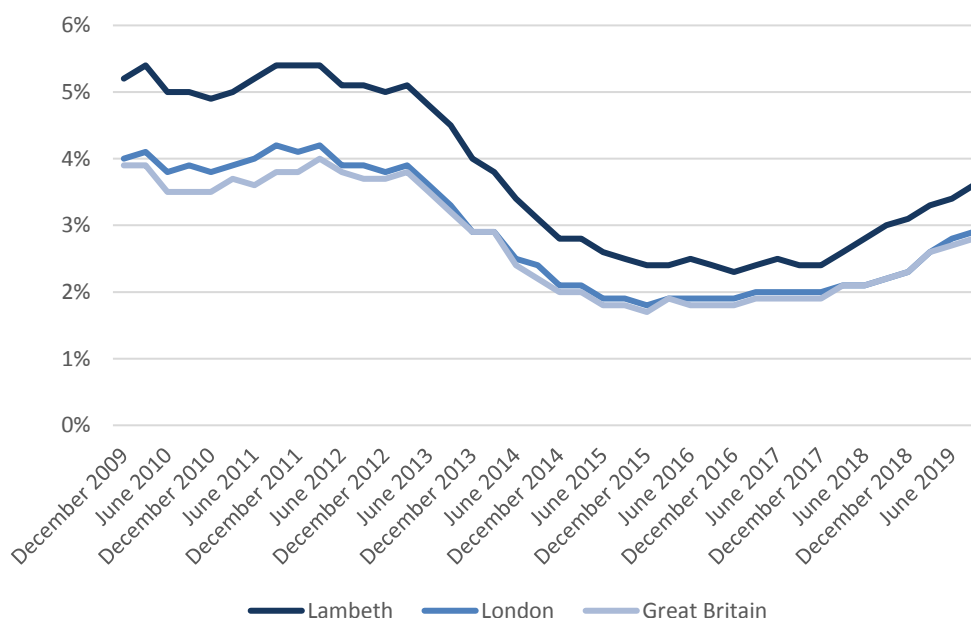
Variable	LBL	London	Great Britain
Number in unemployment	14,000	238,000	1.3m
Unemployment rate	7.1%	5.1%	4.3%

Source: ONS, 2018. Annual Population Survey

## Unemployment

- 3.8 **Figure 2** outlines the proportion of economically active residents on the Claimant Count within LBL, as well as within Greater London and England, over the period September 2010 to September 2019. As of June 2019, 3.6% of LBL's economically active residents rely on the Claimant Count, higher than the London rate of 2.9% and Great Britain's 2.8%<sup>11</sup>. As per the figure, this shows that there are more people in Lambeth requiring employment and that are out of work when compared to the relevant comparators, signalling the need for additional employment opportunities.

Figure 2: Proportion of economically active population on the Claimant Count



Source: ONS, 2019. Claimant Count by Sex and Age

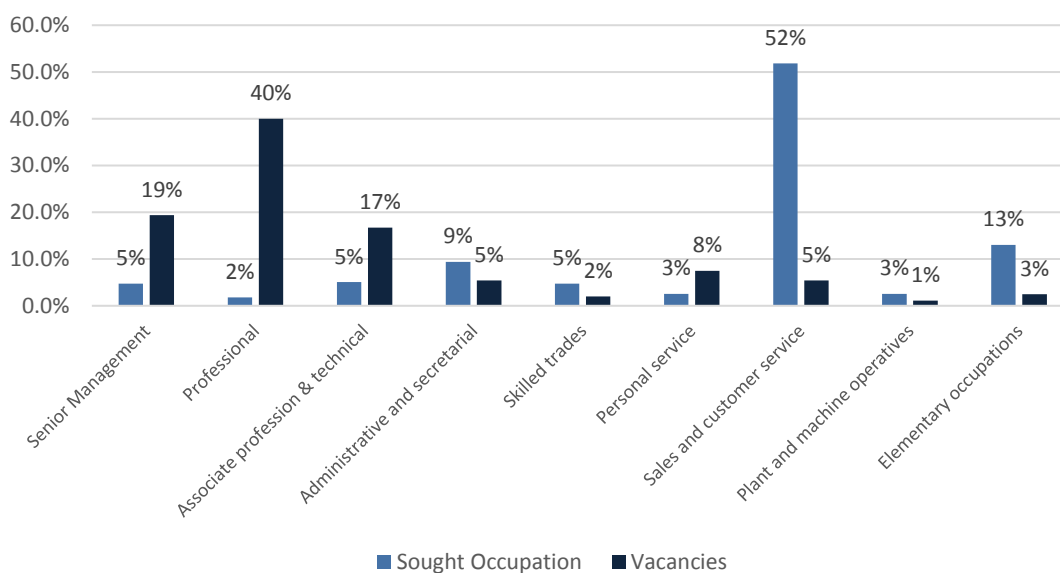
- 3.9 As well as the Claimant Count of LBL being above that of London and of Great Britain, there is a discrepancy between the types of jobs that unemployed residents are seeking and the available vacancies in the borough, illustrated by **Figure 3**. Although a sizeable 52% of unemployed residents within LBL are seeking work within sales and customer service roles, only 5% of employment vacancies in the borough correspond to these occupations<sup>12</sup>, highlighting a clear and obvious need for more sales/customer service-related roles. It can be seen that there are more vacancies for high-skilled occupations and relatively fewer for low-skilled occupations, despite unemployed LBL

<sup>11</sup> ONS, 2019. Claimant Count by sex by age

<sup>12</sup> ONS, 2019. Jobseeker's Allowance by occupation; GLA, 2019. London Job Postings Data

residents more commonly seeking lower-skilled occupations<sup>13</sup>. Therefore, to help move LBL’s unemployed residents into employment, there will be a requirement to either make more sales and customer service roles available, or provide the upskilling necessary to enable these residents to have access to higher-skilled roles, or both.

Figure 3: Sought occupations and vacancies in LBL, 2019



Source: ONS, 2019. Jobseeker’s Allowance by occupation; GLA, 2019. London Job Postings Data

### Employment by industry

3.10 **Table 3** presents the proportion of LBL employment within different sectors, and the comparison between this and the Inner London and London levels. The largest employment sectors within LBL are the health sector (which employs 23% of the workforce in Lambeth), business administration and support (16%), and accommodation and food services (10%). The borough contains larger accommodation and food services, public administration & defence and health sector employment than the Inner London and London averages<sup>14</sup>.

Table 3: Employment by industry, 2018

Sector (SIC 07 Code)	LBL		Inner London	London
	Employment	% of employment		
Agriculture, forestry & fishing (A)	100	0%	0%	0%
Mining, quarrying and utilities (B, D and E)	1,600	1%	1%	1%
Manufacturing (C)	1,400	1%	1%	2%
Construction (F)	5,000	3%	3%	4%

<sup>13</sup> Ibid

<sup>14</sup> ONS, 2019. Business Register and Employment Survey

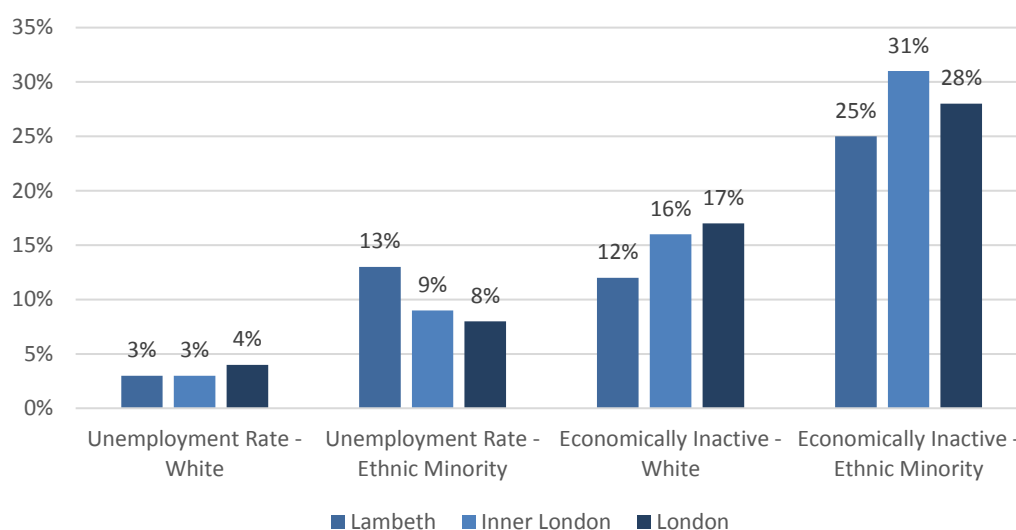
Sector (SIC 07 Code)	LBL		Inner London	London
	Employment	% of employment		
Motor trades (Part G)	600	0%	0%	1%
Wholesale (Part G)	2,500	2%	2%	3%
Retail (Part G)	9,500	6%	7%	8%
Transport and Storage (H)	4,500	3%	2%	4%
Accommodation & Food Services (I)	16,500	10%	9%	8%
Information & Communication (J)	9,000	6%	10%	8%
Financial and Insurance (K)	1,100	1%	10%	7%
Property (L)	3,300	2%	3%	3%
Professional, Scientific & Technical (M)	12,500	8%	18%	14%
Business Administration & Support (N)	25,000	16%	11%	11%
Public Administration & Defence (O)	9,500	6%	5%	4%
Education (P)	10,500	7%	6%	7%
Health (Q)	36,500	23%	9%	10%
Arts, Entertainment & Leisure (R, S, T and U)	10,000	6%	5%	5%
<b>Total</b>	<b>158,000</b>		<b>3.4m</b>	<b>5.3m</b>

Source: ONS, 2018. Business Register and Employment Survey. NB: Figures are rounded.

### Inequalities in employment

- 3.11 Although overall unemployment within LBL remains above that of its comparator areas, there are significant differences in the employment levels of different groups within the borough. **Figure 4** presents the 2018 unemployment and economic activity rates for LBL residents in the white and ethnic minority groups. It can be seen that the unemployment rate for ethnically white LBL residents is significantly below that of minority ethnic residents (3% compared to 13%). When comparing to Inner London & London, the gap between unemployment rates for white and ethnic minority residents is larger within LBL (a 10-percentage point gap, compared to 6 percentage points in Inner London and 4 across London).

Figure 4: Unemployment and economic activity by ethnic group, 2018



Source: ONS, 2019. Annual Population Survey

- 3.12 There also exists large differences in the ethnic composition of workers in each industry within LBL, with diversity within industry varying greatly across sectors (refer to **Table 4**). For example, in 2019 60% of all employees in the distribution, hotels and restaurants sector in LBL were from an ethnic minority, the only sector in which ethnic minorities accounted for a higher proportion than white people and above the regional averages. In contrast, only 36% of employees across the services sector as a whole were from an ethnic minority, highlighting the need to focus on moving more people from ethnic minorities into these types of industries when setting employment and skills targets.

