



Brent

**EMPLOYMENT, SKILLS
AND ENTERPRISE
STRATEGY**

2014- 19

Consultation Paper

EMPLOYMENT, SKILLS AND ENTERPRISE STRATEGY 2015-20

CONSULTATION PAPER

1. INTRODUCTION

This document presents a summary of the emerging themes and objectives that will shape the Employment, Skills and Enterprise Strategy. It is not a full draft but draws on earlier discussions with a range of partners to highlight the main areas that the strategy will cover and, in particular, the strategic objectives and the outcomes linked to them.

The aim is to provide a basis for further consultation that will help to refine and clarify the content of the strategy as a full draft document is prepared. A number of questions are set out in the text and you are asked to respond to these, although any other comments are welcome.

2. CONTEXT - ISSUES AND CHALLENGES

The strategy is being developed in the wake of prolonged economic downturn, high unemployment, low business confidence and static or falling incomes. Although economic indicators are improving, progress is slow and the problems of the last few years persist. At the same time, recovery runs in parallel with new challenges such as the growth of insecure and short-term employment, the impact of welfare reform and a severe shortage of affordable housing in Brent and London as a whole.

Welfare reform impacts significantly on a large number of Brent households and future changes such as the introduction of Universal Credit will impose new pressures, with employment offering the most effective route out of poverty and social exclusion. In this context, the council's priority is to tackle inequality, unemployment and low incomes and increase opportunities for Brent residents, while linking work around employment and low incomes closely to local housing policy and housing provision. A central aim for this strategy is that Brent businesses and Brent residents should be able to reap the benefits of improving economic conditions through business growth and the ability to compete in the wider job market for secure and appropriately rewarded employment.

While conditions in Brent reflect the national and regional picture, there are some particular features that the strategy seeks to address:

POCKETS OF SIGNIFICANT, ENTRENCHED UNEMPLOYMENT

The Index of Multiple Deprivation reveals concentrations of deprivation in the south of the borough, centred in particular on social housing estates. Mainstream interventions over many years have made little impact on skills, employment and incomes in areas such as Harlesden, Stonebridge and South Kilburn. Alongside these geographical concentrations there are particular communities, for example some BAME groups, recent migrants into the borough and people with a disability or mental health issues, in which particular needs exist. In addition, there is evidence that the growing private rented sector is an important source of accommodation for many of Brent's most vulnerable households.

THE DISTINCTION BETWEEN UNEMPLOYMENT AND WORKLESSNESS

Brent's unemployment rate partly reflects those residents who are claiming Job Seekers Allowance (JSA) and this is an improving picture. However, many residents face additional challenges that prevent them from being economically active, reflected in the number of people claiming benefits such as Income Support or not claiming benefits to which they may be entitled. This includes the high number of residents who are out of the labour market for health reasons, particularly mental ill health, but who wish to work.

PREVALENCE OF LOW-PAID EMPLOYMENT

Brent's improving employment rate also masks the number of residents in established Brent communities trapped in low value employment. This is characterised by low incomes, mostly at national minimum wage, with little prospects for career development and progression. Reflecting national trends, this is coupled with insecure employment as evidenced by the growth of zero hour or 'few hours' contracts.

BRENT'S ECONOMY IS A LOW-SKILLED, LOW VALUE OUTPUT ONE

Brent is part of the wider sub-regional and London economy and Brent residents need to be skilled and equipped to benefit from the higher value jobs this offers, while this strategy also needs to consider how the council and its partners can encourage growth and new directions locally.

EMPLOYMENT TRENDS AND BRENT LABOUR MARKET

During the period 2003 to 2013 the working age population in Brent increased by 18.1% from 184,300 to its current level of 217,632. Of the total working age population only those who are in employment or those who are unemployed but actively looking for work are classified as economically active. In March 2014 123,900 people aged 16–64, (72.9% of Brent's population) were classified as economically active. Of these, 112,100 are in employment, (65.9% of the economically active working age population compared to the London average of 70.5%). In Brent, 41.8% of working age adults are employed, 9.4% are self-employed and 9.6% are unemployed and looking for work. There are 11,800 unemployed people in Brent. In London the overall unemployment rate is 8.3% and for the UK it is 7.3%. Over the past 15 years, Brent's unemployment rate has consistently been 1-3% above the London rate.

