

AGENDA MANAGEMENT SHEET

Name of Committee Economic Development Overview and Scrutiny Committee

Date of Committee 27th March 2007

Report Title Closure of Peugeot Assembly Plant at Ryton-on-Dunsmore

Summary This will update Members of redundancies and land use issues following the closure of the plant at Ryton-on-Dunsmore.

For further information please contact

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Would the recommended decision be contrary to the Budget and Policy Framework? Yes/No

Background Papers None.

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

- Other Committees
- Local Member(s)
(With brief comments, if appropriate)
- Other Elected Members Councillor P Barnes } for information.
Councillor M Jones }
Councillor P Morris-Jones }
- Cabinet Member Councillor C Saint for information.
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive
- Legal I Marriott – agreed.
- Finance



- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES/NO** (*If 'No' complete Suggested Next Steps*)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee To further update on redundant staff and land use issues.
- To an Area Committee
- Further Consultation

**Economic Development Overview and Scrutiny Committee -
27th March 2007**

Closure of Peugeot Assembly Plant at Ryton-on-Dunsmore

**Report of the Strategic Director for
Environment and Economy**

Recommendation

The outcome of the discussions at the meeting of the Overview and Scrutiny Committee be referred to the Peugeot Partnership.

1. Plant Closure

- 1.1 The plant closed on 15th December 2006 although the remaining staff were paid until 8th January 2007. 80 staff were retained to help with decommissioning but were leaving progressively during the first quarter of 2007.

2. Redundant Staff

- 2.1 Total of 1845 redundancies:-

775 on 3rd August 2006
346 between August and January
724 on 8th January 2007

As of 15th February, 490 staff are claiming job seekers allowance representing just over a quarter of the total who have been made redundant. 126 live in Warwickshire and 93 of these live in Nuneaton and Bedworth. The majority appear to have found alternative employment. More details are given in the attached appendices:-

Appendix A details Job Centre Plus activity and Learning and Skills Council (LSC) funded provision.

Appendix B is latest data from Job Centre Plus.

Appendix C summarises Chamber/Business Link Start-up Support.

3. Future Use of the Site

- 3.1 At previous meetings the Overview and Scrutiny Committee expressed their support for the site to be retained for employment use.

- 3.2 Current information indicates a site sale is imminent. Agents have quickly arrived at a shortlist of four bidders by only inviting bids from the relatively few companies who can take on a 120 acre site. Peugeot will decide on 13th March.
- 3.3 Site remediation and preparation plus new building could take about 18 months although this estimate is very speculative. **Appendix D** attached details Land Use Issues.

4. Suppliers

- 4.1 Some businesses have continued to carry out small amounts of work during the wind-up of Peugeot. The Chamber is not aware of any redundancies that have resulted from the closure.
- 4.2 GEFCO Ltd has expanded since the Peugeot closure was announced last year. Supply Division has moved from Middlemarch to a new warehouse at Prologis Park but Network Division has expanded to take the vacated warehouse at Middlemarch.
- 4.3 The next meeting of the Peugeot Partnership is on Friday 4th May.

JOHN DEEGAN
Strategic Director for Environment and Economy
Shire Hall
Warwick

14th March 2007

Economic Development Overview and Scrutiny Committee - 27th March 2007

Closure of Peugeot Assembly Plant at Ryton-on-Dunsmore

This report has been published jointly by Jobcentre Plus and the Learning and Skills Council for the Peugeot Partnership meeting on the 18th January 2007

1. Company Update (provided by the company)

Prior to the company announcement of its intentions to close the Ryton plant 1926 people were employed there. In total, the closure of the plant resulted in 1845 redundancies and a further 78 internal redeployments within the UK and France.

On the 7th July the company moved from a 2 shift system to 1 and 775 employees left the payroll on 3rd August.

Between 3rd August 2006 and January 2007 a further 346 employees requested to leave Ryton on a progressive basis.

A further 724 employees left the payroll on the 8th January 2007 with the ending of vehicle production.

