

BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is a not Key Decision within the council's definition and has not been included in the relevant Forward Plan

**Report of the Interim
Executive Director
Development, Environment
and Culture**

Refreshed Economic Strategy: The Jobs and Business Growth Plan**1. Purpose of report**

- 1.1. To highlight and note the progress in delivering the key prioritise and projects contained within the Economic Strategy (2012-2033) and the wider work of the Council and its partners in advancing the Growing the Economy priority.
- 1.2. To highlight and note the refreshed economic strategy, now called the Jobs and Business Growth Plan.
- 1.3. To highlight and agree the revised Phase 1 Economic Strategy Investment Budget, which is intended to reflect the new Jobs and Business Growth Plan.

2. Recommendations

It is recommended that:

- 2.1. **Cabinet agrees the plan and for it to be translated into a business plan which will outline how each project will be delivered. Also to note the policy challenges identified within the Jobs and Business Growth Plan which require addressing if the borough is to achieve the aspiration to close the economic performance gap.**
- 2.2. **Cabinet agrees to the implementation of the reprioritised Phase 1 Jobs and Growth Programme of schemes to the value of the previously agreed funding (£13.834M) included at Appendix A1.**
- 2.3 **That more detailed project initiation documents be worked up for the other priorities included at Appendix A2 (£11.166M) and that these be considered in more detail by Cabinet in the early summer alongside the requirement to fund the redevelopment of the town centre and any other emerging Future Council priorities and in light of the audited financial statements for the 2013/14 financial year.**
- 2.4 **That the difference in the composition of the planned expenditure between revenue and capital (0.528M) from what was originally approved be dealt with by way of technical accounting adjustments at the financial year end.**

2.5 That the Regeneration Service staffing structure be reviewed further in light of the outcome of the deliberations of Phase 2 of the Jobs and Growth Plan outlined above.

3. Introduction

3.1. In November 2013, a report was approved by Cabinet which provided a update on the delivery of the 2012 economic strategy for Barnsley. That report also set out work underway with the Barnsley Economic Partnership (BEP) to refresh the economic strategy, produce a final economic strategy prospectus and realign the economic strategy budget in accordance with priority projects and the refreshed strategic framework.

3.2. Members have accepted and recognized the key economic challenges facing the Borough and as a result, ‘Growing the Economy’ is now established as one of the key priorities for the Council. This has been further reinforced by the establishment of the BEP, led by the private sector and an increasing need to close Barnsley’s economic performance gap with a renewed focus on the creation of more jobs and more businesses.

3.3. This report and the accompanying draft Jobs and Business Growth Plan, sets out the proposals for a refreshed approach to economic regeneration in Barnsley and a reprofiled economic investment budget to support the objectives set out within that new plan.

4. Consideration of alternative approaches

4.1. There are no alternative approaches as the Council has already adopted the principle of producing an economic strategy.

5. Proposal and justification

Progress to Date

5.1. The following table provides an overview as to the outputs achieved to date against the 5 year high level indicators agreed as part of the 2012 Economic Strategy, along with a summary of spend to date against the economic strategy investment budget.

Gross 5-year outcomes				
<i>Description</i>	<i>5-year target</i>	<i>Progress (Jun 2012 – Jan 2014)</i>	<i>Percentage attainment against target</i>	<i>Comments</i>
New Jobs	5,537	1,937	87% amber	Total number of jobs created through new starts, business growth and inward investment supported by the Enterprising Barnsley Programmes. Smaller scale projects jobs

				have not been accounted for and these will be collated through a survey at year end.
Construction Jobs	2400	605	100% Green	Construction jobs derived from the Council direct investment in delivering affordable housing programmes in Goldthorpe and Town Hall gardens.
Number of Barnsley residents trained-up to access existing jobs*	2,711	105 Apprenticeships 2878*	See comment below	<i>*The figure relates to individuals on an adults learning or employability related programmes. The figure cannot be broken down further to establish exact number of people that have been supported from this pool to secure employment. This will be developed in the coming year</i>
Total number of new start-ups	821	123	23% Red	Number of business starts since January 2013, when the programme commence
Visitor Numbers *	3.5m	2.9m	See comment below	*Visitor number and spend indicates the number of visitors to Barnsley attractions and conversion of this figure into spend. It is not possible to report full and proper uplift in visitor numbers and spend until April 2014 as the system for collating figures has only been put in place in this financial year.
Visitor Spend *	29.4	£62m	See comment below	
Total combined investment	£338.6 - £347.7m	£93.2m	100% Green	