Table 4: Ethnic split of working LBL residents by industry

Industry	LBL		Inner London		London	
	W	EM	W	EM	W	EM
Agriculture & fishing	N/A	N/A	N/A	N/A	84%	16%
Energy & water	N/A	N/A	60%	40%	64%	36%
Manufacturing	67%	33%	64%	36%	62%	36%
Construction	67%	33%	76%	24%	77%	23%
Distribution, hotels and restaurants	40%	60%	55%	45%	55%	45%
Transport & communication	74%	26%	69%	31%	60%	40%
Banking, finance & insurance	70%	30%	72%	28%	69%	31%
Public administration, education & health	62%	38%	64%	36%	63%	37%

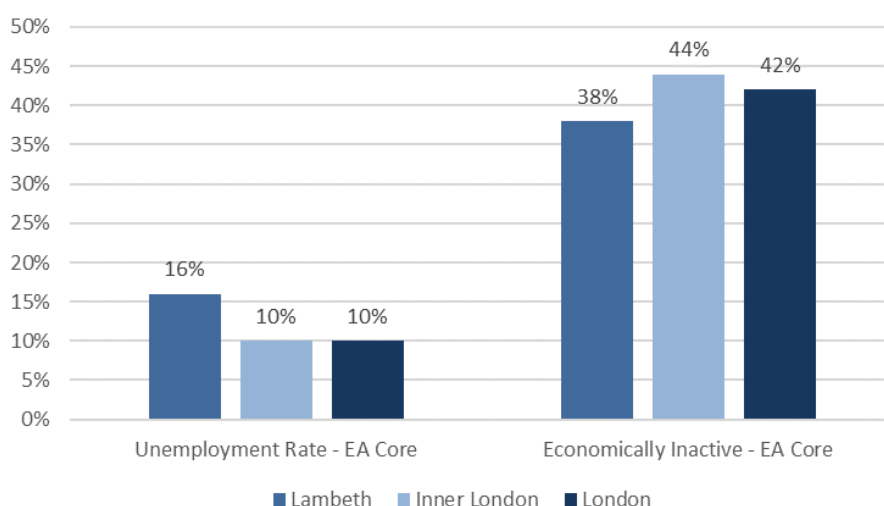


Industry	LBL		Inner London		London	
	W	EM	W	EM	W	EM
Other services	73%	27%	71%	29%	71%	29%
Total services	64%	36%	67%	33%	64%	36%

Source: ONS, 2019. Annual Population Survey.

- 3.13 People living with disabilities represent another under-represented group that experience significant disparity in their average employment rates within LBL. In 2018, LBL residents falling within the Equality Act’s work limiting disabled definition (Equality Act core or work-limiting disabled) had an unemployment rate of 16%, 6 percentage points above both comparators (both 10%)<sup>15</sup>. The unemployment rate for people living with disabilities in LBL (16%) remains substantially higher than the overall rate for the whole of LBL (7%). Additionally, of the LBL residents living with work-limiting disabilities, 38% are economically inactive, significantly above the average for LBL residents, although noticeably this is lower than the Inner London and London rates<sup>16</sup>.

Figure 5: Unemployment and economic activity for disabled residents, 2018



Source: ONS, 2019. Annual Population Survey

- 3.14 It should be noted that according to the LBL Employment and Skills SPD<sup>17</sup>, the largest group of LBL residents that are out-of-work benefits claimants are those who are unemployed due to health reasons.

#### Resident earnings

- 3.15 **Table 5** presents the average annual earnings for residents within Inner London boroughs, for full-time workers. In 2019, average full-time employed resident earnings within LBL were 5% lower than the Inner London average and are about the same as

<sup>15</sup> ONS, 2019. Annual Population Survey

<sup>16</sup> Ibid

<sup>17</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document

the London level<sup>18</sup>. Comparing the Lambeth earnings to that of other Inner London boroughs, they are relatively low as the 5<sup>th</sup> lowest borough out of the 13. The growth of the earnings over the last ten years is also below that of the Inner London and London levels. It is evident that whilst a decade ago earnings in Lambeth were aligned with the Inner London average, they have fallen behind and grown at a slower rate.

Table 5: Average resident earnings (£), 2009-2019

Region	2009 Median Pay (£)	2019 Median Pay (£)	Total Growth (%)
Inner London	32,000	39,000	20%
Camden	37,000	42,000	14%
Hackney	30,000	36,000	20%
Hammersmith & Fulham	37,000	42,000	13%
Haringey	30,000	36,000	20%
Islington	34,000	44,000	28%
Kensington & Chelsea	44,000	47,000	6%
Lambeth	32,000	37,000	14%
Lewisham	30,000	34,000	15%
Newham	26,000	32,000	21%
Southwark	33,000	39,000	17%
Tower Hamlets	34,000	43,000	25%
Wandsworth	37,000	44,000	17%
Westminster	37,000	45,000	21%
London	32,000	37,000	15%

Source: ONS, 2019. Annual Survey of Hours and Earnings. NB: Figures are rounded.

### Qualifications

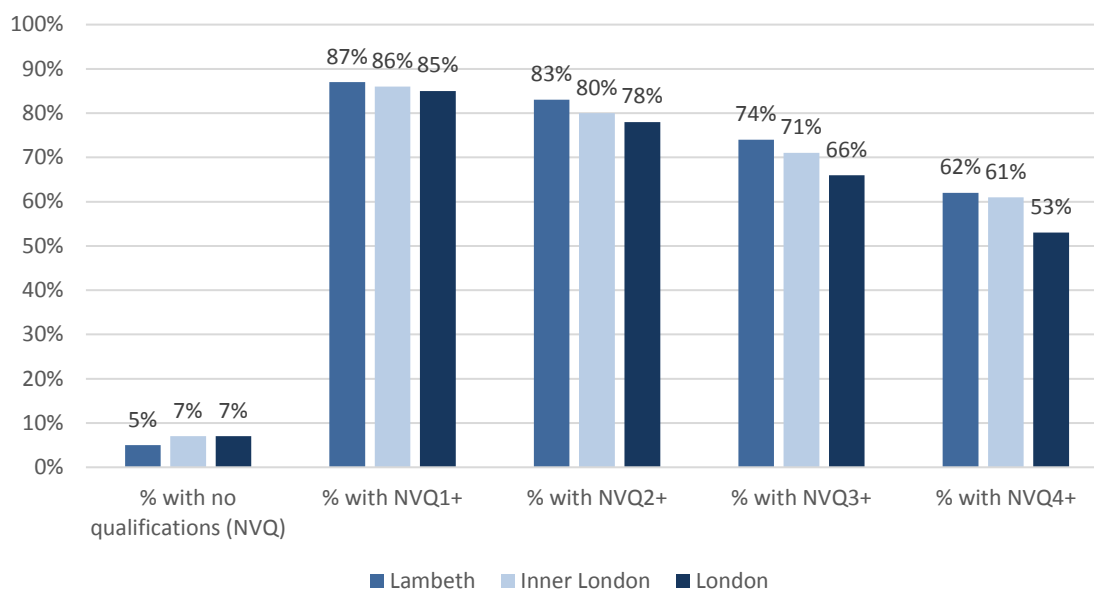
- 3.16 LBL residents on average tend to be more qualified than both the Inner London and London averages<sup>19</sup>. **Figure 6** presents the comparison between the proportion of residents that have achieved each national vocational qualification (NVQ) level within LBL, Inner London, and the whole of London. LBL has a smaller proportion of residents with no NVQ qualifications (5% compared to 7% for the comparators), and a larger proportion of its population achieving each NVQ level than both Inner London and the whole of London<sup>20</sup>.

<sup>18</sup> ONS, 2019. Annual Survey of Hours and Earnings

<sup>19</sup> ONS, 2018. Annual Population Survey

<sup>20</sup> Ibid

Figure 6: Qualification levels within LBL and comparators, 2018



Source: ONS, 2018. Annual Population Survey

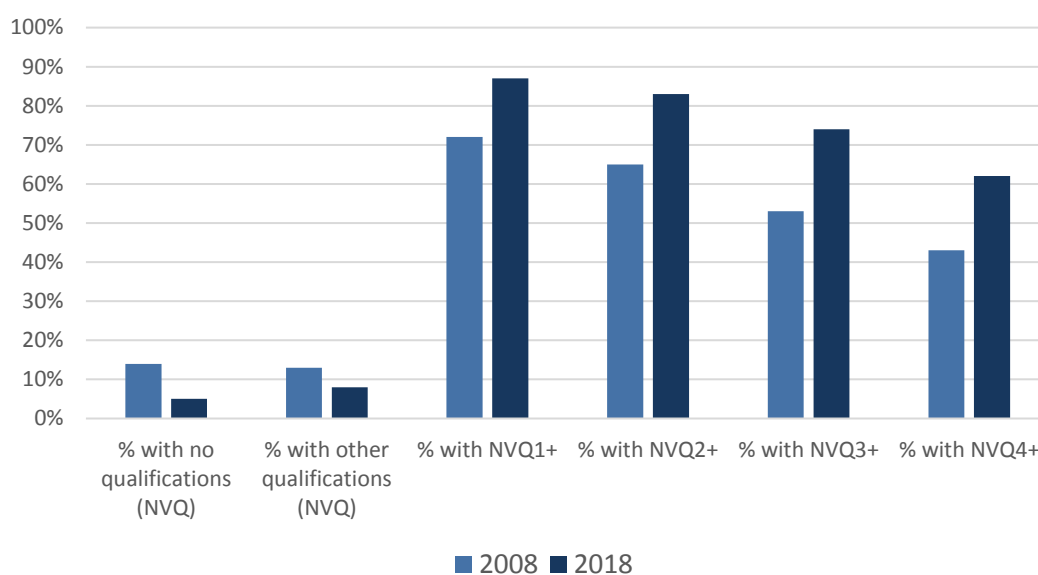
3.17 Additionally, **Figure 7** shows that in the last ten years, the qualification levels of LBL residents have increased significantly. Between 2008 and 2018, the proportion of LBL residents achieving a minimum of an NVQ level 1 qualification has increased from 72% to 87%<sup>21</sup>. The proportion of residents in the borough achieving a minimum of NVQ level 3 and 4 qualifications (4 is equivalent to degree level) has increased by 21 and 19 percentage points respectively, the largest amounts over the ten-year period<sup>22</sup>. Additionally, the proportion of residents with no qualifications has dropped from 14% to 5% over the period<sup>23</sup>.

<sup>21</sup> ONS, 2008, 2018. Annual Population Survey

<sup>22</sup> Ibid

<sup>23</sup> Ibid

Figure 7: Qualification levels within LBL, 2008 and 2018



Source: ONS, 2008, 2018. Annual Population Survey

- 3.18 The LBL Employment and Skills SPD<sup>24</sup> states that as of 2015, 17.8% of working age residents lacked NVQ Level 2 qualifications in Lambeth. This finding holds for 2018, where ONS data suggests that 17.2% of working-age LBL residents do not possess NVQ Level 2 qualifications or above<sup>25</sup>.

### Apprenticeships

- 3.19 There were 1,230 apprenticeships started in LBL in 2017/18<sup>26</sup>, equivalent to approximately 7.8 starts per 1,000 workers in the borough. Whilst this is marginally higher than the London average (7.0), the number of starts per worker in LBL is substantially below the England average of 14.0. It should be noted that the number of apprenticeships started in LBL rose to 1,480 in 2017/18, but due to data unavailability it is not yet possible to calculate whether this also caused a rise in starts per 1,000 workers.
- 3.20 Between 2014/15 and 2017/18, an average of 50% of apprenticeships that were started in LBL were completed each year, below the England average of 58%.