There are currently 80 staff remaining on site, who will leave progressively in the first quarter of 2007 as stages in the plant decommissioning programme are completed.

2. Jobcentre Plus

(a) Job Seekers Allowance (JSA)

Accurate tracking of destinations can be instigated from the point at which a benefit claim is made. This process, as applied to the Rover redundancy, is based on a comparison of known leavers with the various benefits IT systems. Information provided relates to those claiming JSA and other working age benefits.

Monthly scans have been requested to monitor the level of claims.

The following information is based on a scan of leavers up to 1st December 2006 as at 8th December 2006.

Registered for JSA	197
Registered for Income Support	4
Registered for Incapacity Benefit	26

Since the previous scan (7th November 2006) 49 had left the register.

A further scan of claims volumes was requested on 15th January 2007, based on leavers up to 8th January. This starts to reflect a predicted increase in claims volumes attributable to December leavers eligible to claim from 8th January. It should be noted however that the majority of claims taken since 8th January will not yet be reflected in these figures as the claims remain in the process building.

Overall volumes stated on this and previous scans are inflated by inclusion of temporary workers deployed to enable early release of the permanent workforce. The following latest claims breakdown distinguishes for information claims from permanent and temporary workers.

	Permanent workforce	Temporary workforce	ALL
Registered for JSA	175	45	221
Registered for Income Support	1	4	5
Registered for Incapacity Benefit	26	1	27

Since the December scan a further 13 signed off benefits, bringing the cumulative volume of sign-offs to 170. 32 (19%) of these have informed JCP that they have found work; 44 (26%) have not provided information on the reason for ceasing to claim.

(b) Future Claims

As expected the largest number of people booking appointments to register a claim have been made from those leaving the company pay roll in January 2007. As at 10th January 385 people have booked appointments for week commencing 15th January 2007. The geographical breakdown of appointments is as follows:

Coventry	200
Bedworth	32
Nuneaton	40
Rugby	12
Leamington Spa	18
Others	31
Total	333

Additional JCP resources have been deployed from across the West Midlands region to enable the 5-day interview guarantee to be met.

The full volume of appointments resulting in actual claims will be reflected in the February scan.

3. Jobcentre Plus Funded Activity

CV Workshop	840
1:1 CV Critique	379
Interview Skills Workshop	424
Labour Market Advice with JCP Advisor	541
Benefits advice with JCP advisor	242
Jobs Fairs held	7
Attended Jobs Fair	1,951
Number of employers attending Jobs Fair (average)	25

A job Fair was held on 12th January and another planned is for the 16th February 2007. 19 employers including Aston Martin, BMW, West Midlands Fire Service, Coventry City Council and Isle of Capri attended offering a wide variety of jobs. 297 ex-Peugeot employees attended, one of the highest attendance rates we have seen

A number of employers who have attended the jobsfairs have provided very positive feedback on the quality of applicants and have reported recruiting significant numbers. Examples are BMW (50 taken on), Unipart (30), Tesco (25), Aston Martin (30), Lear Seating (20 plus ongoing), Bombardier (25), Cummins (20), Alstom (20), Pepsico Group (30).

The CV writing workshops; 1:1 CV critique support and interview skills workshops have now ended. Any further support required in these areas will be arranged on an individual basis.

4. LSC Funded Provision

(a) 3rd August 2006 leavers

Total Leavers: of which	775
Completed Individual Training Plans (ITP) : of which	530
LSC approved the training requested in the ITP: of which	357
Have been contacted regarding a start date for training: of which	357
- no response	13
- withdrawn	73
- In training	70
- Completed training	30
-start dates within the next two months	171

(b) Leavers in the period 3rd August 2006 to December 2006

Total Leavers: of which	346
Completed Individual Training Plans (ITP) : of which	154
LSC approved the training requested in the ITP: of which	110
Have been contacted regarding a start date for training: of which	54
- withdrawn	28
- in training	15
- completed training	11
- awaiting training	56

