

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Economic Development Overview and Scrutiny Committee

**Date of Committee** 29 January 2008

**Report Title** Peugeot Ryton Plant Closure

**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?** No

**Background Papers** None

**CONSULTATION ALREADY UNDERTAKEN:-** *Details to be specified*

Other Committees  .....

Local Member(s)  Councillor H Timms - for information.  
(With brief comments, if appropriate)

Other Elected Members  Councillor P Barnes }  
Councillor M Jones } for information.  
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 – comments incorporated.

Finance  .....

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

**FINAL DECISION**                      **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 –  
29 January 2008**

**Peugeot Ryton Plant Closure**

**Report of the Interim 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**

The Ryton closure programme has now concluded. After the plant closure on 15 December 2006 a small number of volunteers were retained until October 2007 to assist with decommissioning.

**2. Redundant Staff**

In total 2150 employees left the company. As of October 245 were claiming job seekers allowance, 53 live in Warwickshire and 38 of these live in Nuneaton and Bedworth. Those who have consistently claimed job seekers allowance for over six months are eligible for the “Restart” programme of interventions and support. All individuals who are currently unemployed were invited to an open day on 30 October to inform them of the “New Choices Programme”. The programme is European funded and specifically designed to meet the needs of the Peugeot client group. **Appendix A** details Job Centre Plus activity and Learning and Skills Council (LSC) funded provision.

**3. Land Use Issues**

Trenport has acquired the whole 53 hectare site and divided it into three plots. Rugby Borough Council has received a detailed planning application for Plot A expected to generate 650 jobs and an outline for plot B that could generate 1400-2700 jobs. Immediately after purchasing the site Trenport indicated that they would be likely to promote the development of housing on Plot C. Existing buildings are being used as an interim national distribution centre for Littlewoods employing 200 staff. **Appendix B** details land use issues.

**NB.** An evaluation report on the work of the Peugeot Partnership is being prepared and will be available on request in January 2008.

David Pywell  
Interim Strategic Director for Environment and Economy  
Shire Hall  
Warwick

9 January 2008

## Economic Development Overview and Scrutiny Committee – 29 January 2008

### Peugeot Ryton Plant Closure

#### 1. Company Update (provided by the company)

- 1.1 The Ryton closure programme has now concluded and the site has been sold to Trenport Investments limited. In total 2150 employees have left the company at the end of the departures programme, which, for a small number of volunteers continued until October 2007.
- 1.2 The Resource Centre Activity has now ceased. Training assistance continued to be provided until August 2007, including the continued provision of training support, and job search assistance in partnership with the Learning and Skills Council via North Warwickshire and Hinckley College, Job Centre Plus and The Coventry Warwickshire and Solihull Partnership.
- 1.3 In total 1513 former employees requested some form of training support through the Resource Centre, and a total of 2906 training requests were received and processed. The Company funded programme provided funding for 1647 different training requests.

#### 2. Jobcentre Plus and Learning and Skills Committee (LSC) Reports

##### 2.1 Claim Volumes for May and October 2007

DATE	JSA (Permanent workforce)	JSA (Temporary workforce)	JSA (All)	Income Support	Incapacity Benefit
MAY 2007	<b>440</b>	52	492	4	53
OCT 2007	<b>245</b>	41	286	3	57

##### 2.2 Geographical Breakdown of Permanent Workforce for May and October

LOCATION	MAY 2007	OCTOBER 2007
Coventry	275	170
Warwickshire (All):	110	53
• Kenilworth/Ryton	11	3
• Atherstone	1	0
• Nuneaton	45	25
• Bedworth	35	13
• Rugby	12	10
• Leamington	3	1
• Warwick	1	1
• Stratford	2	0
Others	55	22
<b>TOTALS</b>	<b>440</b>	<b>245</b>

### 3. Job Centre Plus Funded Activity

#### 3.1

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	2,248
Number of employers attending Jobs Fair (average)	25

