

9 January 2014		ITEM: 8
Planning, Transport and Regeneration Overview and Scrutiny Committee		
Provision and Delivery of Skills and Training to Meet Employment Opportunities in the Ports, Logistics and Transport Sector		
Report of: Matthew Essex, Head of Regeneration		
Wards and communities affected: All	Key Decision: Non key	
Accountable Head of Service: Matthew Essex, Head of Regeneration		
Accountable Director: Steve Cox, Assistant Chief Executive		
This report is public		
Purpose of Report: To present Committee with the draft findings of consultants commissioned to establish the skills and training needs of the ports, transport and logistics sector and to consider how these needs might best be met.		

EXECUTIVE SUMMARY

The Ports, Transport and Logistics sector represents a major element of the Borough's economy. Already employing around 8,500 workers, the sector is set to grow with the planned expansion of the Port of Tilbury (providing an estimated 1,100 additional jobs) and the opening of London Gateway and Logistics Park which could ultimately provide an additional 12,000 jobs. This growth will present further opportunities in the supply chain. Alongside this growth, the sector is expected to continue its technological evolution with many of the jobs being created moving away from the traditional low skill opportunities to those requiring a range of technical, ICT and/or managerial skills and qualifications. Qualification requirements will range from Level 1 through to post-graduate.

In response to this a group of partners from across the private and public sectors were brought together to develop ideas and proposals for a potential National Skills Academy for Transport, Ports and Logistics in the borough. While the idea of an Academy has been on the table for some time now there has been no clear agreement on what this might look like or what it might provide. The project forms a key element of the Borough's Economic Development Strategy and is identified as a priority within the Regeneration Strategy and the Implementation Plan which underpins it. The project is also identified as a priority in the recent Growth Deal submission made by the South East Local Enterprise Partnership (SELEP). As such the Council has now taken on the lead role and has been keen to facilitate a shared

decision on whether or not the project should proceed and if it should, what form that should be in.

To help reach that shared position consultants were engaged to establish whether or not the concept of a National Academy for Transport and Logistics or alternative facility with other 'added value activities' in Thurrock is viable. The Consultants draft report has now been received and is presented to Committee for comments.

1. RECOMMENDATIONS:

1.1 Members are invited to comment on the draft report and commend the recommendations within it to Cabinet.

2. INTRODUCTION AND BACKGROUND:

- 2.1 As the plans for the London Gateway Port development and the Port of Tilbury expansion developed Thurrock Council, partners and other stakeholders (primarily business) were aware of the need to help to sustain growth in the sector by developing appropriate skills within the local workforce. This approach would also maximise the positive impact of these developments within the local community by reducing unemployment, increasing skill levels and potentially increasing d access to higher value jobs and wage levels.
- 2.2 In response to this a group of partners from across the private and public sectors were brought together to develop ideas and proposals for a potential National Skills Academy for Transport, Ports and Logistics in the borough. Whilst these discussions had some successes, including securing a hectare of land for a potential Academy building on the London Gateway site, by April 2013 the project had not moved forward to a point where there was clarity on what an Academy, or alternative facility, would look like in terms of the offer and/or services provided or whether it should be a new build or a development associated with an existing offer from business. The hectare of land is secured through the Local Development Order for the logistics park at London Gateway which allows a period of five years for a training facility to be built.
- 2.3 Discussions started over eight years ago and during that time it was evident that partners and stakeholders had anticipated that an Academy would:
- Work to provide skills/training opportunities and develop links with the sector to provide employment pathways into higher skill positions; and
 - Establish Thurrock as a centre of excellence for Transport and Logistics.
- 2.4 During 2008 EEDA, Thurrock Council and the Thurrock Thames Gateway Development Corporation commissioned a feasibility study to establish the demand for ports and logistics skills. While that report concluded that there was a "significant groundswell of business led support for the development of a facility on the London Gateway" it stopped short of quantifying that demand and matching it against training provision.

- 2.5 Despite the production of this report no significant progress was made in respect of the project and no final decision was made as to whether it should progress or not.
- 2.6 In early 2012, recognising the need to make progress, the Council became more proactive in the partnership and sought to focus efforts on defining the requirements of the sector and the current and planned offer from training providers. This work resulted in consultants, SRA and Bisham, being commissioned (in August 2013) to provide:
- An assessment of the skills requirements of the ports, logistics and transport sector in Thurrock and surrounding areas;
 - An understanding and assessment of the current or planned offer from training providers in institutions of further and higher education;
 - A review of the 'in house' provision of learning and development, and the facilities available, across the sector;
 - Suggestions as to other added-value activities that would help to sustain growth in the sector.
- 2.7 The study was intended not only to define the future of training and skills provision, but also to consider the potential for research and development (R & D) facilities which would help to sustain growth in the sector. In so doing, the study would help to determine the viability of any proposal for a skills academy in Thurrock, whether national or local in scope.
- 2.8 The consultants draft report has now been received and a copy is attached at appendix 1. Representatives from Bisham and SRA will be present at the meeting to present their report and recommendations.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