27.1% of working age people are economically inactive and not seeking employment. The main reasons given are students in full time education (17.1%), those unable to work due to a long-term health condition (8.2%) or looking after family or home (17.0%).

In the past ten years, unemployment and employment levels in Brent have begun to emulate London trends. During this time, Brent has seen an increase in working age adults, due to the ageing resident population and continued inward migration. However, ward-level analysis shows varying rates of unemployment: in June 2014, rates varied from 1.3% in Kenton to 9.5% in Harlesden. Other wards with high rates are: Stonebridge (7.9%), Kensal Green (6.9%) and Willesden Green (6.2%). Note that these figures cover only those claiming JSA, while the overall rate of 9.6% covers other individuals.

Between 2008 and 2013, the proportion of the working age population with a NVQ4 level qualification or above increased from 27% to 44%. Similar increases were seen in other levels of qualification; the proportion with a NVQ3 level qualification or above rose from 40% to 61%, while the proportion with a NVQ2 level qualification rose from 49% to 72% and the proportion with a NVQ1 level qualification rose from 56% to 81%. The proportion without any qualifications remained consistent at 8%, while the proportion with other types of qualification decreased from 35% to 12%. One possible factor behind these figures is in-migration of highly qualified new residents, a trend mirrored in the housing market where higher earners are moving into private rented housing in the borough.

In 2012 there were 115,000 jobs in Brent, giving the borough a job density of 0.53 - significantly below the London average of 0.88 and the UK average of 0.78. In 2000 the job density ratio was 0.67. The ratio of employment opportunities to working age adults has decreased due to loss of jobs in some employment sectors, combined with an increase in working age residents. While job density has been comparatively low for the past decade it is now at levels more usually seen in rural areas – for example, job density in East Cambridgeshire in 2012 was 0.55.

Employment in the construction sector continues to grow, now accounting for 11% of employment in the borough. Similarly, employment in the service sector is considerably higher in Brent (25%) compared to London (7%) and the UK (7%). The proportion of jobs in the finance and IT sector has decreased from a high of 24% in 2011 to 18% in 2013, while the public administration, health and education sectors account for a lower proportion of all jobs (24%) in comparison to the UK and London.

It should be stressed that local employment needs must be seen in the context of the London and wider job market, in which Brent residents already compete. Similarly, opportunities for growth in the local economy will not be concerned solely with the current dominant sectors.

Over the past 15 years, gross median earnings for Brent residents have been below London levels, although they have remained above the UK average. Weekly median gross earning for all employees at the end of 2013 was £538, £5 less a week than in 2012 but in the context of a significant overall increase across the period. Median pay by work place in Brent is £546 a week, suggesting that while many Brent residents work outside the borough there is little difference in the earnings they achieve.

QUESTION 1: Does this overview picture of Brent reflect your broad experience?

QUESTION 2: Is there anything missing that the strategy should take account of?

3. VISION

The council aims to respond to the circumstances outlined above through a strategy that looks to the long term while focusing strongly on the next five years. In broad terms, the vision is that:

The council and its partners will reduce inequality, overcome entrenched worklessness, promote socio-economic mobility and raise living standards by creating and fostering conditions that assist businesses to grow and succeed and enable residents to escape poverty, acquire skills and obtain decent, meaningful and well-paid employment. Within twenty years, levels of employment in Brent will be equal to or better than the London and West London averages.

The strategic objectives and related outcomes summarised below provide the framework through which this vision will be realised. Objectives have been drawn up with reference to some underlying principles, recognising that responsibility and relevant powers and resources do not lie with the council in many areas:

- The strategy will be for the borough as a whole, not just the council, and will involve, as far as possible, alignment of priorities and better coordination of resources amongst all partners
- The role of the voluntary and community sector and other partners, including Registered Providers, is crucial in achieving agreed strategic objectives
- As far as possible and reasonable, Brent Council will adopt a leadership position, taking a strategic rather than delivery role

- Brent is part of a labour market encompassing not just the travel to work area but London as a whole and all of our residents should be able to compete effectively in this wider market
- Businesses and employers will play a central role and are recognised as crucial partners
- Local residents will be prioritised for employment and related opportunities as a result of regeneration and council commissioning activity

QUESTION 3: Does the vision capture the most important aims for the strategy?

