

### Why is this issue important?

Employment gives people a sense of purpose and personal achievement, routine, structure, identity, status, social contacts and support. It is particularly important for people with mental illness who may be more sensitive to negative effects of unemployment which can add to feelings of social exclusion.<sup>1</sup>

Unemployment is both a cause and a result of ill-health. The effects of unemployment on health can be linked to poverty and low income amongst the unemployed. There are also significant psychological consequences from being out of work, especially for the long-term unemployed. Conversely, people with poorer health are more likely to be unemployed; this is particularly true for people with long-term disabilities.<sup>2</sup>

Helping more people to find or stay in work is a key element of government welfare policy, recognising that a fulfilling working life is generally good for health and wellbeing.

### Key outcomes

- **Increase employment of people with long-term condition including those with a learning difficulty/disability or mental illness (Public Health Outcomes Framework, NHS Outcomes Framework)**
- **Improved functional ability, and ability to work, in people with long-term conditions (Adult Social Care Outcomes Framework)**
- **Improved functional ability, through employment, in people with mental illness (Adult Social Care Outcomes Framework)**

### Impact in Brighton & Hove

The employment rate (the percentage of people aged 16 to 64 economically active in employment) in the city between Jan 2015 and Dec 2015 was 72% (143,700 people) (Table 1). This was lower than both the South East (77%) and Great Britain (74%)<sup>3</sup>. The employment rate in the city fell by 2%

from the previous year. The large student population is likely to deflate the overall rate and the entry of students into the lower skilled labour market will impact on the employment opportunities for lower-skilled residents.

**Table 1: Employment and unemployment - All people, Jan 2015-Dec 2015**

	Brighton & Hove (numbers)	Brighton & Hove (%)	South East (%)	Great Britain (%)
<b>Economically active<sup>†</sup></b>	153,300	76.6	80.3	77.8
<b>In employment<sup>†</sup></b>	143,700	71.7	76.9	73.6
<b>Employees<sup>†</sup></b>	114,500	57.6	64.9	63.1
<b>Self employed<sup>†</sup></b>	28,700	13.7	11.7	10.2
<b>Unemployed (model-based)<sup>§</sup></b>	8,900	5.8	4.2	5.2

Source: ONS Brighton & Hove Labour Market Profile, NOMIS

<sup>†</sup> Numbers are for those aged 16 and over, % is a proportion of economically active people

**Unemployment:** In 2015 there were estimated to be 8,900 unemployed people in the city - 6% of those who were economically active. This is similar to Great Britain (5%) but higher than the South East (4%).<sup>3</sup>

The unemployment rate is an important indicator as it highlights unused available labour, which impacts on the economic growth of the city.

In 2015 the gross median weekly pay for a Brighton & Hove resident working full-time was £547, a rise of £3 since 2014 and £27 since 2010. City residents on average earn less than in the South East (£575) but more than in Great Britain (£530).<sup>3</sup>

### Out-of-work benefits:

There were 21,920 people of working age in the city claiming one or more Department for Work and Pensions benefits in November 2015 (Table 2). This is 11.1% of the city's population aged 16 to 64.<sup>3</sup> The 2015 rate for Brighton & Hove is similar to

<sup>1</sup> Department of Health. The Public Health Responsibility Deal; 2011. Available at <http://www.wp.dh.gov.uk/responsibilitydeal> [Accessed on 23/08/2012].

<sup>2</sup> Marmot M. Fair Society, Healthy Lives: Strategic Review of Health Inequalities Post 2010, 2010. Available at: <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review> [Accessed 21/08/2016]

<sup>3</sup> ONS, Brighton & Hove Labour market Profile. Available at

<https://www.nomisweb.co.uk/> [Accessed on 06/07/2016].

