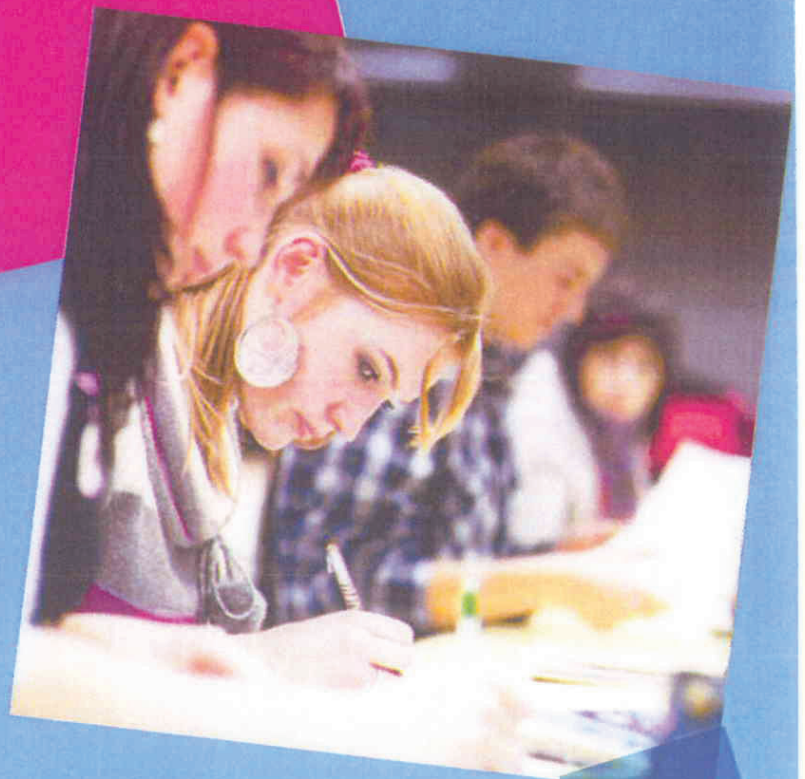


**Better skills,
better jobs,
better lives**

2011-2014



Executive summary

Brighton & Hove needs to move an additional 6,000 people into work by 2014 just to maintain its current employment rate. However recent evidence suggests that just creating jobs will not achieve this. The city needs to both set the conditions for job creation and do more to equip local residents to compete for work within the city's labour market.

This City Employment and Skills Plan 2011-2014 sets out three priorities.

**Priority 1:
Promote the city's employment and skills needs to internal and external partners and agencies**

- 1a: Internal
- 1b: External

The organisational, financial and economic context for delivering employment and skills interventions has changed markedly. Budget cuts will put pressure on all organisations to work collaboratively to deliver cost effective solutions. Within Brighton & Hove, the City Council is adopting a new approach to service delivery, based on an intelligent commissioning model. Although resources will be tight, the Coalition Government has removed many 'ring-fenced' budgets, which is intended to enable local areas to better set their own priorities.

Employment and skills cuts across a number of areas: it impacts on health, housing, volunteering, business development, education & learning and community development, and so it requires joined up solutions. Approaches to tackling long-term worklessness are known to require local approaches and high levels of personalisation, but it seems likely that outcome-related funding will mean that large contractors will take the leading role in delivering the Government's welfare to work programme.

The city has become part of a new enterprise area, covering West Sussex, Gatwick Diamond and Croydon, but not including Lewes which has the strongest employment links with Brighton & Hove. The Coast to Capital Local Enterprise Partnership area aims to support the development of 100,000 private sector jobs; promote entrepreneurship in schools and colleges and focus on supporting the growth of internationally trading businesses.

All these changes mean that the city needs to be able to articulate its employment and skills priorities so that activities across local partnerships are complementary; so that the right activities are commissioned to address the agreed priorities; so that large welfare to work providers respond to the distinct needs of the city's residents and businesses; and so that Brighton & Hove both actively contributes to and benefits from initiatives that are developed through the Coast to Capital Local Enterprise Partnership.

The City Employment and Skills Steering Group should be led by a Chair from outside the City Council and will be supported by four thematic 'Leads' to identify resources, oversee actions; and develop and maintain internal and external links; so that the CESSG becomes recognised as the advisory body for the city's employment and skills related issues.

Chair
External and Internal Partnership Development

1
Steering Group
Co-ordination
LEAD

2
Entrepreneurship
and
Internationalisation
LEAD

3
Skills for
Employment
LEAD

4
Young People's
Employability
LEAD

The action plan that supports this document will be a live document that will be updated and reviewed on an annual basis, to reflect changing circumstances.

Priority 2:
Support the creation of at least
6,000 new jobs by 2014

2a: Internationalisation

2b: Entrepreneurship, including social and environmentally-focused business

The city may lose around 3,400 public and private sector jobs as a result of the Coalition Government's deficit reduction programme and 2,700 of the projected additional working age residents will need jobs. This places a major responsibility on the private sector to create jobs, but there are widely different views as to whether this can be achieved.