QUESTION 4: Are there other principles that should be applied?

4. OBJECTIVES AND OUTCOMES

This section provides an overview of objectives, intended outcomes and actions to achieve them. The list of potential actions is not comprehensive or final and is included to provide a guide to current thinking. Suggestions for inclusion in the final action plan would be particularly welcome.

STRATEGIC OBJECTIVE 1 – To integrate skills provision more closely with employment so that it is responsive to and reflective of the labour market and employer demand, supporting the transition from education and training into work and progression within work.

Outcomes:

- Brent businesses, employers and training providers will support schools in enabling young people to develop the skills to make a successful transition from education into work

- Adult training providers will deliver an employment-focused curriculum, geared to labour market needs and providing adults with the skills and knowledge to move into or progress within employment
- By 2020 the number of residents with no qualification will, as a minimum, be at the London average

There has been a historic separation between skills and employment provision, resulting in a mismatch between skills and the needs of the labour market. This strategic objective recognises the importance of engaging with local businesses and employers; ensuring there are improved links between education and business and greater labour market and employer influence on adult skills provision.

It should be noted that the statutory duty for providing careers advice and guidance for students at schools has moved from local authorities to individual schools, reducing the council's influence in this area.

Proposed actions include:

- Exploring a Mentoring scheme between Council staff and Brent school pupils
- Expansion of Brent's in-house apprenticeship service
- A reformed curriculum for the council's adult education service, Start, linked to employment outcomes and employer needs
- Careers advice linked to labour and growth markets in Brent and London
- Council commissioned or delivered ESOL provision to have embedded employment support
- Coordinated employer offer across the borough to ensure that skills provision is informed by businesses
- Local Department for Work and Pensions (DWP) to align their Skills Funding Agency (SFA) funding pot to this strategy, commissioning vocational courses informed by labour market intelligence

QUESTION 4: Does the objective cover the key priorities in this area?

QUESTION 5: Are there other outcomes that should be included?

QUESTION 6: What other actions and targets should be included?

QUESTION 7: How can your organisation contribute? What specific actions can your organisation take to achieve this objective?

STRATEGIC OBJECTIVE 2 - To reduce inequality by reducing economic and social polarisation in our most deprived neighbourhoods and amongst residents most in need

Outcome:

- By 2020, the gap in employment levels between priority neighbourhoods and communities and the borough as a whole will be halved

This objective has a strong focus on residents likely to be further from the labour market, with multiple constraints and not effectively accessing services, many of whom live in the most deprived neighbourhoods and are claiming inactive benefits. This will include many families and individuals impacted by welfare reforms, and families who are being supported through the council's Working with Families initiatives.

The council's Housing Strategy, adopted in July 2014, aims to support employment and growth in a number of ways. These include additional priority on the Housing Register for working households and use of fixed-term tenancies linked to employment support. The intention is that the Housing and Employment, Skills and Enterprise Strategies should offer a coherent and coordinated approach that maximizes opportunities for Brent residents

across all housing tenures. Within this, there is a particular focus on priority neighbourhoods, where the Index of Multiple Deprivation shows persistent problems compared to the rest of the borough in terms of unemployment levels, education and skills, poor health and other issues, often linked to high levels of social or private rented housing. The priority neighbourhoods are Church End, Chalkhill, Harlesden, St Raphaels, Stonebridge and South Kilburn.

In addition, the evidence indicates that some groups and communities across the borough are particularly likely to face poverty, unemployment and social exclusion, including those impacted by welfare reform, people with disabilities or long-term health conditions including poor mental health and people from certain ethnic groups.

