CESP – Consultation Developing solutions

Rocket Science

27th January 2016

Brighton & Hove City Council

Agenda

- Introductions and warm up
- Presentation on the findings and emerging priorities
- Table discussions
  - Making it happen
  - 2020 vision
- What next?
- 12.30 – Lunch and close

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What have we done?

- **2** consultation events with additional survey (over **170** people)
- Over **25** interviews with key stakeholders
- Review of national practice around apprenticeships and ATA models
- Supported by employer engagement and approaches in Growth/City Deal areas
- What's coming up – horizon scanning around apprenticeship reform and employment programmes
- Presentations/links – Fairness Commission and ESTF
- Assessment of labour market – looking at trends
- Various engagements with BHCC staff

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A reminder from 1st December

Three priorities

1. Those suffering disadvantage in the labour market (unemployment, low pay or lack of aspiration) are supported effectively to make the most of the economic opportunity that Brighton and Hove and its wider partnership can offer – **No one left behind.**

1. Young people and those making career transitions are supported on their journey from learning to earning and can take advantage of the career, lifestyle and further education opportunities that the city has to offer – **Learn to earn.** But - this is an issue for all ages - not just young people.

2. Key growth sectors - Creative, Digital and IT - which are critical to sustaining a healthy and vibrant city, can access employees with the right technical skills, aptitude and readiness for work – **Benefiting from growth**. But - replacement job demand for key sectors far outstrips new jobs in growth sectors.

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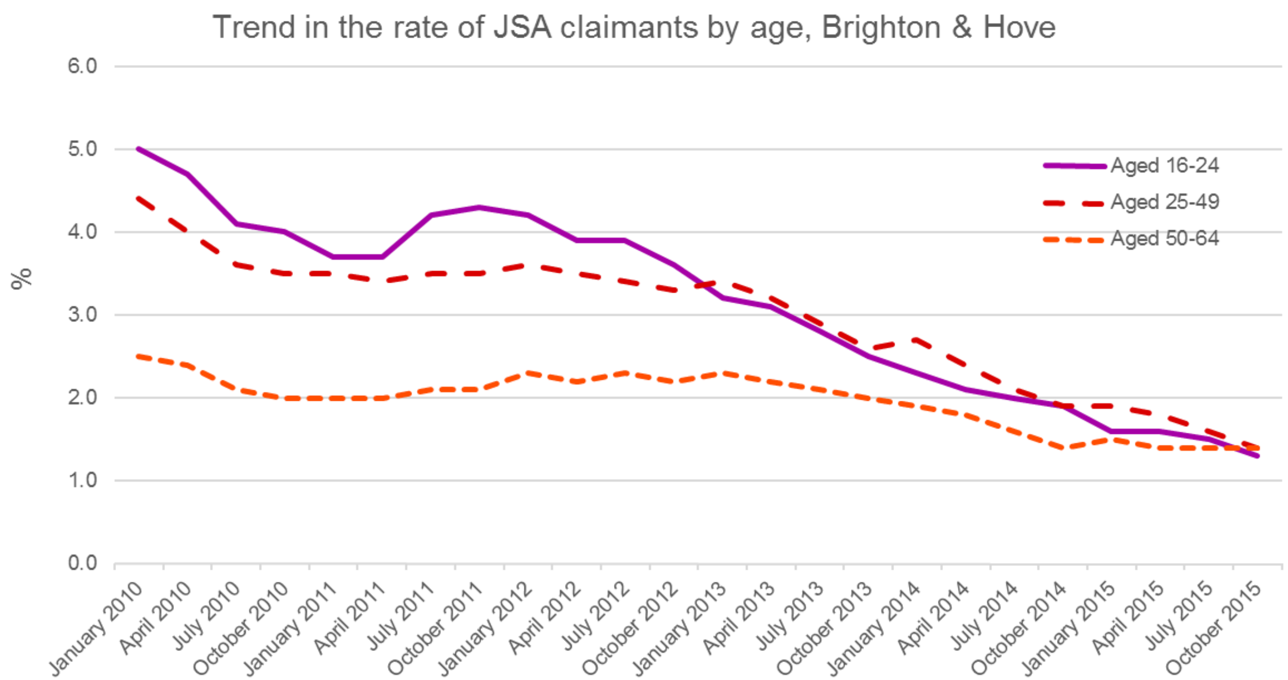
Key Issues – No one left behind	Ambition	Challenges	Opportunities	What is needed?
Over 13,000 residents on Employment Support Allowance, of which 70% are over 50 and over 50% report their primary condition as mental health Living Wage appears to be having impact, but effect of benefit cap to £20,000 means 650 households affected as Universal Credit is rolled out and costs of housing increase in the City Lots of provision but very disconnected, duplicated and often short term, offered by a range of providers/services that do not necessarily connect and are likely to be interacting with same individuals/ households Focus on getting into work or pathways to work – little support currently in work or for progression on vocational pathways or to improve income levels 'Job-blocking' by graduates is impacting on access to entry-level jobs for those furthest from labour market	There is less of a consensus on ambition to address this priority owing to its size and complexity. We suggest that ambition focuses on the **c2500** who are WRAG (Work Ready Activity Group (key clients of the new Work and Health Programme) Improving access to the labour market for those who face the greatest disadvantage and challenge focusing on those on work related benefits (ESA etc)	New Work and Health programme replacing Work Programme – significantly reduced investment will require a different model and access to other funding and support to make it work locally This will require integrated working within the council and across local partners Cohort facing real barriers need 'client friendly' employers to offer work experience and greater investment/quality of pre-placement support to demonstrate how this cohort can be as dependable a recruit as a graduate for entry level jobs	Devolution offers opportunities to influence the Work and Health Programme Could the council become a direct deliverer/provider on the new programme as a way of corralling, developing and managing support -building on its work around troubled families and welfare reform and adult health and social care priorities? Opportunity to use employer engagement model more widely to support this group and create group of cohort friendly employers through the emerging Employer Pledge	**4) Strategic level commitment and support to the Work and Health Programme** This will include: clear roles and responsibilities on approach to local delivery; a programme of capacity building with key staff across all the agencies working with the cohort to understand issues and responses; a single common assessment framework and client tracking system; the development of a senior level working group and case management to bring together different agencies to resolve issues collectively.
	Developing complementary packages of support to those who need to increase their household income, targeted approach to Universal Credit roll out via Jobcentre Plus	Perceptions of JCP moving from 'sanctioning' to coaching, UC is an offer but might be met with scepticism from both clients and providers Lack of funding available for those in work and reticence to access loans will hinder access to training and upskilling Navigating the system will be a challenge and identifying those who need support, but who do not meet UC criteria and are not in the system. Focus on UC limit masks issues around broader affordability issues re: housing in the City. Is £21k enough for a family to live on?	Access to individuals and households through network of community based providers/organisations Using flexibilities around the Adult Skills Budget and accessing other funding through ESIF and other pots to develop a Brighton skills and income escalator programme to support those in low-wage, part time work. Providing further training opportunities, short work based training/certification.	**4) Development of City-wide low income and progression strategy and action plan** Lead the development of a strategy and action plan with partners to agree a city-wide approach to supporting low-income residents building on the success of the Living Wage and outcomes from the Fairness Commission enabling those in work to upskill and attract higher earnings
	Developing and extending the current IAG offer to all ages and supporting access to different levels within vocational pathways through higher level skills training and development			

1.2 The rate of Jobseeker's Allowance claimants has been falling in Brighton & Hove since 2010 but less of an impact on the older age group



The falling rate of JSA claimants has been less for the older age group (29%) compared with 61% for those aged 16 to 24 and 56% for those aged 25-49. Despite absolute numbers being lower than other age groups previously (although now aligned), this rate of change suggests that there are challenges in helping older claimants and efforts should be made to support this group.