### Deprivation

- 3.21 The 2019 Index of Multiple Deprivation ranks small areas within England on their relative levels of deprivation through a multitude of sub-domains. One of the deprivation sub domains which these small areas - called lower super output areas (LSOAs)<sup>27</sup> - are ranked upon is employment. This sub-domain evaluates an area based on the proportion of the working-age population in the area that are involuntarily excluded from the labour market. **Figure 8** presents the level of employment

<sup>24</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document.

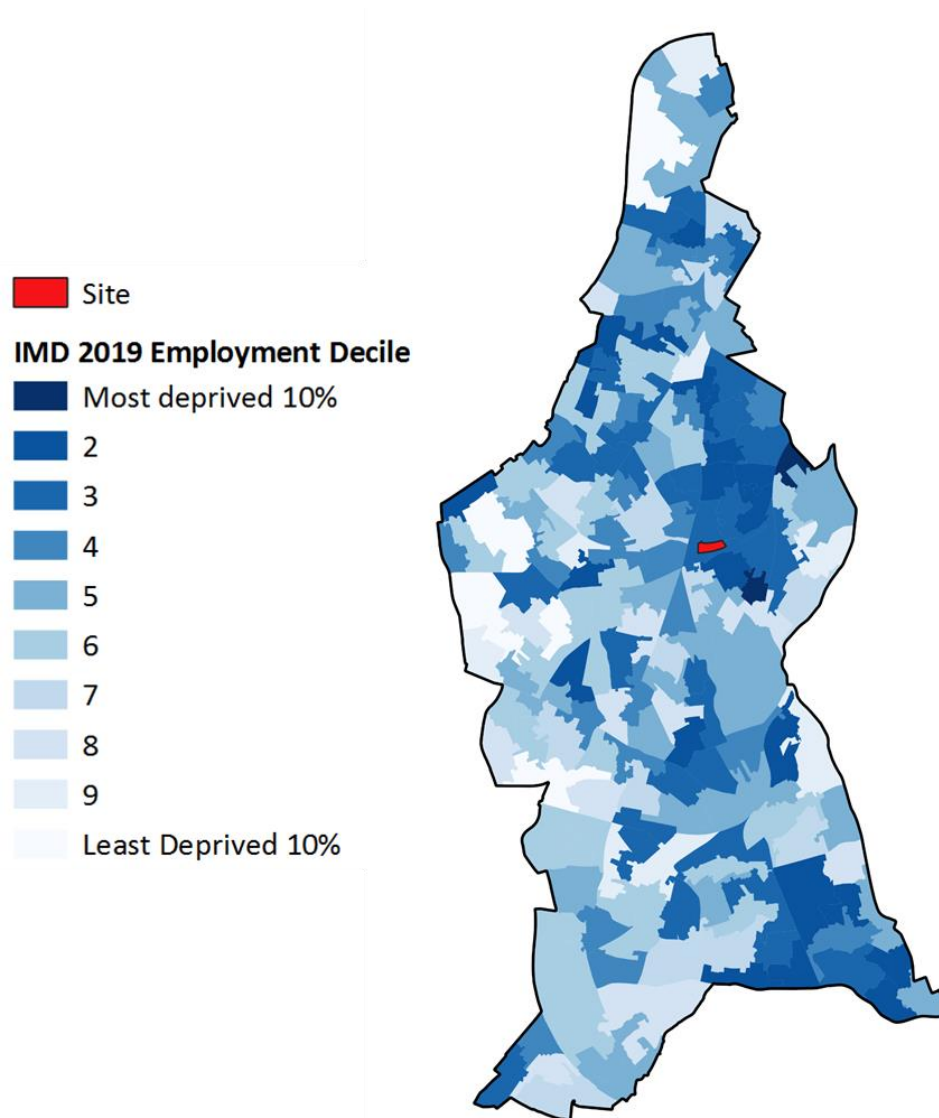
<sup>25</sup> ONS, 2019. Annual Population Survey Jan 2018-Dec 2018.

<sup>26</sup> Department for Education, 2019. Apprenticeships and traineeships data.

<sup>27</sup> LSOAs are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales, generated to be as consistent in population size as possible. The minimum population is 1,000 and the mean is 1,500.

deprivation across LBL, illustrating which areas fall within the most and least deprived 10% of all LSOAs nationally. It can be seen from this that there is variation in employment deprivation levels across the borough, with the most deprived areas towards the south of the borough, as well as the Brixton area in which the Proposed Development is located. There are a significant number of LSOAs within the borough falling within the 30% most deprived nationally, indicating a relatively poor employment ranking and signalling the need for additional employment opportunities to be created throughout the borough.<sup>28</sup>

Figure 8: Index of multiple deprivation ranking (2019) – employment decile



Source: MHCLG, 2019. Index of Multiple Deprivation

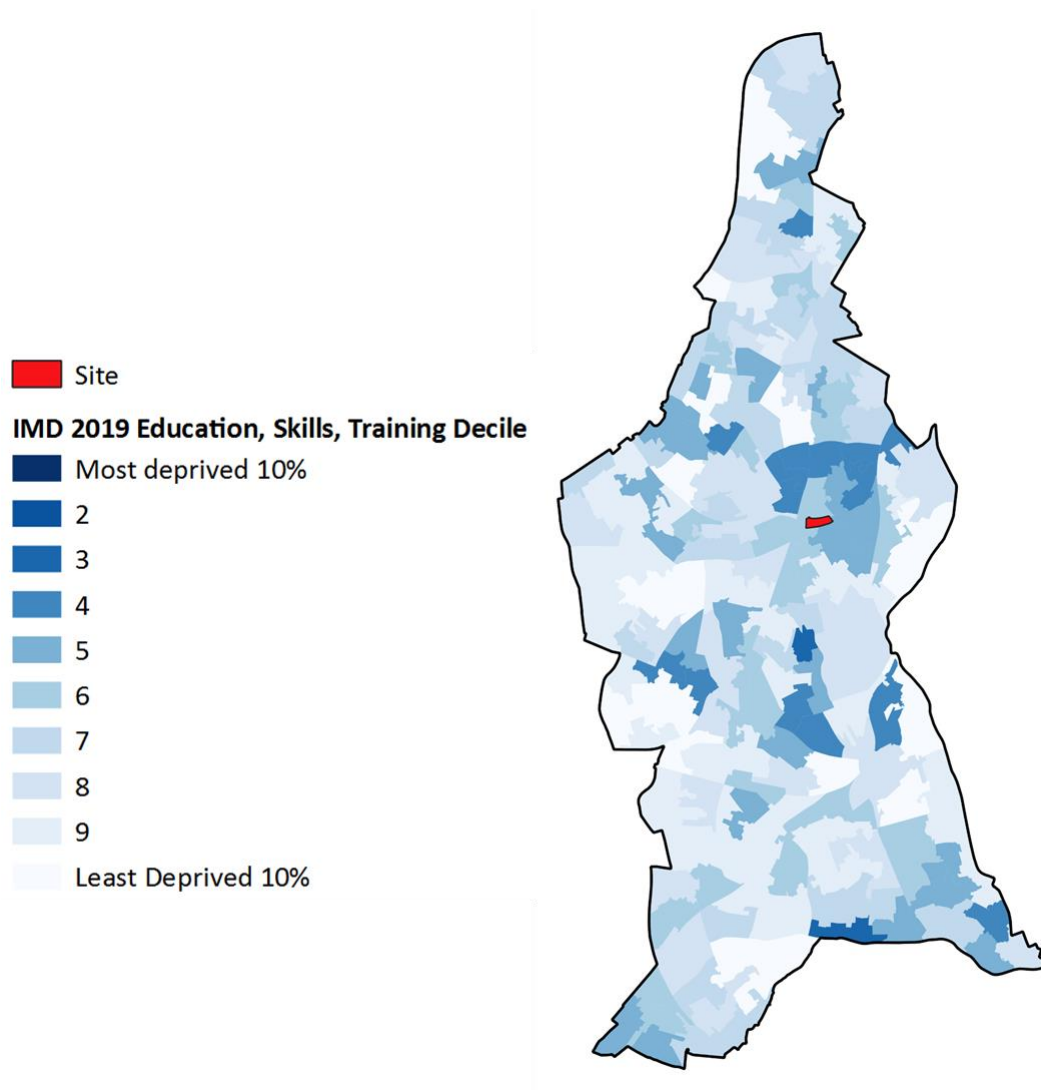
3.22 Similarly, **Figure 9** illustrates the decile ratings for the education, skills and training sub-domain of deprivation. As shown, LSOAs within LBL perform much more favourably in relative terms in this sub-domain of deprivation than in the employment sub-domain,

<sup>28</sup> MHCLG, 2019. Index of Multiple Deprivation – Employment Sub-Domain

with no LSOAs falling in the 20% most deprived nationally. Just over a third of the LSOAs within LBL fall in the 20% least deprived across the country, indicating good prospects in terms of skills & training throughout the borough.<sup>29</sup>

- 3.23 The LSOA in which the Proposed Development is located falls within the 30% most deprived LSOAs nationally in terms of employment (decile ranking 3), but in the 50% least deprived nationally in regard to education, skills and training (decile ranking 6).

Figure 9: Index of multiple deprivation ranking (2019) – education, skills and training decile



Source: MHCLG, 2019. Index of Multiple Deprivation

### Planned Growth & Future Priorities

#### Employment and unemployment

- 3.24 LBL has consistently experienced higher levels of unemployment in recent years, with the unemployment level in the borough remaining above the London and national

<sup>29</sup> MHCLG, 2019. Index of Multiple Deprivation – Education, Skills and Training Sub-Domain

average levels since December 2009. As of June 2019, the proportion of economically active residents in LBL on the claimant count was 3.6%, above the rates for London (2.9%) and Great Britain (2.8%)<sup>30</sup>, highlighting the differential need for additional employment opportunities to be made available to residents within the borough.

- 3.25 Employment opportunities within LBL are however forecast to increase in the coming years. The Greater London Authority's (GLA) economic forecasts estimate that the total number of employment within LBL is set to increase by 25,000 over the 25-year period 2016-2041, equivalent to 0.52% growth per year<sup>31</sup>.
- 3.26 In the Employment and Skills SPD, LBL emphasise the fact that in the coming years, it is anticipated that employment opportunities will be increasingly dominated by high skilled occupations, and thus supporting residents in upskilling will be of paramount importance.<sup>32</sup>

### Summary of Baseline Indicators

- 3.27 **Table 6** presents a summary of the baseline indicators considered within this Employment and Skills strategy. Areas with the greatest need are highlighted in red, with a brief summary of the need to address the given indicator.