**Strategy approved in June 2012 and therefore full 5 quarter figures have been utilised except for start-up which represents 4 quarters activity.*

Process for Refreshing the Economic Strategy

- 5.2. Although there has been progress made in delivering some of the key projects outlined in the 2012 economic strategy, there is a need to be more focussed in what is being delivered in order to address the jobs, business and economic performance gap facing Barnsley. It is about delivering fewer but larger projects which will directly impact on these challenges, hence the name the Jobs and Business Growth Plan.
- 5.3. This is combined with the fact that many of the projects contained within the original Cabinet report remain largely in outline form, without being further developed beyond initial concepts at this stage. This is because the focus of the limited staffing resources available has been on laying the foundations for the longer term bigger impact initiatives such as the new business parks.
- 5.4. The creation of the BEP affords Barnsley with the opportunity to review the economic strategy with private sector input in order to refocus effort on the delivery of the key economic priorities and ensure projects within the final version are fully developed, costed and can clearly demonstrate a return on investment, whether in the form of leverage, jobs or businesses created.
- 5.5. Working in collaboration with the BEP, a forensic examination of key work areas has been conducted alongside an economic review which examines current economic performance. These reviews have taken a 'zero based' approach to ensure that projects are included in the final plan because they:
 - Address an identified economic need/problem.
 - Seek to contribute towards job and business creation or getting people into work.
 - Are of a significant scale which could make a demonstrable impact on the economy.

This has meant that:

- Some existing projects are no longer supported or delivered.
 - Some existing projects continue to be delivered but are 'ramped up' to accelerate the impact.
 - We deliver new projects which offer a different/innovative approach to what has been attempted before.
- 5.6. These work reviews have fed into a series of workshops held by the BEP which are intended to help develop innovative but deliverable solutions.

Summary of the Jobs and Business Growth Plan

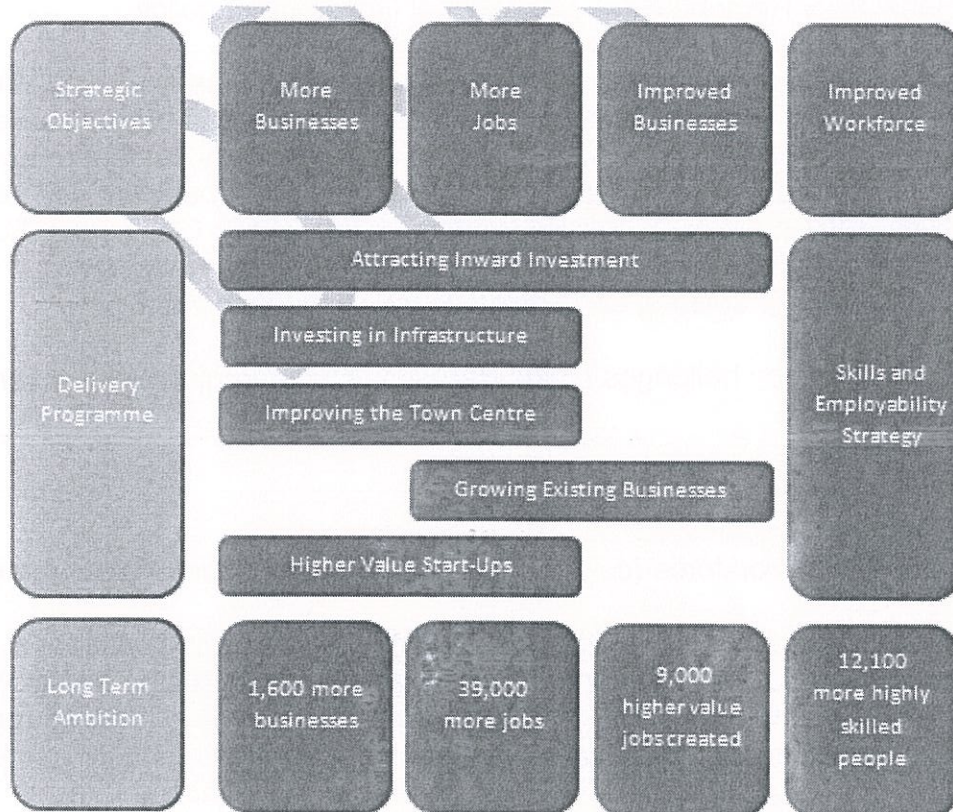
- 5.7. The plan sets out a 20 year strategic direction which is intended to be aligned to the timeframe of the emerging Local Plan. This is important due to the

