

**Brighton & Hove  
City Employment and Skills Plan**

**BETTER SKILLS,  
BETTER JOBS,  
BETTER LIVES.**

**2011-2014**

## Foreword

Overarching Aim:

*“For Brighton & Hove to have a resilient economy with sufficient quality, sustainable jobs at all levels and, for local residents to have the skills to enable them to progress through the labour market and earn incomes to help them live successfully within the city”.*

**TO BE ADDED**

## Signatories

## 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*

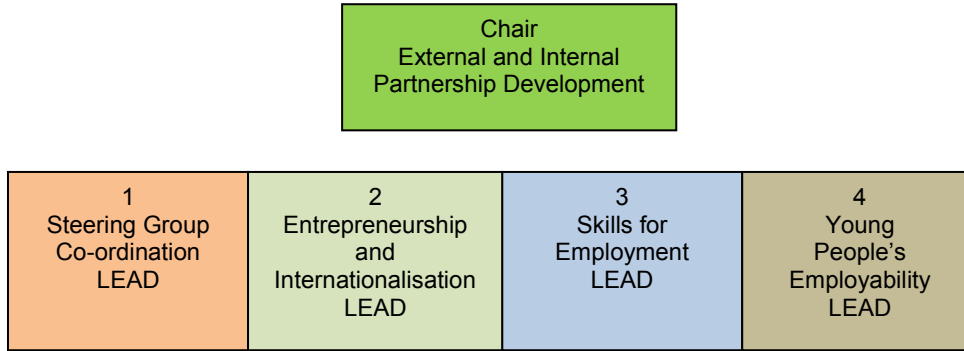
The organisational, financial and economic context for delivering employment and skills interventions has changed markedly. Budget cuts will put pressure on all organisations to work collaboratively to deliver cost effective solutions. Within Brighton & Hove, the City Council is adopting a new approach 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 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.



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 to 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 businesses<sup>1</sup>, 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,

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<sup>1</sup> Source: Brighton & Hove Business Survey 2010

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 NEET rate 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.

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## **1.0 Background**

The Brighton & Hove City Employment and Skills Plan (CESP) 2011-2014 builds on the original plan that covered the period 2008-2011, and the interim review that was undertaken in 2009.

It has been developed in different circumstances from its predecessor. This is reflected in the analysis that underpins it and the actions that have been agreed. In 2007, the national and international economy was buoyant, employment relatively plentiful and the economic focus of the city was rightly based on building on its successes over the previous decade.

### **1.1 The 2008-2011 City Employment and Skills Plan (CESP)**

The 2008-2011 plan identified a need for the city to generate more, high quality jobs so that its human capital assets could be deployed more effectively and its employment rate increased. It set out challenges for the city to create a minimum of 8,000 jobs over the subsequent decade through better co-ordination of employment and skills support activities. The plan focused on both increasing the demand for and improving the supply of labour in the city.

The 2008-2011 CESP resulted in the re-configuration of the City Employment and Skills Steering Group (CESSG), so that it became an economic development function that brought representatives from key agencies together to better co-ordinate employment and skills interventions.

### **1.2 The 2009 Mid-Term Review**

In 2009 a mid-term evaluation of the CESP was undertaken. This found that the four main CESP priorities remained relevant and that the document, which was highlighted by SEEDA as a regional example of best practice, had had the following successes:

- It had created a shared vision, context and 'route map' for improved partnership working;
- The support infrastructure had provided an important forum for discussion, debate and joint action;
- It had helped to build capacity amongst front-line delivery staff, particularly in terms of 'who does what'; and
- It had influenced planning of future activities amongst partners (including lobbying)<sup>2</sup>

It also suggested that the governance structures that included the City Employment and Skills Steering Group, supported by the City Employment and Skills Working Group were sound. However, it recommended streamlining the actions and indicators; developing a Memorandum of Accord, committing organisations to work towards the priorities within the CESP; strengthening the role of the voluntary and community sector forum; altering actions to reflect the more challenging economic and organisational context; and securing formal recognition for the CESSG within the Local Strategic Partnership structure.

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<sup>2</sup> P.11 City Employment and Skills Plan Mid Term Evaluation Arad Consulting and Rubicon Regeneration (May 2009)



Since 2009, the CESP has been delivered on a thematic basis. This has helped to reduce duplication of activity within the city.

The 2009/2010 End of Year report provides details of the progress that has been made against the CESP indicators and targets. This lists a significant number of achievements, including:

- The Breakthrough Project that provided support for unemployed people in poor health;
- A programme of business support activities to help local businesses through the recession
- The establishment of the Major Providers Group to ensure training providers' programmes support the strategic priorities within in the city.

However, there continue to be challenges, including concerns about the level of 16-18 year olds who are not in education, employment or training (NEETs); and slower than expected progress on making vacant commercial space available to businesses in the creative industries sector.

### **1.3 The 2011-2014 CESP**

Consultation undertaken to inform the development of the CESP 2011-2014 suggests that there should be a sharper focus on employment and skills, with stronger links to other partnerships that have a different, but related focus. The group was seen as a valuable forum for intelligence exchange and partnership development. There was a widely held view that the CESSG should remain an intelligence sharing group, but that it should establish itself as a key lobbying and influencing group in the design and delivery of employment and skills activities that impact on the city.

This plan recognises the challenges in providing a focus for employment and skills that reflects both the business and community needs of the city. It is not an economic strategy, nor is it a social inclusion strategy. However, providing good quality jobs and supporting people to access them helps businesses grow and improves the well-being of the city's residents.

The CESP also recognises that Brighton & Hove is not a self-contained entity - its residents travel to work outside the city boundaries and its businesses provide employment to people who commute into the city to work. It is set within this context and the city's role within the newly created Coast to Capital Local Enterprise Partnership area.

It distinguishes between what the city needs to do to improve employment and skills and the role that the CESSG has as a group in contributing to these activities. It may not be realistic to try to capture all the activity that is taking place. However, it is realistic to agree priorities and underpinning actions to improve its performance and to respond to the opportunities and challenges of the post-recession period.

The 2011-2014 CESP has been developed by Step Ahead Research in partnership with the Brighton & Hove Economic Development Team and the City Employment and Skills Steering Group. Strategic input has been provided by Centre of Cities and an Equality Impact Assessment has been undertaken by Ottaway Strategic Management.

It 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 analysis of relevant strategies, plans and background research reports; and an analysis of a wide range of labour market and economic datasets.

## 2: Vision and Priorities

The CESP covers a three-year period. However, it is important that the city has a longer-term vision. The supporting action plan will need to be revised to reflect changing circumstances, since a positive economic outlook is likely to require a different emphasis than a more challenging one.

Overarching Aim:

*“For Brighton & Hove to have a resilient economy with sufficient quality, sustainable jobs at all levels and, for local residents to have the skills to enable them to progress through the labour market and earn incomes to help them live successfully within the city”.*

**Priority 1: Promote the City’s Employment and Skills Needs to Internal and External Partners and Agencies**

1a:	Internal
1b:	External

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

**Priority 2: Support the Creation of At Least 6,000 New Jobs by 2014**

2a:	Internationalisation
2b:	Entrepreneurship

This priority is based on an estimate of the number of new jobs that the city may need to maintain its existing employment rate, and a recognition that public sector agencies can help to set the conditions for private sector job creation.

**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

This priority reflects the need to ensure that the city’s residents are equipped with the skills and knowledge to access the city’s jobs.

Each priority is supported by a series of underpinning actions and will be measured against a series of strategic indicators. The remainder of this background document contains the following sections:

**Section 3: Turbulent Times**, sets out the national context for developing the plan

**Section 4: Beyond the City** describes the new enterprise geography that has been set out in the Coast to Capital Local Enterprise Partnership proposal

**Section 5: Within the City** provides the local strategic context and draws on plans and strategies that have already been consulted on that impact on the city's employment and skills priorities

**Section 6: Creating Jobs** sets out the job creation challenges for the city, assessing its success in creating jobs in recent years and discussing the likelihood of it being able to generate the employment that it needs over the coming years.

**Section 7: Improving Employment Prospects for Local People** discusses the need to provide support for local people to access jobs in the city's labour market and recommends a focus on three groups: out of work benefit claimants and young people.

**Section 8, Making Sure it Happens** sets out how the plan will be delivered and the role of the City Employment and Skills Steering Group in promoting the city's employment and skills needs and influencing internal and external partners to respond to these needs.

**Annex I** shows the list of people who were consulted in the development of plan; **Annex II** provides a list of the documents that were used to inform the plan; and **Annex III** provides data tables that have been used to inform the analysis in this background document.

The **CESP Action Plan** has been developed as a separate document. It sets out the initial actions that have been agreed by the City Employment and Skills Steering Group under each of the priorities. However, it is a live document that will need updating on an annual basis, or in response to significant changes in labour market conditions.

## **3: Turbulent Times**

### **3.1 Emerging from the Ashes**

The economic, political and organisational climates are 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 a 6% loss in output over six quarters between the end of 2008 and 2009. However, this was arguably, 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.

Although the UK economy grew in the four quarters to September 2010, the impacts of the financial crisis are likely to remain for years to come. The international nature of the recession may make it more difficult to predict how the post-recession economy will develop. Net Government borrowing reached £160 billion in the year 2009/2010 (11% of GDP), and claimant count unemployment doubled between January 2008 and January 2010. At the same time unfilled vacancies in the nation's job centres fell by a third. It is not clear how the post-recession economy will develop, but it is expected to be private-sector led, with a strong focus on innovation and international trade.

Pre-recession employment growth was driven by public sector jobs (particularly in the education and health sectors); construction and real estate. By contrast, improvements in productivity and overseas competition resulted in further declines in manufacturing, whilst technological progress and out-sourcing led to a reduction in retail and administrative staff<sup>3</sup>.

In 2009, the IPPR<sup>4</sup> 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.

However, it is important not to exaggerate change and to recognise that most jobs that will need filling between 2011 and 2014 will not be new jobs. They will continue to be jobs that have been vacated by people either leaving the labour market or changing jobs; whilst new skills will often be needed to improve the effectiveness of people in existing roles.

### **3.2 All Change at Westminster**

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.

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<sup>3</sup> Source: Building a Better Balanced UK Economy: Where will the Jobs Be Created in the Next Economic Cycle. Clifton J; Dolphin T & Reeves R. Institute of Public Policy Research July 2009

<sup>4</sup> Source: *ibid*

The Government's deficit reduction programme includes substantial cuts in public spending across most Government departments. It includes: Fundamental changes to higher education funding; bringing forward to 2020 proposals to raise the statutory retirement age to 66; creating an annual cap on household benefits; and increasing social housing rents so that they are closer to market rates. Local councils will lose around 28% of their income over the life time of the Parliament, but the removal of many of the ring-fenced grants, means they will have greater freedoms to spend the resources they have in ways that they believe reflect local needs.

The Government has also announced significant changes to the way public services are run, announcing a 'bonfire' 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.

### **3.3 A New Enterprise Geography**

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 seems likely that they will have a significant role in creating the conditions to enable private sector businesses to grow in their areas.

The White Paper suggests that they may lead or engage on a wide range of economic development activities, including:

- ◆ Providing "locally focused information and advice" to businesses;
- ◆ Agreeing local skills priorities with networks of colleges and learning providers;
- ◆ Working with Job Centre Plus and other agencies to help to reduce worklessness;
- ◆ Supporting high growth businesses through new "growth hubs";
- ◆ Making representations on national planning policies; and
- ◆ Providing information at the local level on the inward investment offer.

Local authorities are expected to have a role in providing community leadership, ensuring that:

- ◆ There is a responsive supply of land;
- ◆ Physical assets are used effectively;
- ◆ The planning system encourages investment and growth;
- ◆ There are good quality services, such as schools and transport; and
- ◆ All people are able to benefit from work and contribute to the local economy.

*Skills for Sustainable Growth* sets out the Government's approach to skill development. It draws a distinction between '*skills for growth*' and '*skills for a fair society*'. There is a strong emphasis on promoting learner choice, with learning providers being given more autonomy in determining provision, based on learner and employer demand. The Government expects more of the cost of learning to be

borne by individuals and employers, particularly at intermediate and higher level, where there are greater returns to individuals. To support this, it will introduce Lifelong Learning Accounts, Further Education student loans and a new all age career service with the aim of improving access and informed choice.

The Government aims to expand the number of adult apprenticeships by 75,000 by 2014/15; focus on Level 3 attainment; create clear progression routes to Level 4; and broaden the teaching of entrepreneurial skills. It aims to target interventions to those with low skills and towards people who are outside the labour market and shape adult and community learning so that it engages disadvantaged people.

Adult skills funding will be simplified and directed to approved suppliers via a Skills Funding Agency. Proposed networks of colleges and learning providers may enable complementary specialisms covering Local Enterprise Partnership areas to be developed, maintaining more generic provision in immediate localities.

Business support, too, is under-going substantial change. *Bigger, Better Business – Helping Small Firms Start, Grow and Prosper 2011*, sets out the Government's plans for supporting businesses. These include enhancing on-line information provision, particularly through the businesslink.gov website; replacing the regional Business Link network with a National Call Centre and a network for 40,000 business mentors; establishing a Business Coaching for Growth service for high growth businesses; and setting up a New Enterprise Allowance scheme aimed at encouraging unemployed people to start their own businesses. The Government is also considering specific measures to promote enterprise amongst specific groups, such as women, BAME and Service personnel.

It is not yet clear what this will mean at local level and how Local Enterprise Partnerships will identify and respond to gaps that emerge locally in the business support landscape.

### **3.4 Reforming Welfare and Strengthening Participation**

The Government plans to introduce a Single Work Programme aimed at simplifying back-to-work support programmes, strengthening the incentives to work and imposing greater requirements on those who are able to work to actively seek employment. The Single Work Programme will be based on an outcome-related funding model. It is expected that larger contractors and voluntary sector providers with resources will be given long term contracts to design flexible approaches to supporting people back into work.

The Government also aims to devolve power and information to people so that they can make their own decisions about services that affect them and their communities. The Big Society means creating the conditions that will empower citizens, families and communities to take control of their own lives, rather than just influencing decisions that are made by others. This includes:

- Reforming the planning system so that communities can develop in the way that their inhabitants want;
- Providing greater opportunities for communities to take over and run their own publicly-funded services;
- Supporting the development of neighbourhood groups and communities, particularly in deprived areas;

- Encouraging greater levels of volunteering and philanthropy, including developing a National Citizen Service,
- Devolving greater financial autonomy to local authorities;
- Supporting the creation of mutuals, co-operatives, charities and social enterprises to have a greater role in running public services and;
- Creating a Big Society Bank to fund neighbourhood forums, charities and social enterprises;<sup>5</sup>

### **3.5 Promoting Equality and Reducing Child Poverty**

In October 2010, the Equality Act (2010) was introduced. This provides the framework to ensure that people are protected from direct and indirect discrimination, harassment and victimisation. It extends existing provisions and strengthens protection for people with disabilities, breastfeeding mothers, carers and transgendered people.

The Government has retained the commitment to eradicate Child Poverty by 2020 and has maintained the requirement for local authorities to develop a Child Poverty Strategy, based on a local needs assessment.

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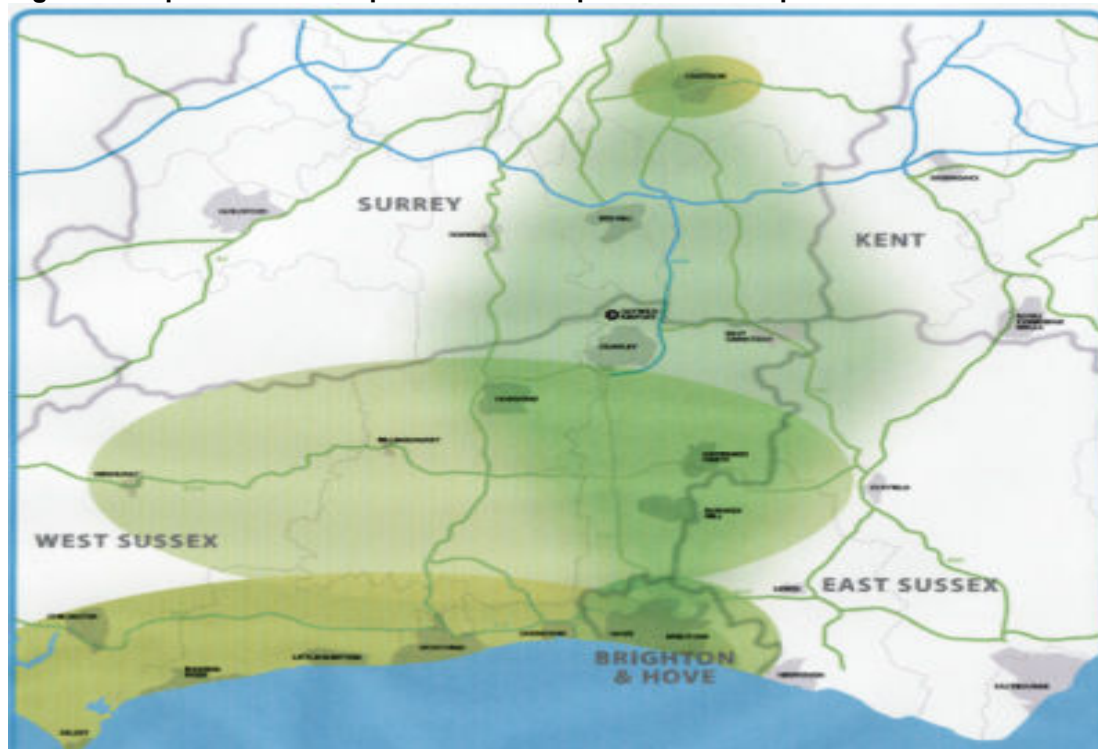
<sup>5</sup>Source: <http://www.cabinetoffice.gov.uk/media/407789/building-big-society.pdf>



## 4. Beyond the City

Brighton & Hove is part of the Coast to Capital Local Enterprise Partnership area that covers West Sussex, Brighton & Hove, Gatwick Diamond and Croydon, whose proposal was approved by the Secretary of State in October 2010.

