

ENTERPRISE,EMPLOYMENT & MAJOR PROJECTS CABINET MEMBER MEETING

Agenda Item 47
Brighton & Hove City
Council

Subject:	City Employment & Skills Plan & Action Plan 2011 -14		
Date of Meeting:	22 March 2011		
REPORT OF:	Strategic Director Place		
Contact Officer:	Name:	Cheryl Finella	Tel: 29-1095
	E-mail:	cheryl.finella@brighon-hove.gov.uk	
Key Decision:	No	Forward Plan N/A:	
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Local Democracy, Economic Development and Construction Act (LDEDC) 2009 placed a new duty on county councils and unitary district councils to prepare an assessment of the economic conditions of their area. Included within it is a requirement to produce a work and skills plan for the area. The coalition government has indicated its intention to abolish this legislation and has advised that local areas should determine for themselves the value of continuing the work.
- 1.2 This report provides the context and rational for producing an employment and skills plan for the city and outlines the issues and priorities that will form the focus of the related action plan and outcomes.

2. RECOMMENDATIONS:

- 2.1 The Cabinet Member is recommended to note the content of the report and support the City Employment & Skills Plan 2011 – 14 and related action plan.

3. RELEVANT BACKGROUND INFORMATION

- 3.1 The City Employment & Skills Steering Group (CESSG) is the main vehicle through which Brighton & Hove seeks to address issues of employment, skills and business support. Formed in 2008, the group was established to progress and deliver on the City Employment and Skills plan 2008/ 2011 priorities. It has as its mission, 'the creation of a coherent and coordinated approach to employment and skills, which will benefit the residents of Brighton & Hove and strengthen the city's economy'.
- 3.2 The first three-year City Employment & Skills Plan (CESP), produced in 2007, brought together, in one place, the main activities undertaken in the public and voluntary sector designed to address skills, training and employment. The

was to provide a clearer picture of provision thereby facilitating better co-ordination, rationalisation and targeting of resources.

- 3.3 The first plan contained a plethora of actions and activities and it was clear that it would be necessary to focus on a few specific priorities rather than spread activities too thinly, thus an annual action plan was developed with priorities agreed by the CESSG
- 3.4 The CESP is directly linked to the Brighton & Hove Community Strategy, which sets the overall vision, priorities and actions for the city to 2020. It is underpinned by the Local Area Agreement (LAA), which acts as the delivery framework for the Community Strategy. The CESP actions were tracked through Interplan and the outcomes have been fed into the annual LAA targets
- 3.5 The CESSG is one of the 'family of partnerships' under the Local Strategic Partnership (LSP); a representative from the group sits on the LSP and acts as a link ensuring that the LSP is kept abreast of the CESSG's work and that the CESSG is aware of LSP activities and priorities.

4 The Case for a City Employment & Skills plan

- 4.1 The economic, political and organisational climate is fundamentally different from when the 2008-2011 City Employment and Skills Plan (CESP) was developed. The United Kingdom recently suffered its longest and deepest recession since the 1930s resulting in a 6% loss in output over six quarters between the end of 2008 and 2009.
- 4.2 This recession is considered to be different from previous recessions, because it was the result of an international banking crisis and over 90 per cent of economies in the Organisation for Economic Cooperation and Development (OECD) experienced recession.
- 4.3 In May 2010 a new Conservative-Liberal Democrat Coalition Government was elected and set out an ambitious programme aimed at: reducing the structural deficit during the life time of the Parliament; reforming the welfare system; devolving powers to local people and communities; and re-balancing the UK economy by promoting private sector-led growth.
- 4.4 In 2009, the IPPR suggested that the 2016 economy may be somewhat different to the 2008 economy. Significant employment reductions in much of the public sector and retail may be compensated for by an increase in 'other services' jobs, including the creative and cultural industries; caring and health service work; high-end manufacturing; pharmaceuticals and green technologies.
- 4.5 The Government has also announced significant changes to the way public services are run, announcing the abolition of 192 quangos and a fundamental reform of the local government performance framework. This includes replacing Local Area Agreements and their associated National Indicators with a single list of "data requirements" that will be agreed between local authorities and central Government.
- 4.6 How public services are delivered is also under-going significant change. The Government White Paper, *Local Growth: Realising Every Place's Potential*

sets out the Government's approach to Local Economic Development. It sets out its plans to abolish the Regional Development Agencies and to replace these with a network of Local Enterprise Partnerships based on locally defined "functional economic areas". There will be no legislation that sets out the role of LEPs, which are expected to include 50% business representation and be chaired by a prominent business person. However, it is expected that they will have a significant role in creating the conditions to enable private sector businesses to grow in their areas.

- 4.7 These changes linked to the significant reduction in public sector finances will all impact on how localities take forward their agenda for employment skills and business support. Some of the main actors such as the South East Regional Development Agency (SEEDA) and Business Link will cease by 2012 and 2011 respectively and the role of organisations such as the Skills Funding Agency and Further Education will change significantly
- 4.8 The Coast to Capital LEP is still in development and it is as yet unclear how much of the skills and business support agenda they will wish to influence. It is clear however that local strategies such as the CESP will play a crucial role in ensuring that the priorities for the city are well articulated; that the CESSG will need to continue to push for the redirection of existing resources to agreed priorities; as well as using its lobbying and influencing role to attract new investment to the city.

