

<b>Subject:</b>	<b>City Employment &amp; Skills Plan &amp; Action Plan 2011-14</b>		
<b>Date of Meeting:</b>	<b>3 November 2011</b>		
<b>Report of:</b>	<b>Strategic Director, Place</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Cheryl Finella</b>	<b>Tel: 29-1095</b>
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<b>Key Decision:</b>	<b>No</b>		
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. SUMMARY AND POLICY CONTEXT:**

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

**2. RECOMMENDATIONS:**

- 2.1 That the Cabinet Member for Planning, Employment, Economy & Regeneration notes the content of the report and endorses the City Employment & Skills Plan 2011-14 and its priorities and action plan.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The City Employment & Skills Steering Group (CESSG) is the main vehicle through which Brighton & Hove seeks to address issues of employment, skills and business support. Formed in 2008, the group was established to progress and deliver on the City Employment and Skills plan 2008/ 2011 priorities. It had as its mission, 'the creation of a coherent and coordinated approach to employment and skills, which will benefit the residents of Brighton & Hove and strengthen the city's economy'.

- 3.2 The first three-year City Employment & Skills Plan (CESP), produced in 2007, brought together, in one place, the main activities undertaken in the public and voluntary sector designed to address skills, training and employment. This was to provide a clearer picture of provision thereby facilitating better co-ordination, rationalisation and targeting of resources.
- 3.3 The first plan contained a plethora of actions and activities and it was clear that it would be necessary to focus on a few specific priorities rather than spread activities too thinly, thus an annual action plan was developed with priorities agreed by the CESSG. The CESP actions were tracked through Interplan and the outcomes were fed into the annual Local Area Agreement (LAA) targets.

### **The Case for a City Employment & Skills plan**

- 3.4 The economic, political and organisational climate is fundamentally different from when the 2008-2011 City Employment and Skills Plan (CESP) was developed. The United Kingdom recently suffered its longest and deepest recession since the 1930s resulting in a 6% loss in output over six quarters between the end of 2008 and 2009.
- 3.5 This recession is considered to be different from previous recessions, because it was the result of an international banking crisis and over 90 per cent of economies in the Organisation for Economic Cooperation and Development (OECD) experienced recession.
- 3.6 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.
- 3.7 In 2009, the IPPR suggested that the 2016 economy may be somewhat different to the 2008 economy. Significant employment reductions in much of the public sector and retail may be compensated for by an increase in 'other services' jobs, including the creative and cultural industries; caring and health service work; high-end manufacturing; pharmaceuticals and green technologies.
- 3.8 The Government also changed the way public services are run by announcing the abolition of 192 quangos and a fundamental reform of the local government performance framework. This includes replacing Local Area Agreements and their associated National Indicators with a single list of "data requirements" that is being agreed between local authorities and central Government.
- 3.9 How public services are delivered has also under-gone significant change. The Government White Paper, *Local Growth: Realising Every Place's Potential* set out the Government's approach to Local Economic Development. Its plans to abolish the Regional Development Agencies (RDAs) have been materialised and RDAs have been replaced with a network of Local Enterprise Partnerships based on locally defined "functional economic areas".

- 3.10 These changes linked to the significant reduction in public sector finances will all impact on how localities take forward their agenda for employment skills and business support. Some of the main actors such as the South East Regional Development Agency (SEEDA) and Business Link will cease by 2012 and 2011 respectively and the role of organisations such as the Skills Funding Agency and Further Education will change significantly.
- 3.11 Brighton & Hove has become part of the Coast to Capital Local Enterprise Partnership area. The Coast to Capital LEP 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.
- 3.12 All these changes mean that the CESSG needs to be able to articulate its employment and skills priorities so that activities across local partnerships are complementary; that the right activities are commissioned to address the agreed priorities; 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 New Plan Priorities**

- 3.13 The new plan sets out three priorities for action that take into account the socio-economic and policy changes that have occurred and will influence how actions are taken forward.
- 3.14 ***Priority One: Promote the city's employment and skills needs to internal and external partners and agencies***  
 This priority has been developed in recognition that many decisions that impact on employment and skills in the city are taken by agencies and departments that have a national or sub-national remit and by organisations and partnerships within the city that have a related, but different focus. The members of the CESSG represent the major funders, influencers and deliverers of skills, employment and business support services in the City. Priority One reflects the CESSG's acknowledgement that they have a major role to play in driving the local skills and business support agenda.
- 3.15 ***Priority Two: Support the creation of at least 6,000 new jobs by 2014***  
 This priority is based on an estimate of the number of new jobs that the city may need in order to maintain its existing employment rate (71.6%), and a recognition that public sector agencies in partnership with private sector actors can help to set the conditions for private sector job creation. The CESP will also help to inform the work of the Coast to Capital LEP and there will be a focus on encouraging International trade and Entrepreneurship.
- 3.16 ***Priority Three: Ensure that local residents are equipped to compete for jobs in the city's labour market***  
 This priority reflects the need to ensure that the city's residents are equipped with the skills and knowledge to access jobs in the city and beyond. There is a particular focus on supporting people on out of work benefits and young people back into the labour market by, for example, developing stronger links with the business community, promotion of apprenticeships, work experience and

volunteering; and, clearer progression routes from school to further and higher education