Table 6: Summary of baseline indicators

Indicator	LBL
Employment	The proportion of economically active residents (82%) remains above that of London (78%) & Great Britain (79%), with total employment within LBL seeing large growth in recent years.
Unemployment	The unemployment rate remains high in LBL, consistently above the national and regional comparators. Furthermore, there remains a significant mismatch in the types of jobs sought by unemployed LBL residents and the vacancies available in the borough, and there are identified subgroups who experience significantly higher rates of unemployment than the average.
Unemployment – vulnerable groups	Following on from the relatively high unemployment rate experienced across the whole LBL population, sub-groups of the LBL population who are often under-represented in the labour market also experience higher than average unemployment rates.
Earnings	Earnings growth has recently been lower than comparators and other Inner London boroughs, with average earnings in line with that of London & Inner London.
Qualifications	A larger proportion of LBL residents have achieved each NVQ stage than the Inner London or London averages. LBL has seen significant growth in the proportion of residents achieving each NVQ stage in the last 10 years.
Apprenticeships	Apprenticeship starts per worker in LBL substantially below the national average, although higher than the average across London.
Deprivation	Many areas of the borough remain highly deprived in terms of employment, including the area surrounding and containing the Proposed Development in particular. There remain large inequalities in the level of employment deprivation across the borough. By contrast, the borough ranks well in education, skills and training.

<sup>30</sup> ONS, 2019. Annual Population Survey

<sup>31</sup> GLA Economics, 2017. London Labour Market Projections.

<sup>32</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document.

## 4 Issues and Objectives Identified in Policy

- 4.1 Issues and objectives related to employment and skills are first identified through the examination of LBL local policy, and then by considering regional (London-wide) issues and objectives with reference to GLA policy.

### LBL issues and objectives

- 4.2 LBL's Local Plan (2015), its current adopted plan at the time of writing, provides an initial outline of the challenges faced by the borough in the coming years, and these challenges are further reinforced in the soon to be released Draft Revised Local Plan 2020.<sup>33</sup> The Local Plan categorises the key challenges faced by the borough into six broad categories:

- Accommodating population growth;
- Achieving economic prosperity and opportunity for all;
- Tackling & adapting to climate change;
- Providing essential infrastructure;
- Promoting community cohesion, and safe, liveable, and inclusive neighbourhoods; and
- Creating and maintaining attractive, distinctive places.<sup>34</sup>

- 4.3 Despite not all of these issues being related to employment and skills within the borough, some of the issues raised within the Local Plan are in line with the baseline indicators presented in the previous section. It can be seen that overall, the LBL economy has performed relatively well in recent years, particularly in terms of increasing employment, however there are large socio-economic and unemployment inequalities across the borough that need to be addressed, especially with regard to employment deprivation levels and issues.

- 4.4 Unemployment-related issues are addressed in the Local Plan in various areas. Policy ED14 specifies employment and training related solutions for the borough, citing that "the council has a long-standing commitment to reduce unemployment in the borough". The discrepancy in vacancies offered and sought is also addressed: "the lack of suitable employment opportunities has been recognised by residents as one of the top three issues it wishes the council to address", because "Lambeth has a higher rate of work related benefit claimants than the London and national average, and this is particularly the case for young residents who are more likely to be out of work in Lambeth."<sup>35</sup> Policy ED15 in the Draft Local Plan<sup>36</sup> extends the above, with mention to commitments in the LBL Employment and Skills Plan (ESP), otherwise known as the Employment and Skills SPD.

<sup>33</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan – proposed submission version.

<sup>34</sup> Lambeth Council, 2015. Lambeth Local Plan

<sup>35</sup> Ibid

<sup>36</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan – proposed submission version.



*“The Council will seek to secure a minimum of 25% of all jobs created by the development (in both the construction phase and for the first 2 years of end-use occupation of the development) for local residents.”*

Lambeth Council, February 2018, Employment & Skills SPD

- 4.5 One of the commitments laid out within the ESP is that LBL require 25% of all jobs created at a new development to go to local residents, both in the construction phase and the first 2 years of the end-use occupation.<sup>37</sup> The Proposed Development addresses this issue with a different approach, seeking to create localised employment wherever possible, explained in more detail within **The Applicant’s Employment and Skills Aims**. Other relevant employment and skills planning obligations outlined by the LBL in the SPD include:
- Meeting the 25% local jobs target through the provision of apprenticeships for Lambeth residents aged under 25 (one per 1,000sqm of development);
  - Meeting the 25% local jobs target through the provision of employment opportunities in the end-user phase for the long-term unemployed (one paid job placement per 2,500sqm of development);
  - An expectation to engage with local schools and colleges and support the development of young people to achieving skills in line with employment at the commercial sectors of the end-use development; and
  - Make financial contributions to help support those sections of the Lambeth workforce that are furthest from employment, having been out of work for a long period of time and/or having low levels of skills.<sup>38</sup>
- 4.6 The Draft Revised Local Plan 2020 states that the promotion of employment and training opportunities for local people will generate local employment opportunities and reduce the need to travel, which will contribute to sustainable economic development. By focusing activities on those furthest from employment in the workforce, deprivation, inequalities and social inclusion would all be drastically reduced.<sup>39</sup>
- 4.7 In addition to the operational jobs created by the Proposed Development, the Local Plan is “committed to promoting access into construction related opportunities including training and employment”. The construction phase of the Proposed Development is expected to contribute towards meeting this goal and provide opportunities for the local community.
- 4.8 The plan also cites the opportunity to maximise employment and business within the borough, particularly addressing the need for additional affordable and flexible business space to meet the needs for small and medium enterprise (SME) and start-up business needs, in order to stimulate growth and provide further employment<sup>40</sup>.

<sup>37</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document

<sup>38</sup> Ibid

<sup>39</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan – proposed submission version.

<sup>40</sup> Lambeth Council, 2015. Lambeth Local Plan

- 4.9 The inequalities in the borough that are presented in the baseline section are also addressed in the Local Plan. Youth unemployment is recognised and cited: “Lambeth has a high rate of young people not in employment, education or training at 7.5% compared to 4.7% in London as a whole.”<sup>41</sup> Job creation in London is increasingly requiring a more advanced set of skills, and the higher competition for employment makes it particularly difficult for residents within Lambeth with low and no qualifications to move into employment.<sup>42</sup>
- 4.10 Moreover, Brixton is explicitly mentioned within the plan due to its “international reputation based on its markets, cultural and creative energy and diversity, attracting visitors and tourists from around the globe.”<sup>43</sup> Some of the key challenges & issues facing Brixton specifically are:
- To support local businesses;
  - To improve permeability;
  - To put in place the required infrastructure and manage change; and
  - To ensure local people benefit from these changes<sup>44</sup>.
- 4.11 The Proposed Development would look to directly provide solutions for all of these challenges for Brixton with the provision of additional market space and the delivery of B1-class office space, providing local jobs for communities surrounding the Site.
- 4.12 Additionally, large parts of Brixton are identified within the London Plan as strategic areas for regeneration, with key objectives including diversifying the local economy by providing a significant increase in the amount and variety of employment floorspace and promoting the diverse retail and leisure sectors. Both objectives are addressed by the Proposed Development through the provision of a large amount of floorspace, which includes retail & leisure space.<sup>45</sup>
- 4.13 Pope’s Road is specially cited multiple times within the most recent Draft Local Plan. The railway arches surrounding the site of the Proposed Development ‘play an important role in providing a range of uses that support the functioning of the town centre’. Opportunities to support and deliver public realm improvements to the Pope’s Road area are also encouraged in the new Local Plan, providing an improved trading environment for the outdoor market and shops by enhancing the street market’s infrastructure.<sup>46</sup> The Brixton Street Market Strategy 2018 also emphasizes the contribution made by Brixton markets to Brixton’s overall economic, social and cultural well-being.
- 4.14 Areas for action identified in the Brixton Economic Action Plan 2017<sup>47</sup> include:
- Spaces to accommodate growth – the delivery of spaces to accommodate additional economic growth through new office space and building on the current amenity offer;
  - Support spaces for enterprise, new ideas and experimentation to enable Brixton to become a key London hub for innovation;

---

<sup>41</sup> Ibid

<sup>42</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan – proposed submission version.

<sup>43</sup> Lambeth Council, 2015. Lambeth Local Plan

<sup>44</sup> Ibid

<sup>45</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan – proposed submission version.

<sup>46</sup> Ibid

<sup>47</sup> Lambeth Council, 2017. Brixton Economic Action Plan

- Support Brixton’s businesses to survive, adapt and growth to ensure the town becomes a higher value economy; and
  - Link Brixton’s residents to opportunities in Brixton and beyond, ensuring that all residents have the skills and aspirations to participate in the opportunity, including bespoke employment and skills training and support.
- 4.15 The Economic Action Plan also identifies the low availability of commercial office space and how this is an increasing concern going forwards. It cites that “this has a crucial role to play in ensuring that the local economy evolves in a sustainable and balanced way”. The provision of additional office space would be “required if Brixton is to develop as a viable location and hub for London’s professional and digital growth sectors.”<sup>48</sup>
- 4.16 The Future Lambeth Plan 2016/2021<sup>49</sup> also notes three main priorities for the borough:
- **Inclusive growth:** encourage investment and regeneration to increase labour market participation and create more jobs;
  - **Reducing inequality:** use the opportunities and proceeds of growth and regeneration to reduce inequality by creating equal employment and skills related opportunities; and
  - **Strong and sustainable neighbourhoods:** investment to bring people together, maintain cohesion and diversity of the borough by providing additional cultural facilities.
- 4.17 The key message from the Future Lambeth Plan is that levels of labour market containment are currently low and attracting more employment opportunities and activities to the borough would help to increase the amount of spend economic value retained locally<sup>50</sup>.

### London issues and objectives

- 4.18 London’s population is set to grow 70,000 a year from 8.9 million today to around 10.8 million by 2041<sup>51</sup>. As it does so, employment is expected to increase on average by 49,000 jobs each year, reaching 6.9 million over the same period<sup>52</sup>. However, there is a need to ensure that this growth is shared equitably. London’s employment rate has lagged behind the national average for decades<sup>53</sup>. Employment rates across London are consistently lower for those without any formal qualifications, further emphasising the inequalities within the region<sup>54</sup>.
- 4.19 The Intend to Publish London Plan specifies “Skills and Opportunities for All” as a key strategic priority (Policy E11)<sup>55</sup>, stating that employment and skills policy will include:
- The Mayor working with strategic partners to address both low pay and gender and ethnicity pay gap and, as set out in his Skills for Londoners Strategy, co-

---

<sup>48</sup> Ibid

<sup>49</sup> Lambeth Council, 2016. Future Lambeth Plan 2016/2021

<sup>50</sup> Ibid

<sup>51</sup> Greater London Authority, 2019. Housing-led Population Projections

<sup>52</sup> Mayor of London, 2019. London Plan – Intend to Publish Edition

<sup>53</sup> Ibid

<sup>54</sup> Ibid

<sup>55</sup> Ibid

ordinate national, regional and local initiatives with the aim of promoting inclusive access to training, skills and employment opportunities for all Londoners.