**Figure 1: Map of Coast to Capital Local Enterprise Partnership Area**



Source: Coast to Capital Local Enterprise Partnership Proposal (2010)

The Coast to Capital ‘functional economic area’ is wider than that proposed for Brighton & Hove in *Raising Our Game, the Brighton & Hove Economic Strategy 2008-2016*. It does not include Lewes, which supplies more than 7,500 workers to the city and provides around 4,000 jobs for Brighton & Hove’s residents. Lewes is included in a LEP that covers East Sussex, Kent and Essex.

The Coast to Capital LEP proposal sets out a 25 year plan for the private sector to drive economic growth through

**International Trade**, including developing a university-led export academy; identifying and supporting sectors with the highest export and import propensity; improving supply chain linkages between local with internationally trading businesses; and establishing a bank that provides loans exclusively to businesses involved in international trade;

**Promoting Enterprise**, including embedding a culture of entrepreneurship in schools, colleges and universities; linking national business support providers with local agencies; developing a paid-for business support start up service; supporting social enterprise and home-based businesses; and providing additional support to groups that are under-represented in business ownership.

There are also commitments to: ensure that business premises match business needs in terms of quality, type and location; improve the links between businesses and the universities to develop higher level skills; support the development business support provided by the private sector; make the case for a planning environment that favours business formation and growth; improve transport infrastructure and broadband connectivity; and take actions that contribute to tackling climate change.

The LEP proposal aims to increase Gross Value Added (GVA) by £1.3bn or by an average of 4% each year; increase exports by £910m or by an average of 10% each year; increase the number of private sector jobs by 100,000; reduce dependence on public sector employment from 27% to 21%; and to increase tax receipts by £162m each year.

Brighton & Hove is likely to be a key driver of the Coast to Capital economy. With a combined student population of 33,000, its two universities provide the area with potentially a rich supply of highly skilled labour and opportunities for business knowledge exchange activities. Furthermore, between them, the University of Sussex and the University of Brighton are estimated to provide £1bn to the South East economy, including £32m through exporting activities.

Around one in six working age residents (17%) in the LEP area lives in Brighton & Hove. They tend to be much better qualified<sup>6</sup> and more likely to run their own businesses<sup>7</sup>. Business density<sup>8</sup> in the city is also much in Brighton & Hove than in other parts of the Coast to Capital area. There were 13,400 more private sector jobs in the LEP area in 2008 than there had been in 2004, but more than a third of these (39%) were in Brighton & Hove. Furthermore, the city appears to have been particularly successful in generating additional jobs in knowledge-intensive industries compared with other parts of the LEP area (see Annex I, Figure D6)

Brighton & Hove has only limited links with some parts of the LEP area from an employment perspective. However, it is a major supplier of labour to Crawley, London and, to a lesser extent Mid Sussex, but draws in nearly half its commuters from neighbouring Adur and Lewes (which is not in the LEP area).

Although it has a higher share of workless residents (22%) than its share of working age population, it has been more successful at reducing worklessness than the LEP area as a whole. Between February 2004 and February 2008, more than half the reduction in out of work benefit claimants in the LEP area occurred in Brighton & Hove, and since the recession, worklessness has risen at a slower rate.

The Coast to Capital Local Enterprise Partnership provides opportunities for the city to establish closer links with neighbouring authorities, particularly to the north, where the supply of quality labour can be more constrained. However, the city will need to ensure that its distinct needs are not lost, as it becomes part of a wider enterprise area.

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<sup>6</sup> 43% of its working age population have qualifications at Level 4+ compared with 33% across the LEP area as a whole

<sup>7</sup> 17% of its working age residents who are in employed are self employed, compared with 15% across the LEP area as a whole (2009)

<sup>8</sup> In 2008 Brighton & Hove had 692 businesses per 10,000 working age residents, compared with 582 across the whole of the LEP area.

## 5. Within the City

The 2011-2014 CESP has not been developed in isolation. It is one of a series of strategies and plans that set out the priorities and actions for improving the prosperity, health and well-being and quality of life of residents and workers within the city. Priorities and actions within the CESP need to be complementary to these and, above all, contribute to the priorities within the city's Sustainable Community Strategy, the over-arching strategy for the city.

**The Brighton & Hove Sustainable Community Strategy, Creating a City of Opportunity** sets out a vision for the city to be where *“opportunities are provided for our residents to improve their lives, for our children to excel and a place for business to thrive. It is a place that provides these opportunities in a sustainable and inclusive way that reduces inequality and protects the environment”*.

The strategy identifies eight priority areas, which include Promoting Enterprise and Learning. It places a strong emphasis on supporting social enterprise, promoting, what it describes as the city's “established strengths in decarbonised industries”, and exploiting “the growth potential of sustainable/environmental industries in the city”.

It sets out aims to support the growth of the creative industries, with particular reference to digital media and gaming; to brand the city as an “exceptional business tourism destination”; to encourage large employers to develop workplace learning plans; to develop bespoke apprenticeships, internships, volunteer and work placement schemes for key sectors; to use Section 106 agreements to improve opportunities for local people; and to introduce 17 new Diploma qualifications for 14-19 year olds.

Underpinning the Sustainable Community Strategy are a wide range of supporting strategies and plans, including:

**The Brighton & Hove Local Area Agreement (2008-2011)**. This sets out targets to improve the prosperity and well-being of residents and businesses within the city, across a range of themes. These include increasing Gross Value Added (GVA), employment and the number of businesses; taking forward major development projects; increasing the percentage of 19 year olds and adult learners with at least a Level 2 qualification; reducing the number of working age people on out of work benefits; reducing the percentage of 16 to 18 year olds who are not in education, training or employment (NEET); and increasing the percentage of adults in contact with secondary mental health services in employment.

**Raising Our Game, the Brighton & Hove Economic Strategy 2008-2016**. This challenges the city to be ambitious and distinctive, at the same time as reducing inequality. It emphasises the importance of harnessing talent and innovation within the universities, attracting and retaining talented people; developing an environment that supports the creation of higher level jobs; and making best use of land within the city to support sustainable, high growth employment.

**‘The Brighton & Hove Core Strategy 2009’**. This suggests that the net outflow of commuters has “implications for sustainable travel and also for the ability of local people to find employment”. It stresses the “urgent need” to move to a low carbon economy. Its 21 strategic objectives include:

- ◆ Developing Brighton & Hove as a major centre on the South Coast for sustainable business growth and innovation, creative industries, retail, tourism and transport; and
- ◆ Supporting the city's economy by identifying and safeguarding sites and premises to meet demands for high growth and key employment sectors'; and ensuring there is a well trained and suitably skilled local workforce.

The Core Strategy draws on the Employment Land Study and suggests that there is no demand for additional employment land space before 2016 *if all the proposed developments are brought forward*, but that there will be a need for an additional 20,000 sq.m after 2016.

The **Business Retention and Inward Investment Strategy (2009) (BRII)**' recommends a focus on business retention and retaining talent. It suggests that the city adopts a sector approach that focuses on the development of existing strengths, which are identified as:

- ◆ Manufacture of food and drink;
- ◆ High technology manufacturing;
- ◆ Financial services;
- ◆ Computer and related activities (particularly the gaming industry);
- ◆ Retail; and
- ◆ Other, mainly business services (including the creative industries).

It also suggests that there may be scope for the development of other sectors, such as environmental industries and health.

The BRII emphasises the need to "harness the talent and innovation of the universities" and "increase the value of jobs in the city". However, it highlights concerns about the availability of employment land and suggests that the city "cannot afford any net loss of employment space from the already existing sites". It suggests that the city's current allocations are generally "small employment areas...with fragmented ownership, which could constrain future development".

**The Refreshed Brighton & Hove Strategy for the Visitor Economy (2008-2018)** sees tourism as making a "significant contribution to improving the quality of life for local people", with the potential to act as a "catalyst for improving the environment". It highlights the need for staff training, to work with the FE and HE sectors to develop skills to address "the lack of local skilled labour to support the tourism sector" and to develop a business-to-business mentoring system.

**The Creative Industries Workplace Study 2007-2017** estimates that the sector has 1,500 businesses and provides 17,000 jobs, but that its rapid growth has put increasing pressure on the need to provide additional employment floorspace. It suggests that there is an additional "demand for 1.3 million square foot of floor-space over the next decade to accommodate the expected growth associated with the creative industries up until 2017".

The **City-Wide Apprenticeship Strategy 2009-2012**, sets out plans to increase the number and range of pre-employment placements and apprenticeships by 500 by 2012; and to improve information, advice and guidance (IAG) services in the city.

**Developing Appropriate Strategies for Reducing Inequality in Brighton & Hove** (2007), highlights the fact that more disadvantaged residents live outside the 20% most deprived localities than within them, despite the concentrations of disadvantage that exist in the city. It suggests that worklessness remains “stubbornly high”, that the number of NEETs is a “concern” and that there is “little evidence” of ‘priority neighbourhoods ‘closing the gap’ with the city as a whole when measured by the percentage of the population on benefits”. It recommends that “a strong link be made with the City Employment and Skills Plan, drawing together both demand and supply side actions in the labour market”

**‘Better for People, Planet and Profit’, the Brighton & Hove Social Enterprise Strategy** sets out six priorities for the development of social enterprises in the city. These include improving the understanding of social enterprises and their impact; building capacity within the social enterprise sector; developing partnerships and networks; developing award schemes and celebrating achievements; increasing local procurement opportunities; and developing credible business structures.

**Joining the Dots, the Brighton & Hove Volunteer Strategy 2010-2015** recognises the role that volunteering can play as a pathway to paid employment, but also highlights the value that volunteers make to the city in their own right. It sets out priorities to both increase the number of volunteers and to increase recognition of their value. Its supporting action plan includes actions to develop stronger links with adult learning and training agencies; improve the co-ordination and facilitation of relationships between agencies that refer and support volunteers, community activists and agencies that support people back to work; and to work with sectors to provide work-focused volunteering placements.

**The Brighton & Hove 14-19 Strategy 2008-2013** sets out plans to develop a curriculum that is “suitable for all to the age of 19”. This includes providing coherent and consistent Information, Advice and Guidance (IAG); a broad-based, high quality curriculum offer that takes account of economic needs and skills gaps; a commitment to reduce the number of young people Not in Education, Employment and Training (NEET) and the provision of good quality learning facilities

Brighton & Hove City Council is in the process of developing a new service delivery model, based on ‘intelligent commissioning’. Four new Strategic Directors were appointed in Autumn 2010. They will be supported by a team of commissioners. The remaining City Council functions will be based around service delivery teams. The aim of the re-structuring is for the authority to develop a more efficient approach to delivering relevant and responsive services to residents and businesses, in partnership with other agencies, based on a clear assessment of need.

## 6. Creating Jobs

This section sets out the employment demand side of the CESP. It considers:

- ◆ Brighton & Hove's successes in terms of job creation, business development and entrepreneurship;
- ◆ The implications of the recession and the deficit reduction programme on the city's labour market; and
- ◆ How the city can take steps to support the creation of 6,000 jobs that it needs by 2014 to maintain its current employment rate.

### 6.1 How Many Jobs Does the City Need?

Brighton & Hove is widely considered to have had a successful decade. Centre for Cities has described the city as "*buoyant*" with impressive private sector job growth since 1998. Its proximity to London and international markets, via Gatwick Airport, gives it 'high market potential'.

HSBC<sup>9</sup> has identified Brighton & Hove as one of the UK's future "supercities" and described it as the "*deregulation capital of the UK*". It suggested that its access to knowledge and creativity makes it well-placed to become an "*alternative economic and innovation powerhouse*".

The city's own Economic Strategy, *Raising Our Game*, suggests that in recent years "*businesses have thrived*" and that it is now well placed to become the "*capital of innovation*" in sectors where it is particularly strong. It calls on the city to be ambitious and distinctive in what it offers, suggesting that its creativity and strong human capital make it more resilient to shocks than it has previously been and well placed to take a leading role in the development of a post-recession economy.

#### 6.1.1 Population Growth Employment Needs

Projected growth in the working age population alone means that Brighton & Hove needs 2,700 more of its residents to be in work by 2014 and 6,300 more by 2020 just to maintain its current 71.6%<sup>10</sup> employment rate. If it is to return to its 2004 employment rate (73.8%), an additional 6,000 city residents would need to be in work by 2014 and an extra 9,600 by 2020. These figures do not take into account job losses that are expected to result from the Coalition Government's deficit reduction programme.

The Labour Government introduced a long term aspiration employment rate target of 80%<sup>11</sup>, which was described by the Freud Report<sup>12</sup> in 2007 as "*probably the most ambitious (aspiration) made in the area of employment policy*", with only one country in the world (Iceland) having employment well above this level.

Given that the employment rate (16-64 years) in England in 2009 was 70.9%, it seems unrealistic to expect this to be achieved within the foreseeable future. Set

<sup>9</sup> Source: The Future of Business: The Changing Face of Business in 21<sup>st</sup> Century Britain HSBC 2010

<sup>10</sup> The employment rate is based on 16-64 year old residents. The 75.6% employment rate referred to in the 2008-2011 CESP was based on a working age population aged 16-59/64

<sup>11</sup> Source: p. 4 Lisbon Strategy for Jobs and Growth: UK National Reform Programme. HM Treasury 2005

<sup>12</sup> Source: p.47 Reducing dependency, increasing opportunity: options for the future of welfare to work: An independent report to the Department for Work and Pensions. David Freud for the Department for Work and Pensions

within this context and, when compared with many other cities and large towns, Brighton & Hove's 71.6% employment rate is relatively healthy. It is below that of Reading (74.5%) and Cambridge (72.7%), but comparable to Portsmouth (71.4%) and Bristol (71.3%)<sup>13</sup>. Given prevailing economic conditions, it may be unrealistic to expect significant increases in the employment rate by 2014.

### 6.1.2 Replacing Public Sector Jobs

The 2010 Comprehensive Spending Review set out the Government's plans to reduce the national budget deficit by 2015. Office for Budget Responsibility (OBR) estimates suggest that 490,000 jobs<sup>14</sup> will be lost across the country by 2015. If all the job losses were spread equally throughout the country, then Brighton & Hove could expect to lose around **2,500** public sector jobs by 2015<sup>15</sup>. Price Waterhouse Cooper<sup>16</sup> estimates suggest that there will be a total of 943,000 job losses (including in the private sector) across the country by 2015. Applying this estimate to Brighton & Hove would mean that the city could expect to lose around **4,200** public *and* private sector jobs by 2015, with the construction and business services sector likely to be particularly affected.

It is, of course, possible that Brighton & Hove will not be affected equally by the job losses. Much of its public sector employment is in higher level professional and associate professional jobs, which may be less vulnerable than some areas. Experian's Resilience Index suggests that Brighton & Hove is in the top half of locations that are least vulnerable to the cuts. According to the index, the city has relative strengths in high growth sectors, business births, job density and employees, highly qualified residents and its working age population.<sup>17</sup>

Projected increases in the resident population suggest that 2,700 additional residents would need to find work by 2014. If the PWCs estimated job losses are added to these figures, this would mean that the city would need to find employment for 6,100 people by 2014 to maintain its current employment rate and 9,400 to return to its 2004 employment rate.

