

Public Document Pack

MEETING:	Central Area Council
DATE:	Monday, 3 August 2020
TIME:	2.00 pm
VENUE:	THIS MEETING WILL BE HELD VIRTUALLY

SUPPLEMENTARY AGENDA - 2

3. Business, the Economy, and Employment and Skills (Cen.03.08.2020/3) (*Pages 3 - 30*)

Presentation slides

To: Chair and Members of Central Area Council:-

Councillors W. Johnson (Chair), P. Birkinshaw, Bowler, Bruff, Carr, Clarke, Dyson, Fielding, Gillis, Lodge, Mitchell, Murray, Williams and Wright

Area Council Support Officers:

Jonathan Banwell, Central Area Council Senior Management Link Officer
Rachel Payling, Head of Service, Stronger Communities
Peter Mirfin, Council Governance Officer
Cath Bedford, Public Health Principal - Communities

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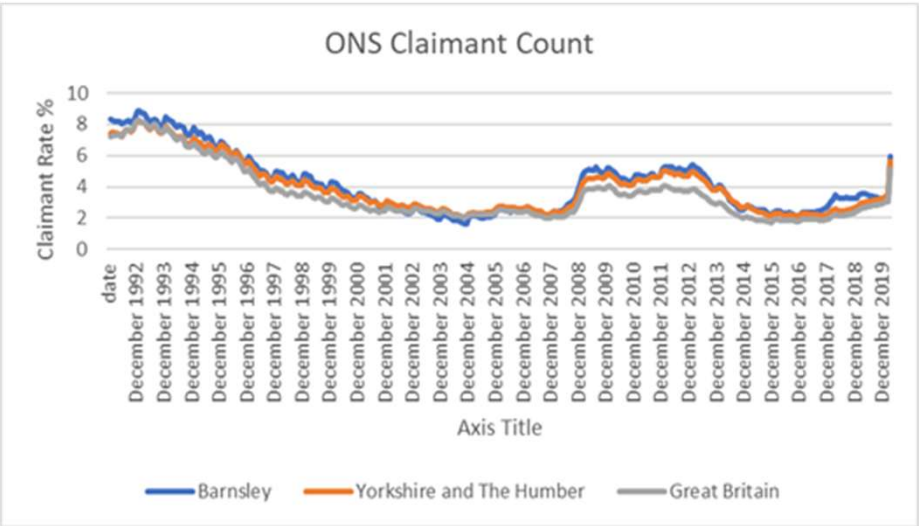
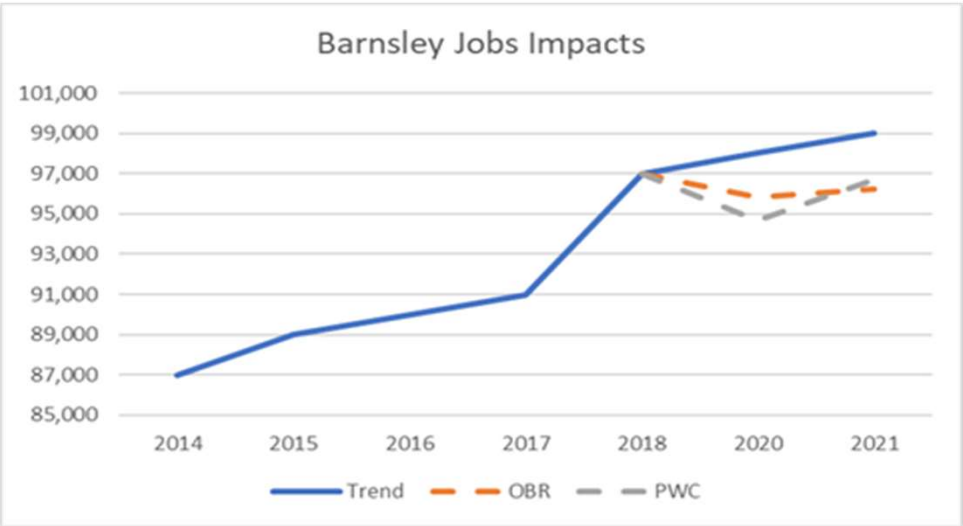
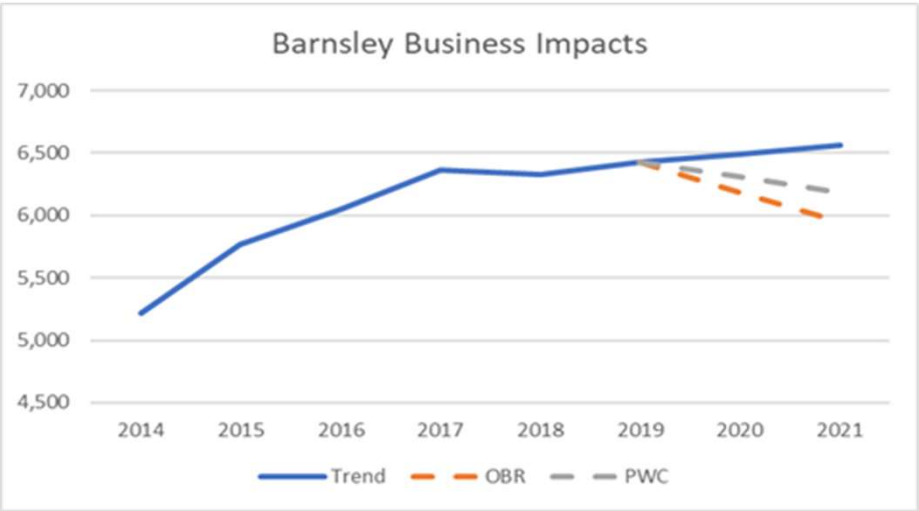
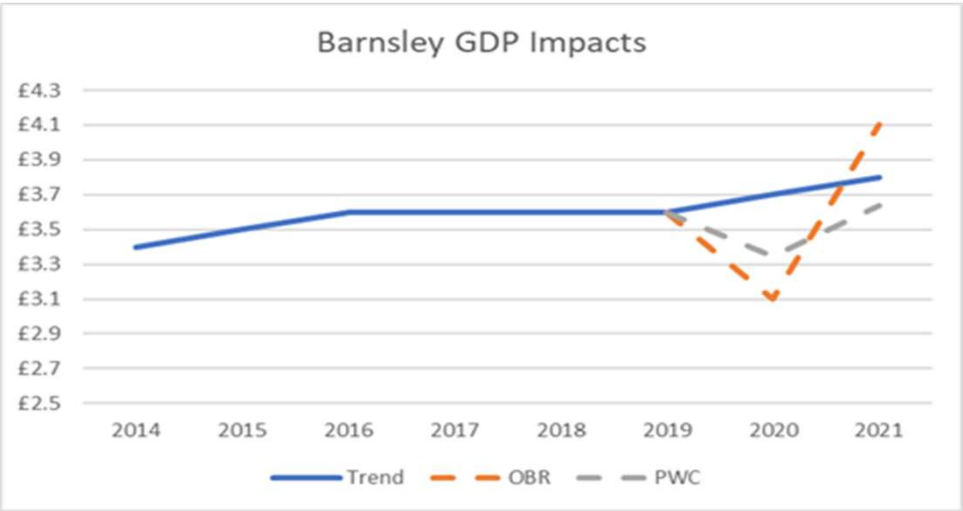
Barnsley COVID Economic Recovery Update