JSA clients at May 2010	All 16-24	16-24	25-49	50-65
All	6,220	1,540	3,810	860
Males	4,320	1,020	2,690	600
Female	1,910	520	1,120	250
White	5270	1310	3200	750
Ethnic Minority	510	120	300	0

JSA clients at May 2015	All 16-24	16-24	25-49	50-65
All	2,870	600	1,660	610
Males	1,840	380	1,040	410
Female	1,030	220	620	200
White	2440	520	1400	520
Ethnic Minority	320	40	160	20

Source: NOMIS - Jobseeker's Allowance by age and duration with proportions

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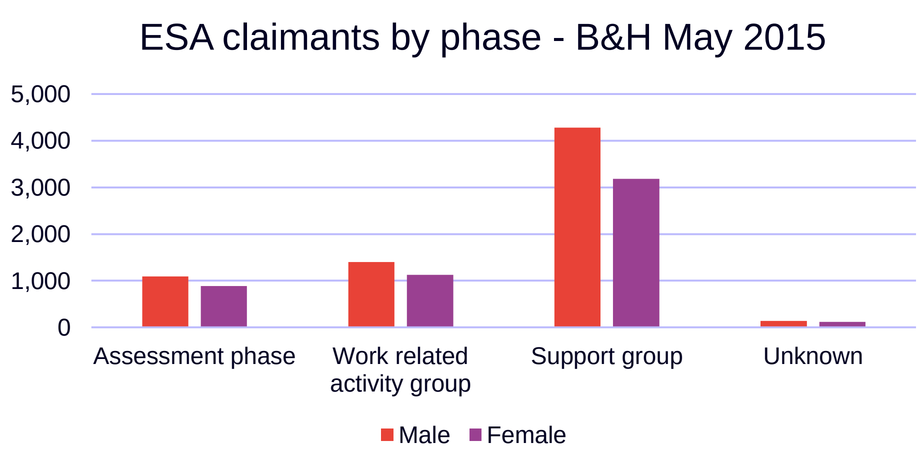
1.3 Employment Support Allowance claimant rates in Brighton and Hove are slightly higher than England.

	Contributions based	Both income and contributions based	Income based	No payments - credits only	Total
Assessment phase	360	40	1,550	50	1,990
Work related activity group	70	20	2,290	150	2,530
Support group	1,450	1,740	4,260	10	7,470
Unknown				270	270
Total	1,880	1,800	8,100	480	12,260

	Contributions based	Both income and contributions based	Income based	No payments - credits only	Total
Assessment phase	0.82	0.81	0.90	0.72	0.87
Work related activity group	1.12	1.01	1.25	0.65	1.18
Support group	0.81	1.29	1.37	0.45	1.19
Unknown				0.75	[illegible]
Total	0.82	1.27	1.21	0.70	1.11

Source: NOMIS (benefit claimants - employment and support allowance; 2014 mid-year population estimates)



Although numbers on WRAG are low, JCP will want to work with the support group to help them move towards work related activity and it is likely that the new Work and Health programme will incentivise providers to work with the group.

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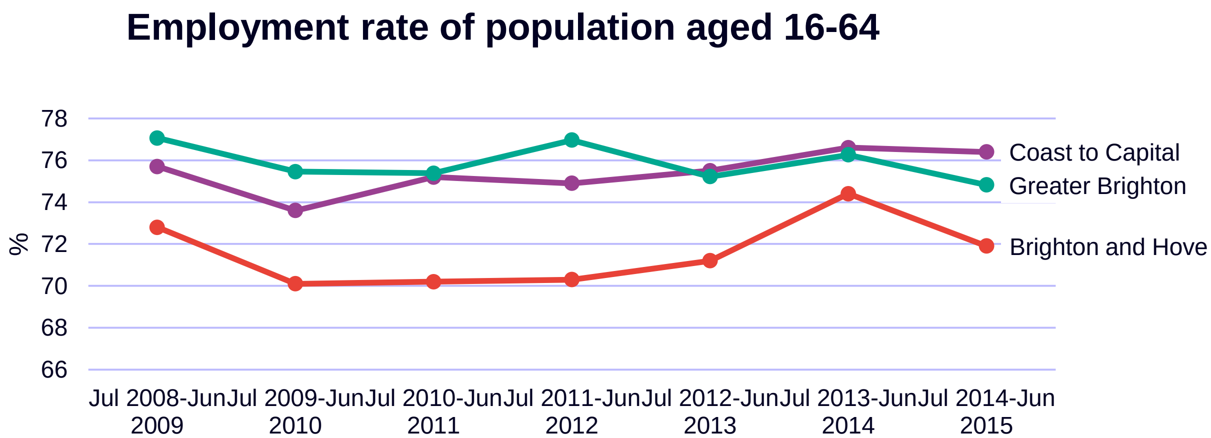
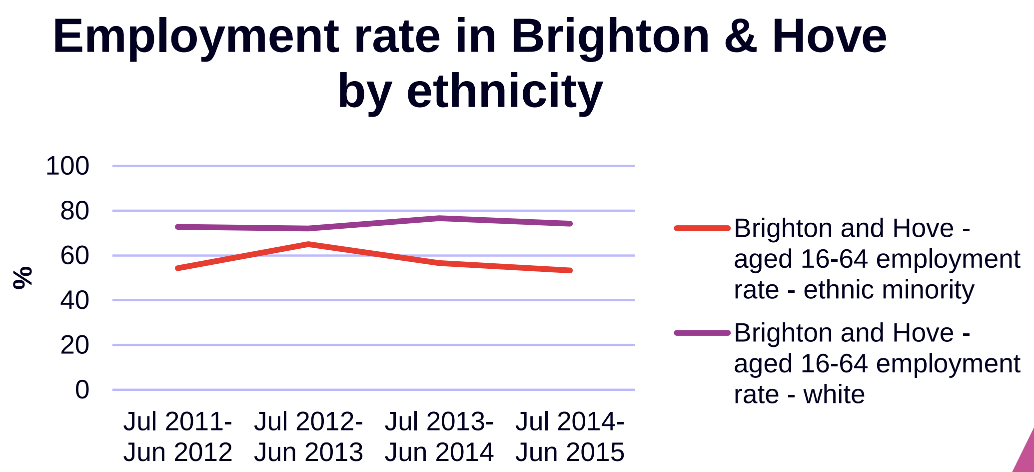
2.1 A changing employment rate in the City



Source: NOMIS annual population survey

The Employment Rate for the City was below both Coast to Capital and Greater Brighton regions during the first three years of the previous CESP. It increased in 2013/14 (to a level near that in 2008/9), but reduced again in 2014/15. This suggests that there is some volatility in employment in the City and that the rate is consistently worse compared to Greater Brighton (greatest divergence in 2011/12).