**Figure 2: Additional Job Requirement in Brighton & Hove 2014 and 2020**

	<b>71.6% Employment Rate (2014)</b>	<b>73.8% Employment Rate (2014)</b>
Population Growth Job Requirement	2,700	6,000
Deficit Reduction Replacement Requirement	3,400	3,400
<b>Total Additional Job Requirement</b>	<b>6,100</b>	<b>9,400</b>

Source: Step Ahead Adapted from Mid Year Population Estimates; Annual Population Survey (2009); and Comprehensive Spending Review 2010 (HM Treasury)

Given the expected job losses in the public sector and in private sector companies that are dependent on public sector contracts, and the projected growth in the city's

<sup>13</sup> See Annex I Figure D1

<sup>14</sup> In November 2010, the OBR revised its job loss forecasts down to 330,000. On this basis, Brighton & Hove could expect to lose around 1,700 public sector jobs by 2015, rather than 2,500 based on the original estimates

<sup>15</sup> These figures are based on assuming an even spread of job of net job gains throughout the period

<sup>16</sup> Hawksworth W & Jones N. Sectoral and Regional Impact of the Fiscal Squeeze IPPR (2010)

<sup>17</sup> Source: <http://www.bbc.co.uk/news/business-11233799>

working age population, job creation needs to remain a central employment and skills priority for the city.

## 6.2 Can the City Create Enough Jobs?

### 6.2.1 What OBR Estimates Would Mean for Brighton & Hove

The Office for Budget Responsibility estimates that there will be a **net** increase of 1.3 million jobs by 2015, with the private sector driving this employment growth. However, the Chartered Institute of Personnel and Development (CIPD)<sup>18</sup>, forecasts a rise of just 100,000 jobs by 2015 based on "only slightly more pessimistic growth assumptions".

A net increase of 1.3 million jobs (OBR estimates) would mean that the city could expect to have as many as **4,500** net *additional* jobs by 2014, (OBR estimates), or as few as **350** net *additional* jobs (CIPD estimates). This is shown below.

**Figure 3: Impact of Net Job Growth Estimates on Brighton & Hove 2014 and 2020**

		Additional		Total		Employment Rate
		Jobs	Working Age Residents	Jobs	Working Age Residents	
2014	1.3 million <b>Net</b> Job Gains	4500	3800	133100	183400	72.6
	100,000 <b>Net</b> Job Gains	350	3800	129000	183400	70.3
2020	1.3 million <i>Net</i> Job Gains	11200	8700	139800	188300	74.2
	100,000 <i>Net</i> Job Gains	900	8700	129500	188300	68.8

Source: Step Ahead Research Figures, based on Comprehensive Spending Review (2010) HM Treasury (CHECK); Estimates in 'Does Britain Face a Prolonged Job Deficit'. Philpot J CIPD July 2010 and Annual Population Survey (2009)

The more optimistic OBR forecasts suggest that employment in the city could grow at a faster rate than the projected increase in its working age population – something that has happened in only one year since 2004<sup>19</sup>, despite year-on-year increases in the number of employed residents. If such trends were to continue to 2020, the city could expect to have 11,200 more jobs and to have an employment rate that would be comparable with current employment rates in Reading and Exeter.

However, not all estimates are so optimistic. The CIPD acknowledges that the OBR estimates are not out of line with experiences of previous post-recession recoveries, but it suggests that background macro-economic conditions then were more favourable than those in the post 2008/09 period.

If the CIPD estimates prove more accurate, this will have a much more profound impact on Brighton & Hove than the OBR estimates. The number of jobs will not grow as fast as projected increases in the working age population, and the 16-64 employment rate could fall to around 70.3% by 2014, a rate that is marginally below the current average for England (70.9%). If the CIPD estimates are maintained over a ten year period, Brighton & Hove could have an employment rate that falls below 70%, a long way from the Government's 80% aspirational employment rate target

<sup>18</sup> Source: Does Britain Face a Prolonged Job Deficit. Philpot J CIPD July 2010

<sup>19</sup> In 2006/7, the number of city residents in work increased by 4,000, but the number of working age residents increased by just 3,500 compared to the previous year



Interestingly, the Coast to Capital Local Enterprise Partnership (LEP) proposal has a target to “increase the number of private sector jobs by 100,000 over the 25 year period”.<sup>20</sup> This would amount to an average of 4,000 additional jobs per year over the whole LEP area and could result in only 2,000 additional private sector jobs in Brighton & Hove by 2014, well below the 6,000 that may be required.

Brighton & Hove should ensure that the LEP takes a much more ambitious approach to private sector job creation than is currently proposed. Although it is unlikely that the proposed job creation target will be spread evenly over the 25 year period, in the short term, the city may need private sector jobs to be created at around three times the rate that has been suggested in the LEP proposal.

## 6.2.2 Responding to Population Growth

Increasing the number of residents in work in the city will not necessarily result in an increase in the employment rate. Evidence suggests that the rate at which Brighton & Hove residents have found jobs in recent years, has not kept pace with the rise in its working age population.

In 2004, just over 167,000 of its residents were aged 16-64 years, but by 2009, this had increased by more than 13,000. This growth in working age residents has meant that whilst the number of residents in work has increased, the overall employment rate has fallen, as Figure 4, below shows.

**Figure 4: Changes in Working Age Population and Employment Rates 2004-2009<sup>21</sup>**

	2004	2009	Change 2004-2009
16-64 residents	167,200	180,800	+13,600
16-64 residents as a share of all residents	68%	70%	+2%
16-64 residents in work	123,300	129,600	+6,300
Employment rate 16-64	73.7%	71.6%	-2.1%

Source: Annual Population Survey 2004 & 2009 2004-2009. ONS via NOMISWEB

Had the city managed to maintain its 2004 employment rate, a further 3,800 people would need to have been in employment in 2009. This, in effect means that in 2009, the city had a 3% (3,800 jobs) shortfall in the number of people in work, compared with 2004, despite the increase in the number of residents in work.

This is not peculiar to Brighton & Hove. A similar pattern emerges in similar cities and towns, as shown in Figure 5, below.

<sup>20</sup> Source: Coast to Capital Private Sector, Private Investment led Local Enterprise Partnership for Brighton & Hove, Croydon Gatwick Diamond and West Sussex (2010)

<sup>21</sup> Note: The 16-64 age group estimates in the Mid Year Population from those contained in the Annual Population Survey (APS). If the latter were used, this would suggest that in 2009, Brighton & Hove had an employment rate of 71.6%, not 72.4%.

**Figure 5: Changes in Working Age Population, Residents in Work and Employment Rate in Selected Towns and Cities 2004-2009**

	2004-2009		
	16-64 Residents	Change in 16-64 Year olds in Work	Employment Rate Change (%)
Bournemouth	+6,300	-2,300	-5.8
Brighton and Hove	+12,300	+6,300	-2.2
Bristol, City of	+34,400	+16,300	-1.3
Cambridge	+12,800	-1,200	-4.1
Luton	+8,800	+5,800	-1.7
Northampton	+11,700	-1,800	-5.8
Norwich	+15,100	+9,900	+1.0
Oxford	+6,600	+6,600	-0.7
Plymouth	+11,700	+4,700	-1.4
Portsmouth	+11,300	+4,800	-0.6
Reading	+9,100	+1,500	-1.8
Southampton	+12,400	+3,300	-3.8

Source: Annual Population Survey 2004 & 2009

Bristol, Luton, Oxford, Plymouth, Reading, Portsmouth and Southampton all saw an increase in the number of residents in work, but a fall in their overall employment rate. In virtually all areas, the increase in the number of 16-64 year old residents outstripped any increase in the number of residents in work.

If Brighton & Hove manages to replicate its performance of the past five years of getting 6,000 more people into work by 2015, it should be able to maintain its current employment rate of 71.6%, but will still leave it around 3,800 short of achieving its 2004 position. Brighton & Hove, therefore, needs to maintain the rate at which its residents find work over the next five years as a minimum, at a time when economic conditions may be less conducive to doing so.

### 6.2.3 Creating Jobs Within the City?

Increasing the number of residents in work is not the same as increasing the number of jobs in the city. Significant numbers of Brighton & Hove residents commute out of the city and large numbers of workers commute in.

Brighton & Hove's record on creating jobs is mixed. Centre for Cities reported that the city has been amongst the most successful cities in the country in creating private sector jobs, with some 20,000 additional such jobs being created in the city since 1998<sup>22</sup>. However, a more detailed analysis of job growth across all sectors presents a slightly more sobering picture: Brighton & Hove was good at creating jobs between 1998 and 2001, but since then job creation has been more modest, as the figure below shows.

<sup>22</sup> Source: Private Sector Cities: A New Geography of Opportunity. Webber C & Swinney P. Centre for Cities. June 2010

**Figure 6: Changes in Employees in Employment in Brighton & Hove 1998-2008**

	All Jobs	Full-Time	Part-Time	FTE Jobs
1998-2001	+17,500	+9,300	+8,200	+12,500
2001-2005	+5,400	+1,900	+4,600	+2,700
2006-2008	+3,200	+2,600	+600	+2,800
1998-2008	+26,100	+12,700	+13,300	+18,000

Source: Annual Business Inquiry 1998-2008<sup>23</sup>

More than 17,500 jobs were created between 1998 and 2001, but only 5,400 between 2001 and 2005 and 3,200 between 2006 and 2008. Furthermore, part-time employment has accounted for the majority (51%) of the city's employment growth since 1998 (although more recently it has made less of a contribution to job growth).

Despite the more modest growth in jobs in recent years, Brighton & Hove's record in creating **private sector jobs** is still quite impressive, compared with many other cities and towns, where recent private sector job growth has been weak.

**Figure 7: Changes in Private Sector Employment in Selected Cities and Towns (2004-2008)**

	Private Sector Employees	Private Sector as a Share of All Employees	Increase Since 2004	
	Count	%	Count	%
Bournemouth	54,400	72	+2,400	+4.5
Brighton and Hove	83,100	70	+5,300	+6.4
Bristol	165,000	71	+3,700	+2.2
Cambridge	49,800	57	+800	+1.9
Luton	64,500	76	-2,900	-4.3
Northampton	93,200	74	-2,700	-2.8
Norwich	67,100	74	-4000	-5.7
Oxford	58,300	54	-300	-0.6
Plymouth	67,500	63	-1,000	-1.4
Portsmouth	65,700	66	+1,800	+2.6
Reading	75,300	77	+100	+0.1
Southampton	73,900	67	-6,800	-2.5

Source: Annual Population Survey 1998-2008

Of the selected cities and towns, only Bournemouth, Bristol, Cambridge, Portsmouth and Reading actually increased the number of private sector jobs between 2004 and 2008, but none of these did so as fast as Brighton & Hove.

A key question for the city is whether it can move 6,000 people into work by 2014 by creating jobs *within* the city. Between 2004 and 2008 the city created 5,300 private sector employee jobs, which suggests that this is not impossible, given the right conditions.

<sup>23</sup> Note; figures have been adapted to take account of discontinuities in ABI data collection between 2005 and 2006

## 6.3 What Kind of Jobs?

### 6.3.1 Making Better Use of Human Capital Assets

The original City Employment and Skills Plan argued that Brighton & Hove needed to increase the number of 'higher level' jobs in the city. It suggested that, given the high skills levels of its residents, its jobs were of fairly low quality. This was reflected in low workplace earnings, particularly at the higher level, and low levels of productivity.

The CESP (2008-2011) suggested that this combination of a good supply of quality labour and a fairly low supply of high quality jobs resulted in an under-utilisation of its human capital; high levels of competition at entry and intermediate levels of the labour market; and unduly high levels of out-commuting. This view that the city's main employment and skills concern was supported in the South East Diamonds for Investment and Growth Employability and Skills Action Plan, which singled out Brighton & Hove for under-utilisation of its human capital<sup>24</sup>. It recommended that there should be a strong focus on supporting the creation of higher skilled jobs. This, it suggested, would enable under-employed higher skilled people to access more appropriate jobs and free up lower and intermediate level jobs to residents with lower skills, thereby creating a healthier labour market.

Much of this analysis in the original CESP remains current, but it is less clear whether such an approach has been effective in improving the city's labour market. More than four out of ten (43%) 16-64 year old residents hold a degree or equivalent qualification. This is below the percentage in Oxford and Cambridge, but similar to York and well above most other cities in England. However, median earnings for full-time workers remain closer to cities like Leicester and Sheffield where the proportions of working age residents with Level 4 qualifications are significantly below those of Brighton & Hove.<sup>25</sup> Furthermore, GVA per head, a measure of productivity, is modest and has increased at a slower rate than many other comparable cities and towns.

**Figure 8: Real GVA Growth per Worker (1998-2007)**

	Real GVA per Worker Growth (1998-2007)
Bournemouth	+2.6%
Brighton & Hove	+1.6%
Bristol	+2.6%
Cambridge	+3.3%
Luton	+2.3%
Northampton	+1.9%
Norwich	+2.9%
Oxford	+3.1%
Plymouth	+1.3%
Portsmouth	+3.4%
Reading	+3.1%
Southampton	+2.7%

Source: Centre for Cities (2010)

<sup>24</sup> Source: Meeting the Challenge, Making the Change – An Employability and Skills Plan for the South East Diamonds for Investment and Growth (2010)

<sup>25</sup> Median Earnings (2009): Brighton & Hove (£459.80 p.w), York (£477.50 p.w), Sheffield (£458.50 p.w), Leicester (£456.00 p.w). % of 16/64 year old residents qualified to Level 4 or equivalent: Brighton & Hove (43%), York (41%); Sheffield (31%), Leicester (22%)> Sources: Annual Survey of Hours and Earnings (2009) and Annual Population Survey (2009) via NOMISWEB

Brighton & Hove is a strongly service sector based economy, with nearly a third (29%) of all its GVA being accounted for by public administration, health, education and other services. These sectors, along with hotels and restaurants account for a disproportionate share of employment in the city. The city also has a thriving voluntary and community sector, with estimates suggesting that it employs around 8,000 people and contributes (directly and indirectly) around £96m per year<sup>26</sup>. Although these are all significant providers of local employment and make significant social and environmental contribution to the city, they tend to be fairly low value, inters of GVA per employee. This may help to explain the relatively low earnings of people who work in the city.

This suggests that there may still be a need for the city to focus on jobs in higher value added sectors of the economy because, currently, the higher qualification levels of its residents do not appear to readily translate into high levels of productivity or high paying employment.

However, there is no guarantee that these jobs will be filled by local residents, even if they are well-qualified. Higher level jobs tend to be filled by people competing in national or international labour markets and could, therefore, simply attract new residents into the city if local people are either unable or unwilling to compete for them.

Indeed, the recent Brighton & Hove Business Survey suggested that for many employers, skills were not a really major issue at the higher level, because skilled people will often move to where there are higher skilled, better paying jobs.

### 6.3.2 The Jobs the City Creates

In considering the city's employment strengths, it is useful to look at the sectors of the economy that have made the most significant contribution to recent employment growth in recent years. This is shown in the figure below:

**Figure 9: Main Drivers of Employment Growth in Brighton & Hove 1998-2008**

	Sector	Number
1	Miscellaneous business activities not elsewhere classified	2,900
2	Human health activities	2,500
3	Labour recruitment and provision of personnel	2,200
4	Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings	2,200
5	Other retail sale of new goods in specialised stores	2,100
6	Restaurants	2,100
7	Higher education	2,000
8	Primary education	1,800
9	Social work activities	1,800
10	Industrial cleaning	1,200

Source: Annual Business Inquiry 1998, 2005, 2006 & 2008

The figure demonstrates the importance of the service sector to the city. There has been a strong growth in a wide range of business services activities, including

<sup>26</sup> Source: Taking Account a Social and Economic Audit of the Community & Voluntary Sector: Brighton & Hove Community and Voluntary Sector Forum

management consultancy, market research and legal and accounting services and in the public sector (particularly in education and health).

The presence of labour recruitment in the top ten reflects the flexibility of the city's labour market, or perhaps, the insecurity of many of its jobs. These are mainly people who are registered with employment agencies, but could be working on a short-term basis in any part of the city's economy. The contribution of 'industrial cleaning' and 'restaurants' to employment growth suggest that Brighton & Hove continues to create a significant number of low level jobs, many of which may be part-time or casual.

However, again, it is important to consider what has happened to employment more recently. We know that employment growth was more subdued between 2006 and 2008 than it had been in earlier years. The figure below shows the main drivers of employment in the two years prior to the 2008/09 recession.

**Figure 10: Main Drivers of Employment Growth 2006-2008**

Rank	Sector	Number
1	Human health activities	1,200
2	Retail sale in non-specialised stores	700
3	Canteens and Catering	600
4	Labour recruitment and provision of personnel	500
5	Primary education	500
6	Software consultancy and supply	500
7	Restaurants	400
8	Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings	300
9	Retail sale of not in stores	200
10	Sporting activities	200

Source: Annual Business Inquiry 2006 & 2008

There were 3,000 net additional jobs created between 2006 and 2008, nearly half of which were in the human health sector, perhaps reflecting the opening of the Universities of Brighton & Sussex Teaching Hospital. The next most significant contributions to employment included non-specialist retail, canteens and catering and labour recruitment, none of which could be expected to provide large numbers of higher level jobs.