Contents

- **Central Area Economic Overview**
- **Overview of Economic Recovery Work**
- **People Impacts & Recovery Actions**



Economic Impact Assessment

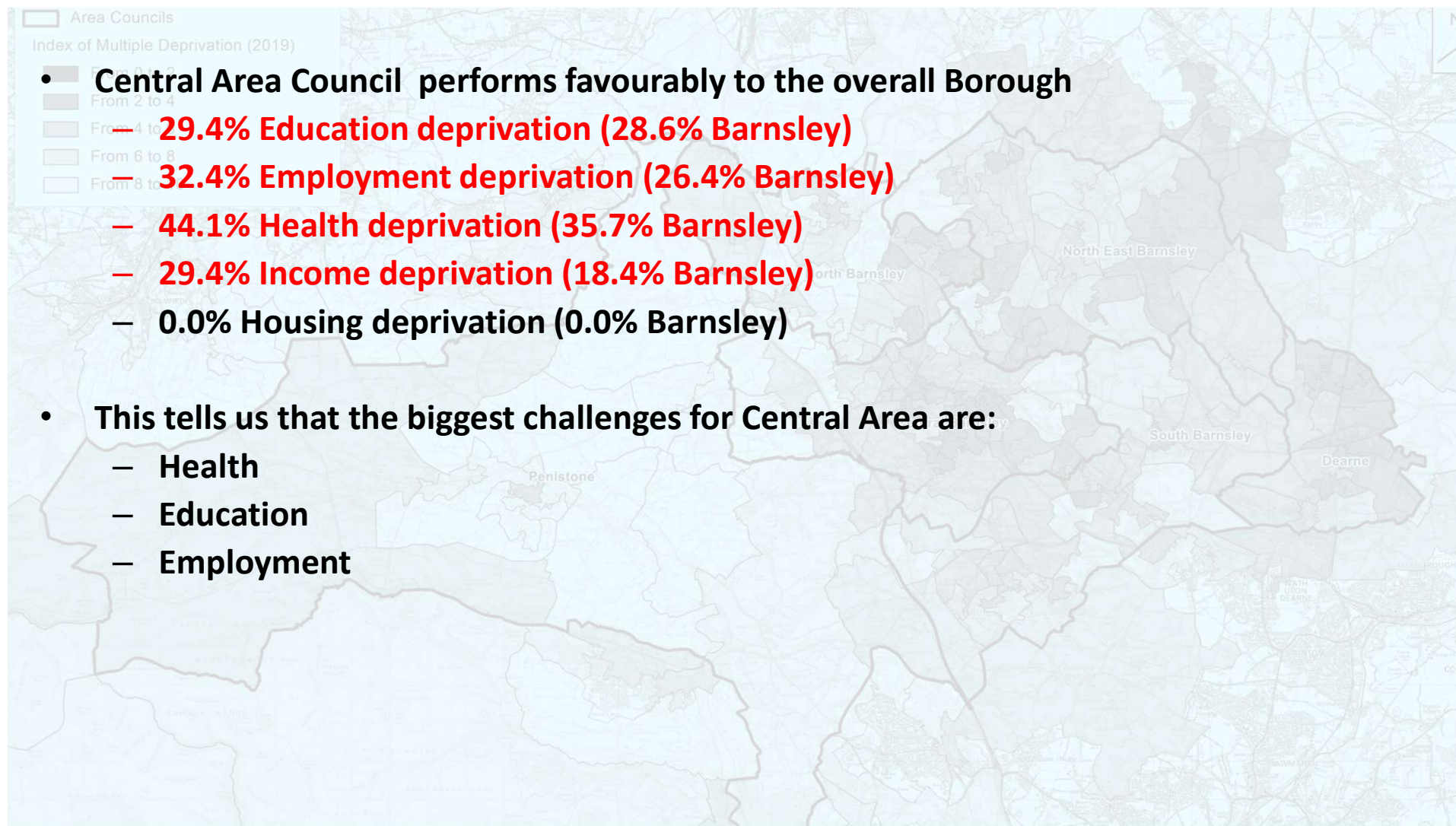


Sectoral Impacts

Sector	Employees	Business	GVA	OBR Impacts	PWC Impacts (long lockdown)	OBR Job implications	PWC job implications
Agriculture	0.4%	4.0%	0.6%	0	0	0	0
Mining, energy and water supply	0.1%	0.7%	1.0%	-20%	-2%	-143	-14
Manufacturing	15.9%	7.1%	16.3%	-55%	-16%	-7,150	-2,080
Construction	4.9%	17.1%	8.6%	-70%	-16%	-2,800	-640
Wholesale, retail and motor trades	14.6%	16.8%	10.8%	-50%	-10%	-6,000	-1,200
Transport and storage	7.3%	9.0%	4.9%	-35%	-38%	-2,100	-2,280
Accommodation and food services	7.3%	7.6%	3.9%	-85%	-41%	-5,100	-2,460
Information and communication	1.8%	3.9%	1.9%	-45%	-5%	-657	-75
Financial and insurance services	1.2%	1.6%	2.3%	-5%	-4%	-50	-40
Real estate	1.5%	3.2%	15.6%	-20%	-18%	-250	-225
Professional, scientific and technical activities	3.7%	11.0%	7.3%	-40%	-5%	-1,200	-150
Administrative and support activities	8.5%	6.1%	4.2%	-40%	-5%	-2,800	-350
Public administration and defence	3.0%	0.1%	4.2%	-20%	+4%	-500	+100
Education	8.5%	1.9%	7.9%	-90%	+1%	-6,300	+70
Human health and social activities	17.1%	3.7%	8.1%	50%	+8%	+7,000	+1120
Other services	4.2%	6.1%	2.4%	-60%	-18%	-1,590	-477