significant spatial requirements needed in order to begin to close the jobs, business and productivity gap.

- 5.8. The plan itself is intended to have a 3 year delivery horizon, defined by the long term strategic direction. It is proposed that this delivery element of the overall plan is reviewed at the end of this timeframe in order to measure progress and refresh implementation according to changes in either local, regional (City Region/LEPs) and national Government policy.
- 5.9. As a result, it is essential that the plan is aligned with the emerging Sheffield and Leeds City Region Growth Plans. Therefore the plan contains reference to where initiatives delivered across the region can directly contribute towards each of the programme areas. The approach taken is that Barnsley must maximise the benefits that come from being part of two City Region Local Enterprise Partnerships (LEPs) but equally the borough must take responsibility for defining and driving its own economic path.
- 5.10. Based upon the challenges facing Barnsley, the strategic objectives will be:
 - More Jobs
 - More Businesses
 - Improved Businesses
 - Improved Workforce (covered in the Employment and Skills Strategy)
- 5.11. In order to underpin these objectives, there is a compelling case for restructuring Barnsley's economy to give particular support to sectors that not only can create the quantity of jobs required in the short to medium term, but also high-value jobs which can achieve a long term restructuring as well as the ability to drive growth and resilience in the economy. This requires a fundamental rethinking of Barnsley's path and what it chooses to invest in.
- 5.12. As such, the focus of the Jobs and Growth Plan is on developing those industries that have the most potential to address the jobs and business deficit as well as improving Barnsley's long term economic performance. This is a prudent and efficient use of resources.
- 5.13. The plan of action itself is equally focused. It will target barriers to growth through the delivery of a smaller number of large interventions. The range of programmes are rooted in research and built on experience of previously successful interventions as well as input from partners. However, the plan is flexible and allows for scope and freedom for new initiatives to be developed in response to future challenges. Hence the 3 year delivery horizon. First and foremost this is an enabling document rather than a controlling document. It seeks to enable projects that will directly create jobs and business rather than control all economic activity in the borough.
- 5.14. The focus of effort put into each programme of work reflects the current state of Barnsley's economy and the need to bring it up to a comparable position in terms of the density of businesses and jobs (quantity) whilst not forgetting the

long term aspiration to improve economic performance driven by having higher value (improved) businesses and jobs (quality).

5.15. As such the following diagram outlines how each delivery programme will contribute towards these objectives, with more focus being given to growing the quantity of businesses and jobs as a priority.



5.16. Each of the delivery programmes outlined above contain a series of specific projects which are scheduled to be delivered over the next 3 years. Each one backed up by a robust governance and programme management structure.