- Development proposals that seek to support employment, skills development, apprenticeships, and other education and training opportunities in both the construction and end-use phases, including through Section 106 obligations where appropriate. Boroughs should ensure these are implemented in ways that (a) enable trainees to complete their training and apprenticeships, (b) ensure the greatest level of take-up possible by Londoners of the training, apprenticeship and employment opportunities created and (c) increase the proportion of underrepresented groups within the construction industry workforce. Boroughs are also encouraged to consider cross-borough working to open up opportunities, including those created via Section 106 obligations, on a reciprocal basis, to residents from adjacent boroughs and across London.<sup>56</sup>

4.20 In addition, the GLA<sup>57</sup> provides the following relevant skills challenges for London residents within the Skills for Londoners: A Skills and Adult Education Strategy for London publication:

- Unemployment rates above the national average, with young people, disabled adults, black, Asian, and minority ethnic (BAME) groups and women disproportionately under-represented in the labour market, especially in higher-skilled, better-paid jobs.
- Continued and persistent gender, race and disability pay disparities.
- Wages struggling to keep pace with the rising costs of living, leaving one in five workers paid below the LLW and the highest proportion of people living in poverty of any UK region.
- Substantial variation in employment rates and incomes across London, meaning the capital is the most unequal region in the country.
- Low levels of qualifications and skills holding many Londoners back, particularly in literacy, English language, numeracy and digital capabilities.
- A lack of an effective careers information, advice and guidance offer, limiting Londoners' ability to upskill/reskill and progress in work.
- The changing nature of work due to technological advancements and the increasing need for digital skills to find work and access public services.
- The soaring cost of childcare posing a significant obstacle to parents.

4.21 To overcome the Londoners' skills challenges outlined in the Skills for Londoners report, the Mayor has identified three key priorities and collaborative actions going forward:

- **Priority 1:** Empower all Londoners to access the education and skills to participate in society and progress in education and work;
- **Priority 2:** Meet the needs of London's economy and employers, now and in the future; and
- **Priority 3:** Deliver a strategic city-wide technical skills and adult education offer.<sup>58</sup>

---

<sup>56</sup> Ibid

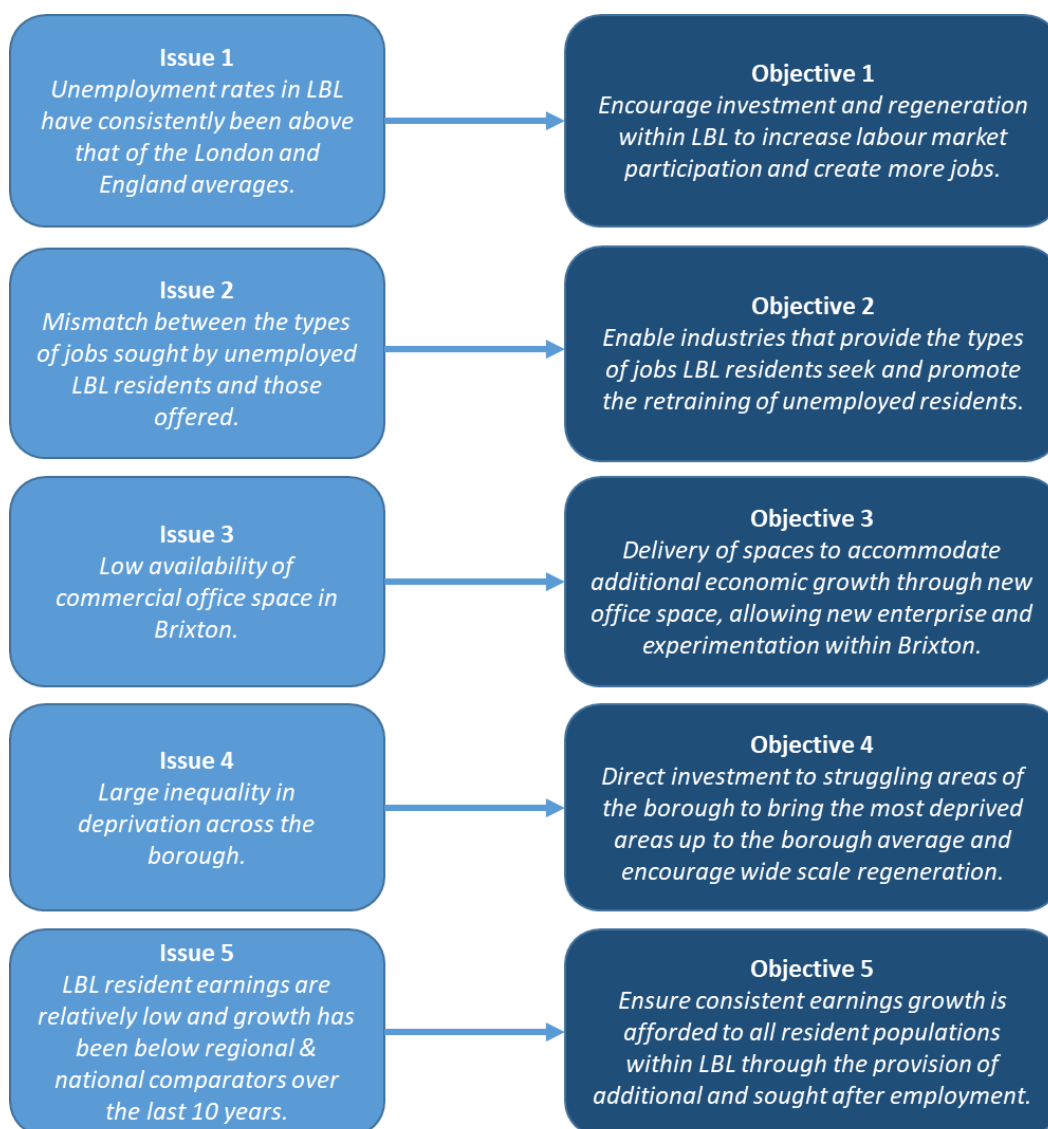
<sup>57</sup> GLA, 2018. Skills for Londoners – A Skills and Adult Education Strategy for London

<sup>58</sup> Ibid

## Summary of key issues and objectives

- 4.22 Integrating both the baseline information obtained within this review and the issues outlined within the analysis of local policy that has been released across the different geographies, the relevant issues and objectives for the Proposed Development have been established and key themes can be identified. These key issues and objectives are summarised in **Figure 10**.

Figure 10: Employment and skills issues and objectives



## 5 The Impact of the Proposed Development

- 5.1 The Proposed Development will generate a significant number of employment opportunities throughout both the construction and operational phases. The employment generated will offer residents job opportunities at various skill levels. This section provides an overview of the employment impacts that will occur as a result of the Proposed Development. Where local working estimates are included, these are based on current observed commuting patterns.

### The impact of the Proposed Development during construction

- 5.2 Employment generated during the demolition and construction phase is calculated using industry standard methodology<sup>59</sup>. Applying this methodology, it is expected that the construction phase of the Proposed Development will support approximately c. 1,450 gross job years' worth of employment directly on site. As the construction period is projected to last 40 months (3.3 years), this is equivalent to an average of 440 workers on site annually over the construction period, equivalent to c. 44 full-time equivalents (FTEs). Over the entire period, this equates to the creation of 145 FTEs.
- 5.3 2011 commuting patterns suggest that 12% of the total construction workforce in LBL are also resident in the borough<sup>60</sup>. Therefore, based on these commuting patterns alone (applying it gross to job years) it would be expected that an average of c. 175 LBL residents would be employed on-site throughout the demolition and construction phase. This proportion of jobs to LBL residents should be easily achieved given that the Applicant intends to use every effort to use local subcontractors where practical to do so, and will also strive to employ locally via the Jobcentre.
- 5.4 The creation of employment during the construction phase presents a significant opportunity for local residents to increase their prospects and earnings. The median yearly earnings of a full-time construction worker in London is estimated to be c. £40,000, which is 8% higher than the median pay of LBL residents who were in full-time employment during 2019 (£37,000)<sup>61</sup>.

### The impact of the Proposed Development during operation

- 5.5 This strategy draws on the estimated employment impacts outlined in the economic impact assessment produced by Volterra for the Proposed Development and submitted as part of the planning application. In the assessment, the HCA Employment Densities Guide has been employed to determine the level of employment that will be supported on site once operations. Four floorspace use classes have been cited at the Proposed Development, namely B1-class office space, A1 retail/market space, A3 restaurant space, and D2 leisure space.
- 5.6 **Table 7** outlines the estimated employment supported by all the use classes at the Proposed Development once operational. In total, the Proposed Development will support c. 1,600 FTEs, equivalent to c. 1,850 jobs when considering part-time working

<sup>59</sup> Gross job years are calculated by dividing the total construction cost by the average GVA per construction worker within LBL.

<sup>60</sup> ONS, 2011. Location of Usual Residence and Place of Work by Industry (safeguarded). ONS VML agrees that the figures and descriptions of results in the attached document may be published. This does not imply ONS' acceptance of the validity of methods used to obtain these figures, or of any of the analysis of the results.

<sup>61</sup> ONS, 2019. Annual Survey of Hours and Earnings: By Region by Industry

patterns. Comparing this to the existing employment estimate, the Proposed Development would provide an employment uplift of approximately 1,550 FTEs (1,800 jobs).

Table 7: Gross direct employment at the Proposed Development

Use class	Employment floorspace (m <sup>2</sup> , NIA)	Employment density	FTEs	Jobs
Office (B1)	17,693	12	1,475	1,675
Retail / Market (A1)	1,796	17.5	105	135
Restaurant (A3)	383	17.5	20	25
Leisure (D2)	647 (GIA)	65 (GIA)	10	10
<b>Total</b>	<b>19,500</b>	-	<b>1,600</b>	<b>1,850</b>
<b>Gross Additional</b>	<b>18,000</b>	-	<b>1,550</b>	<b>1,800</b>

Source: Volterra Calculations, 2020. NB: Figures may not sum due to rounding.

5.7 2011 commuting patterns from the most recent Census suggest that 29% of LBL employees in the accommodation and food sector are also resident in the borough<sup>62</sup>. By using the same dataset, it is also found that 15% of office workers in LBL are resident in the borough, as well as 24% of workers in the wholesale & retail trade, and 19% of leisure workers also reside within the borough<sup>63</sup>. Therefore, based on commuting patterns alone it would be expected that, when operational, approximately 290 jobs at the Proposed Development would go to LBL residents (in addition to 175 jobs for construction workers). This breakdown would be as follows:

- Office workers: 248
- Retail/Market workers: 32
- Restaurant workers: 7
- Workers in the leisure space: 2

5.8 **Table 7** shows the occupational distributions for the sectors that the Proposed Development will create employment in. As shown in the table, occupations within accommodation and food and wholesale & retail trade are lower skilled than the all-sector average<sup>64</sup>, whilst office jobs – the dominant sector at the Proposed Development - are higher-skilled. The employment supported by the Proposed Development would therefore provide the a range of job opportunities, including not only lower-skilled occupations sought by the vast majority of unemployed LBL residents, but also the types of higher skilled roles that LBL want to move their residents into as stated in the SPD<sup>65</sup>. As per **Figure 3**, the most sought after occupations in LBL are sales and customer service roles, elementary occupations, and administrative and secretarial roles. These have been highlighted in the table, with elementary occupations being offered mostly in the accommodation and food sector,

<sup>62</sup> ONS, 2011. Location of Usual Residence and Place of Work by Industry (safeguarded). ONS VML agrees that the figures and descriptions of results in the attached document may be published. This does not imply ONS' acceptance of the validity of methods used to obtain these figures, or of any of the analysis of the results.

<sup>63</sup> Ibid.