(Job impact projections based upon OBR and PWC GVA impacts converted to employment impacts per sector)

Indices of Multiple Deprivation



Worklessness

- 14.8% claimant count change during May
- 2,720 claimants in Central Area
- Highest number across the 6 areas
- Impacted groups:
 - 18-24 bracket
 - 50+ bracket
 - 63% male / 36% female

Ward	Area Council	Claimant Count Numbers	Claimant Count Rate	Monthly Increase (Numbers)	Monthly Increase (%)
Central	Central	2755	7.5	360	15.0%
Dodworth					
Kingstone					
Stairfoot					
Worsbrough					
Dearne North	Dearne	1410	9.7	155	12.4%
Dearne South					
Darton East	North	1715	6.3	240	16.3%
Darton West					
Old Town					
St Helens					
Cudworth	North East	2060	6.9	355	20.8%
Monk Bretton					
North East					
Royston					
Penistone East	Penistone	525	3.6	110	26.5%
Penistone West					
Darfield	South	2015	6.9	260	14.8%
Hoyland Milton					
Rockingham					
Wombwell					
BARNSELY		10480		1480	16.4%

SOURCE – ONS & Department for Work & Pensions - 16 July 2020 (next update 10 August)

Business

- 2,490 business (32.8% of overall Barnsley businesses)
- 7.8% (+180) business growth since 2015.

- Business growth areas
 - Worsbrough 15.6%
 - Dodworth 12.1%
 - Stairfoot 12.0%
 - Kingston 2.8%

- Business sector breakdown

Business Comparisons				
	Central Area Council	Barnsley	Sheffield City Region	England
Current Business Stock (2019)	2,490	7,505	46,630	2.70m
Micro businesses (0-9 employees)	77.7%	82.9%	81.2%	84.7%
SMEs (10-249 employees)	17.5%	16.7%	18.3%	14.9%
Start-up rate (2015-18)	7.0%	5.7%	-11.8%	-1.2%
Business Growth (2015-2019)	7.8%	7.9%	8.0%	9.5%

Sector	Business
Agriculture	0.8%
Mining, energy and water supply	0.6%
Manufacturing	6.1%
Construction	12.5%
Wholesale, retail and motor trades	21.6%
Transport and storage	8.1%
Accommodation and food services	7.7%
Information and communication	3.8%
Financial and insurance services	2.0%
Real estate	3.8%
Professional, scientific and technical activities	9.5%
Administrative and support activities	5.7%
Public administration and defence	1.2%
Education	2.8%
Human health and social activities	7.1%
Other services	6.7%

**SOURCE – UK
BUSINESS
COUNTS – ONS
– JULY 2019**

COVID Business Support

BMBC Enterprising Barnsley Support:

- **35% (162) EB COVID Enquiries Received from Central Area.**
- **£0.5M SME CBIL Loans awarded**