Proposed actions include:

- Place-based research to understand key barriers to employment and specific nuances in each neighbourhood, leading to a joint and community driven action plan for each neighbourhood
- Piloting a placed-based multi agency provision aimed at supporting employment in the St Raphael's Estate as part of the West London Alliance's Whole Place Community Budget proposal
- New approaches to housing register and allocations including linking grant and renewal of tenancies with employment support and additional priority for those in employment in some circumstances
- Integration of housing options, employment and welfare advice at the frontline
- Housing providers to maximise the opportunities to use procurement power to promote local employment and support for local business
- Coordination of employment and financial inclusion initiatives across housing providers and other partners in given localities
- Coordinated response to welfare reform including co-located activities with DWP and Citizen's Advice Bureau and commissioning of job brokerage services for residents impacted by welfare reforms
- Address child care barriers to employment, including support for community-based childcare provision and further development of the flexible child-minding pool
- Review of the council's recruitment processes to ensure they are fair and supportive of employment of local people
- Council to offer work experience and apprenticeship opportunities to local residents
- Maximise employment, training and apprenticeship outcomes for local residents through procurement processes and the Social Value Act

QUESTION 8: Does the objective cover the key priorities in this area?

QUESTION 9: Are there other outcomes that should be included?

QUESTION 10: What other actions and targets should be included?

QUESTION 11: How can your organisation contribute? What specific actions can your organisation take to achieve this objective?

STRATEGIC OBJECTIVE 3: To reduce poverty through employment and progression in work

Outcomes:

- By 2020, the proportion of residents earning less than the London Living Wage will reduce to at least the London average
- By 2020, median incomes in Brent will be at least equal to the London average

Residents may be 'under-employed' for a number of reasons, including being in part-time work when full-time work is preferred, taking a more junior role in order to manage work-life balance or being in low value-output, low skilled employment and unable to progress due to a lack of necessary skills. This objective is concerned with the latter group; those trapped in entry level jobs characterised by low wages and insecure employment contracts. The ambition of this strategy is a local population that is skilled and able to compete confidently in a high-skilled, high-output London labour market and beyond.

This will require increased commitment by local and sub-regional employers to the London Living Wage, raising skill and qualification levels amongst adults through skills and training agencies and working with business to support staff development and progression.

Achievement of these outcomes is therefore linked to strategic objective 1 above.

Proposed actions include:

- Work with local employers to raise commitment to paying the London Living Wage
- Brent's adult education service, Start, to work with local employers to support work force development
- Brent Council ensuring adoption of London Living Wage is widespread across its services and supply chain

QUESTION 12: Does the objective cover the key priorities in this area?

QUESTION 13: Are there other outcomes that should be included?

QUESTION 14: What other actions and targets should be included?

QUESTION 15: How can your organisation contribute? What specific actions can your organisation take to achieve this objective?

STRATEGIC OBJECTIVE 4: The council will lead borough and sub-regional partnerships to shape, influence and secure devolution of national programmes to deliver better outcomes for Brent businesses and residents.

Outcome:

- By 2020, work with providers will achieve and sustain convergence with the London average JSA claimant count and raise overall employment levels to equal or exceed the London average

This objective relates to:

- National employment and skills programmes, commissioned by central Government, operating in Brent
- Council activities which could deliver better employment outcomes for residents

The council will build on its working relationships with DWP and others to continue the positive trend of overall reduction in the claimant count and will support moves to devolve responsibility to the appropriate local level. The council will take a leadership approach to support, challenge and work with providers of nationally commissioned provision to deliver better outcomes for residents.

The council will ensure it achieves better value from the Social Value Act. Through its procurement activities, particularly of service contracts, Brent Council will seek to influence

and facilitate the employment of Brent residents and the creation of pathways to employment for young people, including traineeships and work placements.

Proposed actions include:

- Strategic partnership with stakeholders including DWP, Prime Providers of nationally commissioned employment programmes, College of North West London, VCS representatives and Brent Council to drive up employment rates within the borough
- Strategic Partnership with DWP and Work Programme Providers to support improvement of Work Programme outcomes for Brent residents
- Lobbying for more local influence in commissioning of national programmes

QUESTION 16: Does the objective cover the key priorities in this area?

QUESTION 17: Are there other outcomes that should be included?

QUESTION 18: What other actions and targets should be included?

QUESTION 19: How can your organisation contribute? What specific actions can your organisation take to achieve this objective?