The Employment Rate for ethnic minorities compared to White is lower. Although this appeared to improve in 2012/13, the rate is lowering to the level seen in 2011/12 and below the current England average of 62.1%.



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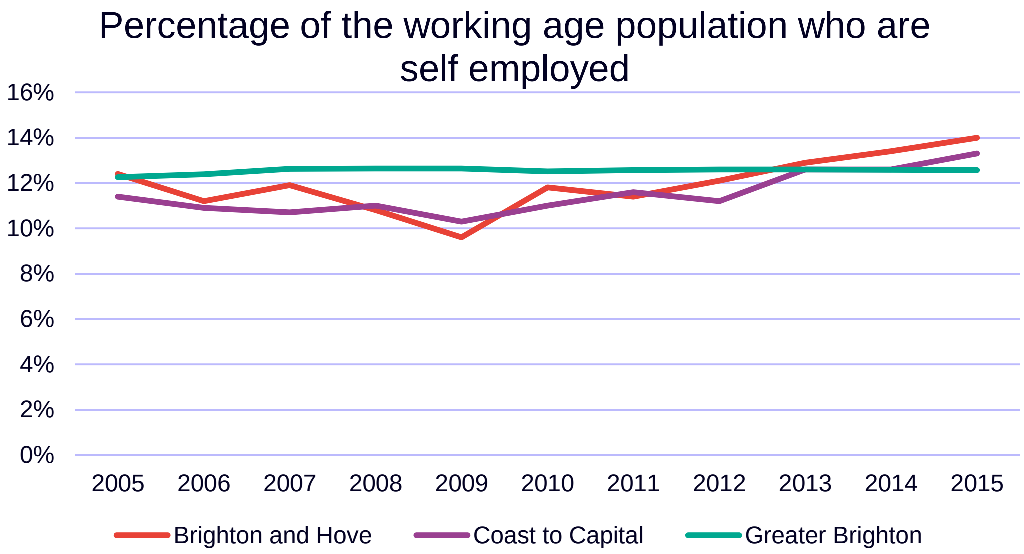
2.3 Self employment has risen modestly since 2009



Self employment in Brighton is slightly higher than Greater Brighton and Coast to Capital and has risen by nearly 5% since 2009.

However there are gaps between male and female participation in Brighton, although both have recently increased.

Self employment is seen as a potential opportunity for individuals on JSA/ESA as an alternative to traditional employment particularly when individuals need flexibility around their hours or type of employment.

Source: NOMIS annual population survey

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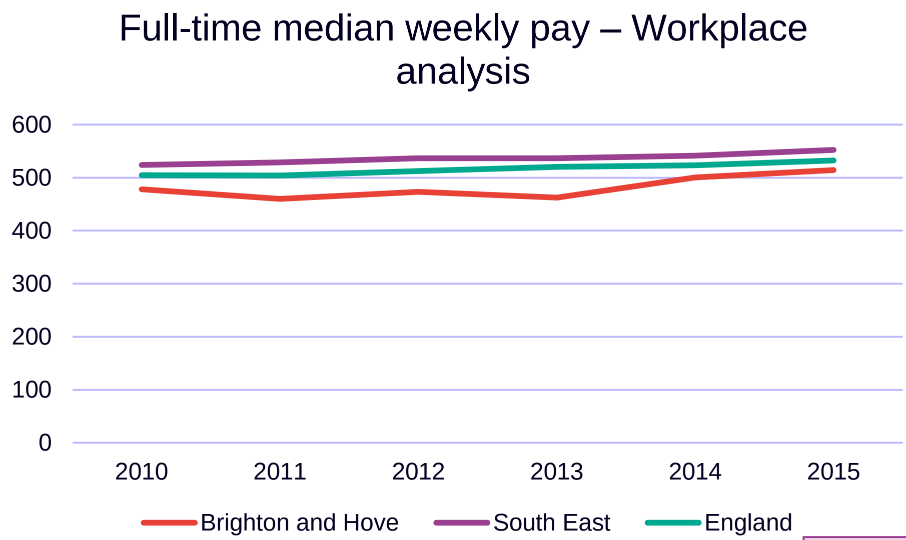
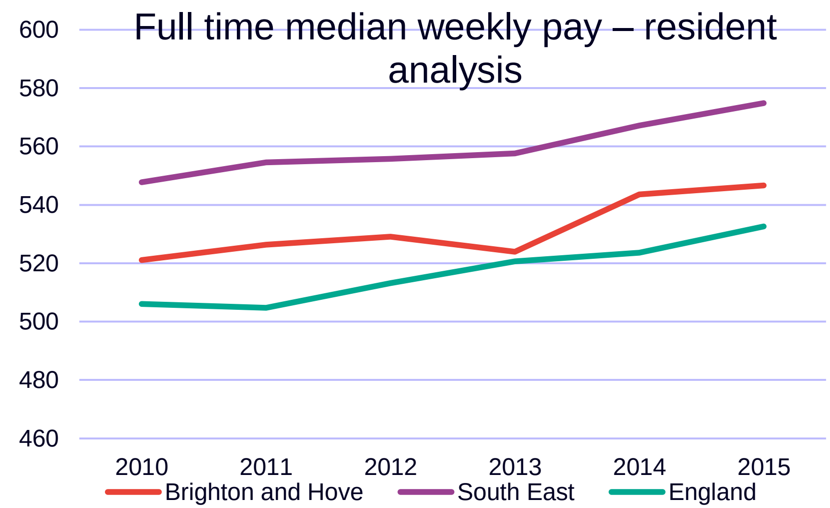
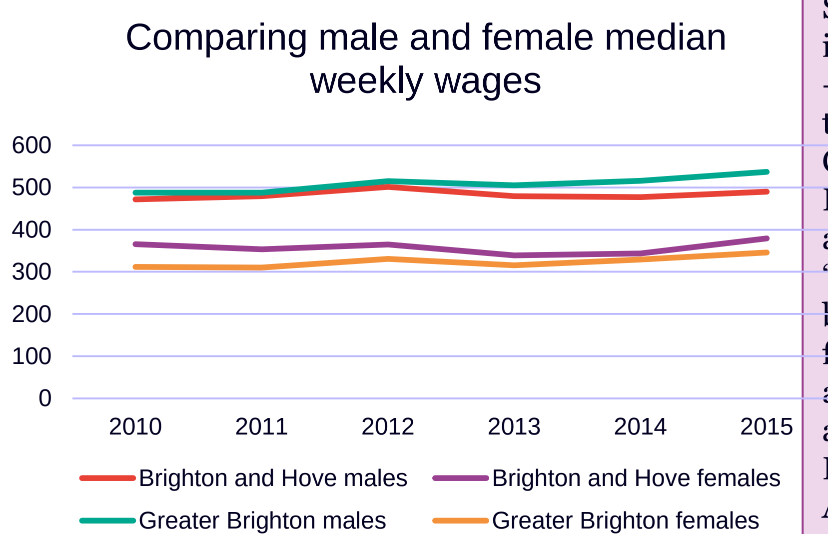
2.5 There are differences in weekly pay for workers and residents and also between genders







Source: NOMIS annual survey of hours and earnings

Some of the differences in pay reflect issues around part time and full time work – certainly between men and women and the types of jobs held by residents in the City versus those that commute into Brighton and Hove. Nevertheless there are likely to be issues around affordability "Rents for new lets have been increasing at between 5 and 10% a year over the last four years. Housing benefit rates are already significantly lower than the average cost of new rents in the city. Reduction of the benefit cap to £20k in Autumn 2016 which is currently forecast to affect 650 families" (John Francis – Welfare Reform team)