BMBC Employment Support

- **73 enquiries received**
- **6 enquiries (8.2%) are from Central Area**



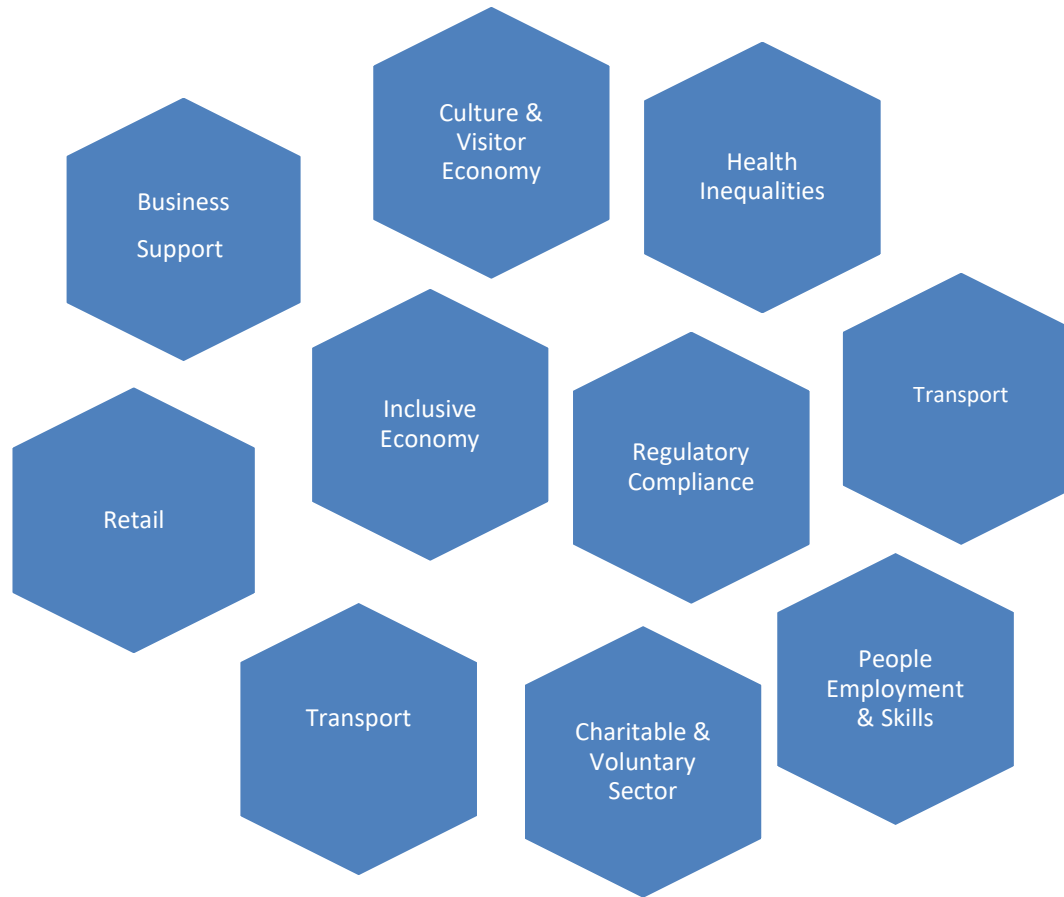
Economic Key Messages

- **Summary**
 - Indices of multiple deprivation identify **Health, Education & Employment** as potential priorities
 - Highest level of increase in unemployed claimants
 - 18-24 bracket
 - 50+ bracket
 - Strong and diverse business base within the area
 - Barnsley and the Central Area likely to see economic contraction
 - Ongoing monitoring critical



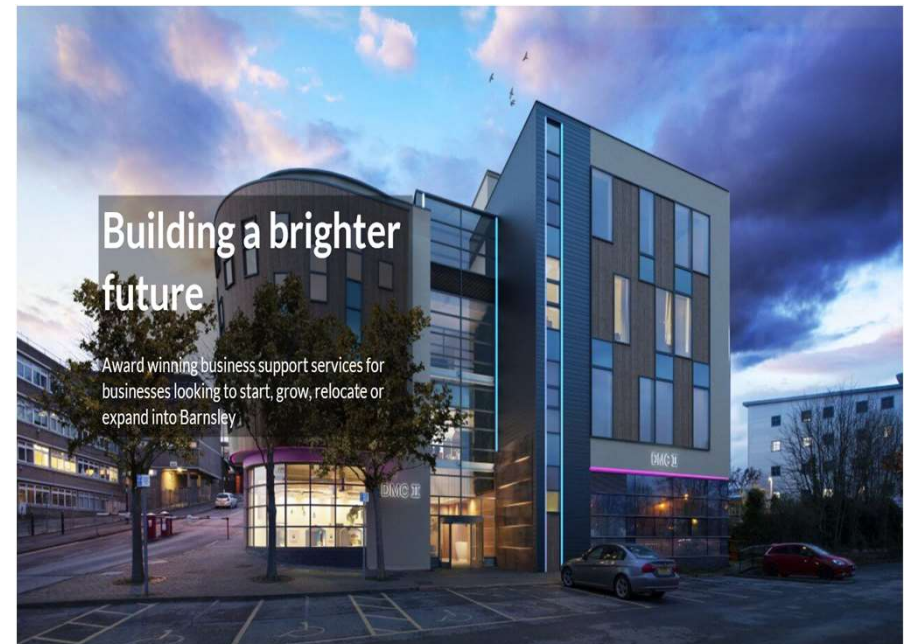
Economic Recovery Work

High Level Barnsley Jobs First Recovery Plan



Barnsley COVID Business Recovery Actions

- **Government Support**
 - Business grants (£43m to 3,700 businesses)
 - CBIL/bounce back loans (£17m secured by supporting businesses)
- **Enterprising Barnsley**
 - Revamp of web site providing 24/7 support
 - Dedicated COVID Business Support programme
 - Aiming to support 75 businesses initially
 - COVID health check
 - Development of COVID recovery plan
 - Provision of specialist support