STRATEGIC OBJECTIVE 5 - To promote economic growth through regeneration and increasing opportunities for local businesses

Outcomes:

- Physical regeneration schemes in Brent and beyond will deliver a demonstrable increase in employment related opportunities with a target of 5,000 new jobs, including apprenticeships, created for and accessed by Brent residents
- The strategy will establish the conditions to encourage creation of new businesses and new and high-value business sectors and support growth of the existing business sector to support job creation and raise incomes

Physical regeneration of the borough plays a critical role in supporting the growth of the local economy and employment of local residents. The council will work with developers to ensure that access to employment and training opportunities is improved, particularly for those most in need. Employment and training opportunities will be maximised through Section 106 and developer contracts, including better links with schools, creation of work placements, apprenticeships and jobs. In addition developers will be expected to promote supply chain opportunities to local businesses and encouraged to increase spend in the local economy, facilitated through the SupplyBrent web portal.

Beyond the immediate ability to achieve employment growth and other benefits through regeneration, the strategy embraces wider ambitions for the sustainment and expansion of the local economy through work with the businesses that will drive growth. The strategy aims to foster the conditions that will support growth among existing business and the development of new enterprises and new entrepreneurs, with an explicit focus on the five growth areas¹ and town centers where opportunities are concentrated. This will include support for start-ups and small and medium enterprises (SMEs) and work with larger, established firms as well as support for self-employment. Beyond initial consultation on the strategy, the council will work with businesses and business representatives to identify mechanisms for continuous engagement, for example through regular networking or similar events, to ensure that priorities and outcomes meet commercial needs.

Proposed actions include:

- Develop policy around Social Value Act to ensure employment, training and supply chain opportunities are maximized through procurement and commissioning
- Brent Council to act as a single point of contact, coordinating recruitment activities as a result of regeneration in the borough
- SupplyBrent portal to expand so that local trades and businesses can benefit from large scale development contracts

¹ Alperton, Wembley, Church End, South Kilburn and Burnt Oak

- SupplyBrent portal to promote supply chain opportunities arising from procurement of service contracts
- Support local businesses, with a focus on SMEs, to create apprenticeship opportunities
- Support efforts to create employment opportunities, focusing on the five growth areas
- Develop a High Street Plan leading to a town centre/High Street strategy for selected areas
- Launch Brent Business Hub
- Ensure the provision of a range of incubator, test-trading, move-on and meeting spaces for SMEs and start-ups including a single online directory of space availability, exploring feasibility of converting existing suitable but underused Council and partner premises into move-on workspaces and evaluation of all meanwhile projects to inform a more stable provision of workspace in the future
- Identify and encourage use of empty commercial space and provide information on opportunities to lease or acquire property
- Consider how planning policy and approach to Business Rates can assist business and identify opportunities to remove unnecessary barriers to enterprise
- Update the Local Development Framework, exploring suitable employment sites that may be ripe for incubator, move-on and meeting spaces
- Support the spin-out of higher value enterprise
- Coordinate access to support and advice on matters relating to business start-up and growth and links to London-wide and national sources of support, advice and funding
- Work with schools and businesses to nurture the next generation of entrepreneurs

QUESTION 20: DOES THE OBJECTIVE COVER THE KEY PRIORITIES IN THIS AREA?

QUESTION 21: Are there other outcomes that should be included?

QUESTION 22: What other actions and targets should be included?

QUESTION 23: How can your organisation contribute? What specific actions can your organisation take to achieve this objective?

5. IMPLEMENTATION

A detailed action plan covering an initial period of three years is being drawn up and will be reviewed and monitored regularly so that it is a live document guiding activities and focus. Implementation of the strategy and action plan will be overseen by strategic partners through the Brent Employment Summit².

The suggested actions above are mainly council activities. We encourage all partners to consider how they can play a critical role in developing the action plan and achieving the agreed objectives of this strategy.

