



Employment and Skills Report

August 2021



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The Lanes, Penwortham

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For and on behalf of Avison Young (UK) Limited

1. Introduction

- 1.1 Taylor Wimpey and Homes England ('the Developers') have submitted two outline planning applications to South Ribble Borough Council ('SRBC'). The applications are located on adjoining land located to the east of Penwortham Way known as 'The Lanes, Penwortham' ('the Sites').
- 1.2 The planning applications are submitted in outline with all matters reserved (including scale, layout, appearance, and landscaping) except for the principal means of access. They propose the demolition of certain existing buildings and a residential led mixed-use development comprising in total:
- Up to 1,100 dwellings (use class C3 and C2), including affordable housing at 30% provision;
 - A local centre including retail, employment and community uses, mobility hub and third space (Use Classes E and Sui Generis);
 - A two-form entry primary school (Use Class F);
 - Green spaces; and,
 - Associated infrastructure
- 1.3 The proposed development will provide a £137 million capital investment. This investment will have significant positive impacts on the local job market and economy.
- 1.4 Importantly, the scheme itself, alongside local education institutions, will offer a Skills Training Scheme with onsite training, work experience and employment opportunities during the construction phase of the proposed development. The Developers are committed to strengthening the region's business, economic and employment landscape by nurturing local talent and the next generation of construction workers.
- 1.5 Open to all, the Skills Training Scheme will be designed to help provide people with skills for those wanting to pursue a career in construction. Tuition will be provided in various areas of construction, including groundworks, roofing, carpentry, plastering, plumbing and bricklaying. Trainees will also gain practical experience, knowledge of health and safety, large scale development processes and on-site communication. There is a recognised shortage in workers in the trades listed and the scheme will increase awareness and promote training linkages with housebuilders in respect of Modern Methods of Construction ("MMC").

- 1.6 This report should be used by the Developers, main contractors, chosen house builders and SRBC to achieve the aims of maximising employment, learning, and training opportunities for the local community at Penwortham and across the Borough.
- 1.7 The Developers have met with key stakeholders to understand how best to achieve these aims and work with the existing network of organisations for support. The product of these discussions is this document. The Developers are mindful of the fact that social, environmental, and economic circumstances change over time. Consequently, as the development will come forward over an anticipated 8-year timeframe, the Developers are keen to ensure that this document is considered as a framework for local initiatives designed to ensure that the local communities in and around the site benefit most from the opportunities created by the development.
- 1.8 The assumptions behind the assessment of socioeconomic benefits are based on the following:
- The Developers' indicative housing mix (including affordable);
 - Estimated build costs;
 - Estimated build period of 8 years (2023 – 2031); and,
 - An estimated construction start year of 2023.
- 1.9 **Appendix I** provides the methodology for this report.

2. Socio Economic Benefits

- 2.1 The proposed development will be home to around 3,600 residents, of which around 2,520 will be of working age and 570 will be highly skilled. This will support the local economy by increasing the labour supply and, in the case of higher skilled labour, help to boost the productivity of the local area's labour supply.
- 2.2 The proposed development will add up to 1,100 homes to South Ribble helping to contribute to meeting housing need in the local authority area. The additional residents will generate demand for education provision and health services, but they will also support the local services and provide justification for investment to maintain and improve existing infrastructure.
- 2.3 The proposed development includes the provision of retail, leisure and community use, as well as a strong green infrastructure network. There will be fiscal benefits associated with the completion of the proposed development, including £1.8 million in council tax revenues per annum. The expenditure of residents of the proposed development will help support employment in local businesses across South Ribble. Regarding expenditure impacts to be retained within the local area, it is estimated that there would be £5.5 million in terms of first occupation expenditure (money spent to make a house a home) and £12.7 million in resident expenditure per annum.
- 2.4 The sites have been identified as a preferred location to help SRBC meet its target of 7,000 new homes by 2026 and are part of the Preston, South Ribble and Lancashire City Deal (the City Deal). The City Deal is an agreement signed in 2013 between the Government and local partners. The City Deal is a landmark agreement to achieve a once-in-a-lifetime transformation of the area, creating thousands of new jobs and homes.
- 2.5 A total of £434m new investment is being used by the City Deal to expand and improve infrastructure in Preston and South Ribble, enabling a forecast 20,000 new jobs, one million square metres of employment floorspace, £2.3bn of private sector investment levered in from housing/commercial development and 17,420 new homes to be created. It will provide a huge boost to the local economy, which is expected to grow by £1 billion over the Deal period.

3. Job Creation

3.1 The proposals will result in considerable indirect and direct job creation, as detailed below.

3.2 In terms of direct construction impacts, the proposed development will:

- create 275 FTE construction jobs per annum over 8 years;
- generate a £137 million capital investment; and,
- generate £19.6 million GVA per annum.

3.3 With regard to indirect construction impacts, the proposed development will:

- create 346 FTE supply chain jobs per annum; and,
- generate £24.7 million GVA per annum from supply chain jobs expenditure.