5.17. Each of the projects identified in the plan will also be developed so they directly contribute towards the strategic objectives outlined above. The following table shows a further level of granularity to the diagram above by showing how each of the projects in the programmes contributes to these strategic objectives (apart from the Improved Workforce objective which is the subject of the Employment and Skills Strategy):

Project	More Jobs	More Businesses	Improved Businesses
Strategic Growth Cluster	✓	✓	
Stimulating Property Development	✓	✓	
Digital Barnsley		✓	✓
Delivering Development	✓	✓	
Investing in the Visitor Economic Infra.	✓	✓	

Inward Investment Campaign	✓	✓	
Inward Investment Resource	✓	✓	
Local Growth Zone	✓	✓	
Mobile Investment Fund	✓	✓	
DMP	✓	✓	
Reshaped Marketplace	✓	✓	
Expanded Public Realm		✓	
Town Centre Marketing		✓	✓
Gateway Sites	✓	✓	
Oakwell Masterplan	✓	✓	
Enterprising Barnsley	✓	✓	✓
Space for companies to grow	✓	✓	✓
Integrated Business Support Platform			✓
Improving management skills	✓		✓
Celebrating Success			✓
Increasing knowledge starts		✓	✓
Graduate attraction package		✓	✓
Franchise Hub		✓	✓
Community start-up support		✓	
Retail Academy		✓	✓

Economic Monitoring Framework (EMF)

5.18. In order to measure progress, there is a monitoring framework for the plan. This will allow the Council and the BEP to identify areas of good practice and rectify problems and areas where progress is falling short of expectations. The Economic Monitoring Framework (EMF) will build on the economic review produced to provide a robust statistical backdrop to the new plan.

5.19. The EMF will be used to monitor 'real-time' information on delivery progress using a set of project specific metrics. The following list is still being finalised in consultation with the BEP and will be shown in the final plan when complete:

Infrastructure	Investment	Town Centre	Business Growth	Start-Ups
Amount of commercial space available (sqft)	Enquiry conversion rate	Footfall	Number of businesses supported	Number of new business starts
Amount of serviced employment land available (ha)	Number of jobs created via enquiries	Property void rates	Number of jobs created	Type of business starts
Amount of	Number of	Amount of retail	Number of jobs	Number of jobs

brownfield land reclaimed for employment use (ha)	enquiries	floorspace	safeguarded	created
Amount of investment levered (£)	Customer satisfaction	Unit rents	Customer satisfaction	Customer satisfaction

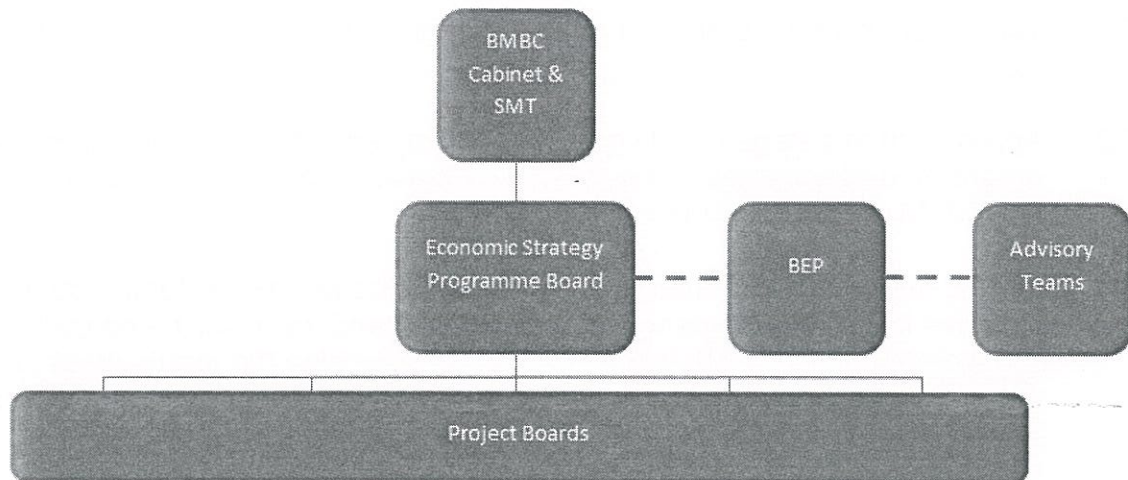
5.20. This will be supplemented by a longer term monitoring framework of key economic indicators. The following table helps to identify some of the key indicators and drivers of perceived economic prosperity and growth within the local economy.