<sup>64</sup> UK Commission for Employment and Skills, 2015. Working Futures - London

<sup>65</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document



sales and customer service facing roles offered in the wholesale and retail trade sector, and administrative and secretarial occupations often offered in the office sector. Thus, the jobs sought match the types of roles that will be available at the Proposed Development.

Table 8: Relevant occupational distributions

Occupation	Accommodation & Food (Restaurant)		Wholesale & Retail Trade (Market)		Office <sup>66</sup>		All sectors (2017)
	2017	2022	2017	2022	2017	2022	
Managers, Directors & Senior Officials	12%	13%	16%	17%	17%	17%	13%
Professional Occupations	2%	3%	10%	11%	38%	39%	27%
Associate Professional/Technical Occupations	4%	4%	13%	14%	26%	27%	20%
Administrative & Secretarial Occupations	4%	4%	8%	8%	11%	9%	8%
Skilled Trades	18%	15%	6%	5%	2%	2%	7%
Caring, Leisure and Other Service Occupations	4%	5%	1%	1%	1%	1%	6%
Sales and Customer Service Occupations	5%	5%	33%	32%	3%	3%	7%
Process, Plant and Machine Operatives	2%	2%	5%	4%	1%	1%	4%
Elementary Occupations	49%	49%	9%	9%	1%	1%	8%

Source: UK Commission for Employment and Skills, 2015. Working Futures – London

5.9 Based on the overall occupational distribution in the relevant sectors, it is estimated that in the accommodation and food sector, 36% of jobs are high-skilled and 64% are low-skilled<sup>67</sup>. In the wholesale and retail trade sector (& leisure sector), 45% are high-skilled whilst 55% are low-skilled, and in the office sector 83% are high-skilled with 17% being low-skilled. This corresponds to the job numbers shown in **Table 9**.

Table 9: Low-skilled & high-skilled occupations

Sector	Low-skilled		High-skilled	
	%	No. of Jobs	%	No. of Jobs
Accommodation and Food Sector (Restaurant)	64%	15	36%	10
Wholesale and Retail	55%	75	45%	60
Office	17%	280	83%	1,370
Leisure <sup>68</sup>	55%	5	45%	5
<b>Total</b>	-	<b>380</b>	-	<b>1,445</b>

<sup>66</sup> Office is classed here as the following industries: information technology, finance & insurance, and professional services.

<sup>67</sup> The skill levels of occupations are estimated using SOC 2010 codes and a study by the UK Commission for Employment and Skills (2012) titled 'Developing Occupational Skills Profiles for the UK: A feasibility study'. In the report skill levels based on SOC groups are ranked 1-4. We define 'high-skilled' as those occupations with a score of 3-4, which includes: managers, director & senior official; professional occupations; associate professional and technical occupations; and skilled trades occupations. All other SOC groups are defined as low-skilled.

<sup>68</sup> There is no breakdown for the recreation/leisure industry, and so leisure uses the retail occupational distribution.



*Note: Figures may not sum due to rounding.*

- 5.10 The mix of high and low-skilled opportunities at the Proposed Development would enable residents to have access to the types of jobs that are suitable for them, as well as provide opportunities for residents to upskill through moving into higher-skilled occupations, provided these opportunities are made available to them. The majority of unemployed LBL residents seeking work are looking for employment opportunities in low-skilled occupations, so the 380 roles will suit them, but the 1,445 high-skilled jobs will be complementary in the sense that they will both allow LBL residents to have access to opportunities to increase their skill levels and hence earnings, and attract higher-skilled residents to the area.
- 5.11 Given that the Proposed Development will support additional job opportunities for local LBL residents in the employment occupations that they are seeking, it is likely to contribute positively towards reducing wealth and employment inequalities present across the borough, as detailed in the Local Context section.
- 5.12 Similarly to the construction phase, the creation of employment during the operation of the Proposed Development presents opportunities for residents to increase their earning potential. Using employment weightings for the proportions of each job provided at the Proposed Development, the average weighted earnings of an employee on Site would be £42,000<sup>69</sup>, 14% higher than the median pay of LBL residents who were in full-time employment during 2019 (£37,000).<sup>70</sup>

#### Benchmarks and best practice

- 5.13 In order to provide a degree of guidance towards outlining the operational phase targets for the Proposed Development, two high-profile (and similar) ‘benchmark’ projects in LBL have been used to ensure that the targets are realistic. Whilst each project is varied in terms of size, cost and overall employment provision, all schemes were designed with improving the local employment and skill level in mind. These benchmark projects are outlined in **Table 10**.

<sup>69</sup> Weightings were applied to the proportion of jobs provided at the Proposed Development in each sector. For example, 91% of the jobs provided are in office, and use the median London wage of £43,900 for office in 2019.

<sup>70</sup> ONS, 2019. Annual Survey of Hours and Earnings: By Region by Industry

Table 10: Summary of benchmark projects

Name of project	Description	Employment and skills commitments
Elizabeth House (2019)	A large office-led scheme located next to Waterloo Station in North Lambeth, providing a total of 110,787m <sup>2</sup> of NIA floorspace, with the majority being used for office and the rest used for A1 and A3 uses.	<ul style="list-style-type: none"> <li>- Proposed support of up to 12,000 jobs, almost five times more than currently supported on site, also creating hundreds more in the construction phase.</li> <li>- Bespoke employment and training support packages to ensure that local people and businesses benefit from the opportunities created, including c. 150 apprenticeships to be provided across construction and operational phase.</li> <li>- 25% of all construction jobs to go to local residents, and 25% of all <i>new</i> operational jobs to go to LBL residents has been proposed, subject to s106 negotiations.</li> </ul>
London Television Centre (2018)	An office-led mixed-use development consisting of 44,434m <sup>2</sup> B1 office space, 3,634m <sup>2</sup> of Sui Generis television studio space, 216m <sup>2</sup> of A1 retail and 213 residential dwellings.	<ul style="list-style-type: none"> <li>- 10% of new end-use jobs to be secured by Lambeth residents subject to qualification and meeting of minimum criteria.</li> <li>- Publications of any opportunities on Opportunity Lambeth website.</li> <li>- Targeting engagement with organisations supporting those hardest to reach in the Borough.</li> </ul>

- 5.14 In addition to the benchmark projects outlined above, ‘**Impact Brixton**’ provides an example of best practice in achieving employment & skills-related success stories in the borough. Impact Brixton, described in more detail in the box below, is a community workspace previously housed in Pop Brixton. They are in the process of becoming rehoused into the applicant-owned Brixton Market. In doing this, a close working-partnership has been formed between Impact Brixton and the Applicant, with it envisaged that upon completion of the Proposed Development, Impact Brixton will relocate to the site and manage the affordable workspace that will be provided (c. 2,600m<sup>2</sup>, or 10% of total B1 floorspace). This would represent a c. four-fold increase in the size of space they are due to imminently occupy with the market.
- 5.15 This report therefore considers it appropriate to draw on Impact Brixton’s existing work as examples of best practise, and ‘proof of concept’, in the sense that these examples provide evidence that the employment and skills commitments outlined in this strategy will be achievable.

#### What is Impact Brixton?

Impact Brixton is a place to call home for a diverse community of entrepreneurs, freelancers, dreamers, creators and social change makers in South London. Launched in 2014 as a community workspace for mission-led organisations, it has since become a home for community-led change, with projects such as the People’s Fridge and Open Project Night bringing together people and organisations of all backgrounds.

- 5.16 Impact Brixton, through the use of their community-led co-working space, create positive employment and skills opportunities for LBL residents through:
- The provision of business development opportunities with SMEs and entrepreneurs, providing the core skills required for start-ups;
  - The empowering of local residents with free educational training schemes and employment training; and
  - Providing collaboration space enabling benefits from the clustering of information and similar businesses, including Open Project Night on Mondays (the opening of the space for free to local individuals and organisations) allowing for networking opportunities.<sup>71</sup>
- 5.17 Impact Brixton additionally focusses on the digital sector within London and the UK, which is continuing to grow but lacks a level of diversity, which Impact Brixton wishes to encourage. The focus on the digital sector resonates with the Creative and Digital Industries Strategy for Growth, where LBL seeks to promote the borough to be at the forefront of London's dynamic create and digital economy.<sup>72</sup> Additional commitments and benefits of Impact Brixton are outlined further throughout this report.

---

<sup>71</sup> Impact Brixton Programme Plan, 2020.

<sup>72</sup> Lambeth Council. Creative and Digital Industries Strategy for Growth.

## 6 The Applicant's Employment and Skills Aims

- 6.1 The proposed employment and skills commitments outlined in this section have been designed to align with the policy contained within LBL's Employment and Skills SPD, wherever it is felt possible to do so.

### Key stakeholders

#### AG Hondo Pope's Road BV

- 6.2 AG Hondo Pope's Road BV will naturally play a key role in ensuring the successful delivery of the commitments outlined in this strategy. The applicant's main responsibility, due to the nature of the Proposed Development meaning that they are not the main end-use employer, will be to act as an intermediary between its tenants and local authorities. The intermediary role will involve ensuring there is a sufficient provision of information to local authorities that allows local employment and skills benefits to be maximised.

#### LBL's economic development/employment and skills team

- 6.3 LBL will play an important role working alongside the applicant to ensure the successful achievement of the employment and skills aims outlined in this strategy, by providing the link between residents and businesses with the applicant and its end-use tenants. LBL will provide support and guidance through mechanisms such as:
- Assisting residents into employment by providing them with the opportunity to apply for vacant job positions arising at the Proposed Development; and
  - Providing information to the applicant and its end-use tenants on groups of residents that are considered most disadvantaged and hence will benefit most from employment and skills opportunities.

#### Impact Brixton

- 6.4 Impact Brixton would carry an important role in fulfilling many of the employment and skills obligations for the Proposed Development. Impact Brixton would be more than just the preferred affordable workspace provider on-site. With Impact Brixton brought on board, it will allow for the employment and skills commitments to become more holistic, through being intrinsically linked with the affordable workspace on-site. The main responsibility of Impact Brixton would be to act as the primary point of contact with the council, as well as serving to bridge the gap between occupiers at the Proposed Development and local residents seeking employment opportunities. Impact Brixton will also work with the Applicant to carry out education and training programmes that will be required as part of the employment and skills package.