(c) **January 2007 leavers**

Total leavers: of which	724
Completed Individual Training Plans (ITP) : of which	552
LSC approved the training requested in the ITP: of which	399
Have been contacted regarding a start date for training: of which	259
- withdrawn	23
- in training	10
- completed training	13
- on holiday requested to defer training	5
- have a start date within the next 2 months	208
- awaiting training	140

(d) **Summary all leavers**

Total leavers: of which	1,845
Completed Individual Training Plans (ITP) : of which	1,236
LSC approved the training requested in the ITP: of which	866
Have been contacted regarding a start date for training: of which	713
- no response	13
- withdrawn	124
- In training	95
- completed training	54
- on holiday and wish to defer training	5
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*** Of the 196 awaiting training, 43 have interviews booked with Train'd Up for the job guarantee programme.

There are 370 people that requested training, through their individual training plans (ITP's), that did not fit the criteria of vocational training linked to the labour market and therefore not eligible for LSC support. The 370 have been supported either by JCP or Peugeot.

In addition to the above figures a further 548 employees were given the opportunity to gain vocational accreditation to NVQ level 2, 3 and 4 whilst still in employment. The LSC funded 359 level 2's with the remainder being funded by the company.

(e) **Funding**

The LSC has contracted the following:

North Warwickshire and Hinckley College (cover all training and future skills advice)	£3.0m
Train'd Up (job guarantee)	£186,000
CSWP (Skills Advisors)	£98,000
Other (out of area training, one off requests)	£23,640
Total	<hr/> £3,209,738 <hr/>

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Latest Data from Job Centre Plus

Since the last report in mid January, 724 people have left the company bringing the total of leavers to date to 1845; approximately 80 people remain at the plant on decommissioning duties – of these 23 are managers, 23 staff & line managers, and 34 others mainly trades.

The Resource Centre at Ryton closed from week commencing 12th February as the site is being decommissioned, and a work force support facility has been established at the Stoke site on a residual basis. All leavers have by now had the opportunity to participate in a wide range of training, employment and self employment provision but arrangements can still be made on an individual basis where there is remaining demand. Job Centre Plus (JCP) is continuing to offer an employment surgery at Stoke, supplemented by matching of those in receipt of Job Seekers Allowance (JSA) to incoming vacancies – regular bulletins are being issued with news of vacancies. The level of resource deployed on site will be reviewed on an ongoing basis according to demand. Programme Centre provision remains available with a weekly drop in facility made available to ex-Peugeot workers. Other JCP resources previously deployed in the Resource Centre has returned to the mainstream JCP operation to focus support on those now attending JCP sites to claim benefits.

The last Jobs Fair took place on 16th February. 18 employers committed to attend including Isle of Capri having 350 vacancies for the new casino in Coventry; others include Caterpillar, MEIRG, Walkers/Pepsico, Coventry City Council and AS9102 Services Ltd. Ex-Peugeot workers will be invited as a matter of course to future Jobsfairs also offered to a wider group of customers.

The latest scan of leavers against the various benefits systems was undertaken on 15th February. Results now reveal the full impact of site closure. Of the total 1845 leavers 490 are now claiming JSA, an anticipated increase from 221 on the previous scan; in addition 27 are claiming IB representing no real change; and 1 person is claiming IS. The increased JSA count reflects the additional 724 January leavers and includes temporary workers taken in to enable early release of the permanent workforce. Since the previous 15th January scan 64 people have ceased to claim benefits – many of these have not provided a reason however 32 have provided notification that they have a job to start. This is the highest turnover of claims since the first scan.

Analysis of current JSA claims shows the following profile:

Age:

20 - 30 years	4%
31 – 40 years	16%
41 – 50 years	46%
51 – 60 years	32%
61 years plus	2%

Geography:

Coventry	62%
Warwickshire	26%
Birmingham/Solihull	5%
Leicestershire	3%
Other	4%

Gender:

Female	12%
Male	88%

Scans will continue to be requested on a monthly basis and JCP efforts focussed on supporting those remaining on benefits into work.

There remains periodic media interest – the French press have visited Coventry City Council to request information on support provided. There has additionally been positive local media coverage of TESCO recruitment managed by the resource centre and securing a high level of job outcomes for Peugeot workers.