This analysis only shows changes in the number of employees in employment and large numbers of people work on a self-employed basis. Previous studies<sup>27</sup> have shown that the creative industries, which are an important sector in Brighton & Hove, are characterised by high levels of freelancing. There are around 21,000 self-employed working age people in the city, but this has remained fairly steady over the past five years. It seems unlikely, therefore, that freelancing has contributed significantly to employment growth in recent years.

Standard Industrial Classification codes do not always capture activity accurately. This is particularly the case for new or emerging sectors, such as environmental and health technologies, the creative industries and digital media, all sectors that have been identified as being important to the future growth of the city's economy. The Digital Media sector has become firmly established in the city. The recent Brighton &

<sup>27</sup> Source: Creative Industries Workspace in Brighton & Hove 2007-2017 Hackett K, Massie M, Consultants, Brighton & Hove City Council Creative Industries Service (2008)

Hove Business Survey found businesses in this sector to be well networked, operating in national and international markets and positive over both its future employment and turnover growth, although even this sector has suffered recession losses. It is more difficult, however, to assess the extent to which jobs have been created in other 'emerging sectors' such as the environmental industries and health technologies.

### **6.3.3 The Jobs the City Needs**

Recent growth in public sector employment is likely to be reversed and many private sector jobs that are dependent on public sector contracts are also vulnerable. Despite changes that the 2008/09 recession is likely to bring, existing sectors that already provide much of the city's employment, such as business and financial services, retail and the public sector, are all likely to continue to provide most of the city's job vacancies in the foreseeable future.

However, the role of technology is increasingly seen as important in driving economic growth and both the previous Government and the Coalition have placed a strong emphasis on the creation of a new Level 3 technician class. The previous Government set out its aims to put science and technology at the centre of its industrial strategy and to develop a better balanced, post-recession economy. It identified low carbon, digital media, life sciences and pharmaceuticals, advanced manufacturing, professional and financial services and engineering construction<sup>28</sup> as key sectors that could potentially drive future national economic prosperity.

The industrial policy of the new Coalition Government is still in its early stages of development. However, the Secretary of State for Business Innovation and Skills (BIS) has suggested that its industrial policy will continue to focus on developing Science Engineering and Maths (STEM) skills<sup>29</sup>, through more flexible higher education provision, for example. The Government and the Confederation of British Industry (CBI) remain confident that new jobs can be created through private sector investment and improving trade,<sup>30</sup> but there does not appear to be much clarity about what these jobs are likely to be.

Much of the focus of growth activity within Brighton & Hove has been based on the study that informed the development of the Business Retention and Inward Investment Strategy (BRII). This suggested that there should be a focus on the following sectors:

- Manufacture of Food and Drink
- High Technology Manufacturing
- Financial Services
- Computer and Related Services, particularly gaming
- Creative Industries; and
- Retail

It also suggested that both environmental industries and health technology could be a focus of growth within the city. Since the publication of the BRII, the City Council has prioritised Environmental Industries as a priority sector for support, identifying it as having the potential to deliver jobs for the city in the future. The Sustainable Community Strategy also suggests that there are "established strengths" in de-

<sup>28</sup> "New Industry, New Jobs", Department for Business Innovation and Skills, April 2009.

<sup>29</sup> Source: Vince Cable Higher Education Speech – 15 July 2010 Dept Business, Innovation and Skills

<sup>30</sup> Source: <http://www.bbc.co.uk/news/business-11607879>

carbonised industries within the city, whilst the Universities of Brighton & Sussex Medical School are also thought by some people to provide an opportunity to develop the health technology sector.

The BRII rightly identified a priority to grow and retain existing businesses, suggesting that large scale inward investment was unlikely in the short to medium term.

It does not seem appropriate to attempt to quantify estimates of the number of jobs that are likely to be needed in each sector of the economy over the next few years. Instead, it would seem to be more realistic to consider what the main drivers of business and employment growth in the future might be.

#### **6.3.4 Drivers of Future Employment Growth**

It makes sense for the city to build on its existing assets to develop its future supply of jobs. The BRII identifies key strengths around the city's creativity, the skills of its resident population; its universities; its high brand awareness; its quality of life; its business dynamism; and its strategic connectivity. It also has a resident population with strong 'green credentials'.

The city's **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 make a significant contribution to the international trade-led strategy identified in the Coast to Capital Local Enterprise Partnership proposal.

Its '**green credentials**' mean that the city should be well-placed to take a leading role in moving towards a low carbon economy, encouraging the growth of ethical trading and supporting the development of business models that deliver social and environmental impacts, as well as economic ones.

The city's **two universities** should mean that 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** poses job creation challenges, but there is strong loyalty to the city amongst its businesses<sup>31</sup>. The high level of entrepreneurship suggests that there is a need to identify and focus support on growth oriented businesses that are likely to provide future employment. There may also still be a need to foster ambition amongst the city's entrepreneurs, so that small businesses can fill the gap that the city has in its profile of medium-sized enterprises.

The city needs to build on its established reputation as a centre for the cultural and creative industries, particularly supporting the development of its high value added elements, such as Digital Media. Although some parts of the creative industries may not provide large scale employment, the city's creativity is what provides it with its international brand, and is central to the development of the visitor economy.

#### **6.3.5 Improving Job Quality**

Just measuring the number of jobs that need to be created is not sufficient. The jobs that are created need to be quality jobs, because "work is only really good for us if it

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<sup>31</sup> Source: Brighton & Hove Business Survey 2010



is “good” work<sup>32</sup>. There appears to be some evidence to suggest that some of the city’s success in creating private sector jobs has been based on fairly low level and sometimes flexible and insecure employment. This is unlikely to deliver economic prosperity and social progress in Brighton & Hove.

According to the *Marmot Review – A Strategic Review of Health Inequalities in England (2010)* good quality work can both protect and promote people’s health and well-being. It identifies key components of “good work” as being paid a living wage; autonomy; in-work development; flexibility; protection from adverse working conditions; ill-health prevention and stress management strategies; and support for sick and disabled people that facilitates a return to work. The Work Foundation<sup>33</sup> identifies job security, variety, autonomy, rewards that reflect the efforts that workers make and strong workplace relationships as being key ingredients of “good work”.

The Institute for Public Policy Research suggests that there has been an increase in ‘in-work’ poverty over the last decade. The 2008/09 recession has not resulted in the level of unemployment that might have been expected, but it may have contributed to a rise in in-work poverty.<sup>34</sup>

Whilst there are many facets to what constitutes quality work, the level of pay is significant because it helps to ensure that people have sufficient material well-being and can make a contribution to the Government’s aim to eliminate child poverty by 2020<sup>35</sup>. In 2009, the median income for all workers in the city was £20,435. This is similar to Sheffield (£20,427), York (£20,365) and Medway (£20,454). However, none of these places has such high housing costs. In October 2009, the average price of a house in Brighton & Hove was £203,436, in York it was £173,295, in Sheffield it was £119,925 and in Medway it was £134,786<sup>36</sup>.

In London, the Mayor backs the London Living Wage, which in 2010 was set at £7.85 per hour, 17% above the National Minimum Wage. The London Living Wage is calculated annually by GLA Economics and the Mayor makes the business case for it to the city’s employers. Currently there are around 100 public and private sector employers that are signed up to paying the London Living Wage<sup>37</sup> and it is seen as one of a number of mechanisms that can be used to try to improve the quality of jobs within London.

Good jobs are not just determined by income levels. A study<sup>38</sup> into the role of work within low income families found that financial gain was seen as a significant incentive for people to return to work. However, other factors relating to the quality of the relationships at work, opportunities for progression and how well the job fits with other commitments and aspirations are influential in contributing to job sustainability.

## 6.4 What Can Be Done?

Some argue that government agencies’ influence over job creation is limited. According to Centre for Cities “a substantial body of academic work now shows that it

<sup>32</sup> Source: Is Work Good for Your Health and Well-Being (2006) Waddell C & Burton KA(2006). TSO.

<sup>33</sup> Source: Good Work: Job Quality in a Changing Economy: Coats D & Lekhi R; The Work Foundation (2008):

<sup>34</sup> Source: In-Work Poverty and the Recession Gottfried G, & Lawton K. Institute for Public Policy Research (IPPR) 2010.

<sup>35</sup> Source: The Child Poverty Act 2010 Office of Public Sector Information (2010)

<sup>36</sup> Source: <http://www1.landregistry.gov.uk/houseprices/>

<sup>37</sup> <http://www.london.gov.uk/who-runs-london/mayor/publications/business-and-economy/2010-living-wage-london>

<sup>38</sup> Source: The Role of Work in Low income Families with Children – A Longitudinal Qualitative Study, Graham J. et al Department for Work and Pensions (2005)

*is simply not within the power of government to stimulate growth of private sector jobs wherever it would most like for them to be located*<sup>39</sup>, but certain factors, such as good transport access and the presence of good quality universities are locational assets.

There is a prevailing view that public agencies should work with the market, rather than trying to create it. This is likely to mean a more responsive, rather than planned approach to job creation. However, both the CBI and the Government both stress the role that public agencies have in setting the conditions for private sector job creation. These include offering investors “*a favourable tax regime, predictable and reasonable regulation and business friendly planning laws*”; facilitating cooperation between countries and improving transport infrastructure, for example.

### **Improving Physical Assets and Releasing Land for Employment Use**

The Government White Paper, *Local Growth: Realising Every Place’s Potential* places a strong emphasis on local authorities’ role in using its planning powers, ensuring a responsive supply of land, making effective use of its land assets to support growth. This approach to making better use of physical assets, seems to be echoed in a number of recent studies that have been undertaken on behalf of Brighton & Hove City Council.

*Brighton & Hove: Sustaining City Growth (2009)*, suggested that there needed to be a “more positive attitude towards new development” and that the city’s future economic performance is constrained because “too many projects are held back”.

*The Business Retention and Inward Investment Strategy (2009)* suggests that the long timescales for bringing forward new developments have contributed to a “fear” from both developers and agents that occupiers are being “forced to consider alternative towns across Sussex”.

The recent *Brighton & Hove Business Survey (2010)* suggested that improving the quality of business accommodation in the city was, arguably “the most pressing business development issue for the city”.

The *Brighton & Hove Core Strategy* emphasises the need to identify and safeguard sites and premises to meet demands for high growth and key employment sectors. It suggests that there will be a need for an additional 20,000 sq.m of employment land space after 2016, even if the proposed developments are brought forward.

### **Developing Internationally Trading Businesses**

South East businesses export goods worth an estimated £29 billion to the region each year. There appears to be potential to increase exporting activity within the region, since around 15% of SME businesses that have never exported believe that their products or services could easily be sold overseas<sup>40</sup>. Although manufacturers are most likely to export, businesses in the transport and communications and the business and financial services sectors are also quite likely to be exporters.

The Coast to Capital Local Enterprise Partnership (LEP) proposal places a strong emphasis on “international trade-led growth”. The city’s universities already generate £32m of in exports and its international brand, new digital media cluster, access to

<sup>39</sup> Source: *Private Sector Cities – Anew Geography of Opportunity*. Webber C & Swinney P Centre for Cities. 2020

<sup>40</sup> Source: South East Business Monitor Business Link South East

international markets through Gatwick and London; and the cultural and language skills of its residents, suggest that the city should be well-placed to support the international trade agenda.

The city needs to identify and support its growth oriented exporting businesses, capitalise on the internationalism of its universities; and understand the supply chain linkages between its businesses and the internationally trading businesses in the LEP area, particularly around Gatwick Airport.

### **Supporting the Growth of Environmentally and Socially Focused Businesses**

There is increasing interest in “ethical trading” and developing a business culture that has a stronger social and environmental focus. At national level, this is part of the Government’s ‘Big Society’ agenda, the new approach to delivering public services and the commitment to a low carbon economy. A study on behalf of Business Link (South East) found that there was an apparent link between using ethical criteria and business growth. Some 36% of growing businesses use ethical criteria compared with 29-30% of those with stable or declining turnovers<sup>41</sup>.

According to the IPPR, green jobs could play an important part “in tackling inequality and improving job prospects of people who often do badly in the labour market”. However, it suggests that “there is very little work being done” in this area across the UK at the moment. However, the report identifies a number of case studies, where green jobs are being used to tackle local worklessness.

The Birmingham *Green New Deal*, which was launched in January 2010 provides whole house energy efficiency retrofits and solar photovoltaic installations to private householders across the city, with the aim of creating 270 new jobs and apprenticeships by 2026.

In London, the Retrofit for the Future programme has been set up to maximise green job opportunities arising from investment to tackle low carbon reduction in residents’ homes. The programme aims to cover all areas of London, visiting between 200,000 to 500,000 properties by 2012 and 1.2 million domestic properties by 2015 subject to the leverage of additional finances from government. A brokerage system matches clients to job vacancies such as Domestic Energy Assessors, Home Energy Advisors, and Loft and Cavity Wall Insulation Installers.

In Kirklees, more than 60,000 households were offered free cavity-wall and loft insulation through Kirklees Warm Zone. This resulted in savings of 34,000 tonnes of CO<sub>2</sub> annually and creating nearly 60 jobs. The programme has been funded through council borrowing matched by funding from energy companies<sup>42</sup>.

At local level, Brighton & Hove a population that is largely committed to sustainability principles, a City Council that has prioritised the Environmental Industries for support, an active social enterprise network, and according to stakeholders, a growing interest in ethical business amongst students and staff at its two universities. Budgets in the health and social care sectors are being devolved to service users, which may provide new opportunities for social enterprises in the future.

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<sup>41</sup> Source: South East Business Monitor: Business Link South East

<sup>42</sup> Source: <http://www.kirklees.gov.uk/community/environment/energyconservation/warmzone/warmzonemenu.shtml>

### **Facilitating Peer to Peer Business Support Networks**

The changing business support landscape provides both a challenge and an opportunity locally. Mainstream business support is expected to be delivered mainly on-line and via a national call centre, with the Government emphasising the importance of business-to-business support. This may still need facilitating, with the City Council and its partners supporting the development and sustainability of peer to peer networks. This is likely to be particularly important in a city like Brighton & Hove, which has such a high business density and, whose economy is disproportionately dependent on freelancers and self-employed workers.

## 7: Supporting Local People

### 7.1 Why Local People Need Support

Recent experience suggests that increasing the supply of jobs is not enough if local people are either unable or unwilling to access them. Unless local people are equipped to compete for these jobs, there is unlikely to be a reduction in worklessness, many of its graduates will remain under-employed, and good quality jobs will be filled by mobile residents from elsewhere.

Overall, Brighton & Hove residents have high levels of qualifications and good skill levels. Indeed, the quality of its resident population is a key asset for potential inward investors. However, in common with many other cities and towns, there are large numbers of local people who continue to find it difficult to find jobs and progress through the labour market. These people tend to have low qualification levels. Many also have significant health problems and often need long-term, personalised support before they are in a position to enter or re-enter the labour market.

The City Council has a strong commitment to reducing inequality for reasons of both social justice and economic development. The Reducing Inequality Review undertaken on behalf of Brighton & Hove City Council in 2007 suggested that there was a need to draw together *“the demand and supply side action in the labour market, helping people on benefit overcome barriers to employment and at the same time working with employers to maximise the jobs available”*<sup>43</sup>.

Local people have no absolute right to fill jobs that are created in the city, but it is arguably the responsibility of local agencies to assist them to do so. This may mean:

- Ensuring that there is the right range of jobs in the city, so that people with different skill levels can enter and progress through the labour market;
- Addressing ‘supply side’ barriers to work, including equipping people with the right skills and attitudes to enable them to compete effectively; and
- Removing transitional barriers that make it difficult for people to compete for jobs, addressing transport, benefit and childcare barriers and ensuring that there is a good supply of high quality information and advice about the opportunities that are available.

Some of these issues may be beyond the scope of local agencies alone and be much more dependent on national approaches to welfare. However, what is clear is that prior to the 2008/09 recession, job gains were not matched by an equivalent reduction in out-of-work benefit claimants. This is shown in the figure below.

**Figure 11: Relationship Between Job Growth and Worklessness Reduction 2001-2008**

Year	Increase in Jobs	Out of Work Benefit Claimants	Ratio of Job Growth to Out of Work Benefit Reduction
England	1,091,341	-345,060	3.2:1
Brighton & Hove	8,592	-1,840	4.7:1

Source: Annual Business Inquiry 2001-2008 and DWP Benefit Claimants 2001-2008

<sup>43</sup> Source: p5: Developing Appropriate Strategies for Reducing Inequality in Brighton & Hove. Phase 2: Addressing the Challenge of Inequality in Brighton & Hove OCSI & Educe Ltd December 2007

The number of employee jobs in the city increased by 8,600 between 2001 and 2008, but this did not result in an equivalent fall in the number workless residents. There were 4.7 additional jobs in the city for each person who stopped claiming out of work benefits before the 2008/09 recession.