### Employment and skills aims

#### Local jobs

- 6.5 The Applicant is proposing to set a local employment target for both the construction phase and the first two years of end use occupation at the Proposed Development,

based on targets that have been set in previous LBL planning applications and proposed commitments outlined in the Lambeth Employment and Skills SPD.<sup>73</sup>

- 6.6 The Lambeth Employment and Skills SPD outlines that 25% of all jobs created by the development in the construction and first two years of the end use occupation go to Lambeth residents.<sup>74</sup> Lambeth's 25% target is also stated to be based on commuting patterns, but has been calculated for the workforce across all industries. In the SPD, LBL state that according to the 2011 Census there were 138,200 jobs in LBL, of which 34,700 were people living and working in LBL, amounting to just over 25% of total jobs being taken by LBL residents. It should be noted, however, that when Volterra analysed origin-destination data available from the 2011 Census, the data suggested that there were in fact 108,000 people aged 16 or over employed in Lambeth, of which 21,000 (19%) were Lambeth residents.
- 6.7 The industries in which the majority of employment will be created at the Proposed Development, construction and office-based, are typically among the more mobile sectors of the workforce and hence have a proportion of local residents in the workforce that is lower than the combined average in Lambeth (12% for construction and 15% for office jobs).
- 6.8 The majority (84%) of the jobs created by the Proposed Development are office-based. Given the dominance of office occupiers in the end-uses, a 25% target may be difficult to achieve as (i) the office workforce tends to be more mobile on average, commuting further distances to work, and (ii) many end-use office occupiers are likely to be relocating from other offices in neighbouring boroughs (in order to enable expansion or upgrade the quality of their office), rather than setting up a new business and creating 100% new jobs. It is likely that the end-use office occupiers will be relocating with an existing staff base who already have established residential locations. As a result, the 25% local jobs commitment for office jobs at the Proposed Development is seemingly too high.
- 6.9 **Table 11** illustrates this point, through highlighting the obligation that the Proposed Development would be expected to adhere to, given the minimum 25% target for all jobs created at the Proposed Development. This would equate to 365 construction positions over the course of the entire construction period. Furthermore, an additional 415 office jobs, 35 retail-based jobs, 5 restaurant jobs, and 5 leisure-related jobs would be provided during the operational phase, **making up c. 460 local jobs**. During the construction phase, this would be more than double what would be expected to occur naturally, whilst during the operational phase, this would require an estimated 59% more local jobs than would be expected to occur naturally based on commuting patterns data (290 jobs).

Table 11: Proposed Development's expected local jobs obligation

Phase & type	Jobs	Pope's Road obligation (25%)
<b>Construction (job years)</b>	<b>1,450</b>	<b>365</b>

<sup>73</sup> Ibid

<sup>74</sup> Ibid.

Phase & type		Jobs	Pope's Road obligation (25%)
<b>Operational</b>	Office	1,675	420
	Retail	135	35
	Restaurant	25	5
	Leisure	10	<5
	<b>Total operational</b>	<b>1,825</b>	<b>460</b>

Note: Figures are rounded to the nearest five.

- 6.10 Due to the reasons listed above as to why the 415 office jobs (25%) going to local residents is considered unachievable, an alternative methodology is proposed. To start, we look at the sectors<sup>75</sup> relevant to the Proposed Development, in which the 2011 Census suggests that total employment in LBL throughout these totals c. 50,000, whilst those also resident within the borough is 9,400. This gives a local employment ratio of 19% as illustrated in **Table 12**. This 19% mirrors the findings found earlier across all sectors in Lambeth based on origin-destination data (refer to **para 6.6**).

Table 12: Commuting patterns of LBL employees, 2011

Industry	Total Employment, 2011	% of which is Resident in London	% of which is Resident in Lambeth
Construction	3,900	73%	12%
Accommodation & Food (Restaurant)	6,900	95%	29%
Office	26,000	80%	15%
Wholesale & Retail Trade	9,500	89%	24%
Leisure	3,800	86%	19%
<b>Total</b>	<b>50,300</b>	<b>84%</b>	<b>19%</b>

Source: Census, 2011. Location of Usual Residence and Place of Work by Industry (safeguarded data). NB: Figures may not sum due to rounding.

- 6.11 The difference between the local employment target (25%) and that observed in the relevant sectors (19%) represents a 32% difference, and so the naturally occurring local jobs proportion per sector has been uplifted by this difference, with the % targets outlined in the table below. Using this methodology, it is expected that during construction, the 230 employment opportunities going to LBL residents would represent a 31% increase in what would be expected to occur naturally. During the operational phase the uplift could be even greater, with up to 390 jobs delivered to

<sup>75</sup> The relevant sectors are construction (SIC code E), accommodation & food (SIC I), office (SIC J-N), wholesale and retail (SIC G), and leisure and recreation (SIC R-U).

local residents, equivalent to a 34% increase on what might be expected to occur naturally based on commuting patterns data.

- 6.12 It should be noted however that these sector-specific targets for operational employment opportunities will be set with respect to **new** operational jobs, due to the fact that tenants choosing to initially occupy the Proposed Development will most likely bring an existing workforce with them, which, if relocating from some distance away, is unlikely to be immediately made up of the required proportion of LBL residents. The number of local operational jobs given in the table below is therefore considered a maximum scenario, where it is assumed all jobs supported at the Proposed Development are new jobs, i.e. by an occupier who has not relocated.

Table 13: Pope's Road proposed local jobs obligation

Phase & type		Jobs	Pope's Road obligation	
			Local jobs obligation (32% increase) <sup>76</sup>	Maximum no. of jobs <sup>77</sup>
Construction (job years)		1,450	<b>16%</b>	230
Operational	Office	1,650	<b>20%</b>	330
	Retail	135	<b>32%</b>	45
	Restaurant	25	<b>38%</b>	10
	Leisure	15	<b>33%</b>	5
	<b>Total</b>	<b>1,825</b>	<b>21%</b>	<b>390</b>

- 6.13 The Applicant will act as an intermediary and make reasonable endeavours to ensure end-use occupiers advertise all appropriate job vacancies with the council or an agency nominated by the Council. Opportunity Lambeth would be an appropriate platform to advertise job vacancies on, for example.

#### What have Impact Brixton already achieved?

**Impact Brixton** will also strengthen the local employment offering, as local jobs would be more deliverable through the local community-focused space, which will be housed directly on-site.

160 members have already moved into the new space at Brixton Market, the majority of which are LBL residents. This space is only a quarter of the size of the space that Impact Brixton would potentially move into at the Proposed Development, highlighting the scope to deliver substantial numbers of employment opportunities to LBL residents.

<sup>76</sup> For example, there are expected to be 15% of office-workers also resident within the borough. Uplifting this 15% by the 32% difference gives a local jobs target of 20%, which is much more achievable.

<sup>77</sup> The maximum number of local jobs assumed that all jobs at the Proposed Development are new, and hence these targets for local employment can be applied to the total jobs estimate.

### Raising the skills and aspirations of local people

- 6.14 It has been acknowledged that 25% of vacancies in LBL were hard-to-fill due to labour shortages and the local population lacking the skills required.<sup>78</sup> In order to further develop the skills of local residents, the Applicant will commit to providing a number of apprenticeship positions through the demolition and construction phase, or the end-use operational phase. In line with LBL policy, the Applicant will commit to the recruitment of one apprenticeship per 1,000sqm (GIA) of development. Under the anticipated build cost, this would **correspond to the recruitment of 26 apprenticeships over the overall construction and/or operational phases.**
- 6.15 The long-term unemployed (defined as those out of work for more than two years) are also acknowledged by the Applicant. In line with LBL policy, the Applicant will commit to the recruitment of one individual who has been long-term unemployed per 2,500sqm (GIA) of development. Under the anticipated build cost, this would **correspond to the recruitment of 10 opportunities for the long-term unemployed in the end-use operational phase.**
- 6.16 Based on the HACT social value index<sup>79</sup>, achieving this target of 26 apprenticeships and moving 10 long-term unemployed into employment **would have a social value of c. £205,500<sup>80</sup>.**
- 6.17 **The Applicant will also encourage end-use occupiers to target hard-to-reach priority groups suffering disproportionately from unemployment or low skills when seeking to fill vacancies arising at the Proposed Development, where it is legally possible to do so.** In addition to this, the Applicant will use reasonable endeavours to ensure that a number of direct “supported employment” positions are made available to Lambeth residents that fall into one of the hardest to reach groups, such as the long-term unemployed or residents living with a disability.

#### *How will this happen?*

The Applicant will build on existing programmes already operated by Impact Brixton that focusses on providing tech and digital training to a large diverse group in the community. These programmes will provide invaluable skills to individuals needing them the most, bringing the most affected members back into the workforce. Additionally, programmes will be ran targeting under-represented groups in society, such as women through ‘Female Founders’ networking events, and ethnic minorities.

- 6.18 The development of employability skills and targets to develop the skills of those hardest to reach in society is strengthened by the prospect of Impact Brixton housed on-site. The continuation of their ongoing Exchange Programme will allow experts to teach individuals their skills in areas such as designing, marketing, or hosting, in exchange for complimentary use of the affordable workspace on-site. Free

<sup>78</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document

<sup>79</sup> HACT and Daniel Fujiwara, no date. Community investment values from the Social Value Bank

<sup>80</sup> Moving someone from unemployment to full-time employment has a social value of £14,433, whilst the provision of an apprenticeship for an individual is valued at £2,353



employment training will also be provided for individuals needing the training the most, allowing them to pick up the required skills to enable entry into the workforce, such as CV workshops and basic computer literacy training.

- 6.19 Finally, a focus will be placed on providing employment and upskilling in the sectors that need it most. For example, **Table 4** in the baseline section showed that whilst ethnic minorities account for the larger proportion of the distribution, hotels and restaurants sector, they still represent a minority in the services workforce in LBL. It therefore makes sense to design these programmes with providing the skills needed for the services sector in mind, rather than retail opportunities at the Proposed Development where a large proportion would already be expected to be taken up by people from ethnic minorities.

#### Engagement with local schools and colleges

- 6.20 According to Lambeth’s Employment and Skills SPD, the Applicant is expected to engage with educational institutions for the first two years of the development, with example activities including:

- Career inspiration – speakers, role models, work ‘taster’ events;
- Employability – mentoring and support for specific young people, mock interviews and interview preparation;
- Curriculum support – advice on curriculum design; and
- Work-based learning – workplace visits and work experience placements.<sup>81</sup>

- 6.21 **It is envisaged that engagement with educational institutions will be directly provided within the Proposed Development through programmes run by the Applicant in collaboration with Impact Brixton.** The co-working space housed on-site will provide both enterprise training for businesses as well as employment training for individuals and pupils of local education institutions, creating skills directly required for employment in the financial and corporate world. Some employment training that is already provided by Impact Brixton includes:

- Computer coding for beginners and intermediate coders;
- Start-up career guides and relevant training for 14-24 year olds, allowing them to develop skills that would enable progression throughout their working lives;
- Basic computer literacy training for everyone;
- How to get a job, teaching practical skills required by all businesses; and
- Other tools and software’s, designed for everyone, that help you go faster.<sup>82</sup>

#### Monetary contribution

- 6.22 Any major development makes contributions and commitments via a Section 106. The Applicant will make a financial contribution that LBL can use to fund appropriate employment and skills initiatives aimed at maximising the potential for Lambeth residents to compete for jobs being created at the Proposed Development, through improving their employability and skills levels. Developments within LBL are expected to make financial contributions “to help support those sections of the Lambeth

---

<sup>81</sup> Ibid

<sup>82</sup> Impact Brixton, 2020. Impact Brixton programmes plan.

workforce that are furthest from employment, having been out of work for a long period of time and/or having low levels of skills”<sup>83</sup>.

- 6.23 **The Applicant will therefore pledge an employment and skills monetary contribution as part of the application, with the total amount subject to s106 negotiations.** These negotiations will utilise the formula provided in LBL’s Employment and Skills SPD, after agreement on the total quantum of jobs at the Proposed Development. The contribution should be aimed at those furthest from employment, such as having low to no levels of skills, as well as those that have been unable to rise up the job ladder in the borough. This financial contribution would help to address Issues 1, 2 and 5 described in **Figure 10**.

