

## BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Report of Executive Director  
Place

### Jobs & Business Plan Annual Review

#### 1. Purpose of report

- 1.1 To present the annual review of Jobs & Business Plan performance and to seek approval for the allocation of future resources for the period 2018/2019

#### 2. Recommendations

It is recommended that:

- 2.1 Cabinet note the performance of the Jobs & Business Plan
- 2.2 Cabinet agrees the detailed budgets for the elements of the scheme as identified in Appendix A and the approved capital programme be amended to reflect the revised spending plans.

#### 3. Introduction

- 3.1 In March 2014, a report was approved by Cabinet which set out the Jobs and Business Plan, a proposal for a refreshed approach to economic regeneration in Barnsley and a reprofiled economic strategy budget to support the objectives set out within that new plan.
- 3.2 In December 2016, a further report was approved by Cabinet relating to a refreshed set of Jobs and Business priorities for the period 2017-2020. The plan proposed the delivery of a range of economic initiatives spread across 5 themes. The intention was to set the direction of travel over the next 3 years which will further embed the growth trajectory to eventually deliver 17,500 additional jobs by 2033 to contribute towards closing the long term jobs gap in the Borough. The 5 themes are as follows:
- Invest in infrastructure
  - Attract inward investment
  - Improve the Town Centre
  - Grow existing businesses
  - Encourage higher productivity start-ups

These themes mirror the priorities of the Barnsley Economic Partnership (BEP), the private sector led group which provides strategic guidance and scrutiny in the delivery of the Jobs and Business Plan.

- 3.3 The Jobs and Business plan contains strong linkages to other existing core Council strategies including the More and Better Jobs and Housing Strategies. The plan is also closely aligned to the emerging Local Plan which creates the availability of development land, the Jobs and Business Plan uses this to create the conditions for growth by stimulating development or business growth and putting in place the necessary infrastructure.
- 3.4 The close linkages with the Local Plan have been demonstrated throughout the current Local Plan examination and have resulted in a proposal approved by the Council's Cabinet and Full Council on 15<sup>th</sup> November and 23<sup>rd</sup> November respectively which included the following recommendations:

**164. Local Plan Examination - Modifications and Additional Sites Consultation (Cab.15.11.2017/6)**

Moved by Councillor Miller – Seconded by Councillor Frost; and

**RESOLVED** that

- (ii) the Jobs and Business Plan and Housing Strategy are reviewed and updated to align with the Local Plan (as modified);
- (iii) subject to the outcome of the Sustainability Appraisal, the total number of jobs provided for during the Local Plan period be modified to approximately 28,840, including around 16,920 net additional jobs;

**4. Consideration of alternative approaches**

- 4.1 There are no alternative approaches as the Council has already adopted the Jobs and Business Plan and is committed to its delivery.

**5. Proposal and justification**

- 5.1 The proposal is to note the progress that has been made in the delivery of the Jobs and Business Plan over the previous four years and to agree the budget as set out in Appendix A.

Jobs and Business Plan Outputs

- 5.2 The performance against the relevant corporate performance outcomes can be found in Appendix B. This sets out a 4 year summary of each of the relevant indicators to the Jobs and Business Plan,
- 5.3 The 4 year performance summary shows a strong ongoing achievement of our corporate indicators, driven by the work being delivered by the Jobs and Business Plan. Performance as at the end of quarter 3 does show some challenges in terms of the business starts and superfast broadband programme. The new business start indicator is slightly behind the annual

target of 140 with 100 new businesses established during the current financial year. However, the pipeline of new business enquiries is strong with 577 clients currently being engaged and confidence remains high that the target will be achieved at the end of the year. Performance measures in terms of the Superfast Broadband programme reflects the national challenges that are being experienced in terms of the physical rollout of infrastructure. The programme team continue to work proactively with delivery partners and a range of actions has been identified in order to address the performance challenges.