Ambition	Indicator	Barnsley	Yorkshire & Humber	GB
Closing the business deficit	Stock of VATand/ or PAYE registered businesses	5,045	+800	+830
Closing the jobs density deficit	Total Jobs (job density rate)	81,000 (0.54)	+38,950 (0.76)	+45,550 (0.79)
Ensuring more residents are in employment	Employment Rate	100,300 (69.1%)	+19,900 (76.9%)	+22,600 (78.7%)
Closing the high skilled jobs gap	Number of residents of working age with NVQ4+ qualifications	31,000 (21.3%)	+12,100 (29.7%)	+18,900 (34.4%)
Rebalance the economy away from its public sector reliance	Number of private sector jobs in the economy	52,350 (75.3%)	+12,300	+15,250
Create meaningful employed positions in the local economy	Number of Full time employee jobs in the economy	45,512 (65.5%)	+690 (66.5%)	1,190 (67.2%)
Create more high skilled occupations	Number of residents employed in higher skilled occupational groups	30,700 (30.6%)	+9,000 (39.3%)	+13,800 (44.0%)

Project Management and Governance

5.21. In order to effectively manage the plan, a robust programme management structure will be put in place. All projects will be expected to have a completed Project Initiation Document (PID) before they are signed off to proceed and draw down economic investment fund money if profiled to do so. This will ensure all projects are fully worked up, clear on costs and outputs. The PID will be approved by the Economic Strategy Programme Board, Chaired by the Executive Director for Development, Environment and Culture. All projects will also be expected to manage the delivery via P2.

5.22. In order to support this new programme management structure, an aligned governance model will be adopted. This will see the BEP taking an overall advisory role, supported at an officer level by the Economic Strategy Programme Board. Similarly there will be projects boards to allow for each project to be carefully managed in according to project management principles.



Strategic Alignment

- 5.23. In order for the strategic objectives of the Jobs and Business Growth Plan to be realised, it is essential that it is aligned with proposals being developed as part of the Local Plan, Housing Strategy, Employment and Skills Strategy and the Transport Strategy.
- 5.24. The importance of this is underlined by the fact that the Jobs and Business Growth Plan represents only one part of a holistic policy approach due to the influence housing, transport and skills have on the economy. Each of these strategies will be aligned to ensure that the objectives of one help to underpin the delivery of the others. For example, the Local Plan will underpin the Jobs and Business Growth Plan through the allocation of the necessary quantum of employment land to enable long term job targets to be achieved. Similarly the Housing Strategy will help to create the right mix of housing in order to attract and retain the workforce needed to support the types of jobs and business we are looking to create. The Transport Strategy will outline the type of infrastructure that will be delivered to unlock prospective employment and housing developments, and finally the Employment and Skills Strategy will seek to provide the right type of labour force to support business growth.
- 5.25. In order to capture the overall economic policy approach, outlined through a combination of each of these strategies, a single outward facing economic masterplan will be produced. This will capture the borough's overall economic ambition which these underpin.

6. Implications for local people / service users

- 6.1. There are significant positive implications for residents of Barnsley if the Jobs and Business Growth Plan is successfully implemented.

7. Financial implications

- 7.1 Consultations on the financial implications have taken place with representatives of the Director of Finance, Property and Information Services.