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Peugeot Start-Up Support

The Chamber's Enterprise team was first asked to assist with start-up support for Peugeot workers in early May. Four of the team were asked to attend a Jobs fair on Saturday and Sunday 20th and 21st May 2006. During this weekend discussions were taken up with Mark Goddard to see how we could help with clients that were interested in starting a business, we were informed that 620 had ticked the box to declare their interest.

A programme of workshops was put in place to support all of these clients. We were then told that funding would only be available for the Half day Awareness workshops. A programme of ten half day sessions was then organised from June 23rd to July 21st (two of these workshops were subsequently cancelled due to lack of numbers).

The administration for each of these workshops was considerable as all client details and events have to be entered on to our CRM system, trainers needed to be organised for each of them with a programme for them to deliver to. Books and handouts for the workshops had to be identified, ordered, printed and supplied to the relevant trainers; at short notice, without disrupting the existing programme of activity.

At the end of June we were asked to provide our full workshop and mentoring programme, but needed to get this in place quickly as some of the workforce would be leaving after the shut down (3 weeks) from 28th July.

A programme of ten different workshops and mentoring (one-one hour sessions) was then planned from 10th July to 27th July. Again the administration and coordination of these workshops along with identifying relevant materials was very demanding as we had to liaise with a number of different trainers, suppliers and Peugeot to ensure the smooth running of the programme and to ensure a quality delivery. We arranged a second set of workshops and mentoring in October.

The feedback we have received from these workshops to date has been very positive, clients have commented on how they have received very professional and useful advice in a clear and concise manner.

We have had 405 attendees to date.

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Report of Masterplanning and related land use issues prepared for Peugeot Partnership meeting on 19th January 2007

The Peugeot Land Use Theme Group met the Company's Estates Manager and supporting consultants shortly before Christmas 2006.

Whereas the company's current focus is on decommissioning works (now proceeding at an accelerating pace) and securing the site, the marketing process is now also beginning to move forward based on the following:

1. Key technical site data concerning physical layout and condition of site with its various services, buildings etc etc. has been compiled and will be available to release to suitable market interests. This will be accompanied by extracts of current planning policies in order to provide the current base line for replacement employment led uses on the site.
2. The Land Use Theme Group has agreed with the company that it will produce further guidance for employment led re-development interests based on emerging changes to the current planning policy context and some research into possible development scenarios for the site based on sub-regional employment priorities and opportunities. The brief for this work is due for completion by the time of the partnership meeting with a view to receipt of a draft report within a few weeks for us to further inform perspective developer interests.

Looking ahead to the possible timescales for the redevelopment and reuse of the site, current information indicates a site sale mid to late 2007 and the timescale for site remediation and preparation works prior to new build works is potentially another 12 months although this is very speculative and will need to be confirmed. Assuming that the above assumptions hold true, and assuming that the first new build can be completed for occupation within another 6 months or so, this indicates a possible timescale for the first new uses and related employment being established on the site during 2009. Prior to this and as soon as possible after the new owner can be continued, it is considered desirable to review the employment quantity and related skills requirements that may arise from redevelopment, bearing in mind that other large redevelopment sites will be coming forward around the same time.

Latest News at 7th March 2007

- * Peugeot has decided that it wants to sell the site unconditionally ASAP.
- * It didn't put the site on the open market but it invited bids from the relatively few companies who can take on a 120 acre commercial site.

- * Peugeot's tight timetable caused a problem for those bidding companies in that they don't have a firm planning context against which to bid.
- * Some of them can't see me and colleagues, some are obviously taking a flyer.
- * Peugeot have a short list of 4 bidders.
- * Yesterday (6/3) those 4 bidders were invited to Stoke Aldemoor to put their proposals to Peugeot and Rugby Borough Council. I wasn't available so a colleague attended.
- * Peugeot will decide next Tuesday who they're selling to and I assume that company will make themselves known to us shortly thereafter.

Ian Davis, Rugby Borough Council