This pattern is not peculiar to Brighton & Hove, but does appear to be more marked in the city compared with England as a whole. Between 2001 and 2008, there were an additional 1,091,341 jobs in England, but there were only 345,000 fewer out of work benefit claimants. This means that there were, on average, 3.2 additional jobs for every person who stopped claiming out of work benefits.

Since February 2008, the number of people claiming out of work benefits in Brighton & Hove has increased by 3,400 and by February 2010, it was at a higher level than at any time since November 1999. The more severe economic climate makes it even more challenging to ensure that future job growth benefits local residents. The city should seek to avoid a post-recession scenario that is strong on job creation, but which fails to develop and utilise its existing human capital.

All cities have significant numbers of working age residents who are out of work. Some of these are students, and others are voluntarily outside the labour market because they are looking after a home or family or because they have elected to withdraw from the labour market before the statutory retirement age.

Some areas, like Brighton & Hove, also have large numbers of residents who are either under-employed or who commute long distances to find suitable work. The city has a significant undergraduate and graduate population, who are potentially real assets to the city's economy, if their skills are effectively deployed. However, as the Brighton & Hove Economic Strategy suggests, there are still "too many PhDs serving cappuccinos"<sup>44</sup>.

However, this section focuses on the where it seems that support is most likely to be needed to improve the prospects of local people:

- a) Out of Work Benefit Claimants; and
- b) Young People.

## **7.2 Out of Work Benefit Claimants**

Persistently high levels of working age residents claiming out of work benefits is a significant source of concern for the Coalition Government. It plans to overhaul the benefits system in order to increase incentives to work. It suggests, the current benefits system is "too cumbersome" to enable people to be flexible in taking work and it has "failed to tackle inter-generational disadvantage and poverty"<sup>45</sup>. It argues current arrangements leave many people facing "poor work incentives", making it difficult for people to leave "the security of the benefits system", and fearful that it will be hard to get benefits re-instated should their new job not work out.

In its consultation document, 21<sup>st</sup> Century Welfare, the Government sets out plans for a "universal credit" for working age households, which would be withdrawn on a tapered basis, as earnings from employment increase. This approach would be combined with sanctions aimed at ensuring that those who are able to look for work,

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<sup>44</sup> Source: Raising Our Game, Brighton & Hove Economic Strategy 2008-2016. Brighton & Hove Economic Partnership 2008

<sup>45</sup> Source: 21<sup>st</sup> Century Welfare, Department for Work and Pensions July 2010

do so. It is not yet clear what impacts the proposed welfare reforms will have on workless and lower skilled residents within the city.

However, high levels of worklessness continue to be a challenge in Brighton & Hove. The city currently has more than 24,500 16-64 year olds who are claiming out of work benefits. This is 13.7% of the working age population, a similar level to Plymouth, Norwich and Luton, but much higher than places like Cambridge (7.0%), Oxford (8.0%), York (8.5%) and Reading (10.6%).

The Reducing Inequality Review suggested that people with low skills are “being squeezed out of the labour market”, with only 53% of people with no qualifications being in employment. The review also suggested that some groups, such as Black Caribbean, Black African and Pakistani residents, homeless people, ex-offenders and drug users are also more likely than other groups to be workless.

### **Minority Ethnic Groups**

There are estimated to be around 17,000 (9%) minority ethnic 16-64 year olds in Brighton & Hove, the majority of whom (11,600) are in the 25-49 age group. The largest non-white minority ethnic group is ‘other’; which includes all categories, except for ‘mixed’, Pakistani/Bangladeshi, Indian, and Black or Black British. Employment rates amongst minority ethnic groups (69%) are marginally below those of the white (72%) population in the city, but the differences from the available data are not statistically significant.

More detailed analysis is difficult, given small sample sizes in the Annual Population Survey, but the pattern suggests that the employment rate amongst ethnic minority males may be higher than amongst their white counterparts, whilst that amongst ethnic minority females appears to be lower. Once in work people from BAME groups seem no more likely to be in lower level occupations than the city’s white residents. Indeed around one in five (20%) of all professionals who live in the city may be from non-white minority ethnic backgrounds<sup>46</sup>.

Employment rates do not capture the reasons why people are not in work – many may be students, for example. However, amongst all people, the majority (66%) of working age people who are not in employment report that they do not want a job. This is much more likely to be the case for females (74%) than it is for males (56%).

Qualification levels are known to be a key determinant of worklessness. Indeed fewer than 6,000 Brighton & Hove’s residents who have no qualifications and only 14,000 with qualifications below Level 2 are in work<sup>47</sup>, compared with 63,000 who have a degree or equivalent level qualification.

Qualifications data from minority ethnic groups at local level are badly out of date. However, the 2001 Census data shows that minority ethnic residents in the city are less likely to have no qualifications and qualifications below Level 2; and are much more likely to have degree or equivalent level qualifications than their white counterparts, reflecting their apparently good labour market position<sup>48</sup>

Two-thirds (65%) of all residents with no qualifications were aged 50+ in 2001, and minority ethnic residents accounted for only 2.9% of residents in this age group. It is,

<sup>46</sup> Source: Annual Population Survey (2009-2010): NB Confidence levels +/- 11.3%

<sup>47</sup> Source: Annual Population Survey December 2009

<sup>48</sup> Source 2001 Census: (Aged 16-74 years) No qualifications: White 23%; BAME 15%; Below Level 2 – White 36%; BAME 24%; Level 4/5: White 28%; BAME 39%

therefore, possible that age may be partly explain the difference in qualification levels between white and minority ethnic residents in the city. The only minority ethnic group where low qualification levels were proportionately much higher than amongst white residents in 2001 were Bangladeshis. Of the 39,000 16-74 year olds in the city who had no qualifications, 250 (43%) were Bangladeshi.

### People with Disabilities

Around one in six (17%) of 16-64 year old residents in the city classify themselves as 'disabled', with females (55%)<sup>49</sup> being marginally more likely to do so than males. The proportion of disabled working age residents has remained fairly constant for the past five years.

There is a significant difference in economic activity rates between disabled and non-disabled people, however. The employment rate for disabled people is 43%, compared with 77% amongst people who are not disabled<sup>50</sup>. For the employment rate of disabled people to equal to that of non-disabled people, there would need to be 10,000 more disabled people in work.

According to the Annual Population Survey, the disabled working age residents are most likely to report that they have blood or circulatory problems, or stomach, liver, kidney or digestive conditions or diabetes (23,000). However, at 61%, this group has a relatively high employment rate. Worklessness seems to be proportionately much higher amongst people with mental health, rather than physical health conditions<sup>51</sup>.

In common with elsewhere, Incapacity Benefit/ESA claimants account for over half the city's out of work welfare benefit claimants. (see Figure 11 below)

**Figure 12: Out of Work Benefit Claimants: February 2010**

	number	Share of Workless
Job seeker	7310	30%
ESA and incapacity benefits	13520	55%
Lone parent	2840	12%
Others on income related benefit	840	3%
<b>Out-of-work benefits</b>	<b>24510</b>	<b>100%</b>

Source: DWP Out of Work Benefit Claimants February 2010 via NOMISWEB

ESA/Incapacity Benefit claimants are more likely than other claimants to have been out of work for a long period and be older than other claimants. Whilst claimants suffer from a wide range of conditions, they are more likely to suffer from mental and behavioural disorders than any other type of condition. Indeed, the relationship between poor health and worklessness, may be at least as close as the relationship between skills and worklessness.

<sup>49</sup> Source: Annual Population Survey 2010 via NOMISWEB

<sup>50</sup> ibid

<sup>51</sup> Source: Annual Population Survey April 2010 suggests that the employment rate for people with mental health is 24% compared with 58% for people with other forms of health conditions, but error margins are wide, so the figures should be viewed indicatively.



## Gender

There are more males (14,000) than females (10,500) claiming out of work benefits in the city, but their reasons for claiming tend to be different from each other.

**Figure 13: Out of Work Benefit Claimants by Gender: February 2010**

	Male		Female		Female Share
	Number	%	Number	%	%
Job seeker	5,110	37	2,200	21	30
ESA and incapacity benefits	8,150	58	5,370	51	40
Lone parent	110	1	2,730	26	96
Others on income related benefit	620	4	210	2	25
Out of Work Benefit Claimants	13,990	100	10,510	100	43

Source: DWP via NOMISEB February 2010

Males are more likely to be claiming Jobseekers Allowance and IB/ESA, whilst almost all the lone parent claimants (96%) in the city are female. This suggests that there may need to be different approaches to addressing worklessness for males and females.

## Jobseekers

Jobseekers account for around one in three (30%) out of work benefit claimants. This group is likely to be much closer to the labour market, younger, male and to have been out of work for shorter periods. The most significant change in the profile of worklessness since the 2008/09 recession has been the increase in jobseekers. There were 3,000 more jobseekers in the city in February 2010 than there had been two years earlier and the number of people claiming Job Seekers Allowance was higher than at any time in the previous ten years.

## Lone Parents

The most significant reductions in worklessness have been amongst **lone parents**, who now account for just over one in ten of all out of work benefit claimants. Lone parents are almost always female and mainly under the age of 44 years, so many are of prime working age. In 2001, there were 4,000 lone parents claiming out of work benefits, but by 2008, this had fallen to 3,300. There has continued to be a reduction in the number of lone parent claimants since the recession and there are now just 2,800 claimants in the city. Changes in the eligibility criteria have been a factor in reducing the number of lone parent claimants.

## Neighbourhoods

Worklessness is also concentrated in particular **neighbourhoods**, although there are out-of-work benefit claimants in all parts of Brighton & Hove. This is nothing new and it why there has been a strong spatial element to employment support initiatives in the past. In February 2001 more than one in three out of work benefit claimants lived either East Brighton, Queen's Park, Moulsecomb & Bevendean or St. Peter's & North Laine. In 2008, the same wards accounted for a similar (35%) of all out of work benefit claimants in the city and since the 2008/09 recession the number of workless residents in these wards has increased at a similar rate across the city as a whole. This supports the findings of the Reducing Inequality Review that there is

little evidence of success in 'closing the gap' between the most disadvantaged areas and the rest of the city in relation to worklessness.

### **7.2.1 What Can Be Done?**

In the current environment, it is difficult to know whether the number of people on out-of-work benefits can realistically be reduced by 2014. Much will depend on the ability of the private sector to create new jobs and the impact of the Government's welfare reform programme.

Stakeholders have expressed some concern that output related funding and contracting with large suppliers may result in approaches to employment support may not be sufficiently responsive to local circumstances. Voluntary and community sector organisations are expected to continue to have a significant role in engaging and supporting workless adults that large organisations and Government agencies find more difficult to engage.

There will need to be effective links between community outreach workers and job placement and Information, Advice and Guidance workers, so that 'work-ready' people can be effectively signposted and supported into sustainable employment and training.

There may be a role for the City Employment and Skills Steering Group to act in an advisory or scrutiny capacity to ensure that large contractors provide locally distinctive services and engage the right local groups to enable them to deliver effectively.

## **7.3 Young People**

Perhaps one of the biggest challenges the city faces is improving the employment prospects of young people. The rate of increase in JSA claimants since the 2008/09 recession has been fastest amongst people under the age of 25 years, NEET rates remain fairly high and, most worryingly, Key Stage 4 achievement remains well below the national average in a city where qualification levels amongst its residents are exceptionally high.

Furthermore, the proposed raising of participation age (RPA) to 17 in 2013 and 18 in 2015 is likely to mean that more attractive vocational pathways will be needed to engage young people who are currently most likely to be at risk of labour market and educational exclusion.

In the mid to late 1980s around one in three claimant count unemployed people in the city were aged 24 years or under. There was then a steady proportionate decline until the middle of 2001. Since then, young people have accounted for a growing share of claimant count unemployed residents and by September 2010 more than a quarter (27%) of claimants were aged 24 and under.

The city is also considered to have high NEET rates. In November 2009 there were 640 16-18 known NEETs in the city. This is higher than in November 2007 (610) and in November 2008 (590). The NEET rate in Brighton & Hove was 8.8% in November 2009, which is similar to pre-recession rate in 2007 (9.3%). The question of whether the city has a high NEET rate is often a source of some debate, but it seems difficult to establish what might be an acceptable NEET rate without reference to wider labour market conditions.

The NEET rate has remained quite stable despite worsening labour market conditions. The 8.8% NEET rate in November 2009 was similar to the city's unemployment rate (8.5%) at the time and there is good evidence that Brighton & Hove has performed well in reducing NEETs, when considered in relation to the city's labour market. In November 2008, the NEET rate was 1.1 times the city's unemployment rate and in November 2007, it was 1.5 times the rate. The median ratio of NEET rates to unemployment rates across the South East is 1.0, the same as in Brighton & Hove, which suggests that, relative to elsewhere, Brighton & Hove's NEETs performance is adequate.

Despite the very high proportion of the city's adult residents who have higher level qualifications, GCSE attainment within the city's schools is well below the national average.

**Figure 12: GCSE Achievement 5 A\*-C Grades (including English & Maths) 2006-2009**

	2006	2007	2008	2009
Brighton & Hove	41.8%	43.5%	44.5%	44.5%
England (maintained schools only)	44.0%	45.8%	48.2%	50.7%
Achievement Gap	-2.2%	-2.3%	-3.7%	-6.2%

Source: School Achievement Tables: Department of Education 2010

Only 44.5% of 15 year olds studying in the city's maintained schools achieve five GCSEs A\*C (including English and Maths), compared with more than 50% across England as a whole. Furthermore the achievement gap has widened significantly since 2006.

Across the South East, only the Isle of Wight, Southampton and Portsmouth have lower GCSE attainment levels, but none of these economies has a working age population that is anywhere near as well qualified as that in Brighton & Hove.<sup>52</sup> This mismatch between GCSE achievement of young people in the city and the qualification levels of its resident population is quite striking.

Failure to achieve five GCSEs A\*C (including English and Maths) at 15 years makes it difficult for young people to progress onto higher levels of learning and to eventually compete for quality jobs. This is particularly the case in somewhere like Brighton & Hove, where the adult population is so well qualified. .

City College, Brighton & Hove and neighbouring Northbrook College provide large numbers of Increased Flexibility (IF) learning programmes in vocational areas for 14-16 year olds. These are seen to be successful in engaging young people who may otherwise be at risk of under-achievement.

The Sussex Progression Accord provides guaranteed offers of places or interviews at the University of Sussex and the University of Brighton for students from local schools and colleges who achieve the right entry grades for certain subjects.

The Brighton & Hove Apprenticeship Scheme provides apprenticeship opportunities for young people within the City Council and the accompanying strategy has set out plans for an additional 500 apprenticeship places across the city by 2012.

<sup>52</sup> Proportion of 16-64 year olds with Level 4 qualifications: Brighton & Hove (43%); Southampton (30%); Portsmouth (27%); Isle of Wight (22%). Annual Population Survey December 2009. Proportion of 15 year olds achieving five A\*-C (including English and Maths: Brighton & Hove (44.5%); Southampton (43.1%); Portsmouth (39.5%); Isle of Wight (41.6%). Department for Education Achievement and Attainment Tables 2009

However, there remain challenges for young people in the city. A recent study into the potential demand for additional post-14 learning provision in the west of the city and in Adur<sup>53</sup> found that there were particular concerns about young people being unable to make the transition from post-16 Level 2 onto Level 3 learning programmes and there are on-going national concerns about providing more flexible vocational pathways into higher levels of study.

The structure of the city's labour market may make it difficult for young people to compete effectively for many jobs. A high proportion of the city's employment is flexible (i.e: part-time and self-employed); it has a strongly service sector economy that relies heavily on people with strong interpersonal skills, which can take time to develop; and its high business density suggests that its businesses are predominantly small, which may be less likely to take on staff that need training.

Given the difficult economic conditions and the competitive nature of the city's labour market, it is likely to continue to be difficult for local young people to compete in the labour market without on-going support to help them to do so. School achievement has to at least match the national average in a city like Brighton & Hove and, whilst the NEET rate is not unduly high, the Raising of Participation Age is likely to mean that there will be a need to focus even more strongly on the vocational training needs of young people

### **7.3.1 What Can be Done?**

Attainment amongst young people in the city's schools, compared with the qualification levels of the city's working age population is so poor that addressing the needs of the city's young people could be seen as the most important priority for the city.

Without a good level of education, it is difficult to see how young local people can compete effectively in, or beyond, the city's labour market. Although this may be primarily a school issue, organisations and businesses across the city can make a contribution to improving the prospects for its young people.