- 7.2 The total cost of the proposed programme is outlined in Appendices A1 and A2.
- 7.3 Approval at this stage is only given for the implementation of the reprioritised programme of schemes to the value of the previously agreed funding of £13.834M which is included at Appendix A1.
- 7.4 More detailed project initiation documents will be worked up for the other priorities included at Appendix A2 (£11.166M) and these will be considered in more detail by Cabinet in the early summer alongside the requirement to fund the redevelopment of the town centre and any other emerging Future Council priorities and in light of the audited financial statements for the 2013/14 financial year.
- 7.5 The proposed staffing structure costs 1.709M in 2014/15. This will be financed by base budget £0.765M, grants and contributions (0.165M) and economic strategy funding (0.779M). The restructure incorporates funding for the Dearne Valley and Green Corridor Teams which were previously financed from residual grants held within the Housing Capital Programme
- 7.6 Given the finite and changing nature of programmes such as Enterprising Barnsley it is proposed to fund the staffing elements in 2015/16 and 2016/17 from any future approval for Phase 2 of the economic strategy (see para. 7.4 above).
- 7.7 This approach could allow for the release of base budget savings of £0.444M in 2015/16 by the 'Place' Directorate as a contribution towards Future Council. That said, further consideration will need to be given to the ongoing size and skill set of the core Regeneration Team in light of the deliberations around Phase 2 priorities as outlined earlier. A separate Cabinet Report on the proposed structure for the core Regeneration Team taking account of the above factors will be submitted to Cabinet in due course.
- 7.8 The inclusion of new commitments within Phase 1 would, in theory, mean that there would be insufficient funding to complete the previously agreed works in relation to the Strategic Business Parks. However, it is envisaged that additional funding will be forthcoming from SCRIF and other resources for some of these priorities and together with the discussion around Phase 2 planned for the summer it is expected that all agreed commitments will be contained within the agreed budget.

8. Employee implications

- 8.1. Alongside the adoption of the Jobs and Business Growth Plan, a restructure of the Regeneration Service is being conducted to ensure that delivery teams are fully aligned with the resources required to deliver projects within the new plan.
- 8.2. This restructure is scheduled to be delivered between April 2014 and August 2014.

- 8.4. A further detailed report will be presented to Cabinet as the restructure progresses.

9. Communications implications

- 9.1. It will be essential that the final Jobs and Business Growth Plan is presented in a form which could be used as an external promotional document for investors. As such, Corporate Communications will be involved in the production of the externally facing document to ensure key investment messages are included.
- 9.2. This externally facing will be based upon the attached full version and will be written in a business/delivery plan type format.

10. Consultations

- 10.1. Consultation has taken place internally within the Council and discussion has commenced with colleagues, partners and the Barnsley Economic Partnership (BEP).

11. Community Strategy and the Council's Performance Management Framework

- 11.1. The proposals in this report are consistent with Council's Corporate Plan 2012-15 as it directly contributes towards the 'Growing the Economy' aspiration.
- 11.2. The Jobs and Business Growth Plan's EMF will set out a clear set of metrics by which the overall success of the plan will be defined. As such, at an appropriate time it is proposed to review the relevant Council's Corporate Plan indicators to ensure they fully align with the EMF.

11. Tackling Health Inequalities

- 11.1. Beyond the contribution that the creation of new jobs can provide in terms of reducing overall worklessness, there are no direct matters of relevance arising from this report.

12. Climate Change & Sustainable Energy Act 2006

- 12.1. Action to improve the energy efficiency of buildings through empty homes work will help to reduce carbon emissions and tackle fuel poverty. Support for the low carbon sector is also proposed in the new plan.

13. Risk Management Issues

- 13.1. Barnsley is starting with a low base position in terms of its key economic indicators, namely 30,000 more jobs and 1,600 more businesses just to reach Yorkshire and Humber average. As such moving forward the Economic Strategy Investment Fund should exclusively be focussed on interventions that support direct jobs and business creation given the scarcity of Council's finances. Hence the reprofiled budget.

- 13.2 The current prioritised investment plan has many interventions which ultimately will create a better environment for investment, but do not directly contribute to jobs and business creation. Such interventions should not be supported through the Economic Strategy Fund other than the new Goldthorpe School given that the Council is currently out to procurement and the target area is adjacent to one of the proposed flagship Business Parks.
- 13.3. The delivery of the new Jobs and Business Growth Plan is reliant upon securing a sound Local Plan through an independent examination. The Council is working through the preparation of the consultation draft, which will be subject of consultation from June 2014.

