





The employment and skills opportunities offered by a major development have the potential to add significant social value to a local area. This is because it adds vibrancy to the local economy and can generate significant wellbeing outcomes to the individuals involved, as well as the community as a whole.

In a standard planning process, developers are required by planning law, through a S106 agreement, to provide employment and skills engagement with the local area. This is usually pursued in conjunction with the local authority's employment services and local education institutions.

The following section is a forecast of the social value of the potential employment and skills obligations of Thameside West. In this section a cost-benefit analysis is applied to those outcomes that have a financial proxy.

People who are further away from the labour market, such as the Long-Term Unemployed, Not in Education, Employment or Training (NEETs), Care Leavers, Registered Homeless and Ex-Offenders, have higher social value proxies attached to them as it represents a greater life change to achieve the outcome. At Thameside West, we will endeavour to engage with these groups in order to bring more benefits to Newham.

Measuring the Social Value of Employment and Skills Obligations

This cost-benefit analysis is based on expected employment figures for Thameside West for the construction and end-use phases. These include stipulations that would be made in a S106 agreement with Newham Council and therefore are subject to change based on these negotiations.

The following employment numbers would be expected on the Thameside West scheme:

- 830 full-time construction jobs
- 710 indirect construction jobs
- 985 potential full-time operational jobs
- **Creating a total of 2,525 jobs**

Based on previous experience of delivering employment and skills obligations it is expected that 25% of labour on-site would be required to be local labour. Therefore, our calculations for all three job types is based on this figure.

We are committed to empowering those who are disadvantaged within society, therefore we have included in our calculations the value of targeting employment to the following groups: the long-term unemployed, NEETS, ex-offenders, homeless people and care leavers.

This is a cost-benefit analysis which means that each outcome is designated a financial proxy to show its value. The greater the financial proxy the greater social value impact the outcome is expected to have on the individual and the community. This calculation is a forecast as the exact employment and skills obligations have not been agreed.

A full table of the calculation can be found in Appendix 2.



Employment and Skills Value Breakdown

This table shows the potential worth of the social value created through expected employment levels on the Thameside West site. These may be subject to change through the planning process, with other skills and employment needs becoming apparent. Estimated employment numbers were calculated using the Labour Forecasting Tool and the Office of National Statistics.

*Using an Economic Impact Assessment methodology, we are able to forecast that each home at Thameside West will generate an economic benefit of between £180,000 and £190,000. This demonstrates in real terms the value that Thameside West will create.**

Outcome	Demographic	No. of Participants	Social Value
Full-Time Construction Job	Person in Employment / Training	104	£2,149,602.12
Full-Time Construction Job	Long-Term Unemployed	52	£1,001,018.2
Full-Time Construction Job	NEET	13	£151,059.39
Full-Time Construction Job	Ex-Offender	13	£594,387.57
Full-Time Construction Job	Care-Leaver	13	£214,721.69
Full-Time Construction Job	Homeless Person	13	£278,757.10
Indirect Construction Job	Person in Employment / Training	89	£1,839,563.37
Indirect Construction Job	Long-Term Unemployed	45	£866,266.20
Indirect Construction Job	NEET	11	£127,819.49
Indirect Construction Job	Ex-Offender	11	£502,943.33
Indirect Construction Job	Care Leaver	11	£181,687.58
Indirect Construction Job	Homeless Person	11	£235,971.39
Full-Time Operational Job	Person in Employment / Training	123	£2,542,317.90
Full-Time Operational Job	Long-Term Unemployed	61	£1,174,271.96
Full-Time Operational Job	NEET	15	£174,299.30
Full-Time Operational Job	Ex-Offender	15	£685,831.82
Full-Time Operational Job	Care Leaver	15	£247,755.79
Full-Time Operational Job	Homeless Person	15	£321,642.81
Total Social Value per Year			£1,227,139.15
Total Social Value			£13,289,917.01

In addition, it has been estimated that £410 million of Gross Value Added will be brought to the area by new residents through a year on year calculation. This is an estimate of what the 12,600 new residents will bring in terms of economic prosperity to the local economy.

* Figures calculated using the HBF and Lichfields' report for England and Wales Economic Footprint for House Building, then applying the MHCLG Valuation Methodology.

Education Engagement and Wellbeing Outcome Forecast

Educational engagement around employment and skills is usually part of the S106 obligations required by developers. Here, the impact of targeting our educational engagement on those who might benefit most from extra employment and skills support is outlined.

At Thameside West, we will look to engage Newham educational institutions in activities such as, but not limited to:

- Workshops on careers in development
- Site visits
- Work experience
- Participating in career fairs
- Employment skill support (CV workshops/interview skills)