#### Wages

- 6.24 Finally, with respect to the London Living Wage (LLW), the Applicant will make reasonable endeavours to ensure that:
- **All full-time operational staff directly employed by the Applicant will be paid the LLW; and**
  - **The LLW will be promoted for all construction and operational employees that are not directly employed by the Applicant but are working at the site.**

How do the Proposed Development’s aims address the identified issues and objectives?

- 6.25 The targets that have been outlined by Volterra and the Applicant have been designed with the previously highlighted key issues and objectives in mind. Whilst the Proposed Development alone will not be large enough to solve the outstanding employment and skills issues in the area alone, it can make a significant contribution towards achieving certain objectives; these are outlined below.

#### Unemployment

- 6.26 The baseline analysis outlined that LBL has performed relatively well in terms of economic activity, but the number of individuals relying on the claimant count is above that of the national and regional comparators. The analysis also showed that whilst the overall rate of unemployment is higher than comparators, there is also a significant mismatch between the types of jobs sought by LBL residents and those offered within the borough. The Proposed Development will ensure job opportunities go to local residents, and that they are available to those residents with less access to the LBL labour market through the following aims:
- A statistically derived yet ambitious target for new local employment opportunities, based on applying an uplift to current local employment proportions seen in each relevant sector;
  - Providing at least 10 opportunities to long-term unemployed residents in LBL during the end-use operational phase; and
  - Provide a financial contribution to go to a variety of recipients aimed at upskilling the local population and supporting underrepresented groups back into employment.

<sup>83</sup> Lambeth Council, 2018. Employment and Skills Supplementary Planning Document.

### Earnings

- 6.27 Although the median wage is just above the London average and slightly below the Inner London average, growth in the median wage in LBL is falling behind that of comparative boroughs. The types of employment supported by the Proposed Development will ensure that those left behind in LBL will have access to opportunities to increase earnings levels. By applying median earnings to the types of jobs at the Proposed Development, the average weighted earnings of an employee on site would be £42,000, 14% higher than the median pay of LBL residents (£37,000). Median construction worker earnings are £40,000 for those involved in the construction of the Proposed Development, which is 8% higher than the median pay of LBL residents.
- 6.28 Additionally, the LLW commitment ensures that reasonable endeavours will be undertaken to see that all employees at the Proposed Development will be fairly remunerated for their employment.

### Skills

- 6.29 It was also defined in the baseline and policy analysis that, on average, LBL residents are relatively more skilled than in other areas of London and Inner London. Key objectives defined in the Brixton Economic Action Plan and Mayors' Skills for Londoners report concerned ensuring that London's population have the necessary skills and training to compete in the workforce and reduce the inequalities of skills. Some of the aims of this strategy that have been designed to improve the skill levels of the local population include:
- The provision of 26 construction apprenticeships; and
  - A financial contribution made towards ongoing engagement between LBL and local schools & colleges.

### Deprivation

- 6.30 The Proposed Development lies in an area of very high deprivation, both relative to the rest of LBL and when compared to the country as a whole. The investment generated by the Proposed Development will, therefore, entail significant socio-economic benefits for the surrounding area, through the sizable improvement of the public realm, the additional revenue brought to the local area itself and the LBL residents that live there, and the overall regeneration of the area that will improve footfall and economic activity in Brixton.

## 7 Links to Affordable Workspace

Complementary links between affordable workspace & achieving employment and skills objectives

- 7.1 Affordable workspace is defined as workspace that is provided at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. These types of workspaces are an integral part of London's ecosystem for creative and technology innovation, and include business incubators, accelerator spaces, and creative production spaces. In accordance with Draft New London Plan Policy E3, the council will require major developments that include B1 floorspace to provide a proportion of affordable floorspace, it should be provided on-site and be designed to meet a local need.
- 7.2 Policy ED2 in the Draft Lambeth Local Plan requires developments that include B1 floorspace to provide a proportion of affordable workspace in a few locations, one of them being the Brixton Creative Enterprise Zone (CEZ)<sup>84</sup>. This involves 10% of the B1 floorspace being provided as affordable workspace for a period of 25 years.
- 7.3 The Applicant is happy to comply with Lambeth's requirement for 10% of floorspace to be provided as affordable workspace. This equates to the provision of c. 2,600m<sup>2</sup> GIA / 1,770m<sup>2</sup> NIA of affordable workspace. As previously discussed in this strategy, it is the preference of the applicant to work in partnership with **Impact Brixton**, who will manage and operate the affordable workspace within the Proposed Development. This space will bring a welcome upsize on the space that Impact Brixton has recently moved into in Brixton Village/Market. As the applicant's current position is that they are open to being (emerging) policy compliant in terms of affordable workspace, this final section will focus on the complementary links between meeting affordable workspace targets and achieving employment & skills objectives.
- 7.4 **Utilising Impact Brixton as the affordable workspace provider will create a more holistic approach towards the package of public benefits offered at the Proposed Development, as it would allow Impact Brixton to use the space to not only provide discounted workspace to local residents and businesses, but also operate employment and upskilling programmes to the benefit of local residents. This will in turn make the affordable workspace complementary with the employment and skills aims outlined in this strategy.**
- 7.5 Just as Impact Brixton's model and focus has evolved over time to the successful community-focused project that it is today, it is possible that this will further evolve to meet the needs of local people and businesses. The Applicant is committed to delivering its affordable workspace provision in such a way that it continues to build on what has been achieved to date and further serves the needs of local workers, job seekers, entrepreneurs and community groups.
- 7.6 Lambeth currently contains world-class creative and digital businesses with significant growth potential, yet this sector is smaller and less strongly clustered than

---

<sup>84</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan

neighbouring central London boroughs.<sup>85</sup> The CDI Study 2017<sup>86</sup> found that the growth in Lambeth's creative sector has been stagnated due to the poor availability and affordability of workspace. Research within the report highlights that there is currently an under provision of affordable and supportive workspace facilities required in order to support significant cluster growth<sup>87</sup>, thus creating a need for additional affordable workspace. Impact Brixton's focus on increasing gender and racial diversity within the creative and digital sector of the local economy will complement the aims of LBL's focus on this sector. This stated aim of Impact Brixton will ensure that businesses within these employment sectors are encouraged to grow within the affordable workspace at the Proposed Development.

- 7.7 The provision of affordable workspace is especially beneficial for the creative and digital industries, local SMEs, local start-ups, and local entrepreneurs. SMEs make up 99.8% of all businesses in London and sustain approximately 50% of all employment<sup>88</sup>. It is also true that 80% of start-ups fail within 18 months, and within London a key factor that can be attributed to these businesses failing is affordability<sup>89</sup>. The provision of affordable workspace therefore allows for businesses to find cheaper and easier to access premises which in turn may increase entrepreneurialism and the survival rates of SMEs and local businesses. The Brixton Economic Action Plan also details that 'a mix flexible and affordable workspaces will be required to support start-ups and innovation'.<sup>90</sup>
- 7.8 Affordable workspace helps to meet key objectives of SMEs and local businesses, including introducing flexibility in internal arrangements, creating a range of shared spaces and business facilities, enabling high speed broadband connection, and permitting on-site business support provision.
- 7.9 The Brixton Economic Action Plan identifies affordable workspace as an area for action going forward, citing that there is evidence of strong demand for flexible and affordable space that is suitable for small businesses<sup>91</sup>. The provision of this workspace also fulfils objectives set out in the Future Lambeth plan, in order to 'support small businesses and entrepreneurs in the early stages of development'<sup>92</sup>, enhancing entrepreneurialism and economic activity in the local area. The use of the workspace benefits Lambeth's key target groups and creates an ecosystem for local residents and businesses to progress through.

---

<sup>85</sup> Ibid.

<sup>86</sup> Lambeth CDI, 2017. Strategy for growth: A creative way to grow

<sup>87</sup> Lambeth Council, 2020. Draft Revised Lambeth Local Plan

<sup>88</sup> Future of London, 2018. Workspace for all: fostering affordability, support and inclusion.

<sup>89</sup> Ibid.

<sup>90</sup> Lambeth Council, 2017. Brixton Economic Action Plan

<sup>91</sup> Ibid

<sup>92</sup> Lambeth Council, 2016. Future Lambeth Plan 2016/2021

## 8 Conclusion

- 8.1 Whilst LBL possesses a population that is in general highly qualified and more economically active than most, there still exists a number of issues related to employment and skills that need to be addressed in the borough. The baseline data and policy review in this report identified a number of indicators where there are outstanding issues in LBL. In particular, LBL possesses a higher unemployment rate than its comparators, especially for subsets of the population who are generally more vulnerable, such as people from ethnic minorities and people living with a disability.
- 8.2 Through both the construction and operational phases of the Proposed Development, there are estimated to be significant positive effects on the local economy, particularly with regards to employment creation. During the construction phase, there is estimated to be c. 440 construction jobs created annually at the site. Once operational, the Proposed Development will support c. 1,850 jobs supported directly on site, equivalent to a total of c. 1,600 FTEs. As the majority of employment opportunities created at the Proposed Development will be in the office sector, a large proportion (79%) of operational jobs at the Proposed Development are anticipated to be highly skilled, allowing LBL residents the chance to increase their skills levels and hence earnings.
- 8.3 A close working partnership has been formed between the Applicant and Impact Brixton, a community-led co-working space in Brixton, who are currently relocating to the applicant-owned Brixton Market. It is envisaged that upon completion of the Proposed Development, Impact Brixton will relocate to the site and manage the affordable workspace (10% of total B1 floorspace) that will be provided at the Proposed Development.
- 8.4 To ensure LBL residents are also able to benefit from the economic uplift occurring as a result of the Proposed Development, the Applicant will ensure that a variety of employment and skills commitments are adhered to, which have been designed in response to local employment and skills indicators, and will be sustained throughout its construction and operation. In summary, these employment and skills commitments include:
- Sectoral-specific targets for local employment opportunities;
  - Recruitment of apprentices and people who have been long-term unemployed;
  - Encouraging end-use occupiers to target hard-to-reach priority groups suffering disproportionately from unemployment or low skills;
  - Engagement with educational institutions through programmes run by the Applicant in collaboration with Impact Brixton;
  - All full-time operational staff directly employed by the Applicant to be paid the LLW; and
  - The LLW will be promoted for all construction and operational employees that are not directly employed by the Applicant.
- 8.5 Utilising Impact Brixton as the affordable workspace provider will create a more holistic approach towards the package of public benefits offered at the Proposed Development, as it would allow Impact Brixton to use the space to not only provide discounted workspace to local residents and businesses, but also operate employment

and upskilling programmes to the benefit of local residents. This will in turn make the affordable workspace complementary with the employment and skills aims outlined in this strategy.

## Disclaimer

**COPYRIGHT:** The concepts and information contained in this document are the property of Volterra Partners LLP. Use or copying of this document in whole or in part without the written permission of Volterra Partners LLP constitutes an infringement of copyright.

This work was produced using statistical data from ONS. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates.

**LIMITATION:** This report has been prepared on behalf of and for the exclusive use of Volterra Partners LLP's Client, and is subject to and issued in connection with the provisions of the agreement between Volterra Partners LLP and its Client.

Volterra Partners LLP accepts no liability or responsibility whatsoever for or in respect of any use of or reliance upon this report by any third party.