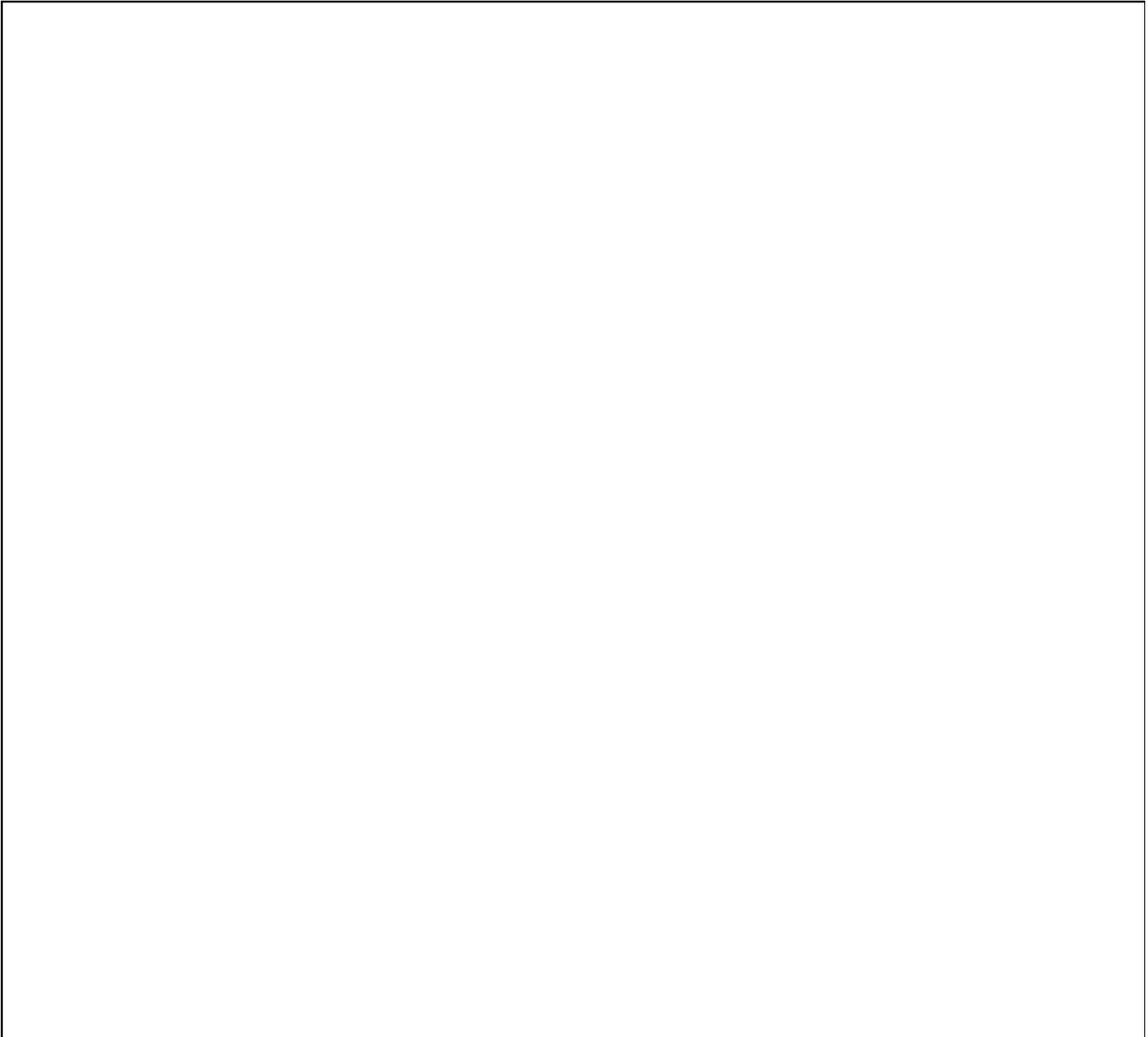
Mirroring the strategy, the action plan will be a borough plan and Brent Council and partners from all sectors will need to work together to develop and deliver the action plan. This will particularly include organisations from the VCS, the housing sector, Work Programme providers and DWP.

To support delivery, the council and partners will seek to maximize potential external funding for projects and programmes aligned to the strategic priorities.

² Brent Employment Summit is a strategic partnership of key employment related partners. It is chaired by Brent Council and partners include DWP, the College of North West London, VCS representation and, at the time of writing, representation from each of the three Prime contractors of the Work Programme.

Please use this space to add any other comments or suggestions. Suggestions for actions to support the objectives and outcomes and indications of the role your organisation might play would be especially welcome.

Please return completed documents to Tony Hirsch (tony.hirsch@brent.gov.uk) by 31st October 2014.

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