## 6.2.2 Employment and unemployment

that seen in Great Britain (11.8%) but higher than the South East (8.8%). The number of people in the city claiming out of work benefits has fallen by 4,680 (18%) compared to November 2010 and by 590 (3%) compared to November 2014. The majority of the decrease since 2010 has been in the age group 16 to 44 (4,520 people).<sup>3</sup>

**Table 2: Working-age client group - key benefit claimants (November 2015)**

	Brighton & Hove (numbers)	Brighton & Hove (%)	South East (%)	Great Britain (%)
<b>Total claimants</b>	21,920	11.1	8.8	11.8
<b>Job seekers</b>	2,770	1.4	0.9	1.5
<b>ESA and incapacity benefits</b>	12,960	6.5	4.4	6.2
<b>Lone parents</b>	1,430	0.7	0.8	1.1
<b>Carers</b>	2,170	1.1	1.2	1.6
<b>Others on income related benefits</b>	360	0.2	0.2	0.2
<b>Disabled</b>	1,980	1.0	1.0	1.0
<b>Bereaved</b>	240	0.1	0.2	0.2
<b>Key out-of-work benefits†</b>	17,520	8.9	6.4	9.0

**Source:** Department of Work and Pensions benefit claimants - working age client group

† Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

**Note:** % is a proportion of resident population aged 16-64

In November 2015 almost three out of five (59%) residents aged 16 to 64 were in receipt of a work related benefit, Employment and Support Allowance (ESA) or Incapacity Benefit (IB), an overall rate of 6.5% of the 16 to 64 population in Brighton & Hove. This compares with 4.4% in the South East and 6.2% in Great Britain.<sup>3</sup>

### Employment:

Excluding self-employment, nearly a third of all jobs (40,200 people, 31.5%) in the city are in the public admin, education and health sector (table 3). This is a higher proportion than found in the South East (25.6%) and Great Britain (27.4%). There are

proportional more jobs in the city than the South East and Great Britain in the financial and business services sector (31,400 people, 24.5%) and the accommodation and food services sector (13,100 people 10.1%) but proportionally fewer in wholesale and retail (18,300 people, 14.3%), construction (3,600 people, 2.8%) and manufacturing (2,500 people, 1.9%).<sup>3</sup>

**Table 3: Employees (jobs) in Brighton & Hove (November 2015)**

	Brighton & Hove (numbers)	Brighton & Hove (%)	South East (%)	Great Britain (%)
<b>Total Employee Jobs</b>	127,900			
Full-Time	80,700	63.1	67.8	68.3
Part time	47,200	36.9	32.2	31.7
<b>Jobs by industry</b>				
Energy & water	1,000	0.8	1.1	1.1
Manufacturing	2,500	1.9	6.2	8.5
Construction	3,600	2.8	4.8	4.8
Wholesale and retail	18,300	14.3	17.0	15.9
Transport storage	3,800	3.0	4.6	4.5
Accommodation & food services	13,100	10.2	7.4	7.1
Information & communication	6,500	5.1	5.8	4.1
Financial and other business services	31,400	24.5	22.5	22.2
Public admin, education & health	40,300	31.5	25.6	27.4
Other services	7,500	5.8	4.8	4.4

**Source:** ONS Business register and employment survey

**Note:** Employee jobs excludes self employed

Full time employee pay in Brighton & Hove is £514.60 and is lower than found in the South East (£552.10) and Great Britain (£529.00).<sup>3</sup>

The majority of workplaces are small and medium sized with 10 or less employees.

However, 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 and 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.

### Where we are doing well

Overall, Brighton & Hove residents have high qualification and skill levels. Indeed, the quality of its resident population is a key asset for potential inward investors. The Economic Development team has secured funding to enable pre-employment training courses to be offered to unemployed people interested in finding work in hotels, restaurants or retail. This has been made possible through collaboration with City College and the participation of local employers willing to offer work experience placements.

### Local inequalities

There is a gender divide in average weekly earnings of residents and how much people who work in the city are paid. Full-time female residents earn on average £517.20 per week compared with £566.40 per week for males in the city, a 9% difference. However, the differential is much lower in Brighton & Hove than across Great Britain (17%) or the South East (20%). A full time female working in Brighton & Hove on average earns £492.50 compared to £537.20 for males, an 8% difference. Again the differential is lower in the city than in the South East (19%) and Great Britain (17%).<sup>3</sup>

In 2015 the employment rate for females (70.0%) in the city is slightly lower than for males (73.3%). However, the female employment rate in Brighton and Hove is broadly similar to that in the South East (71.9%) and Great Britain (68.7%) but the male employment rate is lower than that seen in the South East (81.9%) and Great Britain (78.6%).<sup>3</sup>