### 4. Destination after Leaving Peugeot

- 4.1 All ex Peugeot workers were contacted by a telephone survey in July 2007 to follow up what they were doing now.
- 4.2 Of the 2150 contacted 53% (1143) agreed to answer the questions. Just over 300 people said that they were currently unemployed which reconciles with the Job Centre Plus (JCP) Scan at that time that showed 290 claiming Job Seekers Allowance (JSA). 669 said they were in employment of which **32% (214) said that they were working within the manufacturing sector.** Of those in employment, 57% (381) agreed to answer questions on their current salary, showing that highest proportion 32% (121) are earning between £15,000 - £20,000 per annum. The average salary at Peugeot was between £22,000 - £23,000.
- 4.3 **Ongoing Support**

Those who have consistently claimed JSA for over six months have become eligible for the 'Restart' programme of interventions and support offered by JCP. Individuals who are still currently unemployed were invited to an open day on 30 October to inform them of the "New Choices Programme" funded through the European Social Fund (ESF) contract with Traind'up. "New Choices Programme" is specifically designed to meet the needs of the Peugeot client group seeking employment.

Individuals who have not yet secured employment can receive additional training linked to their current training package.

#### 4.4 LSC Funded Activity

Total Leavers: of which	2150
Completed Individual Training Plans (ITP): of which	1236
LSC approved the training requested in the ITP: of which	990
Have been contacted regarding a start date for training: of which	990
- no response	47
- withdrawn	282
- In Employment (not Eligible)	229
- In training	82
- Completed training	337
- Awaiting Training	10
Training to Start in next Two months	3

#### 4.5 Learning Skills Commission Contracts

North Warwickshire and Hinckley College (cover all training and future skills advice)	£3.0m
Train'd Up (job guarantee)	£186,000
Coventry Solihull and Warwickshire Partnership (CSWP) (Skills Advisors)	£ 98,000
Other (out of area training, one off requests)	£23,640
Level 2 for employees	£327,670
<b>Total</b>	<b>£3,635,310</b>

### Economic Development Overview and Scrutiny Committee – 29 January 2008

#### Peugeot Ryton Plant Closure

##### Land Use Issues

Trenport has acquired the whole 53 ha former Peugeot site at Ryton i.e. from west to east, **Plot A** (13.27ha); **Plot B** (26.3ha); **Plot C** (13.38ha), respectively (see attached map).

Trenport already have a temporary planning permission (granted 22 Oct 07) to use one of the existing buildings as interim a national distribution centre largely for Littlewoods Shop Direct, employing 200 staff. It is understood that this interim facility is essentially to deal with mainly Littlewoods and Amazon on-line Christmas orders.

Two planning applications have just recently been submitted to Rugby Borough Council - one detailed application for Plot A and the other an outline application for Plot B. Both are currently subject to consultation.

**Plot A** - A detailed application for the western part of the site off the existing A423/A45 roundabout proposing a permanent national 23,000 sqm distribution centre; to be operated for Littlewoods and other clients, serving about 90 locations across the country. It will operate 24/7 and employ 450 staff over 2 shifts growing to 650 over 3 shifts, plus 150 HGV drivers.

**Plot B** – An outline application for the central portion of the site proposing 111,000 - 121,000 sqm of warehousing (B8) or a mix of warehousing and up to 30% general manufacturing (B2), accessed off a new roundabout on the Oxford Road. It is thought that this might generate in the range of 1400 - 2700 jobs, depending on the combination of B8 and B2 uses.

**Plot C** – Trenport, the site owner, has signalled its intention to promote this Plot in the context of the Regional Spatial Strategy. The Plot is in, or immediately adjacent to, the major residential growth area in the sub-region. Residential uses are not being proposed at present.

Members expressed their concerns at the Overview and Scrutiny Committee meetings in March and May 2007 about any proposals that might deviate from the recommended “employment” use for the site. They observed that any change of use could have a detrimental impact on employment opportunities and the economic sustainability of the area and county as a whole.