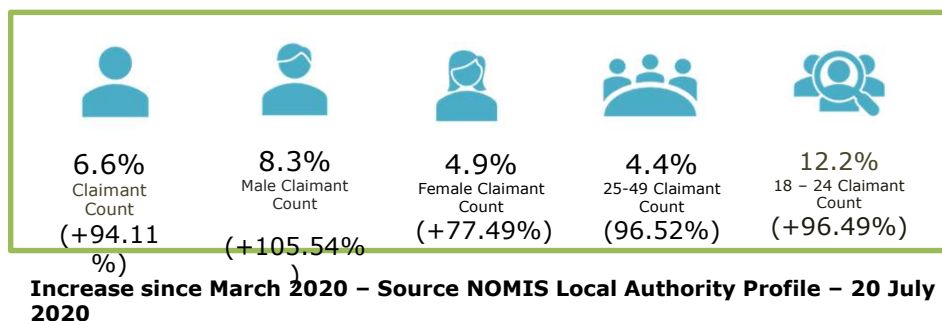
SCR Economic Recovery Plan

- SCR Mayoral Recovery Plan
- Complimentary to Strategic Economic Plan
- Aligned to government economic recovery strategy/funding

Theme	Indicative Funding	Scope
People, Skills & Employment	£700m	<ul style="list-style-type: none">• Train to work – skills acquisition/employability• Back to work – job matching/CEIAG• Young People’s Skills Guarantee (Post 16)• Overcoming barriers – supporting social mobility and reducing inequality
Employers	£400m	<ul style="list-style-type: none">• Grants• Loans• Accelerating growth (business support)
Place	£500m	<ul style="list-style-type: none">• Low carbon capital projects• Sustainable travel• Urban centres• Strategic land and building Acquisitions

People Impacts & Recovery Actions

The Impact in BMBC by June 2020



- Barnsley's claimant count rate now 6th joint highest in the Y&H region
- But lower than Doncaster and Rotherham in South Yorkshire
- Most affected to date, are males and people 25 – 49
- However Young People have the highest percentage of claimants and the increase since March is increasing
- Increase has been associated to lower / intermediate occupations being greatly affected by COVID-19

Contributing factors - claimant increase

- **Universal Credit claimants** can be employed but with a reduced household income, notably:
 - o Across April many **furloughed workers** made claims for support
 - o JobCentre Plus report significant numbers of new **self-employed claimants** in advance of the Covid-19 self-employment support from Government
- **A collapse in job vacancies**, from around 800 thousand nationally before the crisis to just 320 thousand in the single-month (April) – now witnessing steady increase

