



**Brighton & Hove
City Council**

**PLANNING, EMPLOYMENT,
ECONOMY & REGENERATION
CABINET MEMBER MEETING
ADDENDUM**

4.00PM, THURSDAY, 29 MARCH 2012

COUNCIL CHAMBER, HOVE TOWN HALL

ADDENDUM

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**PLANNING EMPLOYMENT
ECONOMY AND REGENERATION
CABINET MEMBER MEETING**

Agenda Item 96

Brighton & Hove City Council

Subject: UPDATE ON YOUTH UNEMPLOYMENT
Date of Meeting: 29 March 2012
Report of: Strategic Director, Place
Contact Officer: Name: Cheryl Finella Tel: 29-1095 / 1757
E-mail: Cheryl.finella@brighton-hove.gov.uk;
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report provides an update on youth unemployment in Brighton & Hove and describes the activities that the council and its partners are engaged in to provide learning, employment opportunities and career paths for young people.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member for PEER notes the contents of the report and the work being undertaken to mitigate the impact of rising levels of unemployment on young people.

3. BACKGROUND INFORMATION

- 3.1 The increase in the number of young people out of work nationally is worrying but Brighton & Hove is doing relatively well – we started below the national level and have seen the lowest proportionate increase ending up 0.3% lower than the regional level (January 2012) at 5.% of 18 – 24 year olds.
- 3.2 Young people aged 18 – 24 represent 17.5% of the working age population, whereas they represent 13.8% in the South East and 14.7% in Great Britain. The large student population (Around 32,000) affects the figures with 55% of our 18-24 yr olds in full-time education compared to just 30% regionally and nationally. As a consequence we have the lowest proportion of 18-24 yr olds in employment, 47.3% compared to 63% regionally and 57.5% nationally.

- 3.3 A recent report by the work foundation highlighted Brighton & Hove as having a relatively high rate of NEETs (those Not in Education Employment or Training); the report looked at young people aged 16 - 24 yr olds rather than the 18- 24 yr old recipients of Jobseekers Allowance (JSA).
- 3.4 Levels of NEETs and Youth Unemployment is of particular concern. The Prince's Trust and the Royal Bank of Scotland research suggests that the November 2010 level of NEETs amongst 20-24 yr olds costs £22m per week in JSA, and £22m - £133m per week in lost productivity. This research also estimates that the cost of youth crime (including the imprisonment of young people) is £23m a week - £1.2bn per year, while the cost of educational underachievement is estimated at £22bn per generation.
- 3.5 Youth unemployment is being taken very seriously and has been identified as one of priorities in the new City Employment & Skills Plan (CESP). Priority three of the new CESP action plan aims to ensure that local residents are equipped to compete for jobs in the city's labour market.
- 3.6 In order to achieve this, the City Employment & Skills Steering Group (CESSG) is leading on the development of a one stop shop for Apprenticeships and Graduates Placements in Queens Road which will be launched in April this year. The Apprenticeship Training Association is being established by City College with support from the City Council. The college will employ young people and then place them as apprentices with Small and Medium Enterprise's (SME's) in the city. Evidence suggests that this approach will reduce the burden of red tape associated with employing staff and significantly increase the take up of apprenticeships.
- 3.7 The target for year one of the new programme is to employ 125 young people. A marketing campaign to encourage employers and young people to engage with the programme is underway. Apprentices will be offered in a wide range of employment sectors including retail, hospitality, wider customer services, business, administration and financial services, creative, cultural and digital media, construction, engineering.
- 3.8 The Council's Economic Development team facilitates and drives the agenda of the Major Providers Group. The group brings together the prime contractors of the Work Programme (G4S and Avanta), along with their local sub-contracted delivery organisations. G4S and Avanta will also lead on the delivery of the recently announced Youth Contract. The full programme will start in April 2012 and offers employers cash incentives to encourage them to provide young people with apprenticeships, jobs and work experience placements. The local

approach to Youth Contract will be discussed within the Major Providers group.