#### Current Economic Performance

- 5.4 Despite strong delivery performance, it should however be noted that recent economic development position from the Office of National Statistics (ONS) suggests that a number of economic challenges still exist.
- 5.5 Employment rates within the borough continue to grow with a 1.1% increase during the last year being equal to the growth recorded both at a regional and national level also reported as 1.1%. Despite a positive upward growth in employment there is a clear case for the continued delivery of economic interventions in terms of accelerating employment within the borough in order to achieve our aspiration to deliver approximately 28,840 more total jobs, including around 16,920 net additional jobs by 2033.
- 5.6 2015 saw the first contraction in private sector employment since 2012 with the number of jobs reducing by 2.6%. The latest figures provided for 2016 show that this decline has been reversed with a 2.1% growth in the number of private sector jobs within the borough. The return to growth clearly highlights the need for a sustained direction of travel in terms of the economic interventions delivered through the Jobs and Business Plan.
- 5.7 The number of individuals starting their own business also increased by 14.9% last year with over a 1,000 recorded business starts within Barnsley which is roughly double the regional and national average. Approximately 230 of those new business received support through the Barnsley Launchpad initiative where an external funding application has been submitted to extend the programme for a further 3 years.
- 5.8 Despite the positive business start figure, challenges do exist in terms of the long term survival of new business with the number of business deaths currently at 6.9% predominately through local displacement. This stark figure helps to emphasise the importance of the **encourage higher productivity start-ups** and **grow existing businesses** Jobs and Business Plan priorities ensuring that businesses have the support to help them grow and flourish within our local economy.

- 5.9 The attractiveness of the borough as a place to **attract inward investment** is evidenced with enquiries being at a 10 year high, through the national Ernst & Young UK Survey (April 2016), which recorded Barnsley as being in the top 20 destinations outside of London for Foreign Direct Investment and their most recent report (April 2017) which highlighted Barnsley is now the number one location for Foreign Direct Investment in the Yorkshire and Humber region.
- 5.10 The success of our inward investment offer is not without its challenges as the availability of commercial stock is currently at a 9 year low with just 0.74 million square feet available. This challenge has been recognised by the Council and is reflected by the further investment of £3.75m of capital resource to facilitate the delivery of phase 2 of the property investment fund which is predicted to provide an additional supply of 0.25 million square feet of commercial property.
- 5.11 Significant progress continues to be made on **improving our town centre** across a range of areas including marketing, business engagement, anti-social behaviour, car parking, markets and the courthouse development complementing the delivery of the Glass Works scheme.
- 5.12 The ongoing **investment in infrastructure** remains a critical component of the Jobs and Business Plan. Significant progress has been made over the last 12 months with the delivery of highways infrastructure improvements at Junction 36 and the focus now switches to working with developers to bring forward employment and housing opportunities within the area. It is also critical that the Council continues to drive forward enabling infrastructure works which will unlock strategic business park and wider growth at Junction 37 and Goldthorpe. The adequate resourcing of the economic function over the next couple of years will be essential in terms of driving these areas forward and this is referenced in the revised budget proposal.

#### Accelerating Growth

- 5.13 In order to achieve our growth aspirations it is essential that we have a long term sustained plan supported by key enabling economic projects. Work is therefore currently underway to develop a range of projects aligned to the five Jobs and Business Plan themes. Cabinet are asked to note that a further 'Accelerating Growth' report will be brought forward in 2018 reflecting the provisional allocation of resource within the medium term financial strategy.

#### Jobs and Business Plan Budget

- 5.14 As the primary focus of the authority is to create the conditions for Barnsley to deliver approximately 28,840 more total jobs, including around 16,920 net additional jobs by 2033, rather than short term outputs, the projects within the plan and the associated budget reflects this focus. Appendix A provides a detailed breakdown of the current budget position with the following key changes summarised below.

- 5.15 Resource capacity totally £600,000 has been identified in respect of the Strategic Business Park and Goldthorpe Masterplan capital schemes. It is proposed that that this identified budget is utilised to enable efficiency BU4 E7 capitalisation of staffing resource delivering economic growth projects to be delivered from the 1<sup>st</sup> April 2018. This reconfiguration of existing resource will ensure that continuity on delivery of the Jobs and Business Plan is retained whilst delivering the efficiency saving in advance of the planned 1<sup>st</sup> April 2019 delivery date.