The Coast to Capital Local Enterprise Partnership (LEP) aims to create 100,000 private sector jobs in the LEP area over a twenty-five year period. However, job creation at this rate would leave the city well short of what it needs to maintain its current employment position.

The Chartered Institute of Personnel & Development (CIPD) suggests that there will be 100,000 net new jobs across the country by 2015. If this was applied to Brighton & Hove, the city would see a significant fall in its 71.6% employment rate.

However, the Office for Budget Responsibility estimates that there will be 1.3 million net new jobs by 2015. If this happens, Brighton & Hove could expect to see its employment rate reach 72.6%, above its current rate (71.6%), but below its 2004 level (73.7%).

Brighton & Hove has recently been described as 'buoyant' and one of the UK's 'supercities', with high levels of private sector jobs growth. However, a more detailed analysis suggests its performance may be rather more modest. The vast majority of its private sector job growth occurred between 1998 and 2001; half was in part-time jobs; and a quarter in lower level and flexible forms of employment, like industrial cleaning, agency work and restaurants. Furthermore, average earnings remain modest; and at 1.4%, annual GVA per head growth in Brighton & Hove was lower than in any other city in the Centre for Cities Index of university cities in the south of England, except Plymouth.

However, the city has a high level of self-employment; business density that is much higher than most other equivalent towns and cities, and a well-qualified resident population. This seems to suggest that there is a high level of entrepreneurialism and talent in the city that can be harnessed.

It is not impossible for the city to create the 6,000 jobs needs by 2014, given recent experience. However, there is no guarantee that new jobs will be of sufficient quality to enable people to live in the city where the cost of living is high, or that these jobs will be filled by local residents.

It is not clear where the new jobs will be in the post-recession economy. However, the Coast to Capital LEP proposal places a strong emphasis on exporting businesses; the City Council has identified environmental industries as a priority sector for support; and the Business Retention and Inward Investment Strategy suggests that food and drink manufacturing, retail, digital media, the creative industries and financial services, and high technology manufacturing should be the main focus. However, it is important to recognise that job vacancies and skill needs will continue to be in sectors that already provide the largest volume of jobs. The need to replace workers and upgrade the skills of people in jobs will still outstrip the need to find staff for new jobs.

If the city is to create the jobs that it needs, it should recognise and capitalise on its existing strengths:

Its **international brand**, the strong language and cultural skills of its residents and its high levels of entrepreneurship mean that it should be well-placed to contribute to the Coast to Capital LEP's international trade-led priority.

Its **'green credentials'** mean that it should take a leading role encouraging the growth of ethical trading and supporting the development of business models that deliver social and environmental impacts.

Its **two universities** mean the city is well-placed to support the development of technology-based knowledge businesses, particularly in the digital media sector and, possibly in the environmental and health technologies sectors, through encouraging 'spin outs' and improved knowledge transfer activities.

Its strong **freelance economy** and the loyalty to the city that exists amongst its businesses¹, suggest a need to identify and support business networks of growth-oriented businesses.

However, the city's business accommodation stock and employment land are consistently cited as barriers to business development, and, therefore, employment growth. There is also evidence that some city employers in growth sectors have been lost because of a lack of suitable employment space. If the city cannot provide the accommodation and space that its businesses need within the city, it must establish close relationships with neighbouring authorities in the LEP area and Lewes, to ensure that they are retained within the functional economic area.

Priority 3: Ensure that local residents are equipped to compete for jobs in the city's labour market

3a: People on out of work benefits

3b: Young people

There is no guarantee that increasing the number of jobs will reduce the employment rate or reduce the number of out-of-work benefit claimants. Between 2001 and 2008, there were 8,600 more jobs in the city, but only 1,800 fewer out of work benefit claimants. In effect there were nearly five more jobs for each one less benefit claimant over the period.

Proposed welfare reforms are intended to strengthen the relationship between job creation and worklessness reduction, and this should be a clear priority for Brighton & Hove. The number of out-of-work benefit claimants is now higher in the city than at any time since 1999. Incapacity Benefit/Employment and Support Allowance (IB/ESA) claimants account for over half of all claimants, with people suffering from mental and behavioural disorders accounting for the largest number of these claimants. Indeed, the links between health and worklessness may be at least as strong as the links between skills and worklessness.

However, recent increases in worklessness have been fastest amongst young people under the age of 24 years. Although at 8.8%, the rate of 16-18 year olds not in employment, education or training (NEET) has remained fairly stable at a time of rising unemployment, it is difficult not to conclude that young people should be a key priority group. GCSE attainment amongst 15 year olds is 6% below the national average, in a city where not far short of half (43%) its' working age residents hold a degree or equivalent qualification.

Such a mismatch between the achievement of young people and that of its adult population is alarming. It places local adult residents of the future at a distinct disadvantage, potentially confining them to a cycle of worklessness or low and insecure employment, unable to compete for decent jobs in a city where high housing costs could make sustainable and successful living beyond their reach.