5 The New Plan Priorities

- 5.1 The new plan sets out three priorities for action that take into account the socio-economic and policy changes that have occurred and will influence how actions are taken forward

5.2 Priority One:

Promote the city's employment and skills needs to internal and external partners and agencies

This priority has been developed in recognition that many decisions that impact on employment and skills in the city are taken by agencies and departments that have a national or sub-national remit and by organisations and partnerships within the city that have a related, but different focus. The members of the CESSG represent the major funders, influencers and deliverers of skills, employment and business support services in the City. Priority One reflects the CESSG's acknowledgement that they have a major role to play in driving the local skills and business support agenda.

5.3 Priority Two:

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

This priority is based on an estimate of the number of new jobs that the city may need in order to maintain its existing employment rate (71.6%), and a recognition that public sector agencies in partnership with private sector actors can help to set the conditions for private sector job creation. The CESP will also help to inform the work of the emerging LEP and there will be a focus

on encouraging International trade and Entrepreneurship.

5.4 **Priority Three:**

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

This priority reflects the need to ensure that the city's residents are equipped with the skills and knowledge to access jobs in the city and beyond. There is a particular focus on supporting people on out of work benefits and young people back into the labour market by, for example, developing stronger links with the business community, promotion of apprenticeships, work experience and volunteering; and, clearer progression routes from school to further and higher education

6 Next Steps

6.1 The CESP and the related action plan is the result of extensive consultation and input from CESSG members and wider stakeholders. The original plan was endorsed by the Local Strategic Partnership in December 2007. The Interim Work and Skills Plan which was a requirement of the Local Democracy, Economic Development and Construction Act (LDEDC) 2009, was approved for submission to Government Office for the South East by the Chair of the CESSG, Scott Marshall, Director of Housing, Culture & Enterprise

6.2 This report seeks approval to support the new plan and the related action plan; if approved the report will be presented to a future meeting of the Local Strategic Partnership and from there to full Council for adoption.

7 CONSULTATION

7.1 The CESP has been based on individual consultations with CESSG members; an awayday held on 4 October 2010; an action planning workshop held on 25 November 2010; an interview with the Cabinet Member for Enterprise, Employment and Major Projects; an analysis of relevant strategies, plans and background research reports; and an analysis of a wide range of labour market and economic datasets.

8 FINANCIAL & OTHER IMPLICATIONS:

8.1 Financial Implications

There are no direct financial implications arising from the recommendations of this report. However, funding for any specific projects arising from the plan will need to be identified in due course

Officer consulted: Michelle Herrington Date: 1 March 2011

8.2 Legal Implications

The Coalition Government has declared its intention to remove the requirement to publish work & skills plans as set out in the Local Democracy, Economic Development and Construction Act (LDEDC) 2009. A letter to local authorities

from the Communities and Local Government department invites localities to decide for themselves whether there is value in preparing a Local Area Assessment and related Work & Skills plan for their area. This report makes the case for preparing a skills plan for the city. There are no adverse legal implications arising from this report

Officer consulted: Bob Bruce

Date: 1 March 2011

8.3 Equalities Implications

The new plan will include an Equalities Impact Assessment (EIA) that will help to ensure that the proposed actions are in compliance with equalities legislation. The recommendations of the EIA will be incorporated into the project monitoring of the CESP.

8.4 Sustainability Implications

The actions arising from the plan will contribute toward the councils aspiration for growing a sustainable economy by creating the conditions for business growth and job creation; supporting low skilled and unemployed residents into work; and, providing progression routes for young people and graduates. It will also support positive environmental impacts through the development of a low carbon economy, including the growth of an environmental industries and services sector; and by supporting programmes to reduce business costs by improving resource efficiency in areas such as energy, water, waste and materials.

8.5 Crime & Disorder Implications

The actions arising from the plan are designed to reduce unemployment and benefit dependency and contribute to related issues such as in-work poverty. The action plan is expected to have a positive impact on levels of crime and disorder in the city.

8.6 Risk and Opportunity Management Implications

If the plan is not taken forward there is a real risk that the city will start to fall behind other cities in economic competitiveness. Recent reports such as the Centre for Cities Outlook 2011 identifies the city as having the 'potential' to be one of the cities that leads the country out of recession; however it makes clear that city will need to take pro-active steps to make things happen. Failure to take forward the plan could result in increased business foreclosures; higher levels of unemployment and greater levels of benefit dependency.

8.7 Corporate / Citywide Implications:

The CESP is a citywide strategy that will have a positive impact on the economy prosperity of the city

9 EVALUATION OF ANY ALTERNATIVE OPTION(S):

9.1 The option of not developing a plan was discussed by the CESSG and it was agreed that due to the prevailing policy and socio-economic conditions a 'do nothing' strategy would have a negative impact on the city and would be likely to result in a more disjointed and therefore costly approach as each organisation takes forward individual strategies to tackle related issues.

10 REASONS FOR REPORT RECOMMENDATIONS

- 10.1 The CESP draws on the latest data sets and policy information to identify the needs, opportunities and challenges for the city. Key to addressing these issues is the ability of individual members within the CESP to use existing resources towards the agreed priorities.
- 10.2 The role of the Local Authority in helping to guide the work; its role as an Education Authority responsible for adult and young people services; its role in supporting those facing disadvantage in the labour market and in driving economic development means that it is uniquely placed to assist in driving this agenda.

SUPPORTING DOCUMENTATION

Appendices:

1. City Employment and Skills Action Plan 2011 - 14

Documents In Members' Rooms

1. **City Employment and Skills Plan draft 2011 – 14**
2. **City Employment and Skills Action Plan 2011 - 14**

Background Documents

[List any background / supporting documents referred to or used in the compilation of the report. The documents must be made available to the public upon request for four years after the decision has been taken]

1. City Employment & Skills Plan Draft 2011 - 14