- 3.9 Following the government announcement of a £250 million employer fund that will give businesses the power to design, develop and purchase vocational training, members of the CESSG have arranged to meet with representatives of the local business community to explore the idea of developing a citywide proposal that could benefit local unemployed residents.

Post 16 Learning & engagement activity

- 3.11 Since April 2011, Brighton and Hove City Council has a Youth Employability Service (YES) specifically for working with 16-18 year old NEETs (Not in Employment, Education or Training) and young people with Special Educational Needs / Learning Difficulties and Disabilities who are NEET up to the age of 24.

- 3.12 The services aims are to: -

- To reduce the number of young people 16-18 who are NEET
- To increase the number of 16-18 year olds in learning
- To support young people with a statement of SEN to make a successful transition

- 3.13 The service is relatively new however the following results have been achieved in the first six months of operation.

1. The annual 16-18 NEET target is 9%; The NEET percentage from April to August 2011 averaged 7.9%
2. 332 young people aged 16-18 left NEET to become EET from 1/4/11 to 30/9/11
3. The in-learning target is 73.1%. The in-learning percentage from April to August averaged 76.3%
4. Processes are in place and have been agreed with each school to support young people with statements of SEN for the academic year 2011/12.

- 3.14 There are a range of methods used to make contact with these young people and publicise available opportunities to them, including a very successful Facebook page and a monthly bulletin 'Opportunities for You, which is very popular. There are also drop-in centres across the city, which help with a range of issues including CVs, job search, job applications, interview techniques. The YES team is working closely with providers and young people to look at the range of pre-apprenticeship provision available for those young people who are not quite ready to access a full apprenticeship programme.

- 3.15 YES is also taking part in a Department for Education funded Locally Led Delivery Project to support our Raising the Participation Age developments in the city in order that they can greatly increase the participation rates by 2015. One of the key focuses is the development of learning programmes which have a work based element and offer routes through to employment. They are working with colleges and third sector organisations to develop the programme.
- 3.16 A NEET service user group is being set up. This will meet regularly and feed views into service improvement plan. It has been commissioned to undertake a survey and make a DVD by the Raising of the Participation Age project.
- 3.17 The Youth Employability Service is now closely aligned with the Apprenticeship Strategy, City Employment and Skills Plan and other Employer Engagement strategies across the city.

Conclusion

- 3.18 Members of the City Employment & Skills Steering Group will continue to pursue opportunities to enhance and develop services to tackle youth and adult unemployment and underemployment. City College Brighton & Hove – a member of the City Employment & Skills Steering group has led on a pan-Sussex European funding bid that will help unemployed young people to get the right level of skills and employability support to improve their chances of gaining employment (including starting an Apprenticeship). The result of the bid will be announced later in the year.
- 3.19 The Brighton & Hove Local Employment Scheme (BHLES) is continuing to work with developers to ensure that local people have access to employment and training opportunities of major development sites across the city; developers are now obliged, as part of their Section 106 agreements to produce a plan detailing how many job and training opportunities there will be during the life of the project. To date 892 residents have signed up to the scheme, 126 residents have been supported through the Building Futures construction training project, 98 have gained qualifications, 26 learners have been offered work placements, 6 have started an apprenticeship and 54 people have been placed into employment.
- 3.20 Officers in the Council are pursuing European Funding opportunities to support employment in key sectors such as the Environmental industries (including eco-construction) and the creative industries that will support business and employment growth.

4. CONSULTATION

- 4.1 Contributions to this report were received from the City Employment & Skills Steering Group members including Brighton & Hove City Council's Economic Development team and the Youth Employment Service.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 There are no direct financial implications arising from the recommendations in this report, which is for noting. The current work streams can be met from existing resources and any future proposals will be subject to further reports as required.

Finance Officer Consulted: Karen Brookshaw Date: 23rd March 2012

Legal Implications:

- 5.2 There are no direct legal implications arising from this report which is for noting.

Lawyer Consulted: Bob Bruce Date: 19 March 2012

Equalities Implications:

- 5.3 There are no negative equalities implications arising from this report; the work streams referenced aim to mitigate and address rising levels of youth unemployment and levels of NEET's. Implication of these projects and programme will have a positive effect on access to employment and training for those facing disadvantage in the labour market.

