

Lower Thames Crossing Task Force – Review of LTC Skills, Education and Employment (SEE) Strategy

1. Introduction

- 1.1. This report provides the Thurrock LTC Taskforce with an update on the LTC Skills, Education and Employment Strategy ('SEE Strategy') that has been produced in draft by Highways England.
- 1.2. This SEE Strategy is a crucially important document that provides the policy context for a number of specific measures/requests that Thurrock Council have made to LTC via the Hatch report (Hatch. LTC Mitigation Benefits for Thurrock Council. February 2021), most notably:
 - CLS 1 - Provision of a Council-led Local Labour and Business Team
 - CLS 3 - Target required for Local Labour and Apprentice use
 - CLS 4 - Employment Opportunities Small Capital Grants scheme
 - CLS 5 - Social Value delivered via Procurement.
- 1.3. It is important that Thurrock Council ensures the SEE Strategy is drafted in such a way that it provides the right policy foundation for these requests to be accepted.
- 1.4. This report is based on the content of the latest draft (August 2021) of the SEE Strategy but also information gleaned from associated technical meetings and correspondence on the SEE Strategy. The report refers to both the SEE Strategy and the associated CLS measures listed above, as they are so connected.

2. Timeline

- 2.1. The main milestones that members of the Thurrock LTC Taskforce should be aware of are as follows:
 - An initial draft of the Skills, Education & Employment (SEE) Strategy was produced in early Summer 2020
 - Stantec (Thurrock's retained LTC advisors) provided a review of the initial SEE Strategy in July 2020 and sent comments to the LTC Team
 - Hatch LTC Mitigation Benefits report published in February 2021, with all measures on skills/employment consistent with earlier Stantec comments
 - Response to Stantec comments was provided by LTC Team in February 2021.
 - A SEE Working Group was established by the LTC Team and met for the first time in February 2021. Our understanding is that it has only met on one further occasion in May 2021.
 - Hatch provided more specificity/quantification of Thurrock's ask on CLS1 on 9 June 2021, on CLS 4 on 8 July 2021 and on CLS5 on 23 July. No further material was required on CLS3, which is a largely self-explanatory request.
 - A new/revised draft SEE was circulated by the LTC Team in August 2021.

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- Separately to the SEE Strategy, the LTC Team responded to the Hatch detailed requests on CLS1 on 20 September, and on CLS5 on 22 September. No specific response has been received so far on CLS 4.

3. Analysis

3.1. The items below reflect either comments on the original SEE Strategy in July 2020, or a Hatch Measure, and assess the extent to which the latest draft of the SSE Strategy adequately addresses each point:

Original Comments made July 2020	Connection to Hatch Measure	Extent to which the latest Draft SSE Strategy provides the necessary reassurance to Thurrock Council
'All SSE KPIs should be suitably ambitious'	CL3 – Target required for local labour and apprentice use	<p>The current set of targets/KPIs lack ambition and are not currently legally secured through the DCO.</p> <p>The SSE states that LTC project will 'support more than 22,000 jobs'. Against this context, the SSE targets could be more stretching. The main targets are, as follows:</p> <ul style="list-style-type: none"> - 437 apprentices - 650 work placements - 500 workless job starts <p>We believe more apprenticeships and work placements could be offered on a project of this scale.</p>
'Should be a local labour target for workforce as a whole'	CL3 – Target required for local labour and apprentice use	<p>There is <u>no</u> local labour target for the workforce as a whole and none are currently legally secured through the DCO. This is a key omission.</p> <p>As noted above, the SEE Strategy estimates that 22,000 construction posts will be created, but does not state how many of these would ideally flow to local residents.</p> <p>Whilst accepting the difficulty of enforcing local labour targets, we believe this a topic that the LTC Team should provide an innovative and workable solution.</p>
'We need a definition or definitions of 'local'. There could be core and outer definitions and Thurrock should be prioritised on the north side'	CL3 – Target required for local labour and apprentice use"	<p>Definitions of local are provided in the SEE Strategy, but there is no identification or prioritisation of Thurrock within that definition.</p> <p>The definition of 'local' in SSE is concerning because it offers no reassurance on the precise extent to which Thurrock stands to benefit from any local labour clauses/targets.</p>

		<p>Local appears to have a 'Tier 1' and 'Tier 2' definition – with the former implicitly carrying greater weight. But Tier 1 includes all authorities that 'host' LTC regardless of the extent of local works. So Thurrock is just one of 8 authorities, even though it hosts far more of the route and the construction activity than others.</p> <p>A good example is the apprenticeship target:</p> <ul style="list-style-type: none"> - A target is included for apprentices @ 437 over lifetime of project - But the draft SSE Strategy does not state what % of the 437 would be taken 'local' residents. - And even if a Tier 1 local target were included, it should specify how many apprenticeships might flow to Thurrock residents.
<p>'The delivery of support to residents and businesses should not be left to HE. We would expect HE to fund the Council to deliver this (who may commission) so that the Council can effectively build on local delivery arrangements/ links. Our initial request will be funding for a Local Labour and Business Team which includes flexible commissioning budgets'</p>	<p>CLS1 – Provision of a Council-led Local Labour and Business Team</p> <p>CLS4 - Employment Opportunities Small Capital Grants scheme</p>	<p>The Hatch/Thurrock submissions to LTC requested the provision of 9 new support posts to deliver positive labour market outcomes for Thurrock, at a combined cost of circa £450K per annum. The posts were to be solely focussed on Thurrock.</p> <p>LTC Team have made it clear in correspondence via other mechanisms that they do not intend to directly fund Council. Instead, LTC say they will be establishing their own team.</p> <p>The SEE document itself makes no reference to the additional staffing resource that will be assembled by LTC. Subsequent correspondence from the LTC Team (dated 20 September 2021) confirms that the proposal is for:</p> <ul style="list-style-type: none"> • 5 LTC SEE posts. • 1 of the posts is for a SEE Advisor for Northern LTC Areas <p>We understand the full list of the proposed posts is as follows:</p> <ul style="list-style-type: none"> • SEE Lead who has overall responsibility for the implementation of the SEE Strategy • SEE Manager to work with the LTC Skills & Employment working group to upskill local communities. • SEE Advisor North to build partnerships with existing providers within the North to increase local job opportunities and promote/enhance the education agenda