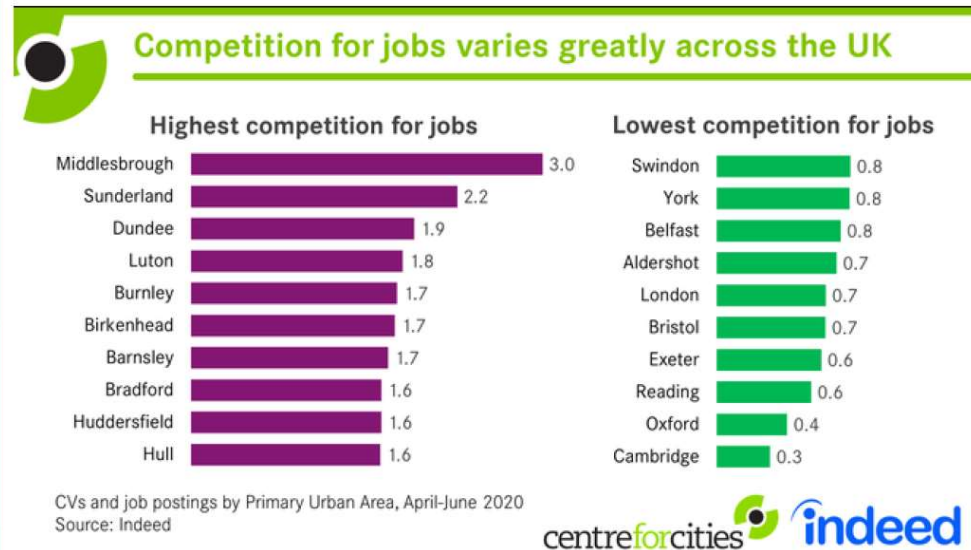
Its getting harder to find paid work

DIFFICULTIES IN FINDING EMPLOYMENT

Looking at the number of local CVs per job postings shows competition for jobs varies greatly across the country.

It will be harder to get back to work in the North and Midlands with more candidates competing for fewer roles, with Barnsley being in the top ten most difficult places to find a job.

Sheffield
City Region



Source: Centre for Cities

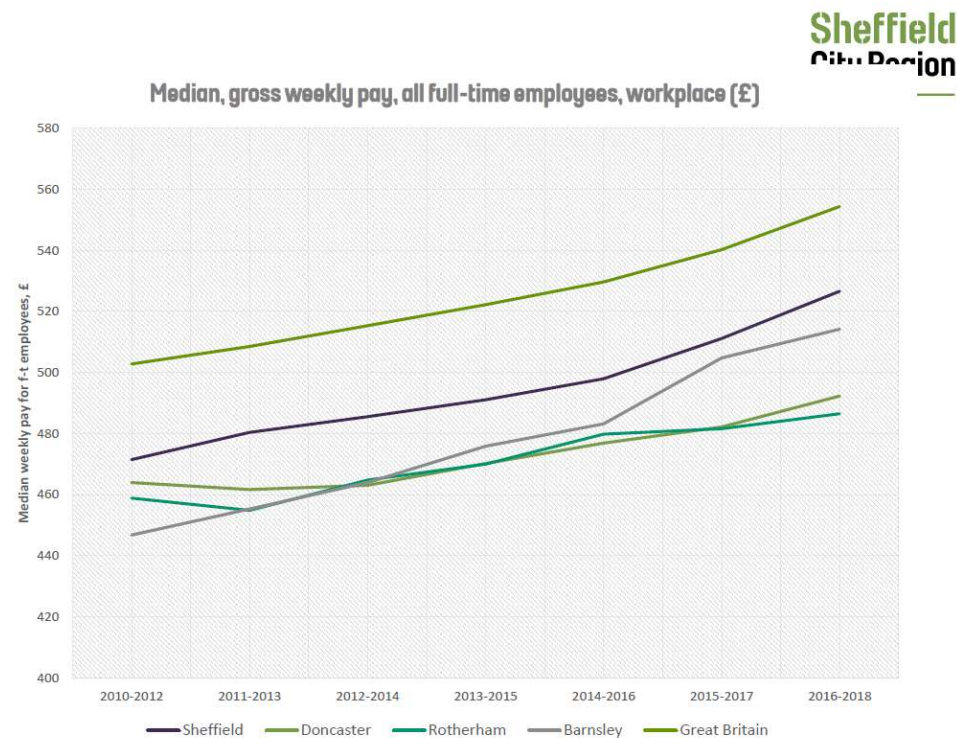
In a low-wage economy

EARNINGS

SCR is a low wage economy as shown in the chart.

OBR Scenarios highlight some concerns for average earnings growth.

Average earnings growth is weaker in all three scenarios than originally forecast in March. It is expected to rebound in 2021 as people move off support and output and hours recover, before returning to rates closer to those in the March forecast.