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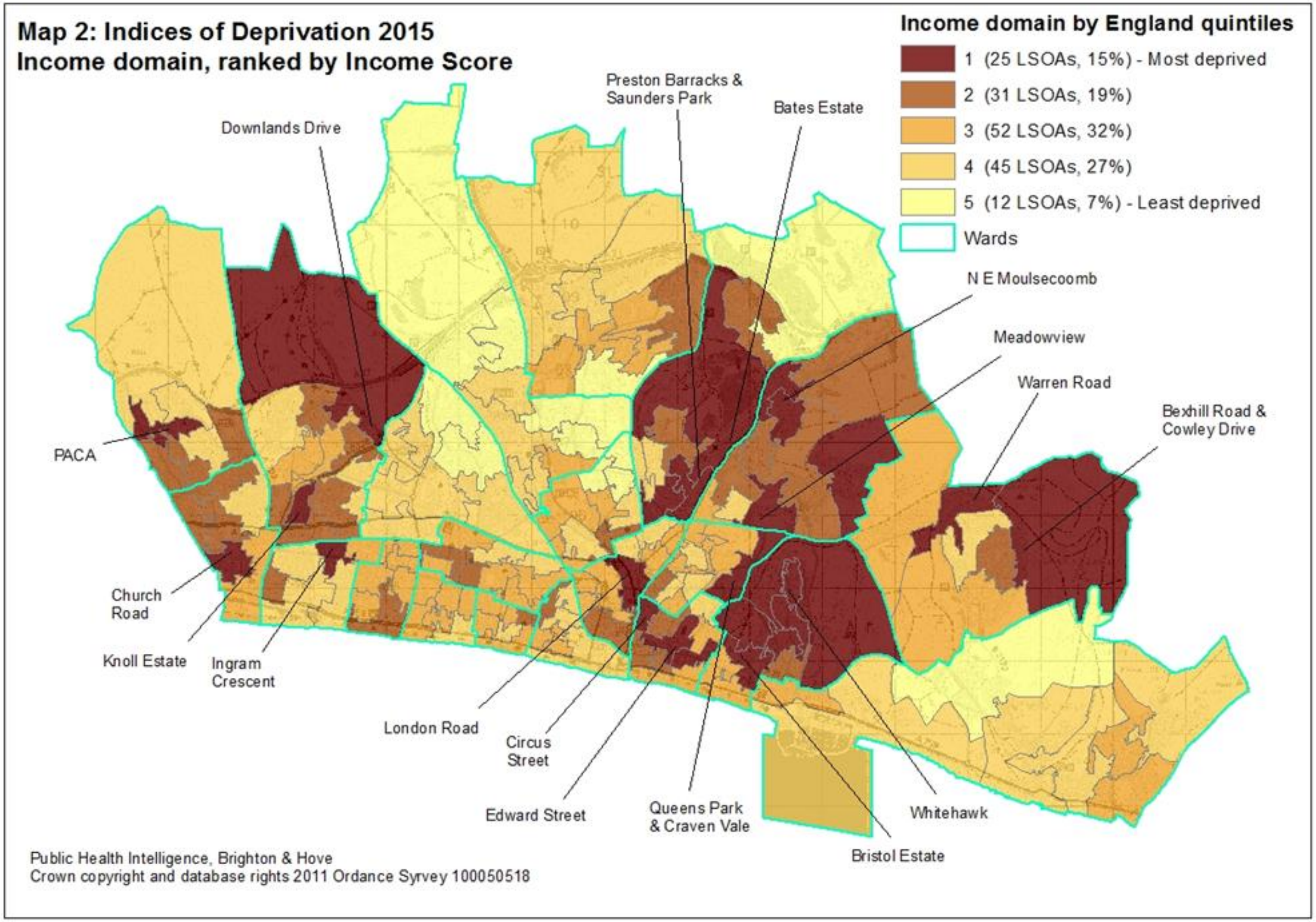
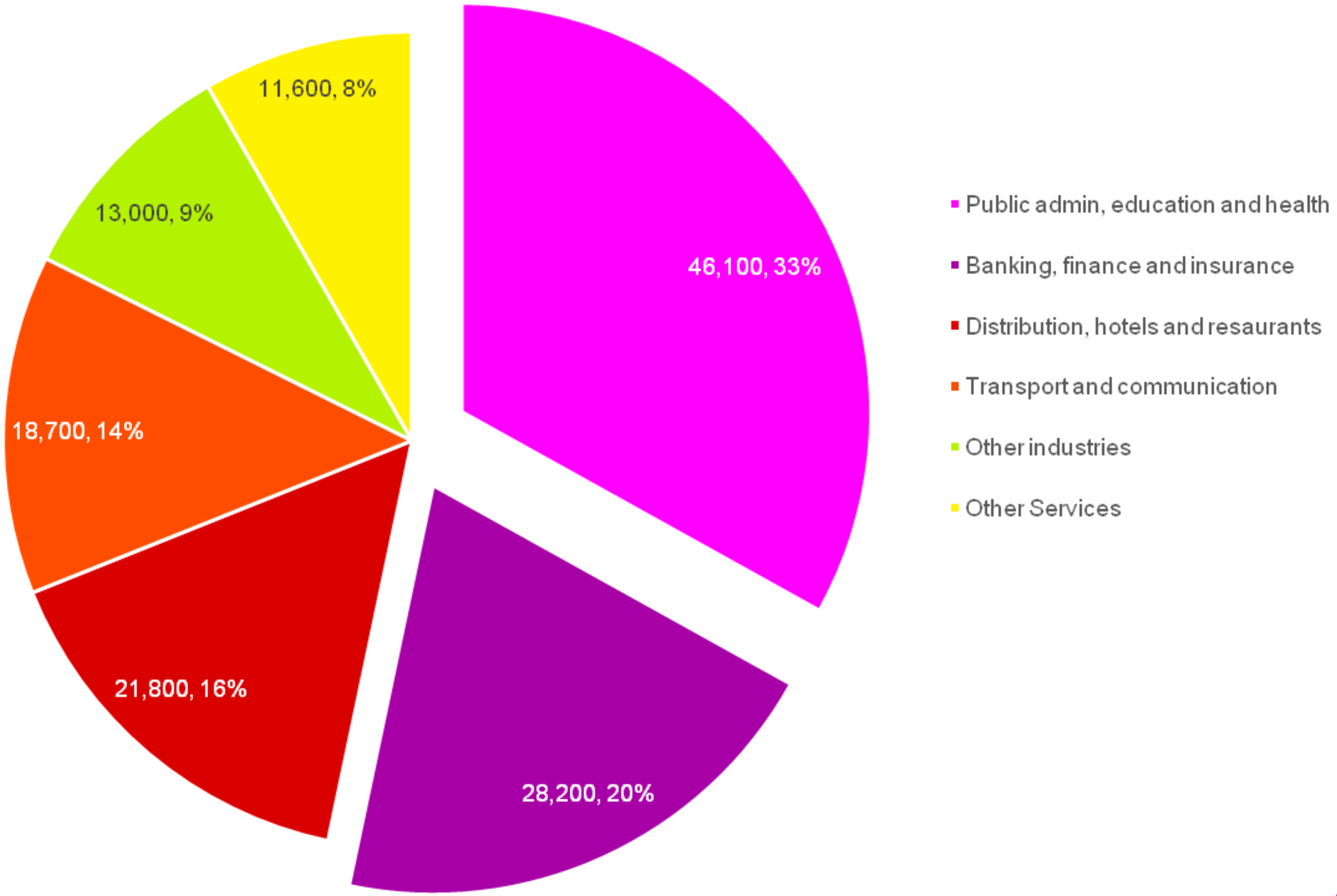
Geography of income deprivation