- 3.1 The consultants draft report considers a range of options for meeting the skills and training needs of the ports, transport and logistics sector.
- 3.2 The commission concludes that there appears to be no major demand for a new physical facility to house a training academy, especially if there were to be a local contribution required to ensure initial funding. The demand from smaller firms is driven mainly by their dissatisfaction with external trainers and as larger companies prefer in-house training they are not interested either. Much of the training need identified by this research is already available within Thurrock or close to the area.
- 3.3 The real need in Thurrock is to tackle the lack of interest and understanding in what the logistics industry has to offer as a long-term career. The consultant's recommendation is, therefore, that Thurrock should set up an umbrella organisation to:
- Identify and enable future business skills and training;

- Link demand with infrastructure provision and regeneration on a wider basis;
- Co-ordinate between public, private and professional organisations;
- Encourage Apprenticeships through a parallel Trailblazer-type scheme, drawing together the necessary parties to provide training particularly for vehicle technicians, crane and equipment maintenance engineers, fork-lift truck drivers, warehouse pickers, freight transport planners etc, so as to provide that link for younger people into the ports, logistics and transport industries;
- Encourage graduate placements, internships and in-company project work by students;
- Provide information and advice on funding sources;
- Encourage research in logistics and associated areas, such as low-carbon energy, changes to the supply chain, port-related technology and the shape of future developments in the sector;
- Market logistics as a career and provide targeted advice and guidance to school-leavers (including women), to ex-servicemen and women, and NEETS;
- Organise and encourage visits to port installations, both as an educational 'add-on' and perhaps also linked with tourism;
- Take advantage of the local culture and tradition for ports and docks work.
- Encourage accreditation of logistics-related courses and fit them into the national and professional qualifications. Professional bodies could also be encouraged to modularise their qualifications, so as to increase access and flexibility in learning.

4. REASONS FOR RECOMMENDATION:

- 4.1 SRA and Bisham have completed the assignment and produced their draft report. Overview and Scrutiny Committees views are an important stage in finalising the recommendations and in moving this report from draft to final status. Once the report is finalised discussions can begin about the next steps.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

- 5.1 The study was informed by a comprehensive consultation exercise which relied on a combination of research methods and surveys which engaged:
- Ports, logistics and transport businesses;
 - Public and professional organisations and voluntary bodies with stakeholder interests in the sector;
 - Further and higher educational institutions; and
 - Potential employees in the sector, for example young people.

In addition the consultants established a Delphi Group in which a panel of experts were consulted (electronically) about future scenarios for logistics development and the pattern of skill demand associate with these. This meant that international expertise can be accessed.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 6.1 Transport and logistics is a key sector in Thurrock which already employs around 8,500 people. Developments at the Port of Tilbury and London Gateway will lead to a significant increase in this number. Ensuring that the sector has access to the skilled workforce that it requires is crucial to both sustaining growth and in ensuring that local communities benefit from the boroughs regeneration agenda. The content of this report, therefore, has a significant impact on a number of our corporate priorities by providing opportunities for learning; encouraging economic prosperity; and, through increased prosperity, improving health and well being.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Michael Jones**
Telephone and email: **012375 652772**
mxjones@thurrock.gov.uk

There are no financial implications at this stage and if recommendations are implemented this will either be done within existing budget provision or will be the subject of further report(s) to Members.

7.2 Legal

Implications verified by: **Mike Kelly**
Telephone and email: **2282**
Mkelly@thurrock.gov.uk

The report informs Members that a study into the likely need for skills to service the Ports and Logistics sector in the Thurrock area has been completed in draft.

This sector is already a major employer and with the creation of London Gateway and the expansion of Tilbury is set to grow by some 150%.

A public Private partnership has been formed to consider the economic spin offs from the growth of the Ports/Logistics sector and the need to prepare a suitably trained workforce to engage in the managerial and it skill roles likely to be created. The partnership has been considering the setting up of a national training academy for this purpose with the Council being at the forefront of these aspirations.

The report compliments the regeneration and growth agenda and is produced as part of Thurrock Council's role as the body responsible for economic growth and for steering local regeneration within the area.

The report also describes the current offer in terms of training and seeks to identify ways in the future and new activities that may help to continue growth in the ports and logistics sector.

Members are asked to consider the report and the recommendations about the viability of a national training facility in Thurrock.

7.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**
Telephone and email: **01375 652472**
Sdealyn@thurrock.gov.uk

The report has been informed by an extensive consultation exercise and any actions arising from this will be subject to an equality impact assessment.

7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- Report of SRA and Bisham Consulting - 'Provision and delivery of skills and training to meet new employment opportunities in the ports, logistics and transport sector. The draft report is held within the Economic Development Team based on the Third Floor, Civic Offices, New Road, Grays, Essex RM17 6SL

APPENDICES TO THIS REPORT:

- Appendix 1: Report of SRA and Bisham Consulting - 'Provision and delivery of skills and training to meet new employment opportunities in the ports, logistics and transport sector.

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