Source: Annual Survey of Hours and Earnings - Workplace analysis

Quick off the blocks = our reactive response

- Single point for support established - **Employment Support Helpdesk**
- Continuing employment support to existing **200+ clients**
- **Daily vacancy bulletin** collated and shared
- **Daily contact** with Employment Support providers
- **Utilised BeWell@Work to promote workplace health** information and support
- **Return to work guide** prepared to help employers bring furloughed workers back

Evolving offer = proactive response

- Strengthening marketing and communication - telephone number and 24:7 on-line offer in development
- Closer alignment to Enterprising Barnsley Business Support - Moving E&S onto the CRM streamlining and creating efficiencies in business contact
- Single point of contact for redundancy support co-ordination
- Vacancy matching
- LMI data system & CRM
- Supporting Inward Investment enquiries

Impact is not equal

- **Female workers** = more likely to work in affected sectors & have caring responsibilities
- **Older workers** = career transition challenges
- **Disadvantaged groups** = pushed further away
- **18-24 year olds** = potentially the hardest hit
 - 8% surveyed have lost their job compared to 5% adults (Institute of Fiscal Studies, May 2020)
 - Claimant figures masking whole picture , likely much higher impact
 - Large proportion live in disadvantaged areas
 - Add to this rising numbers joining the labour market

Employment and Skills 2020/21 – 5 key areas

- **Young people (16 – 24 yrs)** – transition into post 16, those in 1st job / apprenticeship & graduate returners
- **Supported employment** – ILM / wage incentives for apprenticeships etc.
- **Support for career change/transition** – re-skilling / up-skilling and career guidance
- **Digital skills** – for life and work
- **Good Work** - workplace health & wellbeing (support for homeworking/returning furloughed staff)



An Active Partner = Supporting SY response

- **Leading a working group** with South Yorkshire Local Authority Employment and Skills Leads
- **Working with Sheffield City Region** to develop recovery plans
- **Engaged with** West Yorkshire Combined Authority

NOTE: following the Government's recent announcements, we are working to ensure these support local priorities and get help to those who need it most



SCR Jobs First Economic Recovery Plan

- Sheffield City Region Mayoral Recovery Plan
- Complimentary to Strategic Economic Plan
- Aligned to government economic recovery strategy/funding

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Govt. - “No one will be left without hope”

Age -16 – 24 – Kickstart Scheme

- £2 Billion (uncapped places) to fund 300,000 6 month temporary work programmes with payments to employers of up to £6,500 to cover wage costs at the national minimum wage for a minimum of 25 hours per week plus contribution to overheads

Age - 18 – 19

- £111 million this year for traineeships in England, to fund high quality work placements and training for 16-24 year olds studying at level 2 or 3
- Employer payment of £1000 per placement
- £100 Million to support 18 and 19 year olds in further education to take courses at Level 2 or 3 in a number of sectors

Age – Any

- Employer payment of £2000 per new apprenticeship created over the next 6 months, Added bonus of £1500 per apprenticeship for adults 25+
- £17 million this year to triple the number of **sector-based work academy placements** in England in order to provide vocational training and guaranteed interviews for more people, helping them gain the skills needed for the jobs available in their local area
- £32 million over 2 years to support careers advice through National Careers Service

Enabling Support – Investing in DWP

- **Doubling the number of frontline Work Coaches** to 27,000 by March 2021 to support people looking for work including helping them pivot into new sectors and making sure they access any additional support they need including training and work experience.
- **An Expanded Youth Offer** to support 18 to 24 year olds, this will include a 13 week programme and once completed participants will be encouraged to take up work related training or an apprenticeship and further support will be provided through Youth Employment Coaches and Youth Hubs based in the community.
- **Expanding the Work and Health programme** to provide personalised, light touch support for up to 6 months for those who have been unemployed for three months.
- **£150 million to boost the flexible support fund** and allow jobcentres to put in place the right support for their community and to increase capacity of the rapid response service that can be deployed for large local redundancies.
- **Job finding support service** – The government will provide £40 million to fund external capacity to introduce a job finding support service in Great Britain.
- Development of a **new large-scale support offer**, targeted at those who are out of work for longer periods and in need of support.

Boosting the Economy

Job Retention Bonus

- Payment of £1000 to employers per person they successfully return from furlough. Paid on the condition that the employee earns a minimum of £520 per month from November to January.

Incentivising spend in Hospitality and Leisure

- VAT reduced to 5% until January for Hospitality, Food and Attraction
- Food discount vouchers for households in August covering 50% of the costs of a meal up to £10.

Green Jobs

- £3 Billion 'Green Jobs Plan'
- £2 Billion of which will support job creation through infrastructure investment with vouchers for homeowners and landlords to invest in energy efficiency. Vouchers will cover 2/3 of the cost up to £5000; or £10,000 for lower income homeowners
- £1 Billion will be used to improve the energy efficiency of public infrastructure.

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