In 2015 the employment rate for disabled people in Brighton & Hove aged 16-64 was 48.1% (24,200 people) compared to a rate of 79.8% for people without a disability. For the employment rate of disabled people to equal that of non-disabled people, there would need to be 15,900 more disabled people in work. The city's employment rate for disabled people is also lower than that found in the South East (56.6%) and Great Britain (49.7%).<sup>4</sup>

The Brighton & Hove Health Counts survey 2012 highlights the benefits of being in employment versus being unemployed. The survey shows that employed residents are less likely to smoke, experience bodily pain, suffer from depression, self harm or have a long term illness. Employed residents are also more likely to be in good or better health, eat five or more portions of fruit and vegetables a week than those who are unemployed.<sup>5</sup>

### Predicted future need

Brighton & Hove's employment challenge is widely acknowledged. It has too few jobs for its resident population and the quality of many of the jobs that it has is insufficient to meet the skills and qualification levels of its residents. Whilst many areas are wrestling with how to retain talent and improve the skills of their local populations, in Brighton & Hove, the overriding issue is how to make better use of its human capital. At least 6,000 new quality jobs will be needed by 2014 if we are to maintain the current employment rate of 70%.

The Government has removed the default retirement age so people can choose to work for longer. Many employers need to know more about what it means for their business and workers.

The recession hit the UK hard in 2009 although the effects in Brighton & Hove have not been as bad as in some parts of the country. The local economy however, remains precarious, as the service and hospitality industries are vulnerable to consumer spending and there is local evidence it is reducing.<sup>6</sup>

Brighton & Hove's unique independent retail businesses could suffer more than other types of retail businesses since these firms have smaller markets and weaker financial management systems than larger mainstream retail organisations.

The effects of the recession on the health of the population will depend on job losses, how long people remain unemployed and the wider impact on people's lives such as how it affects their relationships and whether they lose their home.

<sup>4</sup> ONS, Annual Population Survey, year ending December 2015. Available at <https://www.nomisweb.co.uk/> [Accessed on 27/0716]

<sup>5</sup> Brighton & Hove City Council and NHS Brighton and Hove. Health Counts Survey. 2012. Available at <http://www.bhconnected.org.uk/content/surveys>

<sup>6</sup> STEP AHEAD RESEARCH Ltd. Brighton & Hove Business Survey 2010.

### What we don't know

There is a lot of equalities data not routinely available both locally and nationally including Age, sexual orientation, ethnicity, religion, marital status and carers.

The relationship between unemployment and health has been extensively studied. However, the effects on lifestyle factors such as smoking and alcohol use are hard to predict.

### Key evidence and policy

Department of Health. 2009. Valuing employment now – real jobs for people with learning disabilities. [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_101401](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_101401)

Brighton & Hove City Employment and Skills Plan 2016-2020. <http://www.brighton-hove.gov.uk/content/business-and-trade/support-businesses/brighton-hove-city-employment-and-skills-plan>

Brighton & Hove Economic Strategy 2008 - 2016 *Raising Our Game*. [http://www.brighton-hove.gov.uk/downloads/bhcc/economicdevelopment/economic\\_strategy\\_2008-2016.pdf](http://www.brighton-hove.gov.uk/downloads/bhcc/economicdevelopment/economic_strategy_2008-2016.pdf)

### Recommended future local priorities

1. The city's employment and skills priorities are reflected in aligned strategies and plans, including those developed by the Coast to Capital Local Enterprise Partnership.
2. The City Employment & Skills Plan (2016-2020) identifies four objectives, as follows:
  - a. Work better with employers to secure jobs and develop careers for our residents
  - b. Make skills infrastructure and funding work better for sectors key to our resilience and growth
  - c. Make our services, providers and funding work better to help those furthest from the labour market
  - d. Support business growth and sustainability.
3. Brighton & Hove Economic Partnership to work closely with colleges and training providers to ensure that provision reflects local need.

### Key links to other sections

- Not in education, employment or training
- Transport and active travel
- Health in the workplace
- Happiness and wellbeing
- Mental health

### Further information

UK Unemployment Labour Market Statistics, <http://www.hrmguide.co.uk/jobmarket/unemployment.htm>

Office for National Statistics NOMIS: employment and unemployment data <https://www.nomisweb.co.uk/Default.asp>

### Last updated

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