Sustainability Implications:

- 5.4 There are no negative sustainability implications arising from this report; the projects and programmes referenced in this report will contribute to more sustainable employment for young people and provide access to new talent for the existing business base.

Crime & Disorder Implications:

- 5.5 Any initiatives or programmes implemented that reduce unemployment, improve local skills, and benefit the city's economy will have a positive impact in reducing the likelihood of crime and disorder.

Risk and Opportunity Management Implications:

- 5.6 There are no risk & opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 5.7 The implementation of the recommendations and the projects being undertaken outlined in this report will have a positive impact on the city's economic performance and contribute positively to the health and social cohesion of its residents.

6. SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms:

None

Background Documents:

1. City Employment & Skills Plan 2011 – 14
2. Work Foundation report Off the map: The geography of NEETs, November 2011
3. *The Cost of Exclusion: Counting the cost of youth disadvantage in the UK* (2010) The Prince's Trust.

**PLANNING EMPLOYMENT
ECONOMY AND REGENERATION
CABINET MEMBER MEETING**

Agenda Item 97

Brighton & Hove City Council

Subject: UPDATE ON THE COAST TO CAPITAL LOCAL
ENTERPRISE PARTNERSHIP (LEP)
Date of Meeting: 29 March 2012
Report of: Strategic Director, Place
Contact Officer: Name: Cheryl Finella Tel: 29-1095 / 1757
E-mail: Cheryl.finella@brighton-hove.gov.uk;

Wards Affected: All

FOR GENERAL RELEASE

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B (4) of the Local Government Act 1972 (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that: Officers have been in ongoing discussions and consultation, and the outcome of these discussions needed consideration in drafting the report.

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

This report provides an update on the activities of the Coast to Capital Local Enterprise Partnership (LEP).

2. RECOMMENDATIONS:

2.1 That the Cabinet Member for PEER notes the contents of the report.

3. BACKGROUND INFORMATION

3.1 In June 2010 a letter was sent from the Department of Communities and Local Government and the Department for Business Innovation and Skills to local authority and business leaders, inviting proposals to replace regional development agencies in their areas. Local enterprise partnerships are locally led and their activities are driven by local economic circumstances and priorities. The government stipulated that LEP Boards must have a majority private sector membership with public sector political leaders and other key stakeholders encouraged to join.

3.2 Government guidance indicated that partnerships should be formed that more accurately reflect the functional economic areas of different

localities regardless of local authority boundaries. The Coast to Capital LEP comprises the areas of Brighton & Hove, West Sussex, Lewes, districts in Surrey, the Gatwick Diamond and the London Borough of Croydon.

3.3 The Coast to Capital LEP was formed in March 2011 with John Peel as its Chair along with seven business representatives, five local authority representatives and one representative sitting on behalf of the Higher and Further Education Institutions.

3.4 Coast to Capital has set itself the following aims: -

- Increasing the proportion of businesses which are internationalised from the level of 12% regular exporters by 1% per annum over the next 5 years – an additional 3,951
- Increasing the level of entrepreneurship and business start-up rate to above the regional and England average – an additional 4,500 new businesses over the next 5 years
- Stimulating business growth, innovation, productivity and employment across a range of key sectors, bringing GVA and employment growth overall up to at least the regional average
- Generating the required investment to bring about major catalytic investments in key business locations
- Creating a planning environment which supports business development and growth
- Pressing for and helping to secure investment in transport infrastructure, business premises and other infrastructure

3.5 The work of the Board is supported by the Local Area Partnerships including Brighton & Hove Economic Partnership and the Gatwick Diamond Partnership along with officers from the local authority unitaries, counties and districts with the area.

Internationalisation

3.6 Coast to Capital is seeking private sector employment growth of 100,000 over the next 25 years. One of the main vehicle through which this can be achieved is by growing the business base and encouraging more businesses to trade internationally. Research suggests that those businesses that trade overseas, and in particular, with businesses in economies that are experiencing strong growth are more likely to remain sustainable. UKTI research suggests that exporters achieve higher business growth and that 60% of productivity growth comes from firms that internationalise.