Key issues – Workforce development	Ambition	Challenges	Opportunities	What is needed?
Readiness for work in terms of attitude and behaviours is a key challenge - amplified for young people and the more disadvantaged but applies also to graduates Current provision is considered of variable quality and not necessarily linked to employer needs Competition for funding and accessing employers is creating confusion and resulting in disengagement of employers Employers lack the means to influence provision and are generally less likely to look to public agencies for solutions/support Graduates that choose to stay in Brighton are not moving into higher level jobs and opportunities available	Improving the current skills offer to ensure better alignment with employers needs, by making better use of real time Labour Market Intelligence and skills forecasting Embed generic and resilience skills within programmes to manage the changing needs of the labour market – flexibility and work readiness	Limited funding available to support employers Difficulty in engaging employers to develop new types of course and curricula that meet their needs and the time taken to get these implemented Extent to which employers are willing to pay for training and support is unclear, but unlikely to engage if offer is incoherent, not timed well or unsustainable (stop/start)	The area has a strong foundation and examples of collaborative working with business to support growth and development through its hubs. Examples of work readiness development linked to paid internships and work within CDIT sector in place, although long term funding not secure Use of Adult Skills Budget and flexibilities through ESIF and other funding pots to develop sector focused (customised training) programmes	**6) Improving sector based skills provision** Development of key sector based work academies to support apprenticeship take up as well as support individuals at pre-employment stage particularly for entry level jobs to enable them to be work and sector ready. Focus these academies on agreed priority sectors, CDIT, tourism, hospitality/retail, public sector, where the City can make the greatest impact. **7) Using intelligence and access to support workforce development in small and micro businesses (<49staff)** Extend the work of these academies to improve insight around curricula development and provide broader business support directly to the employer through recommendation (1). With a focus on supporting these smaller businesses which need support to grow around their leadership and management skills but which find navigating and accessing support too distracting/challenging.

Public sector and Finance are the most significant employers in Brighton and Hove



Source: NOMIS annual population survey – workplace analysis July 2014 – June 2015

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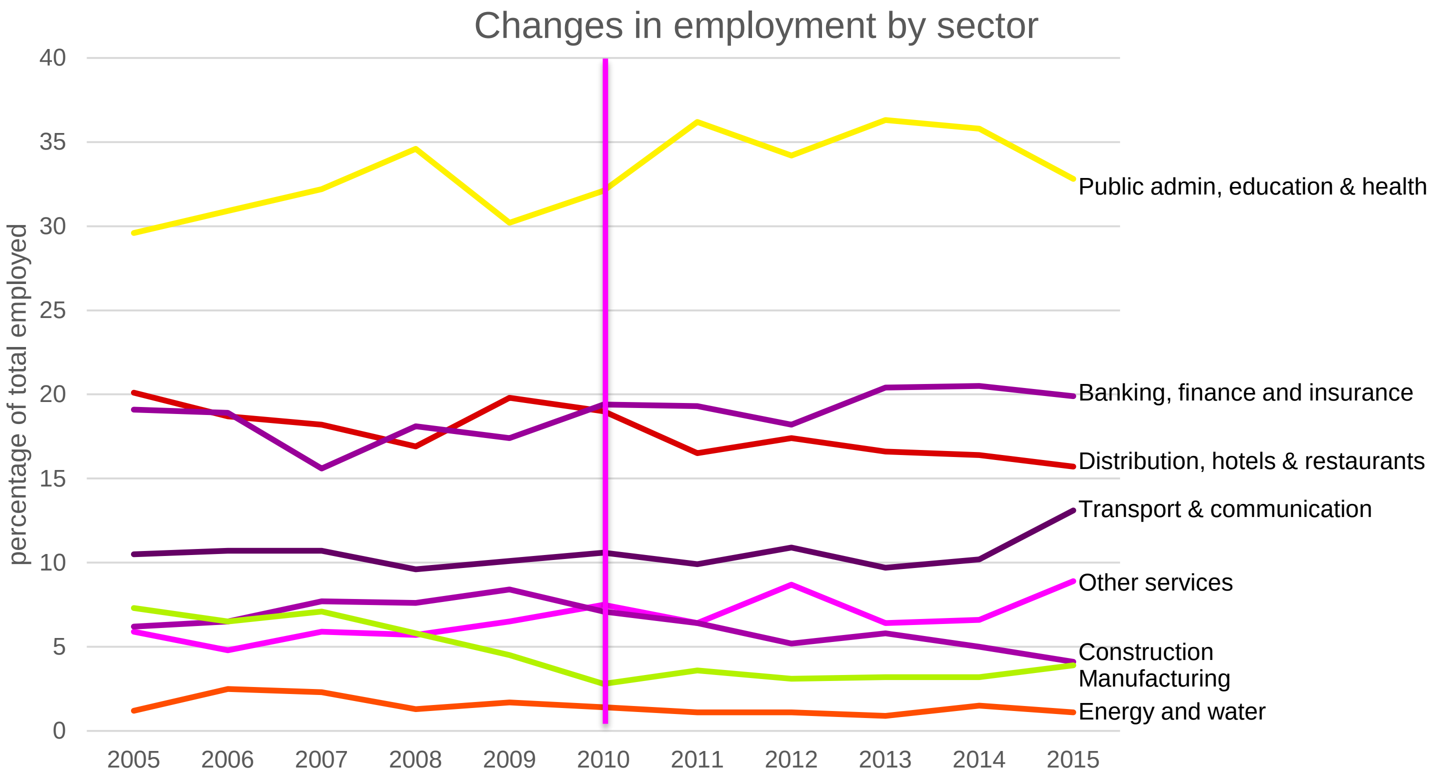
Changes in employment by sector have been small since 2005



Since 2005:
- Public sector employment has fluctuated around 30-35% but has stayed the largest employer throughout
- Distribution, hotels and restaurants has decreased from above just 20% to just above 15%
- Transport, communication and other services have both seen an increase since 2013
- Construction increased in the first half of the period but has decreased 4.5 percentage points since 2009
- Manufacturing decreased 3.4 percentage points with the largest decrease occurring between 2007 and 2010