This means expanding education-business support activities, so that they become high profile and a mark of the city's commitment to its young people. It means building on and expanding the Brighton & Hove Apprenticeship Scheme and developing pre-apprenticeship agreements between the city's employers and young people. It means providing vocational pathways that provide young people with a clear learning journey that they can follow from school through to higher levels of study.

There need to be high quality, co-ordinated Information, Advice and Guidance and support services that enable young people to make the right choices, businesses to access the right young people; and learning suppliers to provide the right type of training. Public sector procurement and planning agreements should look to incorporate measures that provide additional support to young people through work placements, involvement in employee mentoring programmes and other education-business partnership activity.

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<sup>53</sup> Source: Additional Demand for Post-14 Vocational Learning in Adur and West Hove. Step Ahead Research on behalf of Northbrook College and City College, Brighton & Hove (2010)

## **8. Making it Happen**

### **8.1 Background**

The City Employment and Skills Steering Group (CESSG) oversaw progress against actions in the annual action plans between 2008 and 2011. It was chaired by a senior officer from Brighton & Hove City Council, which also provided the secretariat to the group.

The CESSG met on a quarterly basis to review progress against actions and to develop new actions in response to changing labour market conditions. There were more than 25 representatives from organisations across the city involved in the delivery of employment and skills support activities, including externally-based organisations, such as SEEDA. Each representative signed up to a Memorandum of Accord that committed their organisation to working towards the priorities identified in the CESP 2008-2011.

Progress against actions were recorded on a shared system, 'Interplan' and the action plan was delivered through six themes, each with a named lead organisation: Business Support (Brighton & Hove City Council (BHCC), Economic Development); Entrepreneurship (BHCC, Economic Development); Inward Investment and Retention (BHCC, Economic Development); Information, Advice and Guidance (BHCC, Children and Young People's Trust); Pre-Employment and Training (Job Centre Plus); In Employment Training and Support (BHCC Children and Young People's Trust); and Partnership Working (BHCC, Economic Development).

Indicators were linked to targets contained within the Brighton & Hove Local Area Agreement and timetabled actions that supported the objectives and priorities were attributed to named organisations.

Members of the CESSG included representatives from other partnerships within the city and the group was represented on the Local Strategic Partnership by the Principal of City College, Brighton & Hove.

### **8.2 Role of the CESSG**

The organisational context and, therefore, the role and composition of the group is likely to change significantly for the 2011-2014 period. The main roles of the CESSG for the 2011-2014 period should be to:

- A: Provide a co-ordinated lobbying, advocacy and influencing role to ensure that funding organisations, policy-makers and service providers, (including the Local Enterprise Partnership, City Council commissioners and welfare to work providers) design and deliver interventions that reflect identified employment and skills needs;
- B: Act as an intelligence-sharing forum for organisations involved in the delivery of business support, employment and skills activities;
- C: Be recognised as the main consultative group on employment and skills related issues and provide the governance structure (steering group) for newly funded employment and skills projects;
- D: Develop effective working arrangements with other partnerships within the functional economic area; and to

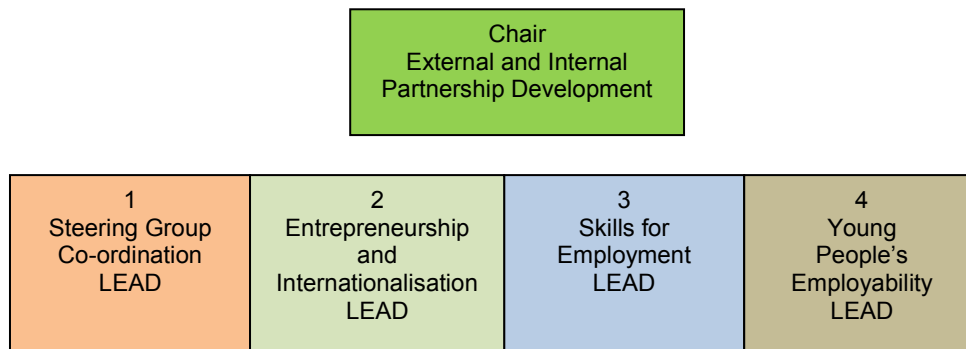
E: Monitor and review progress against the strategic priorities and update the action plan on an annual basis.

### 8.3 Composition of the CESSG

The CESSG should reflect the need to balance both the priority to support the creation of jobs and the priority to equip local people to compete for them; it needs to be both internally and outwardly focused; and it needs to have sufficient authority to develop a co-ordinated approach to achieving the agreed priorities.

It should be chaired by senior person who is credible to elected members of the City Council, as well as the business and community sectors; and who can develop strong links with partnerships and organisations, including national Government departments, outside Brighton & Hove. Ideally, this could be a prominent business representative or a senior member of staff from an influential partner organisation.

The chair should be supported by 'Leads' who have overall responsibility for co-ordinating and reporting on progress on actions under each of the sub-priorities, namely:



The role of each lead will be to:

- Establish and review actions to be taken and the support that will be needed to support each sub-priority on an on-going basis
- Identify linkages with internal and external partnerships and take forward identified joint actions;
- Act as the 'spokesperson' and advocate for the CESSG on issues related to their sub-priority;
- Provide quarterly updates to the CESSG on relevant issues
- Influence the allocation of resources toward the agreed priorities and seek new external funding to support activities
- Leading an annual 'themed' event or discussion.

For the CESSG to be effective, it needs to have the right representation, for meetings to be relevant to members and for attendance to be consistent. It, therefore, makes sense to keep the 'core' membership to a fairly tight group, with a wider group of representatives being invited on an ad hoc basis to provide evidence on and contribute to themes that are relevant to their areas of expertise.

These could be planners or commercial property experts to discuss progress on securing the sites needed to support employment growth and development; health and social care commissioners or social enterprise leaders to advise on how support for social enterprise development; specialist voluntary and community sector

providers or benefit advisers to provide updates on supporting people on benefits into work; Education-Business Partnership staff to advise on the needs of young people; graduate careers services to add their support to improving the employment of undergraduates and graduates; and European funding officers to provide grant funding advice and support.

It is recommended that the CESSG meets regularly throughout the year, to update on progress against the action plan, to gather evidence and determine new actions within each of the themes. These events should be attended by the core CESSG team and additional invitees and expert witnesses from both within and outside the city.

External partnerships are likely to be central to the success of addressing employment and skills issues in the city. This will include establishing the parameters of where the responsibilities of the CESSG start and finish within the city and also in terms of ensuring the city's issues are addressed externally. The Chair will have overall responsibility for ensuring that this happens, but each 'Lead' will undertake a review of where the CESSG can contribute to each partnership within the city and assess and make recommendations as to how the CESSG can contribute to and influence partnerships, organisations and Government agencies outside the city within their theme.

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## Annex II: List of Consultees

Annie Alexander	Brighton & Hove Primary Care Trust
Chris Baker	University of Brighton
Paul Bramwell	Working Together Project
Philip Britton	Skills Funding Agency
Richard Butcher-Tuset	Brighton & Hove City Council
Graham Clarke	Skills Training UK
Judith Cousin	Business Community Partnership
Joe Davenport	Brighton & Hove City Council
Linda Ellis	Brighton & Hove City Council
Cllr Ayas Fallon-Khan	Brighton & Hove City Council
Viki Faulkner	Sussex Learning Network
Cheryl Finella	Brighton & Hove City Council
Phil Frier	City College, Brighton & Hove
Angela Gaitani	Brighton & Hove City Council
Emma Gilbert	Brighton & Hove City Council
Steven Hird	Brighton & Hove City Council
Kerry Kyriacou	Business Link (South East)
Alison Marino	Brighton & Hove Volunteer Centre
Tony Mernagh	Brighton & Hove Economic Partnership
Richard Miles	Brighton & Hove City Council
Paula Murray	Brighton & Hove City Council
Simon Newell	Brighton & Hove City Council
Michael Nix	Brighton & Hove City Council
Sharon Phillips	University of Sussex
John Routledge	Brighton & Hove City Council
Dan Shelley	City College, Brighton & Hove
Graham Widdowson	Job Centre Plus
Caroline Wood	SEEDA

## Annex III: Data Tables

### A: Population

#### A1: Working Age Population Estimates for University Cities and Towns in the South

	16 - 64 Population	Share of Total Population	2004-2009 Change	
	Count	%	Count	%
Bournemouth	107,400	65	6,300	6
<b>Brighton and Hove</b>	<b>179,100</b>	<b>70</b>	<b>12,300</b>	<b>7</b>
Bristol, City of	306,300	71	34,400	13
Cambridge	90,700	75	12,800	16
Luton	127,300	66	8,800	7
Northampton	141,400	67	11,700	9
Norwich	99,900	71	15,100	18
Oxford	108,800	73	6,600	6
Plymouth	172,600	67	11,700	7
Portsmouth	142,200	70	11,300	9
Reading	106,900	70	9,100	9
Southampton	167,700	71	12,400	8

Source: Mid Year Population Estimates 2004-2009 via NOMISWEB

#### A2: Population Projections in Brighton & Hove

AGE GROUP	2010		2014		2020	
	Number	Share of All	000	Share of All	000	Share of All
Pre-Working Age	41,800	16%	42,600	16%	44,500	16%
Working Age	179,600	70%	183,400	70%	188,300	70%
Post Working Age	35,700	14%	36,600	14%	37,500	14%
<b>All ages</b>	<b>257,300</b>	<b>100%</b>	<b>262,700</b>	<b>100%</b>	<b>270,200</b>	<b>100%</b>

Source: Office of National Statistics (2010)

#### A3: Brighton & Hove Population as a Share of the Coast to Capital LEP Area

	2010 Share
Pre-Working Age	13%
Working Age	17%
Post Working Age	12%
<b>All ages</b>	<b>15%</b>

Source: Office of National Statistics (2010)

## B: Businesses and Entrepreneurship

### B1: Self Employed Residents as a % of Working Age Residents in Work

	16-64 Working Population in Work	Self Employed	
	Count	Count	Share of Residents in Work
Bournemouth	70,000	9,700	14%
<b>Brighton &amp; Hove</b>	<b>129,600</b>	<b>22,500</b>	<b>17%</b>
Bristol	212,200	24,700	12%
Cambridge	64,600	8,800	14%
Luton	83,000	13,700	17%
Northampton	100,500	10,500	10%
Norwich	70,000	5,400	8%
Oxford	78,500	7,400	10%
Plymouth	118,500	10,100	9%
Portsmouth	97,500	10,600	11%
Reading	75,700	5,300	7%
Southampton	114,600	12,500	11%

Source: Annual Population Survey 2009 OS via NOMISWEB

### B2: Self Employed Residents as a % of Working Age Residents in Work in Brighton & Hove and the Coast to Capital LEP Area

	16-64 Working Population in Work	Self Employed Residents	
	Count	Count	Share of Residents in Work
Brighton & Hove	129,600	22,500	17%
Coast to Capital LEP Area	795,200	118,900	15%
Brighton & Hove Share	16%	19%	

**B4: Three Year Survival Rate of Businesses Born in 2003 and 2005**

3 Year Survival Rate	2003	2005	2008		
	%	%	Stocks	16-64 Population	Business Density (per 10,000 16/64 residents)
Bournemouth	66.5	60.1	6,680	107,400	622
<b>Brighton and Hove</b>	<b>65.1</b>	<b>67.6</b>	<b>12,230</b>	<b>176,800</b>	<b>692</b>
Bristol	65.0	63.7	15,250	300,800	507
Cambridge	66.7	67.6	4,650	88,600	525
Luton	59.3	55.7	5,175	124,600	415
Northampton	63.0	66.9	7,215	140,800	512
Norwich	63.3	61.0	4,575	97,300	470
Oxford	64.9	68.4	4,360	106,700	409
Plymouth	63.0	66.4	5,955	172,000	346
Portsmouth	61.1	61.5	5,720	138,500	413
Reading	63.4	67.1	5,935	105,200	564
Southampton	61.5	59.2	6,315	165,700	381

Source: Business Demography 2008: Office for National Statistics

**B5: Three Year Survival Rate of Businesses Born in 2003 and 2005 in Brighton & Hove and the Coast to Capital LEP Area**

	Stocks	16-64 Population	Business Density (per 10,000 16/64 residents)
Brighton and Hove	12,230	176,800	692
Coast to Capital LEP Area	62,580	1,075,400	582
Brighton & Hove Share of LEP Area	19.5	16.4	

**B6: Three Year Survival Rate of Businesses Born in 2003 and 2005 by Sector (England)**

Sector	2003	2005
Production	64.8	65.5
Construction	66.0	66.9
Motor trades	63.6	65.3
Wholesale	58.2	62.7
Retail	62.5	63.5
Hotels & catering	54.0	55.1
Transport	62.6	63.3
Post & telecommunications	60.1	59.8
Finance	63.1	63.4
Property & business services (Excl 7415)	64.7	66.1
Education	75.3	73.8
Health	77.4	75.6
Other services	65.6	65.2
All Sectors	63.6	64.7

**B7: Business Units in Brighton & Hove by Sector**

	number	percent	Location Quotient (England)	Location Quotient (Coast to Capital)
Agriculture & Utilities	54	0.4	0.5	0.7
Manufacturing	448	3.3	0.6	0.7
Construction	1,286	9.6	0.8	0.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	2,306	17.2	0.9	1.0
Transportation and storage	215	1.6	0.5	0.6
<i>Accommodation and food service activities</i>	<i>1,118</i>	<i>8.3</i>	<b>1.2</b>	<b>1.3</b>
<i>Information and communication</i>	<i>1,432</i>	<i>10.7</i>	<b>1.6</b>	<b>1.2</b>
Financial and insurance activities	338	2.5	0.9	0.9
Real estate activities	537	4.0	1.1	1.1
Professional, scientific and technical activities	1,916	14.3	1.0	0.9
Administrative and support service activities	1,130	8.4	1.1	1.0
<i>Public administration and defence; compulsory social security</i>	<i>123</i>	<i>0.9</i>	<i>1.0</i>	<b>1.3</b>
Education	348	2.6	1.0	1.1
<i>Human health and social work activities</i>	<i>885</i>	<i>6.6</i>	<b>1.3</b>	<b>1.2</b>
<i>Arts, entertainment and recreation</i>	<i>677</i>	<i>5.0</i>	<b>1.6</b>	<b>1.5</b>
Other service activities	609	4.5	1.0	0.9
Column Total	13,422	100.0	1.0	1.0

Source: Annual Business Inquiry (2008) via NOMISWEB

### B8: Employees in Employment by Sector in Brighton & Hove

	number	percent	LQ(England)	LQ (Coast to Capital)
Agriculture & Utilities	2,085	1.7	1.5	1.5
Manufacturing	2,787	2.3	0.2	0.4
Construction	3,688	3.1	0.6	0.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	17,310	14.5	0.9	0.9
Transportation and storage	3,488	2.9	0.6	0.5
Accommodation and food service activities	11,208	9.4	<b>1.4</b>	<b>1.4</b>
Information and communication	5,627	4.7	<b>1.2</b>	1.1
Financial and insurance activities	8,492	7.1	<b>1.7</b>	<b>1.2</b>
Real estate activities	1,945	1.6	1.1	1.1
Professional, scientific and technical activities	7,346	6.2	0.9	0.9
Administrative and support service activities	11,701	9.8	<b>1.2</b>	1.1
Public administration and defence; compulsory social security	4,377	3.7	0.7	0.8
Education	14,769	12.4	<b>1.3</b>	<b>1.3</b>
Human health and social work activities	16,909	14.2	<b>1.2</b>	1.1
Arts, entertainment and recreation	4,370	3.7	<b>1.5</b>	<b>1.5</b>
Other service activities	3,112	2.6	<b>1.2</b>	1.1
Column Total	119,214	100.0	1.0	1.0

Source: Annual Business Inquiry (2008) via NOMISWEB

### B9: Business Units in Brighton & Hove by Size and by Sector

Industry	Total	1-10	11-49	50-199	200+
	number	percent	percent	percent	percent
Agriculture & Utilities	<100	78	9	<b>9</b>	<b>4</b>
Manufacturing	400	88	10	2	0
Construction	1,300	<b>95</b>	5	0	0
Wholesale and retail trade; repair of motor vehicles and motorcycles	2,300	87	11	2	0
Transportation and storage	200	83	12	2	<b>3</b>
Accommodation and food service activities	1,100	76	<b>22</b>	2	0
Information and communication	1,400	<b>95</b>	4	1	0
Financial and insurance activities	300	75	<b>18</b>	<b>6</b>	1
Real estate activities	500	<b>96</b>	4	1	0
Professional, scientific and technical activities	1,900	<b>94</b>	5	1	0
Administrative and support service activities	1,100	88	9	2	1
Public administration and defence; compulsory social security	100	49	<b>34</b>	<b>15</b>	<b>2</b>
Education	300	59	<b>24</b>	<b>13</b>	<b>4</b>
Human health and social work activities	900	63	<b>33</b>	<b>4</b>	1
Arts, entertainment and recreation	700	<b>91</b>	6	2	0
Other service activities	600	<b>92</b>	6	1	0
Column Total	13,000	86	11	2	1