		<ul style="list-style-type: none"> • SME/Supply Chain Lead to support local business with the skills they need to access opportunities on the programme • SEE Apprentice <p>The posts are being filled right now, with 3 of the 5 posts currently operational.</p> <p>Whilst some progress is being made in getting SEE resource operational, it is far less resource than Thurrock asked and very little of it is specifically targeted at Thurrock.</p> <p>CLS 4 was one of four smaller scale grant programmes requested by Thurrock Council. It was requested in order to support Thurrock-based community and voluntary organisations prepare the local population for the employment benefits that will flow from LTC. The LTC Team have not yet clarified what is proposed for any of its community grant schemes, except the likely total sum across the project which is estimated to be £1M for the North area and £0.5M for the South area.</p>
<p>'It is great to see objectives to support local SMEs to be able to access opportunities, but we need a clearer understanding of how that will work. Great to see a target of £1 in £3 but what, practically, is proposed to achieve the target?</p> <p>'The Council requests a target for local spend'</p>	<p>In part :</p> <p>CLS 5 - Social Value delivered via Procurement</p>	<p>The '£1 in £3' spend with SMEs target remains.</p> <p>But there is no reference in the draft SEE to target to <u>local</u> SMEs, or to target <u>Thurrock</u> SMEs. That is a key omission.</p> <p>There is also only a very limited explanation in the SEE Strategy of how this target will be achieved. The comments raised in July 2020, about needing to see more detail on how local procurement will be delivered, still stand.</p>

4. **Headline Conclusions**

- The headlines from this analysis above are as follows:
- There has not been the necessary pace and urgency behind the development of the SEE Strategy. For example, the SEE remains in a draft state nearly 18 months after a first draft was produced and the time taken to respond to the Stantec first draft comments was 7 months.
- The stakeholder meetings that have been set up by the LTC Team to inform the production of the SEE Strategy have been intermittent. There have only been two meetings of the SEE Working Group, as far as we are aware, which is organised by LTC but chaired by the Council's Economic Development Manager.
- The targets in Draft SEE Strategy are not ambitious enough. For example, out of 22,000 anticipated posts spanning many years, we believe the target for apprenticeships should be higher than 437. A target of only 437 apprentices fails to capture the full potential of the project to develop new skills amongst young people.
- There is no provision in the Draft SEE to channel labour market benefits to Thurrock. Whilst there is a definition of 'local' based on 'Tier 1' and 'Tier 2' areas, Tier 1 includes all authorities that 'host' LTC regardless of the extent of construction works. Thurrock is listed as one of 8 authorities, with no enhanced weighting even though it hosts far more of the route and the construction activity than others.
- LTC is starting to mobilise its own SEE Team and will not, as it stands, be resourcing Thurrock to establish its own Local Labour and Business Team (as was requested by Thurrock under CLS1). Thurrock Council has requested a team of 9 Thurrock-based posts to ensure the full range of local labour market and business benefits were achieved.
- LTC is proposing a SEE Team of 5 posts, with just 1 of the 5 posts explicitly serving the North area. The five posts are set out on subsequent pages of this note. There is a considerable mis-match between the resource that Thurrock requested and what is currently being proposed.
- CLS 4 was one of four smaller scale grant programmes requested by Thurrock Council. It was requested in order to support Thurrock-based community and voluntary organisations prepare the local population for the employment benefits that will flow from LTC. The LTC Team have not yet clarified what is proposed for any of its community grant schemes, so it not yet clear whether the CLS4 request will be delivered.
- The draft SEE contains a target that '£1 in £3' will be spend with Small and Medium Sized Enterprises (SMEs). Unfortunately, there is no reference in the draft SEE to target local SMEs, or to target Thurrock SMEs - that is a key omission. The comments raised by Stantec in July 2020, about needing to see more detail on how local procurement will be delivered, still remain unanswered.

5. **Recommendations**

5.1. The Thurrock LTC Taskforce should:

- Provide a clear mechanism through which all agreed local labour market, skills and small business targets and outcomes and associated expenditure are legally secured through the DCO.

- Provide for Thurrock to be specifically targeted for positive labour market, skills and small business outcomes in the SEE Strategy. As currently configured the SEE Strategy subsumes Thurrock into a much wider Tier 1 area and provides no mechanism for guaranteeing local outcomes for Thurrock.
- Provide more ambitious labour market and skills targets in the SEE Strategy. Thurrock has requested ambitious targets from summer 2020 and this request has yet to be met.
- Provide a properly resourced Labour and Business Team for Thurrock going forward. There is a considerable mis-match between the resource that Thurrock requested and what is currently being proposed.
- The Council should closely monitor the evolution of the LTC Community Grant Schemes. The current total sum is estimated to be £1m for the north area and this will require a considerable uplift if the four smaller scale grant programmes requested by Thurrock Council are to be fully funded.