3.4 Regarding expenditure impacts to be retained within the local area, the proposed development will:

- create 156 local jobs supported by expenditure;
- generate £5.5 million in first occupation expenditure (money spent to make a house a home); and,
- generate £12.7 million resident expenditure per annum.

3.5 This spend and economic generation is set to benefit the area, including Penwortham and the Borough.

4. Anticipated Programme

4.1 The following is indicative only and is subject to change:

- Application determination – Winter 2021
- First Reserved Matters Permission – Autumn 2022
- Infrastructure/Enabling Works – Winter 2022
- Residential Construction – 2023-2031
- Local centre and primary school – TBC

4.2 An important part of the process is for the Developers to work closely with SRBC to keep agreed principal point of contacts informed of projected milestones, as this will inform the wider employment and skills strategy. As an example, SRBC as part of the partnership would inform schools and colleges of such construction milestones so that staff and students can better prepare their students and themselves, respectively, to have a stronger chance of securing apprenticeships, training and employment associated with this proposed development.

5. Our Approach

- 5.1 The Developers and their consultant team have met with SRBC, LCC Local Councillors, stakeholders (CCG, LCC Education) etc. and Penwortham Town Council. These contacts have excellent links with businesses, local services, education and training providers including schools, colleges and local health care facilities. There is a clear desire from all that the sites' development project should maximise future opportunities for job creation to the benefit of local people.
- 5.2 Whilst there is an aspiration and willingness for local people to secure these job opportunities, this will of course depend on securing the right person for the job, with the right qualifications and the right skills. To ensure opportunities are met locally, a forward-looking programme needs to be put in place to ensure needs are met locally. Part of this process will be the co-ordination of education and training authorities to prepare their students and clients in readiness for these recruitment opportunities. To do this they will require briefings and updates at certain key stages of the project.
- 5.3 The Developers/main contractor and the preferred house builders will meet with schools and colleges to explain the proposals, provide careers advice, highlight opportunities, and inform of the health and safety risks at construction sites – more pertinent to primary school children and younger high school students.
- 5.4 There will also be a requirement on the employment groups and networks to inform local people of job vacancies. This will require information sharing via the network of employment and training contacts.
- 5.5 It is clear that there is already a keen and robust network of bodies to support local people and new business operators, and the Developers will act to provide the right information at the right time to ensure these parties can come together when appropriate, to maximise job and supply chain opportunities for local people and businesses.
- 5.6 The Council's Economic Affairs Department's (including their employment and training officers) knowledge and support is a valuable resource that we would expect contractors, house builders and businesses to want to utilise. They are there to help and provide assistance and guidance, and it is expected therefore that the framework actions below, will lead to the successful connection of jobs with local people and businesses, to the benefit of Penwortham and South Ribble.

6. Framework of Actions

- 6.1 Each contractor, house builder and business occupier will have their own preferred recruitment and training approach. However, the following framework will also be followed to support the alignment of jobs with local people and businesses. This is not about forcing these stakeholders to appoint local people and businesses, but about assisting and advising them of the merits of the local skills base. It is about preparing and supporting local people and businesses for the opportunities that lie ahead and facilitating them with the training and skills to secure these new jobs and contracts. There is a commitment from the developer and future house builders here that local people will be prioritised where possible.
- 6.2 The success of this will rest on early engagement, information sharing with key stakeholders and support networks, skills and training, and awareness of opportunities.
- 6.3 The Council agrees to:
- Inform the new businesses at the earliest possible opportunity, of the range of targeted recruitment and training support services, subsidies and skills funding available, to help these businesses recruit and train their workforce;
 - Facilitate links to appropriate partners which can support the new businesses in their recruitment and skills needs, helping them to secure the right people for the job;
 - Facilitate links between local businesses with the new businesses, to foster new working relationships. For example, there may be opportunities for local businesses to form part of the supply chain of new operators on the site; and,
 - Provide a principal point of contact on behalf of the SRBC for the developer, main contractors and house builders to liaise with.
- 6.4 The Developers or their successors in title who develop the sites agree to:
- Commit to appointing or contributing towards a resource either in house or the Council, to take on the role of establishing the links and mediating between all parties to get the delivery of this report up and running. This will facilitate the smooth delivery of this report's aims over the long term and allow the rest of the team and stakeholders to then take over its delivery more effectively, efficiently and with confidence. As such, this will ensure local people have the best chance of securing local jobs and training, helping to retain as much of the socio-economic benefits of the development in Penwortham and the local area;

- Provide the Council's principal contact with a contact to lead on the implementation of this report;
- Maintain a dialogue with the Council's principal contact on key stages of the development project;
- Provide the Council's principal point of contact with the contact details of any new business operators at the site. Often potential operators will approach the developer early in the process to secure land or units at the site. There is likely to be a long lead in time from the operator securing land or a unit, to that unit being built and the operator occupying the unit. As such, there is a long period for operators to discuss their skills requirements with the Council's employment and training officers. The developer will suggest that each occupier engages with these officers well in advance, where possible, of commencing recruitment;
- Provide schools and colleges with information on the proposal and careers advice, where appropriate and reasonable. This is to provide education providers with information for them to facilitate their students to realise these opportunities and guide them to achieve their ambitions; and,
- Provide work experience opportunities for students.