14. Health & Safety Issues

- 14.1 None arising directly from this report although there is the need for ongoing health and safety management within individual interventions.

15. Compatibility with the European Convention on Human Rights

- 15.1 There are no matters of relevance arising from this report.

16. Promoting Equality & Diversity and Social Inclusion

- 16.1 There are no matters of relevance arising from this report.

17. Reduction of Crime & Disorder

- 17.1 It is envisaged that if the economic strategy is successful in creating more jobs and getting local people employed, this will have an impact on crime and disorder.

18. Conservation of Biodiversity

- 18.1 There are no matters of direct relevance arising from this report.

19. Glossary

20. List of Appendices

Appendix A: Revised Economic Strategy Investment Budget

Appendix B: Draft Jobs and Business Growth Plan

21. Background Papers

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Date: 27/03/14

Report of the Executive Director Development, Environment and Culture

FINANCIAL IMPLICATIONS

Refreshed Economic Strategy - The Jobs and Business Growth Plan.

i) Capital Expenditure	<u>Actual</u> <u>2012/13</u> £	Estimated outturn <u>2013/14</u> £	Budget <u>2014/15</u> £	Budget <u>2015/16</u> £	Budget <u>2016/17</u> £	<u>Total</u> £
Experience Barnsley - Town Hall Gardens						0
Goldthorpe Masterplan/Site Specific Regeneration						0
Strategic Business Parks/Strategic Growth Clusters			1,901,000			1,901,000
Stimulating Property Development				1,000,000	900,000	1,900,000
Digital Barnsley						0
Visitor Economy Attractions			620,000	620,000		1,240,000
Mobile Investment Fund				750,000	750,000	1,500,000
Urban Centre Infrastructure						0
	0	0	2,521,000	2,370,000	1,650,000	6,541,000

ii) Revenue Effects	<u>Actual</u> <u>2012/13</u> £	Estimated outturn <u>2013/14</u> £	Budget <u>2014/15</u> £	Budget <u>2015/16</u> £	Budget <u>2016/17</u> £	<u>Total</u> £
Goldthorpe Masterplan						0
Retail Skills Academy			167,000	167,000		334,000
Retail Incubation						0
Franchise Development/Franchise Hub			25,000	25,000		50,000
Genesis business incubation projects			89,000	274,000	402,000	765,000
Enterprise Coaching to include Digital and Low Carbon						0
Increase % of school leavers achieving 5 A-C						0
Increase % of school leavers progressing and participating in education, employment or training.						0
Improve wider employability skills						0
FJF 2 Programme/18 - 24 Programme						0
Access to construction Jobs						0
Product development - key events and visitor packages			50,000			50,000
Marketing the image of Barnsley						0
Barnsley Perception Survey						0
Inward Investment Campaign				150,000	100,000	250,000
Destination Management Plan						0
Town Centre Marketing Campaign			25,000	50,000	25,000	100,000
Technology Commercialisation						0
Assistance Grant						0
Growth 100 Programme					100,000	100,000
Celebrating Success			20,000	20,000	20,000	60,000
Graduate Attraction Package				45,000	45,000	90,000
Regeneration Service Staffing Costs				1,116,000	1,210,000	2,326,000
Leeds City Region Contribution			500,000			500,000
	0	0	876,000	1,847,000	1,902,000	4,625,000

To be financed from:

Funding subject to the 2013/14 outturn and consideration alongside other Future Council priorities	11,166,000
	0
	0
	0
	0
	11,166,000

Impact on Medium Term Financial Strategy

	<u>2013/14</u> £m	<u>2014/15</u> £m	<u>2015/16</u> £m	<u>2016/17</u> £m
Current forecast budget gap	0.000	0.000	17.863	8.610
<i>The proposals within this report have no financial impact on the Council's medium term financial plan</i>				
Revised forecast budget gap	0.000	0.000	17.863	8.610

Agreed by: Sekintan On behalf of the Director of Finance, Property & Information Services
28/3/14

