

Future LuToN: Making best use of our runway

Outline Employment and Training Strategy

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Contents

	Page
1. Summary	1
1.2. Overarching aims	1
1.3. Principal activities: Construction	2
1.4. Principle activities: Operations	3
1.5. Next Steps	4

1. SUMMARY

The Outline Employment and Training Strategy (OETS) has been prepared as part of London Luton Airport Ltd's (LLAL) statutory consultation material for its proposed expansion of London Luton Airport (LTN). The OETS has been established to set out the principal aims of the full Employment and Training Strategy (ETS) which will be developed as the proposed scheme is refined.

The need for an ETS has been established by the stakeholders involved in considering the potential economic and employment effects relating to the expansion of LTN. It forms part of the required mitigation identified in the Scoping Report, Scoping Response and Preliminary Environmental Information Report (PEIR).

The primary purpose of the ETS will be to maximise economic and employment benefits for Luton and the Three Counties of Hertfordshire, Bedfordshire and Buckinghamshire.

The key stakeholders involved in the process of developing the ETS are:

- Luton Borough Council, St Albans City & District Council, Bedford Borough Council, Central Bedfordshire Council, North Herts and East Herts District Councils and Stevenage Borough Council;
- Hertfordshire and Buckinghamshire County Councils;
- Hertfordshire Local Economic Partnership and South East Midlands Local Economic Partnership; and
- Bedfordshire Chamber of Commerce, Hertfordshire Chamber of Commerce and Buckinghamshire Business First.

The PEIR sets out the expected effects of the airport expansion during the construction phase and the operational phase. This includes 5,600 additional direct jobs at the airport (from a 2017 base of 9,900) 9,000 net additional indirect and induced jobs across the Three Counties and around 13,800 temporary construction jobs to 2036 with a peak of 1,350 temporary jobs per year in the 2021-26 period¹.

It should be noted that the approach in the ETS for these two phases is different due to the nature of the employment and economic effects and mechanisms available to capture them.

1.2. Overarching aims

The overarching aims of the ETS are:

- To maximise the beneficial employment and economic effects of the expansion of the airport within Luton Borough and the Three Counties area, recognising the broad range of jobs that will be

¹ Temporary construction jobs defined as person years of employment, with 10 person years of employment equivalent to 1 full time equivalent job. Peak employment is 135 full time equivalents per annum.

created by growth at the airport across all skill levels and economic sectors.

- To set out preliminary estimates of employment and the timescales for these.
- Enable training and skills programmes to be developed in good time in advance of employment opportunities arising.
- Ensure that identified priority and hard to reach groups have access to employment opportunities.
- Maximise opportunities for local businesses, particularly small and medium-sized enterprises (SMEs), to engage in contract tendering.
- Harness existing local knowledge, programmes and activities in delivering the above.
- Coordinate effectively with the existing skills and employment strategies in place across the Three Counties to ensure genuine added value

1.3. Principal activities: Construction

It is expected that some 13,800 temporary construction jobs will be supported over the 25 year period with a peak between 2021-26 of around 1,350 temporary jobs per annum. Principal activities involved in achieving the ETS objectives through the construction period are expected to be:

- Building on best practice and ensuring synergy with existing local initiatives such as the Luton DART construction skills hub, which involved lead contractor commitments to a number of local social and economic objectives.
- Through the procurement and tendering process for contractors to deliver the airport expansion construction works, setting targets for a range of economic and delivery objectives including the following that will support the aims of the ETS:
 - local recruitment;
 - spending on local suppliers and development of supplier capability, particularly SMEs;
 - engaging with local employment and training activities and initiatives;
 - delivering apprenticeships, work experience activities, school engagement, careers information and guidance and training and qualifications; and
 - undertaking 'meet the buyer' events which enable local businesses to meet the organisations involved in purchasing construction related goods and services, helping them access and bid for airport construction related contract opportunities.

- Consider establishing a local construction skills hub or academy for the duration of the development.
- Establishing a process and / or individual to co-ordinate and monitor ETS activities and targets over the principal construction period.
- Engaging with the Construction Industry Training Board as appropriate.

1.4. Principle activities: Operations

From current direct employment of around 9,900 jobs, it is expected that employment will reach 13,700 jobs by 2030 and 15,500 jobs by 2039 with gains across the period. Employment will be in a wide range of jobs including airline / related head offices or airport operations, as well as support services in maintenance, repair and ground handling. Further jobs will include shops, hotels and restaurants. Indirect and induced jobs will be across a wide range of suppliers and businesses reaching some 3,400 across the Three Counties by 2039.

Much of the direct employment growth will be from businesses that are already active and operating within and immediately surrounding the airport area. A number of these businesses and related organisations participate in existing activities to support local business and employment including:

- LLAL Community Funding Programme which provides funding for charitable partners. The Environment and Economy theme of this programme aims to support the environment, employment and business in Luton and is linked to Luton Council's Skills and Employability Strategy.
- Meet the buyer events (with Bedfordshire Chamber of Commerce and London Luton Airport Operations Ltd (LLAOL)). These enable local businesses to engage with supply chain opportunities at the airport and across the county.
- Corporate business activities (local information as relevant to be finalised through the audit process).

In order to embed the aims of the ETS into the commercial activities of existing businesses, it is envisaged that an Employment Charter will be developed which operators sign up to. This will enable a more co-ordinated approach to employment and procurement across the airport's businesses. This will support:

- Identifying future skills requirements and enabling local training and skills organisations to prepare local people for employment.
- Identifying future procurement opportunities for local businesses.
- Commitments to local employment and procurement.
- Consider development of a one-stop-shop for airport related business procurement and employment requirements.

Providing leadership around skills and employment issues, promoting best practice and the business benefits. It is envisaged that the one-stop-shop would be a facility co-ordinating airport business procurement and employment requirements with training, employment and capacity building activities. This would involve coordinating with the range of existing programmes that:

- Support local businesses in preparing for procurement opportunities.
- Engage with local training and skills providers to raise aspirations for young people and adults.
- Engage with local education providers in order to ensure they understand the opportunities and skills requirements for airport expansion and to raise aspirations for young people.
- Work with schools in particular to ensure that the potential opportunities offered at the airport are understood and that interest is generated early on.
- Provide opportunities to engage with hard to reach and priority groups.

It is recognised that best practice exists in relation to airport skills and employment which can be drawn upon for Luton, including:

- Stansted Airport Academy / Stansted College
- Heathrow Employment and Skills Academy
- Heathrow Economic Development Framework

1.5. Next Steps

There are a number of key steps to be completed before the submission of the DCO application and finalised ETS:

- An audit of current activity on site at the airport in relation to employment and skills development to enable further development of existing good practice;
- An audit of existing supply side activities, providers and potential synergies across Luton and the Three Counties;
- An assessment of the skills requirements to support both the construction and operational phases of the airport's development;
- Further investigation of good practice at other locations;
- Engagement with key stakeholders via consultations and through the Economics and Employment Stakeholder Group;
- Identification of the target area and key target groups;
- Consideration of business supply chain initiatives and how these can be used to support the aims of the ETS;
- Definition of potential interventions and corresponding outputs and targets;
- Establishment of governance and monitoring arrangements.