3.7 Following consultation with small groups of businesses and business representation organisations the Board have divided this activity into three main areas:

- 1. International Trade**
- 2. Foreign Direct Investment**
- 3. International Business Tourism**

3.8 Consultants have been appointed to conduct the research required the LEP to determine how best to add value to the work being undertaken by local organisations. The International Trade Conference was held on Tuesday 20 March for intermediary organisations and businesses to establish the issues and barriers that deter businesses from trading overseas. Shared Intelligence the consultants commissioned to do the research into International Trade presented their interim findings which confirmed that many businesses were afraid of trading internationally due to lack of knowledge and experience. Reports on Foreign Direct Investment and International Business Tourism will be presented to the Board for discussion in April 2012.

Entrepreneurship

3.9 The Coast to Capital LEP has set itself a target of creating an additional 4500 new businesses over the next 5 years. It aims to do this by stimulating business growth, innovation, productivity and employment across a range of key sectors, bringing Gross Value Added (GVA) and employment growth overall up to at least the regional average. Supporting entrepreneurship is seen as key to achieving these targets whether that is through business start-up or support for existing businesses.

3.10 To this end the Coast to Capital has commissioned work to help build knowledge and understanding of what is already happening in the LEP area as a means of informing how it can add value to work already being delivered.

There are three main strands of activity within the entrepreneurship strand which are described in more detail below:-

- 1) Business Growth through entrepreneurship**
- 2) Tackling areas and groups with low levels of enterprise**
- 3) Young people and enterprise**

- 3.14 **Business Growth through Entrepreneurship.** The National Endowment for Science, Technology and the Arts (NESTA), research 2009 found that just 6% of UK businesses with the highest growth rates generated half of the new jobs created between 2002 and 2008. Although these companies came from across the country and from all sectors of the economy the common feature amongst them was the propensity to be innovative and that it was innovation that led to growth.
- 3.15 Coast to Capital is interested in supporting businesses and entrepreneurial business ideas that have the greatest potential to deliver employment and growth. It will work with organisations that already have a track record in providing advice services to businesses with high growth potential; identifying the barriers, solutions and stimulants that will allow businesses to unlock second and third stage entrepreneurial behaviours which will in turn drive their growth. A further consultation event for business support providers working with high growth businesses is planned for May 2012
- 3.16 **Tackling areas and groups with low levels of enterprise.** People in areas that currently have low levels of enterprise should have the same opportunities for self-employment and enterprise creation as those in other areas. Across the Coast to Capital area there are locations demonstrating very high levels of entrepreneurship including business start-up and innovation and others that lag behind. The reasons for this are complex but what is clear is that there is a greater role for locally based organisations to play in providing advice and signposting and raising awareness of the benefits of enterprise.
- 3.17 Coast to Capital has therefore commissioned a pilot project to increase the number of start up businesses across Coastal West Sussex by equipping more individuals and volunteers already working in the community with the skills and confidence to raise the opportunities for enterprise with their clients and customers. The project, called Embed, will run from January 2012 until the end of July 2012; organisations in the third sector will be identified and offered accredited training to become enterprise ambassadors able to work with local employability services to help them promote and demystify enterprise and business start-up
- 3.18 **Young people and enterprise.** Entrepreneurship cannot necessarily be taught however, ensuring that children and young people have access throughout their education, to those enterprising and entrepreneurial behaviours that can be learned, along with skills which can be taught will help to ensure that young people make informed choices about their future; choices that include business start-up.
- Coast to Capital is keen to get an overall picture of entrepreneurial activity and has therefore commissioned the University of Chichester to undertake a research project to help understand how enterprise education is delivered within the Coast to Capital area. There are three strands to this work:

1. The differential start-up performance across the six sub-areas that comprise the LEP, incl. base line data
 2. Developing a profile of enterprise education in learning institutions incl. primary, secondary, further and higher education institutions
 3. Gathering data on the demography of learners within learning institutions across the LEP; incl. by gender, ethnicity and leaver destinations.
- 3.19 Chichester University are in the process of receiving preliminary results from targeted surveys, sent to start-up businesses and education institutions across the Coast to Capital area. The final report to the LEP board of directors is due, and on schedule for the end of April. The information will be used by the Board to develop, in partnership with local networks, projects and activities designed to raise levels of enterprise and productivity across the LEP area.