## **6 Implications for local people / service users**

- 6.1 The commitment to delivery of the Jobs and Business plan is critical in terms of providing the economic infrastructure that will deliver employment opportunities for our residents which in turn will enable the Borough to prosper.

## **7 Financial implications**

- 7.1 Consultation on the financial implications have taken place with colleagues in Financial Services on behalf of the Service Director Finance (S151 Officer).
- 7.2 In order to complete the remaining priorities of the initial Jobs and Business Growth Plan a realignment of resources previously allocated to individual projects within the plan need to take place. This re-alignment is highlighted below:
- Savings achieved on the Strategic Business Parks (-£0.390M) and Goldthorpe Masterplan (-£0.210M) schemes.
  - There has been a reduction in the resources set aside to assist with funding the requirements of the Local Plan (-£0.057M) due to expenditure being contained within the Planning service.
  - Other savings (-£0.024M) have been achieved by containing expenditure within other resources rather than charging them to the J&BP.
- 7.3 This totals £0.681M of resources available to be allocated to alternative priorities whilst still meeting the outcomes and objectives of the within the Jobs and Business Growth Plan. It is proposed therefore to:
- Set aside £0.6M for the capitalisation of staffing costs in order to address a known cost pressure in 2018/19 arising from the fall out of revenue J&BP funding (£0.3M) and to deliver in 2019/20 the first year of KLOE BU4 E7 relating to the capitalisation of Project Managers costs working on the town centre and PIF schemes (£0.3M). A permanent solution to the Economic Development cost pressure will be the subject of a future report.

- Set aside a further £0.050M for additional investment in marketing the town centre and the Glassworks scheme.
- And finally to provide for additional investment in the ongoing development of the Town Centre Car Parking strategy following the decision to redevelop the Courthouse Site (£0.031M).

7.4 The full financial implications are presented in Appendix A to this report.

## **8. Employee implications**

8.1 The proposals contained within this report will have some employee implications in relation to the funding mechanism for salaries being switched from revenue to capital. Employees and trade unions have been fully consulted in relation to this matter.

## **9 Communications implications**

9.1 The Jobs and Business plan is one of the Councils key strategic documents and therefore a communications campaign will be developed in conjunction with the Corporate Communications Team in order to positively share and promote the key messages contained within this report.

## **10. Consultations**

10.1 All key stakeholders within the Council have been consulted on the contents of this report. Key messages relating to this report have also been shared with the Barnsley Economic Partnership.

## **11 The Corporate Plan and the Council's Performance Management Framework**

11.1 The Jobs and Business Plan contains clear metrics which directly contribute to the following outcomes:

- Outcome 1 Create more and better jobs and good business growth
- Outcome 4 Develop a vibrant town centre

## **12. Tackling health inequalities**

12.1. The creation of new jobs reduces overall worklessness which provides a significant contribution to addressing inequalities in health.

## **13. Risk management issues**

13.1 The Jobs and Business Plan is logged on the Council's Strategic Risk Register (SRR) as a key control measure against risk 3543 ('Failure to ensure the adequate supply of land for housing and commercial property growth'). The

realignment of resources against emerging priorities is considered to be essential in ensuring the success of delivering the Jobs and Business Plan strategy, and will therefore continue to provide both control against the SRR risk, as well as assurance regarding the delivery of the Council's 'Growth the Economy' aspiration.

**14. Health, safety, and emergency resilience issues**

14.1 None arising directly from this report.

**15. Reduction of crime and disorder**

15.1 No specific implications

**16. Conservation of biodiversity**

16.1 No specific implications

**17. Promoting Equality & Diversity and Social Inclusion**

17.1 The Jobs and Business plan aims to provide an economic climate that is inclusive and accessible to all areas of our diverse community.

**22. Glossary**

Barnsley Economic Partnership (BEP)  
Office of National Statistics (ONS)

**23. List of appendices**

Appendix A - Financial Implications  
Appendix B – Jobs & Business Plan Performance Summary

**24. Background papers**

None

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