- 3.17 The CESSG membership has been reviewed to 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. The City Employment and Skills Steering Group is now led by an elected Chair from outside the City Council and is supported by four thematic 'Leads' to identify resources, oversee actions; and develop and maintain internal and external links. As we move towards the implementation and the delivery stage of the CESP the membership of the CESSG has also moved towards a balance between the private and public sector. Representatives from six key local businesses have now joined the group, which is chaired by Phil Frier, the Principal of City College Brighton & Hove.
- 3.18 The CESSG is one of the 'family of partnerships' under the Local Strategic Partnership (LSP); the chair of the group sits on the LSP and acts as a link ensuring that the LSP is kept abreast of the CESSG's work and that the CESSG is aware of LSP activities and priorities.

### **Next Steps**

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

## **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The CESP is been based on consultation with CESSG members; an awayday held on 4 October 2010; an action planning workshop held on 25 November 2010; an interview with the Cabinet Member for Enterprise, Employment and Major Projects along with an analysis of relevant strategies, plans and background research reports; and an analysis of a wide range of labour market and economic datasets.
- 4.2 The new plan is available on the council's website ([www.brighton-hove.gov.uk/employment](http://www.brighton-hove.gov.uk/employment)) and has been presented to various thematic partnerships including the Local Strategic Partnership (LSP), the Public Service Board (PSB), the Sustainability Partnership, the Arts Commission, the Transport Partnership, the Learning Partnership and the Adult Learning Group.
- 4.3 A launch is being organised by the CESSG in partnership with the Brighton & Hove Economic Partnership for 4<sup>th</sup> October 2011. More than 300 delegates from the public, private and third sector have been invited to the launch and will be given the opportunity to raise question and contribute their ideas to the delivery of the action plan.

## 5. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 5.1 The costs associated with launching the City Employment and Skills Plan, including consultation are identified within the Economic Development Budget for 2011/12. The sum of £29,200 has been allocated from residual Local Area Business Growth Initiative (LABGI) funds for the period to March 2011. Funding will need to be identified for any subsequent costs as the work progresses.

*Finance Officer Consulted: Karen Brookshaw Date: 30/09/11*

### Legal Implications:

- 5.2 The Coalition Government has declared its intention to remove the requirement to publish work & skills plans as set out in the Local Democracy, Economic Development and Construction Act (LDEDC) 2009. A letter to local authorities from the Communities and Local Government department invited localities to decide for themselves whether there is value in preparing a Local Area Assessment and related Work & Skills plan for their area. This report sets out the rationale for taking forward the employment and skills plan for the city. There are no adverse legal implications arising from this report.

*Lawyer Consulted: Bob Bruce Date: 06/10/11*

### Equalities Implications:

- 5.3 An Equalities Impact Assessment (EIA) has been produced which will help to ensure that the proposed actions in the CESP are in compliance with equalities legislation. The recommendations of the EIA will be incorporated into the project monitoring of the CESP action plan.

### Sustainability Implications:

- 5.4 The actions arising from the plan will contribute toward the council's aspiration for growing a sustainable economy by creating the conditions for business growth and job creation; supporting low skilled and unemployed residents into work; and, providing progression routes for young people and graduates.

### Crime & Disorder Implications:

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

### Risk and Opportunity Management Implications:

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

take forward the plan could result in increased business foreclosures; higher levels of unemployment and greater levels of benefit dependency.

Public Health Implications:

- 5.7 Employment and skills cuts across a number of areas including health. The action plan is expected to have a positive impact on helping residents with health related issues to access employment.

Corporate / Citywide Implications:

- 5.8 The CESP is a citywide strategy that will have a positive impact on the economic prosperity of the city.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

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

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The CESP draws on the latest data sets and policy information to identify the needs, opportunities and challenges for the city. Key to addressing these issues is the ability of individual members within the CESP to use existing resources towards the agreed priorities.
- 7.2 The role of the Local Authority in helping to guide the work; its role as an Education Authority responsible for adult and young people services; its role in supporting those facing disadvantage in the labour market and in driving economic development means that it is uniquely placed to assist in driving this agenda.
- 7.3 The endorsement of the Cabinet Member for Planning, Employment, Economy and Regeneration is therefore considered vital in ensuring that the council is able to make a meaningful contribution to this agenda.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

1. City Employment and Skills Plan 2011-14

### **Background Documents**

1. City Employment & Skills Plan 2011-14