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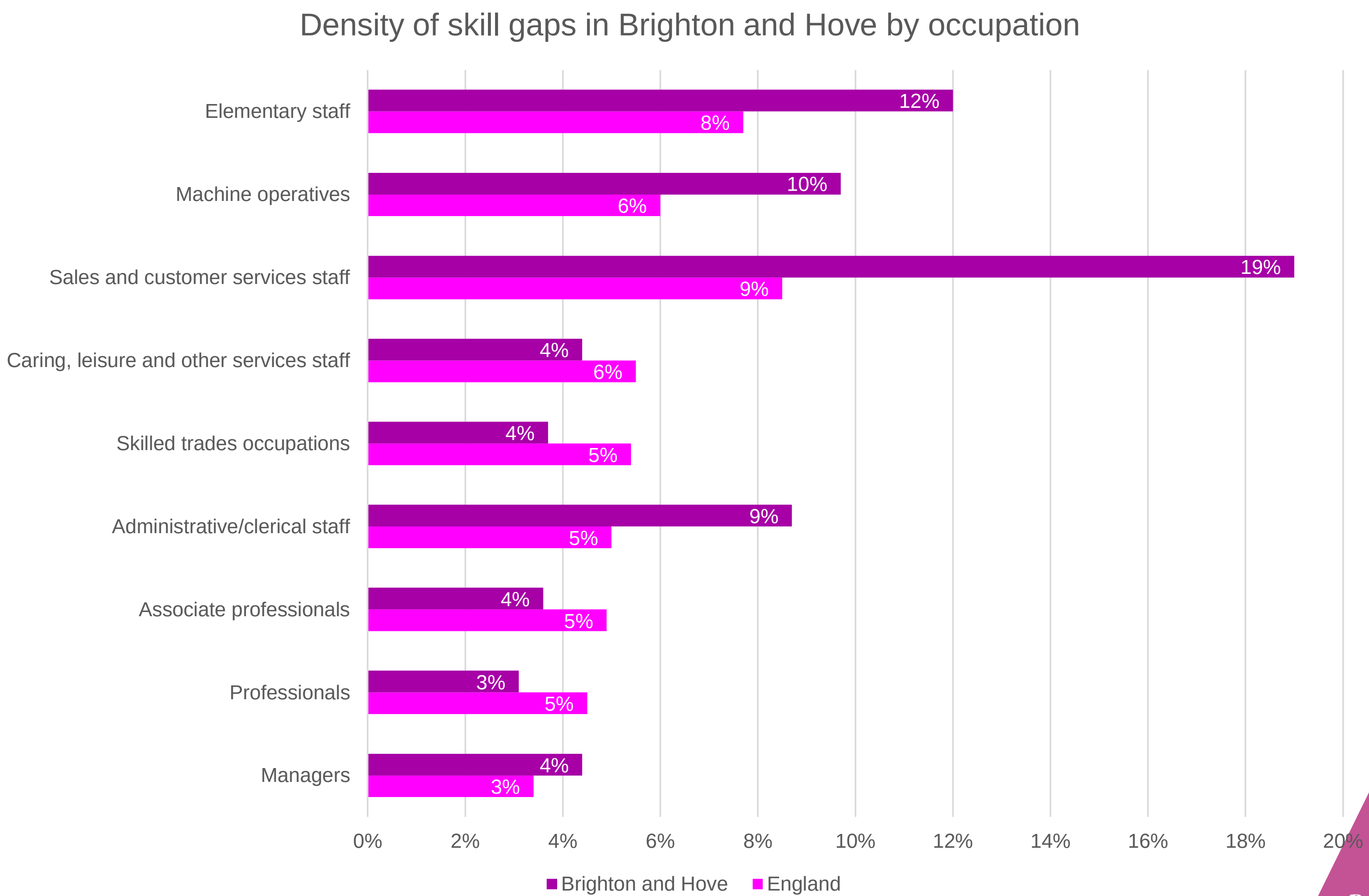
Source: NOMIS annual population survey

Within those currently employed, reported skill gaps varied, with sales and customer service staff the most common



Source: UKCES Employer Skills Survey 2013

The projected skills needed in CDIT are

in the short term

- IT Security skills
- Cloud computing abilities
- IT convergence skills
- Multi-platform content management

in the medium term:

- Green IT skills
- Information and analytics skills
- Modelling and simulation skills

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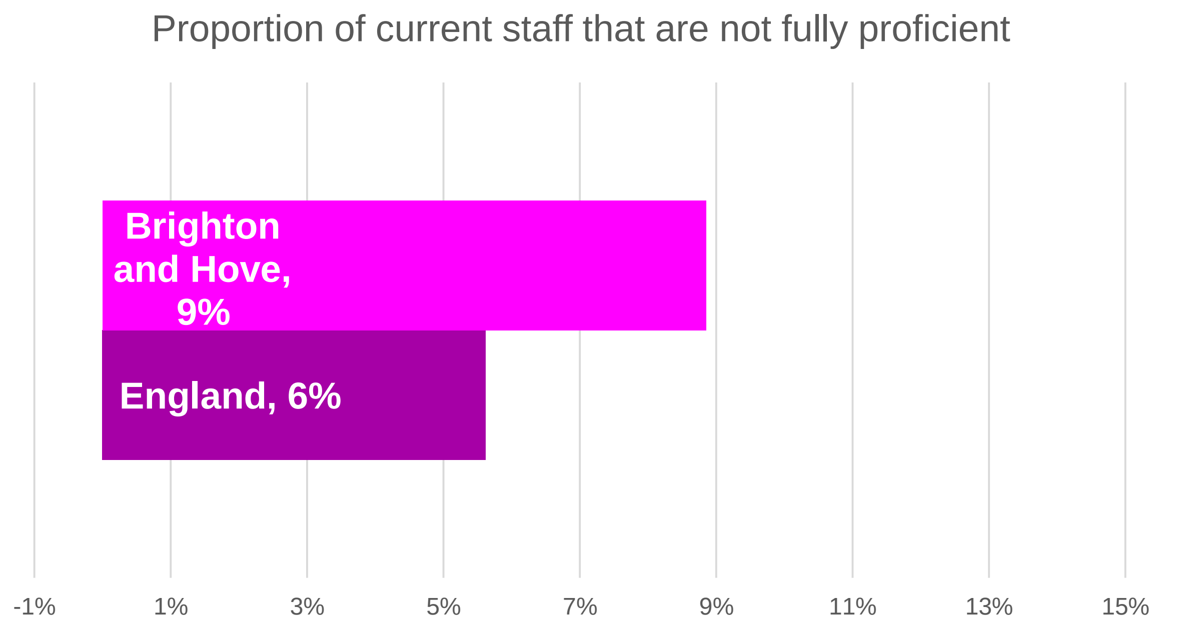
Source: Coast to Capital Economic Assessment 2015

In 2013, employers said that 9% of all current staff were not fully proficient at their jobs (10000+)



Source: UKCES Employer Skills Survey 2013

<table>
<tr><th>Key Issues –Young people</th><th>Ambition</th><th>Challenges</th><th>Interventions</th><th>What is needed?</th></tr>
<tr>
<td rowspan="2">Council's commitment to reduce youth unemployment to zero

Lack of apprenticeship take-up (falling behind other areas) which has dipped in recent years

Disparate and uncoordinated apprenticeship offer to both employers and young people, some mismatch in provision and perception of poor quality

Careers and IAG offer seen as not fit for purpose, although lots of initiatives and active group operating for young people. Greater issue for adults

Employers reporting Brighton young people are not ready for work (not unusual, but particularly striking among B&H employers)</td>
<td>There is a clear set of ambitions emerging from stakeholders (eg ESTF): The development of a brokerage/employer engagement organisation to be the intermediary between employers, providers and schools. Structure to be determined.</td>
<td>Apprenticeship funding, structure and provision going through radical shake up in next 18 months nationally - new engagement platforms, frameworks and standards being introduced. Is now the right time as it could add greater confusion, and much is subject to change?