6.5 Main contractor and house builders agree to:

- Provide the Council's principal contact with a contact to lead on the implementation of this report, for whom they will liaise with over the term of the construction period. This information sharing will be important so that they can communicate key timescales with their own network of businesses, skills and training groups, and schools and colleges etc; All elements of the planning applications are in outline only. As such, a reserved matters application will have to be submitted by each main contractor/house builder, in seeking planning permission for detailed proposals. Accordingly, there will be a long lead in period from the preferred house builder on Homes England lane being chosen to them starting works on site. There will be an opportunity for both the main contractor and house builders to discuss their skills requirements with the Council's employment and training officers in advance of commencing recruitment;
- Inform sub-contractors that they will consider those companies favourably that promote new apprenticeship opportunities (at any level including standard, advanced or higher level apprenticeships or graduate training schemes), making use of the National Apprenticeship

Service (in addition to any other useful channels), as a means to increase the number of opportunities during construction;

- Commit to requiring the main contractor, house builders and sub-contractors to discuss and explore opportunities for new apprentices with local schools and colleges;
- Commit to signing up to the Considerate Contractors Scheme. This will include a level of community volunteering. The contractor will also offer site visits to educate local people about the construction industry;
- Provide work experience opportunities for students;
- Engage with local schools and colleges to facilitate appropriate work experience opportunities being made available to young people. Where possible, undergraduate placements and paid internships will made available for suitable posts; and,
- Commit to providing site visits and related activities for local schools and colleges.

6.6 Future operators agree to:

- Make use of existing network (i.e. at Section 6 above) to publicise potential job vacancies to local people; and,
- Where an appropriate vacancy exists, ensure that consideration is given to maximise job opportunities for people with disabilities, including learning disabilities, or people with long term health issues.

7. Conclusion

- 7.1 This Employment and Skills Report has been put forward by the Applicants, Taylor Wimpey and Homes England, to set out their commitment to ensuring that local people maximise the opportunities which will flow from the new development. A number of clear measures and commitments are set out which seek to ensure that this objective is achieved. The Developers acknowledge that this document can only provide a framework at this stage and more specific and targeted initiatives will evolve over time through partnership working. However, it seeks to set out from the outset the Developers' desire to ensure that the development they are proposing will deliver significant local benefits for the people of Penwortham.

Appendix I

Socio Economics Assumptions

- We have calculated construction employment using HCA Labour Coefficients that estimate the number of FTE person years of construction employment per £1m investment (equal to 19.9 workers per £1 million investment at 2011 Prices) over the development period (Source: HCA, (2015); Calculating Cost per Job - Best Practice Note).
- Indirect construction employment uses an employment multiplier of 2.26 (source: National Housing Federation (2019); Local Economic Impacts Calculator (LEIC): Methodology and assumptions).
- Construction GVA uses GVA per job data acquired from Experian (March 2020), applied to the job figures derived from the above. For the North West, this equates to £71,337 per FTE job.
- First occupation expenditure is taken from research carried out by OnePoll on behalf of Barratt Homes in August 2014, which found that newly moved households spend £5,500 on average to turn a house into a home.
- Resident expenditure utilises 2011 Census Output Area Classifications (OAC) and the ONS Family Spending Survey (2020). Based on the characteristics of the surrounding area and the development itself, it was considered that future households at the site are likely to be classified in the 'Surburbanite' category, a socio-economic group that tends to spend £621.89 per week on average following a regional adjustment (based on the ONS Family Spending Survey). Affordable houses are assumed to be of the 'Hard-pressed living' category, spending £422.22 per week on average following a regional adjustment.
- The local retention rate of this resident expenditure is calculated manually using the Local Authorities' latest Retail Study, which we found to be 63% for convenience/comparison spend in South Ribble (Source: South Ribble Retail Study 2018). We also make an adjustment for the domino effect, whereby not all the new residents of a new development will generally be 'new' to that area (in fact the majority move less than 10 miles).
- To calculate the number of local jobs supported by first-occupation and resident expenditure, we apply the average proportion of weekly household expenditure on Household and Miscellaneous goods and services from the ONS Family Spending Survey (8.03% and 8.95% respectively), and apply this to the locally retained first-occupation and resident expenditure. Then, we take the average

turnover required to create one FTE job in retail and other services in the North West and apply this to the total spend to arrive at an estimate of the jobs supported. (Sources: ONS Family Spending Survey Table A4 (2019), ONS Business Population Estimates (2019)).

- Council Tax is calculated based on the split of the existing dwelling stock in the area that fall into national average bands, applied to the units in this scheme at the Local Authority's current rates.

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