Source: Annual Business Inquiry (2008) via NOMISWEB



**B10: Number of Employees in Brighton & Hove by Size of Business and by Sector**

	ALL	1-10	11-49	50-199	200+
	number	percent	percent	percent	percent
Agriculture & Utilities	2,100	4	6	22	69
Manufacturing	2,800	38	32	30	0
Construction	3,700	60	33	8	0
Wholesale and retail trade; repair of motor vehicles and motorcycles	17,300	35	31	18	16
Transportation and storage	3,500	11	18	12	59
Accommodation and food service activities	11,200	36	46	14	4
Information and communication	5,600	40	24	21	15
Financial and insurance activities	8,500	9	16	20	55
Real estate activities	1,900	57	29	14	0
Professional, scientific and technical activities	7,300	45	28	13	14
Administrative and support service activities	11,700	19	19	21	41
Public administration and defence; compulsory social security	4,400	6	23	38	33
Education	14,800	4	16	26	54
Human health and social work activities	16,909	13	36	16	34
Arts, entertainment and recreation	4,400	29	22	30	19
Other service activities	3,100	49	24	16	10
Column Total	119,200	25	27	20	29

Source: Annual Business Inquiry (2008) via NOMISWEB

**B11: Difference in Occupations Between People Who Live and People who Work in Brighton & Hove (2010)**

	People Working in Brighton & Hove		People Living in Brighton & Hove		Difference	
	number	%	number	%	Number	%
Managers and Senior Officials	20,600	16	22,000	17	-1,400	-6.4
Professional Occupations	18,600	14	21,100	16	-2,500	-11.8
Associate Prof & Tech Occupations	24,300	19	24,300	18	0	0.0
Administrative and Secretarial Occupations	15,400	12	12,800	10	2,600	20.3
Skilled Trades Occupations : All people	9,900	8	11,100	8	-1,200	-10.8
Personal Service Occupations : All people	11,500	9	10,900	8	600	5.5
Sales and Customer Service Occupations : All people	12,100	9	10,500	8	1,600	15.2
Process, Plant and Machine Operatives	4,600	4	5,400	4	-800	-14.8
Elementary occupations	13,900	11	14,400	11	-500	-3.5
TOTAL	130,900	100	132,500	100	-1,600	-1.2

Source: Annual Population Survey (2010) via NOMISWEB

## C: Skills and Qualifications

### C1: Qualification Levels in University Towns and Cities

	% with NVQ4+ - aged 16-64		Below Level 2		Ratio of High Skill to Low Skill
	number	percent	number	percent	
Bournemouth	26,500	25%	26,300	27%	0.9
<b>Brighton and Hove</b>	<b>76,800</b>	<b>43%</b>	<b>32,900</b>	<b>20%</b>	<b>2.1</b>
Bristol	103,900	35%	70,700	27%	1.3
Cambridge	53,500	61%	14,000	18%	3.3
Luton	24,700	20%	41,700	33%	0.6
Norwich	29,200	30%	25,800	31%	1.0
Oxford	51,900	46%	20,800	21%	2.2
Northampton	28,200	21%	43,100	31%	0.7
Plymouth	40,300	24%	48,900	32%	0.8
Portsmouth	36,900	27%	36,300	29%	0.9
Reading	34,300	34%	21,500	23%	1.5
Southampton	49,900	30%	42,600	28%	1.1

Source: Annual Population Survey 2009 ONS via NOMISWEB

### C2: Qualification Levels: Brighton & Hove and the Coast to Capital LEP Area

	% with NVQ4+ - aged 16-64		Below Level 2		Ratio of High Skill to Low Skill
	number	percent	number	percent	
Brighton and Hove	76,800	43%	32,900	20%	2.1
Coast to Capital LEP	435,200	33%	288,700	24%	1.4
Brighton & Hove as a Share of LEP area	18%		11%		

Source: Annual Population Survey 2009 ONS via NOMISWEB

### Qualification Levels by Ethnic Group

	No Quals	Level 1	BELOW LEVEL 2	Level 2	Level 3	Level 4/5	Other
<b>ALL</b>	<b>22</b>	<b>14</b>	<b>36</b>	<b>18</b>	<b>12</b>	<b>29</b>	<b>5</b>
White - British	23	15	38	18	12	27	5
White - Irish	24	7	30	12	14	38	6
White - Other	10	5	15	12	20	46	7
<b>WHITE</b>	<b>23</b>	<b>14</b>	<b>36</b>	<b>18</b>	<b>12</b>	<b>28</b>	<b>5</b>
Mixed - White and Black Caribbean	12	13	25	21	17	33	4
Mixed - White and Black African	20	12	32	19	15	29	5
Mixed - White and Asian	9	7	17	20	19	41	3
Mixed - Other	10	8	18	19	22	38	4
<b>MIXED</b>	<b>12</b>	<b>9</b>	<b>21</b>	<b>20</b>	<b>19</b>	<b>36</b>	<b>4</b>
Asian - Indian	10	6	16	15	20	47	2
Asian - Pakistani	15	9	24	12	15	48	1
Asian - Bangladeshi	<b>43</b>	19	<b>62</b>	12	10	<b>11</b>	4
Asian - Other	13	5	19	17	15	45	5
<b>ASIAN</b>	<b>17</b>	<b>8</b>	<b>25</b>	<b>15</b>	<b>16</b>	<b>41</b>	<b>3</b>
Black or Black British - Black Caribbean )	11	13	24	18	16	38	4
Black or Black British - Black African )	15	9	25	21	18	32	4
Black or Black British - Other )	4	24	28	16	19	37	0
<b>BLACK</b>	<b>13</b>	<b>11</b>	<b>25</b>	<b>20</b>	<b>18</b>	<b>34</b>	<b>4</b>
Chinese or Other Ethnic Group - Chinese )	21	7	28	17	15	35	5
Chinese or Other Ethnic Group - Other )	17	6	22	13	14	45	6
<b>OTHER</b>	<b>19</b>	<b>6</b>	<b>25</b>	<b>15</b>	<b>15</b>	<b>40</b>	<b>5</b>
<b>ALL NON WHITE</b>	<b>15</b>	<b>9</b>	<b>24</b>	<b>17</b>	<b>17</b>	<b>38</b>	<b>4</b>

Source: 2001 Census

## D: Employment

### D1: Employment Rates in University Cities and Towns in the South (2004-2009)

Source: Annual Population Survey April 2004-March 2005 & April 2009-March 2010

	Employment rate - aged 16-64		Change Since 2004		
	number	Rate	Count Change	Percent Change	Rate Change (%)
Bournemouth	70,000	67.0%	-2,300	-3.2%	-5.8%
Brighton and Hove	129,600	71.6%	+6,300	+5.1%	-2.2%
Bristol	212,200	71.3%	+16,300	+8.3%	-1.3%
Luton	83,000	66.6%	-1,200	-1.4%	-4.1%
Cambridge	64,600	72.7%	+5,800	+9.9%	-1.7%
Northampton	100,500	73.2%	-1,800	-1.8%	-5.8%
Norwich	70,000	72.3%	+9,900	+16.5%	1.0%
Oxford	78,500	69.1%	+6,600	+9.2%	-0.7%
Plymouth	118,500	70.8%	+4,700	+4.1%	-1.4%
Portsmouth	97,500	71.4%	+4,800	+5.2%	-0.6%
Reading	75,700	74.7%	+1,500	+2.0%	-1.8%
Southampton	114,600	68.1%	+3,300	+3.0%	-3.8%

### D2: Employment Rates in Brighton & Hove and Coast to Capital LEP Area

	Employment rate - aged 16-64		Change Since 2004		
	number	Rate	Count Change	Percent Change	Rate Change (%)
Brighton & Hove	129,600	71.6%	6,300	+5.1%	-2.2%
Coast to Capital LEP	795,200	73.9%	13,100	+1.7%	-2.3%
Brighton & Hove as a Share of LEP Area	16%		48%		

Source: Annual Population Survey April 2004-March 2005 & April 2009-March 2010

### D3: Private Sector Employees in University Towns and Cities 2004-2008

Area	Private Sector Employees	Share of All Employees	Change Since 2004		Part-Time
	Count	%	Count	%	%
Bournemouth	54,382	72%	+2,403	+4.5%	34%
Brighton and Hove	83,095	70%	+5,276	+6.4%	32%
Bristol	165,015	71%	+3,700	+2.2%	28%
Cambridge	49,783	57%	+829	+1.9%	31%
Luton	64,533	76%	-2,873	-4.3%	25%
Northampton	93,204	74%	-2,701	-2.8%	23%
Norwich	67,067	74%	-3,951	-5.7%	35%
Oxford	58,265	54%	-341	-0.6%	28%
Plymouth	67,464	63%	-970	-1.4%	32%
Portsmouth	65,704	66%	+1,770	+2.6%	29%
Reading	75,264	77%	+85	+0.1%	25%
Southampton	73,918	67%	-6,771	-2.5%	27%

Source: Annual Business Inquiry (2004-2008) Office of National Statistics via NOMISWEB.

### D4: Private Sector Employees in Brighton & Hove and Coast to Capital LEP Area 2004-2008

	Private Sector Employees	Share of All Employees	Change Since 2004		Part-Time
	Count	%	Count	%	%
Brighton & Hove	83,095	70%	+5,276	6.4%	32%
Coast to Capital	527,809	73%	+13,473	2.6%	28%
Brighton & Hove Share	16%		39%		

Source: Annual Business Inquiry (2004-2008) Office of National Statistics via NOMISWEB.

### D5: Employment in Knowledge Sectors in University Cities and Towns 2004-2008

	2008		Change 2004-2008	
	Count	Share (%)	Count	%
Bournemouth	17,599	23%	3,230	+21%
Brighton and Hove	31,007	26%	3,804	+14%
Bristol	63,968	28%	7,269	+12%
Cambridge	37,076	42%	3,885	13%
Luton	12,279	14%	-3,089	-23%
Northampton	23,366	19%	1,048	+5%
Norwich	23,848	26%	-6,340	-26%
Oxford	33,912	31%	-65	0%
Plymouth	15,205	14%	-411	-3%
Portsmouth	20,280	20%	-884	-4%
Reading	30,478	31%	-193	-0%
Southampton	25,882	24%	-1,008	-4%

Source: Annual Business Inquiry (2008) via NOMISWEB

**D6: Employment in Knowledge Sectors in Brighton & Hove and Coast to Capital LEP Area 2004-2008**

Area	2008		Change 2004-2008	
	Count	Share (%)	Count	%
Brighton and Hove	31,007	26%	3,804	14%
Coast to Capital LEP Area	159,684	22%	3,364	2%
Brighton & Hove Share of LEP Area	19%		113%	

Source: Annual Business Inquiry (2008) via NOMISWEB

**D7: High and Low Level Occupations in University Cities and Towns 2009 (Residence-Based)**

	Higher Level (Managers, Professionals and Associate Professionals)		Elementary Occupations	
	Count	% of All Working	Count	% of All Working
Bournemouth	31,900	45	6,600	9
<b>Brighton and Hove</b>	<b>63,500</b>	<b>49</b>	<b>13,900</b>	<b>11</b>
Bristol, City of	173,900	53	25,900	8
Cambridge	77,500	66	9,400	8
Luton	31,300	37	10,200	12
Northampton	53,500	45	14,200	12
Norwich	62,900	47	14,300	11
Oxford	67,200	58	11,100	10
Plymouth	52,700	41	12,700	10
Portsmouth	50,300	43	13,900	12
Reading	69,100	56	11,700	10
Southampton	65,600	46	14,500	10

Source: Annual Population Survey 2009/2010

**D8: Commuting Patterns in and Out of Brighton & Hove**

Destination/Source	Out	In	Total Commutes	Net Out	Ratio Out:In
Brighton Commuters	33,531	28,182	61,713	-5,349	1.2:1
London	7,618	798	8,416	-6,820	9.5:1
Crawley	4,387	354	4,741	-4,033	12.4:1
Lewes	3,972	7,612	11,584	3,640	0.5:1
Mid Sussex	3,833	2,759	6,592	-1,074	1.4:1
Adur	3,417	6,144	9,561	2,727	0.6:1
Worthing	2,220	2,799	5,019	579	0.8:1
Horsham	1,693	1,520	3,213	-173	1.1:1
Other Sussex	2,385	4,281	6,666	1,896	0.6:1
Other South East	2,621	1,032	3,653	-1,589	2.5:1

Source: Census 2001

### D9: Employees in Employment by Gender, Sector and Full/Part-Time Workers

	Number	% Female	% Part-Time
Agriculture & Utilities	2,126	25	8
Manufacturing	2,787	28	14
Construction	3,688	24	15
Wholesale and retail trade; repair of motor vehicles and motorcycles	17,310	51	45
Transportation and storage	3,488	16	13
Accommodation and food service activities	11,208	49	49
Information and communication	5,627	34	15
Financial and insurance activities	8,492	57	20
Real estate activities	1,945	53	29
Professional, scientific and technical activities	7,346	50	19
Administrative and support service activities	11,701	49	32
Public administration and defence; compulsory social security	4,377	54	24
Education	14,769	66	50
Human health and social work activities	16,909	77	45
Arts, entertainment and recreation	4,370	46	48
Other service activities	3,112	51	31
Column Total	<b>119,256</b>	53	35

Source: Annual Business Inquiry (2008) via NOMISWEB

### D10: Occupations by Ethnicity (Residence Based)

	All		White		Non-White	
	Number	%	% of Occupation	% of Ethnic Group	% of Occupation	% of Ethnic Group
Managers & Senior Officials	22,000	17	92	17	8	14
Professional Occupations	21,100	16	80	14	20	32
Associate Professional & Technical Occupations	24,300	18	92	19	8	14
Administrative & Secretarial Occupations	12,700	10	93	10	7	7
Skilled Trade Occupations	11,100	8	94	9	6	5
Personal Service Occupations	10,900	8	92	9	8	6
Sales & Consumer Service Occupations	10,500	8	87	8	13	11
Process, Plant & Machine Operatives	5,500	4	91	4	9	not known
Employed in Elementary Occupations	14,400	11	91	11	9	9

Source: Annual Business Inquiry (2008) via NOMISWEB

### D11: Occupations by Gender (Residence Based)

	All		Males		Females	
	Number	%	% of Occupation	% of Gender	% of Occupation	% of Gender
Managers & Senior Officials	22,000	17	63	20	37	13
Professional Occupations	21,100	16	56	17	44	15
Associate Professional & Technical Occupations	24,300	18	54	19	46	18
Administrative & Secretarial Occupations	12,700	10	31	6	69	14
Skilled Trade Occupations	11,100	8	90	14	10	2

Personal Service Occupations	10,900	8	18	3	82	14
Sales & Consumer Service Occupations	10,500	8	28	4	72	12
Process, Plant & Machine Operatives	5,500	4	95	7	0	5
Employed in Elementary Occupations	14,400	11	53	11	47	11



## E: Earnings

### E1: Workplace and Residence Based Earnings 2009

Area	Bottom 25%		Median		Top 25%	
	Amount (below)	Variation from Residents' Earnings	Amount (above)	Amount (below)	Variation from Residents' Earnings	Amount (above)
Bournemouth	£217.50	-£21.80	£354.30	-£17.30	£616.00	+£35.30
Brighton and Hove	£238.30	-£26.40	£377.80	-£24.60	£554.70	-£90.90
Bristol	£277.20	+£31.70	£419.90	+£24.20	£614.60	+£42.60
Cambridge	£284.30	+£3.70	£461.70	-£15.60	£660.20	-£78.10
Luton	£223.70	-£6.80	£395.40	+£28.00	£604.60	+£54.60
Northampton	£246.60	-£5.40	£388.90	+£1.10	£574.90	+£16.20
Norwich	£208.40	-£21.60	£349.10	-£1.20	£566.10	+£12.90
Oxford	£267.00	-£10.60	£447.70	+£14.50	£639.00	+£51.00
Plymouth	£243.20	+£9.60	£381.00	+£23.10	£570.90	+£23.20
Portsmouth	£252.10	+£68.60	£432.30	+£55.80	£656.70	+£118.70
Reading	£302.70	+£23.50	£464.50	-£6.40	£666.00	-£30.30
Southampton	£243.50	+£3.80	£408.60	+£25.40	£596.10	+£45.50