Potentially little influence through devolution asks (ie over the use of the levy)

Need for improved employer engagement to extend beyond apprenticeship offer

Financial and management commitment needed beyond three years – reputational/ sustainability risk</td>
<td>Develop an apprenticeship offer to focus on sectors that are underserved and trail-blaze new frameworks in the GB area. With other public sector partners prepare for 2017 with a GB public sector apprenticeship offer (ie across LA, NHS, Universities)

Existing infrastructure needs to prepare for changes – opportunity to re-engineer provision and sector focus through targeted support and area review. Focus on college provision where numbers are greater and develop a local accreditation/quality standard

Develop a broader provider/ engagement standard and brand in preparation for plugging gaps in local delivery of 2020 vision and building on Employer Pledge.</td>
<td rowspan="2">1. Managing employer demand effectively
A transformational approach to working with employers through establishing a central point of access, route to information for employers. This could be scaled across the GB area and focused on brokering a range of employer interactions (for both young people and adults) - engaging and signposting employers to schools/colleges/providers – collecting insight into recruitment/skills needs and experience; identifying business support needs and signposting/referring on.
2. Driving and improving supply side quality and behaviours – building resilient skills provision
Need to drive up quality in engagement and delivery across all providers. Development of a local standard/kitemark supported by capacity building to be used as a local guarantee of service/delivery and a pre-requisite for commissioning and contracting.
3. Communications strategy
Coherent and area focused communications campaign targeting all residents about work and skills opportunities/ pathways.</td>
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<tr>
<td>Development of a coordinated City-wide skills and careers offer which:
a) Creates and embeds better links between employers/schools, young people /local residents
b) Improves information on vocational pathways and
c) Supports the delivery of vocational skills and qualifications linked to employer needs</td>
<td>Careers and IAG challenges are not unique to Brighton, but dealt with differently across GB (how to gain consensus for initiatives across the region).

National Careers Service and Careers and Enterprise Company bedding in

Ability to influence devolution deal.

Competition for young people causes tensions (not always in their best interests); Initiatives subject to short term funding</td>
<td>Guarantee for 17yr olds to give young people careers information – opportunity here to drive, assess and improve quality of provision and materials

A focus on driving careers information related to opportunities in the GB area Improved employer engagement and connectivity linked to work experience, apprenticeships and vocational support could be transformational</td>
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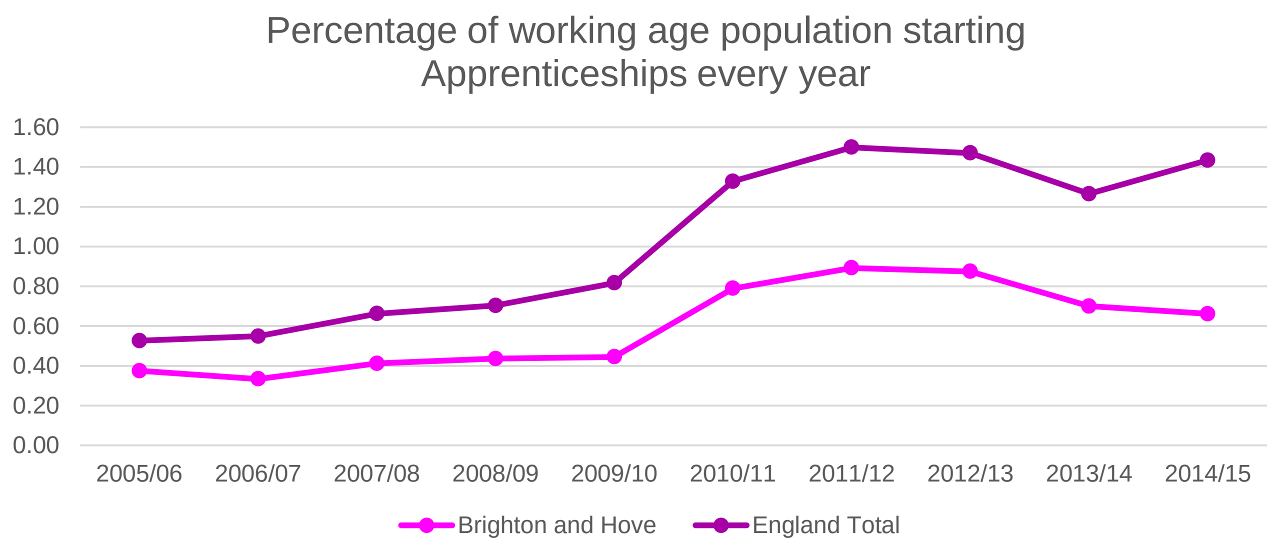
There are fewer Apprenticeships started each year in Brighton and Hove compared to the national average



Evidence suggests that people completing apprenticeships at all levels is increasing. However, compared with other areas in the Coast to Capital region, Brighton and Hove completions are growing relatively slowly (42% between 2008 and 2014); compared with the best performing area, Croydon – improving by 122%.

Brighton and Hove have been the only area in Coast to Capital with no completions of advanced level apprenticeships.

Source: ONS mid-year population estimates

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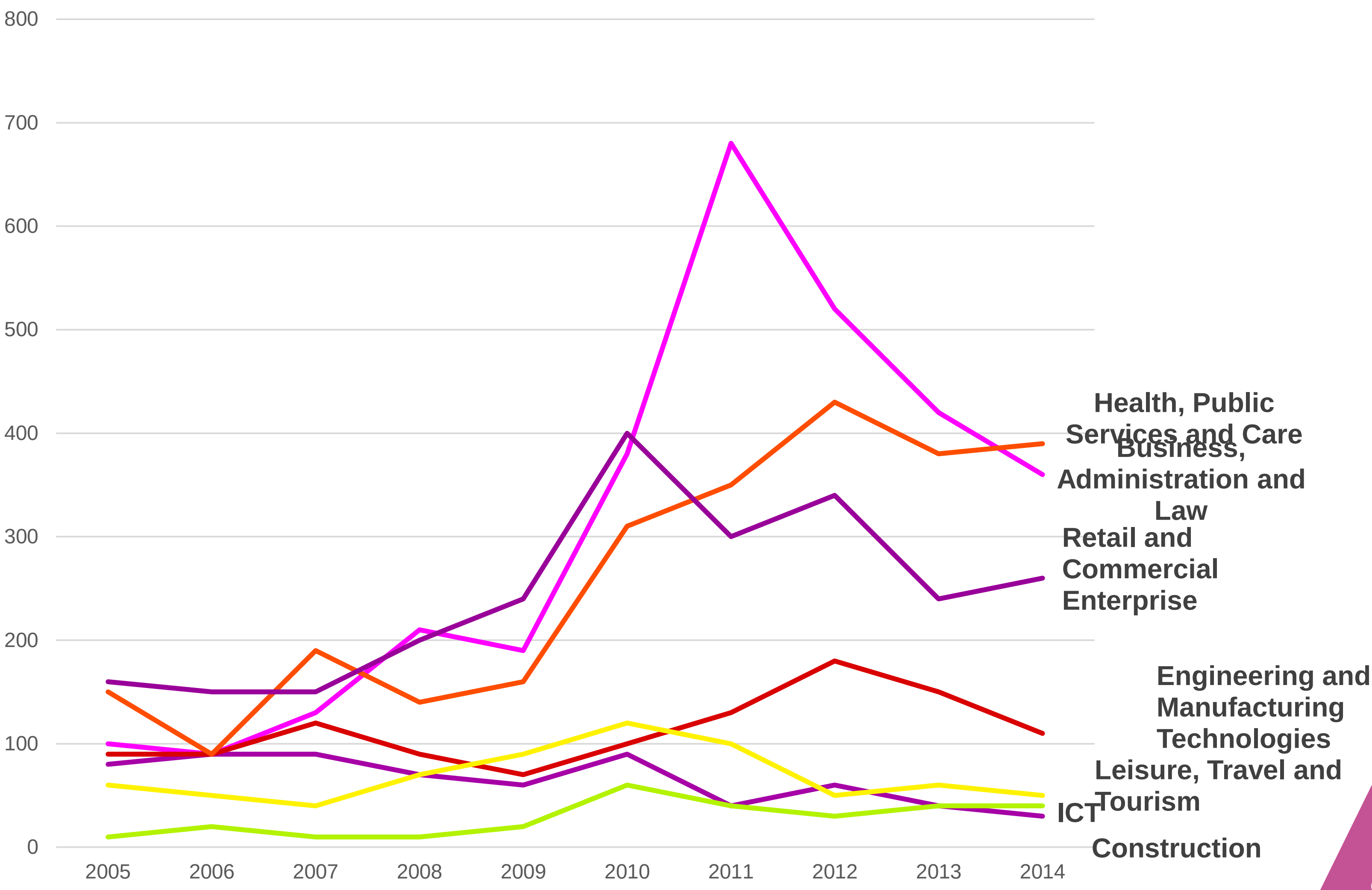
Spike in Business apprenticeships between 2009-2011