Other work areas

4. Coast to Capital has received funds from central government to kick start its work. It received £45,000 from the Capacity Fund and £240,000 from the Start-up fund to support basic operating costs and research work. The Board has two dedicated staff; a director and a head of marketing. In addition the local authorities have committed staff time and funding to supporting the Boards work.
- 4.1 Earlier this year Coast to Capital was awarded £16.02m from the Growing Places Fund to support economic development activity. The fund must be allocated to projects that have been stalled by the recent economic downturn and have the capacity to be revived quickly with input from the fund. 2% of the fund can be used for LEP running costs along with the interest that accrues from any underspend. The fund will be allocated as either a loan or a grant and must comply with rules relating to State Aid. At the request of developers and applicants the long list of applicants is not in the public domain. The Board will announce successful applications later in the year.
- 4.2 **Transport.** Coast to Capital like other LEPS has been invited to respond to the Government's consultation on Devolving Local Major Transport Schemes. Transport and access have emerged clearly as essential underpinning infrastructure issues for the purpose of creating strong business and employment growth. The LEP has included transport issues as part of its "Place" activities and has appointed specialists to advise the LEP Board. In developing a response the LEP has consulted all of the upper tier authorities, including Brighton & Hove. The deadline for the consultation response is 2nd April and the Coast to Capital Board has not yet made a decision on which of the three options it prefers for LEP involvement in the Local Transport

Body set out in the Government's consultation paper – a) LEP acts as advisor to the Transport Body; b) LEP is a full member of the Transport Body; or, c) LEP takes the lead role in decision making or is the Transport Body. However, Coast to Capital will want to work in close collaboration with the upper tier authorities in whatever structures are finally put in place.

- 4.3 Leaders and key representatives from business and business membership organisations, the public and voluntary sectors, were invited to the second meeting of the Coast to Capital Forum; the bi-annual stakeholder consultation event. This second meeting was held at the American Express Community Stadium in Brighton on Thursday 8th March 2012.
- 4.4 Among other speakers Alex Williamson, the Board member leading on broadband in the Coast to Capital area, introduced Bill Murphy, Managing Director of Next Generation Access, BT Group, who gave a presentation about how businesses are already using improved broadband to expand and develop new ways of working and the ways in which these new technologies will help to support Coast to Capital's two key themes of Enterprise and International Trade. The LEP is playing an active role in lobbying for commercial Broadband access across the LEP area and Ultra Fast Broadband in areas such as Brighton & Hove where it can support high growth business development.

5. CONSULTATION

- 5.1 The information contained in this report is from the officers working on the LEP work programme.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 There are no direct financial implications arising from this report which is for noting; the work streams highlighted in this report are already supported by the LEP with contributions from Local Authority and private sector partners.

Finance Officer Consulted: Karen Brookshaw

Date: 23rd March 2012

Legal Implications:

- 6.2 There are no direct legal implications arising from this report which is for noting.

Lawyer Consulted:

Date: March 2012

Equalities Implications:

- 6.3 There are no negative equalities implications arising from this report. The LEP is working to create the right conditions for business growth which in turn will lead to increased employment opportunities for residents of the LEP.

Sustainability Implications:

- 6.4 There are no immediate negative sustainability implications arising from this report; the LEP is working to optimise the way that businesses work by encouraging local business supply chains and clusters which should reduce levels of road use and transport costs and contribute to lower carbon emissions over time.

Crime & Disorder Implications:

- 6.5 There are no crime and disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.6 There are no risk & opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 6.7 The implementation of the projects being outlined in this report will have a positive impact on the economic performance of the areas that comprise the LEP and contribute positively to the health and social cohesion of its residents.

7. SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms:

None

Background Documents:

1.