Source: Annual Survey of Hours and Earnings (ASHE) 2009 via NOMISWEB

### E2: Weekly Earnings by Employment Status and by Gender (2009)

	Average Hourly Earnings		Female as % of Male	Workplace and Residence Based Earnings - Difference		Brighton & Hove as % of England Average
	Amount	+/-%		Amount	%	
Total	£11.09	3.0	n/a	-£0.98	-9%	99%
Male	£11.79	5.7	n/a	-£0.72	-6%	93%
Female	£10.80	3.5	92%	-£0.38	-4%	111%
Full Time	£12.17	4.0	n/a	-£1.00	-8%	97%
Part Time	£9.24	7.5	n/a	-£0.15	-2%	118%
Full Time - Male	£12.51	6.3	n/a	-£1.33	-11%	94%
Full Time - Female	£11.37	4.7	91%	-£1.31	-12%	99%
Part Time - Male	£7.07	###	n/a	-£0.84	-12%	91%
Part Time - Female	£9.60	7.6	136%	£0.00	0%	122%

Source: Annual Survey of Hours and Earnings (2009) via NOMISWEB



## F: Economy

### Centre for Cities University Cities in the South Index

	Annual Av 16-64 Pop Change (1998-2008)		Real GVA per Worker Growth (1998-2007)		Private Sector Jobs Growth (1998-2008)		2008 Mean Wages		House Prices 2008		Average IB + JSA Claimant Rate (1999-2008)		Business per 10000 16-64 Population		Total Score	
	Percent	Rank	Percent	Rank	Percent	Rank	Amount	Rank	Amount	Rank	Percent	Rank	Count	Rank	Score	Rank
Bournemouth	0.6%	11	2.6	7	12.7%	4	£483	4	£247,884	5	3.9%	7	676	2	104.5	5
<b>Brighton and Hove</b>	<b>0.9%</b>	<b>8</b>	<b>1.4</b>	<b>11</b>	<b>26.1%</b>	<b>1</b>	<b>£429</b>	<b>10</b>	<b>£266,608</b>	<b>3</b>	<b>5.1%</b>	<b>11</b>	<b>692</b>	<b>1</b>	<b>100.1</b>	<b>7</b>
Bristol	1.5%	1	2.6	8	15.4%	2	£477	5	£200,467	6	3.6%	5	515	6	106.1	4
Cambridge	1.4%	3	3.3	2	-4.0%	11	£609	2	£287,493	2	2.6%	2	525	5	119.5	1
Luton	0.5%	12	2.3	9	1.2%	9	£460	8	£164,999	10	4.7%	9	415	9	79.7	11
Northampton	1.0%	6	1.9	10	13.8%	3	£467	6	£157,747	11	3.8%	6	512	7	94.1	10
Norwich	1.4%	4	2.9	5	-3.0%	10	£408	12	£181,130	9	4.2%	8	529	4	94.1	9
Oxford	1.3%	5	3.1	3	-9.8%	12	£484	3	£333,253	1	2.7%	3	409	10	107.5	3
Plymouth	1.0%	7	1.3	12	7.2%	6	£441	9	£156,661	12	5.0%	10	346	11	76.3	12
Portsmouth	0.7%	10	3.4	1	2.0%	8	£464	7	£188,565	8	8.0%	12	10	12	12.0	6
Reading	0.7%	9	3.1	4	10.3%	5	£610	1	£256,879	4	2.3%	1	618	3	118.7	2
Southampton	1.4%	2	2.7	6	2.2%	7	£425	11	£192,947	7	3.4%	4	479	8	98.0	8

Source: Centre for Cities (2010)



**F1: GVA Contribution by Sector in Brighton & Hove (2004-2007)**

	2004		2007		2004-2007 Change	
	£m	%	£m	%	£m	%
Agriculture	6	0.1	5	0.1	-1	-17
Production	391	8.2	432	8.2	41	10
Construction	200	4.2	245	4.6	45	23
Distribution and Transport	1120	23.5	974	18.4	-146	-13
Business and Finance	1863	39.0	2068	39.0	205	11
Public Admin, Education, Health and Other	1195	25.0	1574	29.7	379	32
<b>Total</b>	<b>4775</b>	<b>100</b>	<b>5298</b>	<b>100</b>	<b>523</b>	<b>11</b>

Source: Sub-Regional GVA at Current Prices Office for National Statistics

**F2: GVA Growth by Sector in Brighton & Hove**

	1997		2007		1997-2007 Change		Share of Change
	£m	%	£m	%	£m	%	%
<b>Agriculture, forestry and fishing</b>	3	0	5	0	2	67	0
<b>Production</b>	321	10	377	7	56	17	3
<b>Construction</b>	134	4	243	5	109	81	5
<b>Distribution, transport and communication</b>	728	23	1039	20	311	43	15
<b>Business services and finance</b>	1 191	38	2028	39	837	70	40
<b>Public administration, education, health and other services</b>	740	24	1521	29	781	106	37
<b>Total GVA</b>	<b>3 116</b>	<b>100</b>	<b>5212</b>	<b>100</b>	<b>2 096</b>	<b>67</b>	<b>100</b>

Source: Sub-Regional GVA Office for National Statistics

**F3: Estimated GVA per Full-Time Equivalent Employee by Sector in England (2007), Compared with Brighton & Hove's Employment Strengths**

Sector	GVA per FTE (England)	Share of FTE Employment (Brighton & Hove)	Relative Strengths (LQ) <sup>54</sup>
<i>Electricity, gas and water supply</i>	£186,850	1.4	3.2
<i>Financial intermediation</i>	£98,000	7.9	1.8
Mining & Quarrying	£81,688	0.0	n/a
<i>Real estate, renting and business activities</i>	£62,366	21.1	1.1
Construction	£62,104	3.2	0.6
Transport, storage and communication	£55,584	5.5	0.8
Manufacturing	£54,999	3.4	0.3
<i>Other services</i>	£45,100	7.2	1.5
Public administration and defence <sup>3</sup>	£41,394	4.0	0.7
Agriculture, hunting, forestry & fishing	£41,109	0.1	n/a
Wholesale and retail trade (including motor trade)	£32,033	13.5	0.9
<i>Education</i>	£30,014	10.9	1.4
<i>Health and social work</i>	£27,256	13.3	1.3
<i>Hotels and restaurants</i>	£19,895	8.4	1.5
<b>Total</b>	<b>£56,164</b>	100.0	1.0

Source: Step Ahead Research Figures, adapted from GVA Estimates (2007) and Annual Business Inquiry (2008). ONS

## G: Worklessness

**G1: Comparison of NEET rates & Unemployment Rates in the South East Region 2008-2009**

	2009			2008		
	NEET Rate (%)	Unemployment Rate (%)	Ratio	NEET Rate (%)	Unemployment Rate	Ratio
Bracknell Forest	6.8	4.9	1.4	9.5	7.0	1.4
<b>Brighton &amp; Hove</b>	<b>8.8</b>	<b>8.5</b>	<b>1.0</b>	<b>7.8</b>	<b>7.3</b>	<b>1.1</b>
East Sussex	7.3	5.9	1.2	7.2	5.1	1.4
Hampshire	5.7	4.9	1.2	9.9	6.5	1.5
Isle of Wight	6.9	8.9	0.8	8.6	5.5	1.6
Kent	4.9	6.2	0.8	6.3	3.6	1.8
Medway	5.8	11.5	0.5	4.7	5.9	0.8
Portsmouth	11.1	6.9	1.6	9.4	4.7	2.0
Reading	6.5	7.2	0.9	5.3	6.5	0.8
Slough	6.0	7.3	0.8	4.7	3.6	1.3

<sup>54</sup> The Location Quotient (LQ) shows the relative employment concentrations in an area. Where the LQ is above 1.0, it has a disproportionate number of full-time equivalent jobs, compared with England. (Full-time equivalence has been calculated on the basis of 1 x full-time employee jobs + 0.4 x part-time employee jobs.)

Southampton	9.7	8.4	1.2	3.4	3.0	1.1
Surrey	4.1	4.3	1.0	7.1	5.3	1.3
West Berkshire	5.2	5.3	1.0	5.1	3.6	1.4
West Sussex	5.9	6.3	0.9	5.4	3.8	1.4
Windsor & Maidenhead	5.5	4.4	1.3	6.0	3.7	1.6
Wokingham	6.3	6.0	1.1	6.9	3.3	2.1
<b>Median</b>	<b>6.2</b>	<b>6.3</b>	<b>1.0</b>	<b>6.6</b>	<b>4.9</b>	<b>1.4</b>

Source: Department for Education (2009) and Annual Population Survey (ONS) via NOMISWEB (2009)

#### G2: People Claiming Out of Work Benefits 2004, 2008 and 2010

	2010		Change 2004-2008		Change 2008-2010	
	number	Rate %	number	%	number	%
Bournemouth	15,350	14.3	-40	-0.3	2,680	21.2
<b>Brighton and Hove</b>	<b>24,510</b>	<b>13.7</b>	<b>-620</b>	<b>-2.9</b>	<b>3,490</b>	<b>16.6</b>
Bristol, City of	39,840	13	270	0.8	5,580	16.3
Cambridge	6,420	7.1	0	0	770	13.6
Luton	17,330	13.6	-590	-3.9	2,810	19.4
Northampton	18,070	12.8	580	4.3	4,060	29
Norwich	13,770	13.8	270	2.3	1,620	13.3
Oxford	9,290	8.5	-300	-3.6	1,370	17.3
Plymouth	23,980	13.9	-910	-4.1	2,710	12.7
Portsmouth	17,210	12.1	1,170	8.8	2,730	18.9
Reading	11,290	10.6	-520	-5.7	2,650	30.7
Southampton	20,140	12	-280	-1.6	3,050	17.8

Source: DWP Benefits February 2004, February 2008 and February 2010 via NMISWEB

#### G4: Out of Work Benefit Claimants by Benefit Type and Age (2010)

	aged under 25		aged 25-34		aged 35-44		aged 45-54		aged 55-59		aged 60-64	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Job seeker	1,960	27	1,950	27	1,710	23	1,260	17	390	5	40	1
ESA and incapacity benefits	900	7	1,950	14	3,610	27	4,060	30	1,930	14	1,070	8
Lone parent	590	21	1,040	37	960	34	240	8	10	0		0
Others on income related benefit	210	25	40	5	30	4	30	4	20	2	510	61
Out-of-work benefits	3,670	15	4,980	20	6,300	26	5,580	23	2,360	10	1,630	7

Source: DWP Benefits February 2004, February 2008 and February 2010 via NMISWEB

**G2: People Claiming Out of Work Benefits 2004, 2008 and 2010- Brighton & Hove and Coast to Capital LEP**

	2004		2008		Change 2004-2008		2010		Change 2008-2010	
	number	rate %	number	rate %	number	%	number	rate %	number	%
Brighton & Hove	21,640	13.0	21,020	11.9	-620	-2.9	24,510	13.7	3,490	16.6
Coast to Capital LEP	91,710	8.9	90,490	8.4	-1,220	-1.3	110,930	10.3	20,440	22.6
Brighton & Hove as A Share of LEP Area										
	24%		23%		51%		22%		17%	

Source: DWP Benefits February 2004, February 2008 and February 2010 via NMISWEB

**G3: People Aged Under 25 Years Claiming Out of Work Benefits 2008-2010**

	2010		2008-2010	
	Number	Share of All Claimants (%)	Count	%
Bournemouth	2,300	15	690	43
Brighton and Hove	4,240	17	1,140	37
Bristol, City of	7,260	18	1,590	28
Cambridge	1,170	18	200	21
Luton	3,210	19	740	30
Northampton	3,950	22	1,240	46
Norwich	2,770	20	550	25
Oxford	1,820	20	370	26
Plymouth	4,950	21	1,070	28
Portsmouth	3,500	20	870	33
Reading	2,360	21	660	39
Southampton	4,040	20	810	25

**G4: People Aged Under 25 Years Claiming Out of Work Benefits 2008-2010 in Brighton & Hove and the LEP Area**

	2010		2008-2010	
	Number	Share of All Claimants (%)	Count	%
Brighton and Hove	4,240	17	1,140	37
Coast to Capital LEP Area	21,020	19	6,230	42
Brighton & Hove as a Share of the LEP Area				
	20%		18%	



**G5: Number of Workless by Client Group in Brighton & Hove and Coast to Capital LEP Area (2010)**

	Brighton & Hove			Coast to Capital LEP			Brighton & Hove as a Share of LEP Area
	number	Rate (%)	Share of Workless (%)	number	rate (%)	Share of Workless (%)	%
Job seeker	7310	4.1	30	39860	3.0	31	18
ESA and incapacity benefits	13520	7.6	55	64370	4.9	50	21
Lone parent	2840	1.6	12	19690	1.5	15	14
Others on income related benefit	840	0.5	3	5060	0.4	4	17
Out-of-work benefits	24510	13.7	100	128980	9.8	100	19

**G6: Number of Workless by Client Group and Gender in Brighton & Hove (2010)**

	Male		Female		Total	Male Share
	number	rate (%)	number	rate (%)	number	%
Job seeker	5,110	5.7	2,200	2.5	7,310	70
ESA and incapacity benefits	8,150	9.0	5,370	6.0	13,520	60
Lone parent	110	0.1	2,730	3.1	2,840	4
Others on income related benefit	460	0.5	1,020	1.2	1,480	31
Out-of-work benefits	13,990	15.5	10,520	11.8	24,510	57

**G7: Number of Workless by Client Group in Brighton & Hove Wards (2000-2010)**

	2010			Change 2000-2010	
	Count	%	Share of All Claimants	Count	%
Brunswick and Adelaide	1,025	13.1	4.2	-210	-17.0
Central Hove	850	13.5	3.5	-135	-13.7
East Brighton	2,335	24.7	9.5	-15	-0.6
Goldsmid	1,305	13.1	5.3	-15	-1.1
Hangleton and Knoll	1,310	15.0	5.3	60	4.8
Hanover and Elm Grove	1,320	11.5	5.4	-145	-9.9
Hollingbury and Stanmer	1,560	15.7	6.4	185	13.5
Moulsecoomb and Bevendean	1,970	17.2	8.0	105	5.6
North Portslade	810	12.0	3.3	105	14.9
Patcham	825	9.5	3.4	25	3.1
Preston Park	990	10.0	4.0	-110	-10.0

Queen's Park	2,325	23.0	9.5	40	1.8
Regency	1,095	15.0	4.5	-330	-23.2
Rottingdean Coastal	640	8.1	2.6	10	1.6
South Portslade	890	14.8	3.6	170	23.6
St. Peter's and North Laine	1,850	15.0	7.6	35	1.9
Stanford	430	6.9	1.8	40	10.3
Westbourne	850	14.6	3.5	40	4.9
Wish	680	12.7	2.8	25	3.8
Withdean	695	7.9	2.8	20	3.0
Woodingdean	740	12.9	3.0	45	6.5
<b>Total</b>	<b>24,495</b>	<b>13.9</b>	<b>100.0</b>	<b>-55</b>	<b>-0.2</b>

#### G8: Employment Rate and Inactivity by Gender

	Employment		Inactive		Involuntary Inactive	
	Count	Rate	Count	%	Count	% of all inactive
All	129,600	71.6	39,300	21.7	13,100	33.3
Males	69,000	76.5	15,600	17.2	6,600	42.3
Females	60,500	66.8	23,800	26.2	6,600	27.7

Source: Annual Population Survey 2010 via NOMISWEB

#### G9: Disability and Employment Rate

	Number	Percent
<b>Population (16-64 years)</b>		
Disabled	30,300	17
Disabled – Males	13,500	15
Disabled – Females	16,700	19
<b>Employment Rate</b>		
Disabled	13,100	43
Not Disabled	115,500	77
Disabled – Males	5,400	40
Not Disabled – Males	62,100	81
Disabled – Females	7,700	46
Not Disabled - Females	53,400	72

Source: Annual Population Survey March 2010

#### G9: Type of Disability and Employment Rate

	number	percent	confidence
Arms, Legs, Hands, Feet, Back or Neck	9,100	49	+/-9.9
Seeing or Hearing	2,300	49	+/-18.9
Blood or Circulation; Stomach, Liver, Kidney; Digestive Problems; Diabetes	14,600	63	+/-8.1
Skin; Epilepsy; Other Progressive Illnesses & Health Problems	7,800	54	+/-10.7
Depression; Learning Problems; Mental Problems Nervous Disorders	2,800	24	+/-10.4

Source: Annual Population Survey March 2010

**Economic Inactivity by Gender and by Age (2010)**

	All		16-24 Year Olds		25-49 Year Olds		50-64 Year Olds	
	Count	Rate	Count	Rate	Count	Rate	Count	Rate
ALL	39,300	21.7	12,000	32.1	14,300	14.0	13,000	31.5
Males	15,500	17.2	5,300	33.3	4,900	9.1	5,300	26.6
Females	23,700	26.2	6,700	31.2	9,300	19.5	7,700	36.2

Source: Annual Population Survey (2010 via NOMISWEB)