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Around 170 students went from school into apprenticeships in 2013/14 – NEETs are reducing but numbers still high

		2013/2014	2012/13	2011/12
Key stage 5	%	5%	4%	2%
	#	**~100**	~30	~40
Key stage 4	%	3%	2%	3%
	#	**~70**	~50	~80

Numbers of students rounded to the nearest 10

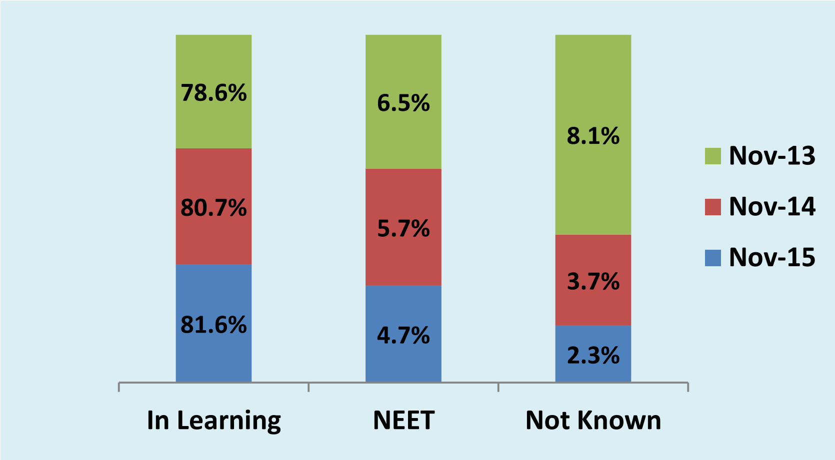

Table 2: Latest three year annual trend

16-18 Annual Trend data	Annual 12-13	Annual 13-14	Annual 14-15
B& H Adj NEET %	6.7%	6.9%	5.6%
England Average Adj NEET%	5.8%	5.3%	4.7%
Stat Neighbours Adj NEET %	6.7%	6.2%	5.7%
England Average Not Known %	10.8%	9.2%	9.0%
Stat Neighbours Not Known %	8.3%	9.0%	11.7%

Source: Department of Education Destinations of key stage 4 and key stage 5 pupils

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A successful 2016-2020 plan:

- Focus on what you can control and influence
- Includes a clear and consistent message that everyone buys into
- Corrals the resources and energies of agencies and providers
- Enables you to gain momentum and scale to have the greatest impact
- Balance between economic development vs economic inclusion

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Six actions

1. Putting employers at the heart of the plan

City-wide employer brokerage model, which enables a strategic engagement with businesses ~ supporting the exchange of apprenticeships, work experience, pre and in work training and engagement with schools and providers. This is to support all ages - in recognition of the need to focus on older working population and access to both employment and in-work progression. In addition the brokerage will build a database of employers and their needs that will generate vital intelligence about current and emerging recruitment and skill needs.

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2. Developing the quality and capacity of employment and skills providers –

Badge of assurance to both individuals and employers that provision is of a decent quality and that providers are signed up to working through the employer brokerage meeting standards of quality around engagement, effective referral, case management of the individual, delivery and joint working.

Support programme which enables providers to influence and be ‘commissioning ready to changing funding arrangements such as apprenticeships, Work and Health Programme and new funding opportunities emerging.

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3. Developing a City-wide integrated case management process -

Development of integrated case management to ensure that individuals do not fall through the gaps as they transition through services and that there is greater coherence of the support for an individual so that one service/activity does not conflict with the other.

This will include a programme of development and support for front-line workers and a commitment to early intervention and prevention.

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4. **Supporting income and skills progression for those in employment** –

City-wide action plan building on the findings of the Fairness Commission to support workers on low-incomes or facing skills and progression challenges.

Important to nest this with the recommendations of the commission so that it has greatest traction, however through improved employer engagement and the development of better strategic relationships with business, this should integrate with the wider workforce development support proposed. (6).

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5. Development of All Age Sector Academies

Intergrated approach to support key sectors; CDIT, Hospitality and Tourism, Retail and Public Sector in the City. These ‘academies’ will deliver training programmes designed with employers to improve the quality of skills provision and of sector-related employability skills at pre-employment/pre-apprenticeship through to in-work skills progression for all ages.

This will enable investment into skills to be far better targeted and related to sector needs AND pool resources and funding, particularly around the Apprenticeship Levy for public sector employers.

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6. Development of a workforce development support programme for small and micro-businesses <49 employees

A targeted programme for smaller businesses which provides tailored brokerage and support and builds solutions around their specific needs to support their recruitment, develops their leadership and management skills and in turn helps them to grow.

Making it happen

Clear leadership and ambition

- Where does responsibility for all of this lie?
- Lots of groups, forums and partnerships (too many?)
- Focus on prevention, integration and coordination

What resources are available

- What can agencies and partners do/not do?
- What resources can they provide?
- What current budgets/investment can be used more effectively – less a case of requiring more, but acting more efficiently
- Do you need help in drawing in other funding/mobilising others?

Table 1 - Discussion

- Appoint a scribe
- Review the briefing note
- Discuss the questions and come up with solutions and ideas
- WRITE THEM DOWN CLEARLY
- Prepare to feed back

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Table 2 - Discussion

- Think about the future
- What would have changed by 2020?
- Each person on your table -
  - an outcome for an employer
  - and an outcome for an individual

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Next Steps

- Development of the plan – in draft
- Briefings to members and committees
- Final review and amendments
- Publication and approved by council March 2016
- Delivery April onwards

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