

MEETING:	Overview and Scrutiny Committee - Thriving and Vibrant Economy Workstream - available virtually on https://barnsley.public-i.tv/
DATE:	Tuesday, 9 June 2020
TIME:	2.00 pm
VENUE:	VIRTUAL

MINUTES

Present

Councillors Ennis OBE (Chair), Gollick, Hunt, Lofts and Sumner, Pickering, Clarke, Green, Hunt, Richardson and Noble.

24 Apologies for Absence - Parent Governor Representatives

No apologies/Apologies for absence were received in accordance with Regulation 7(6) of the Parent Governor Representatives (England) Regulations 2001.

25 Declarations of Pecuniary and Non-Pecuniary Interest

There were no declarations of pecuniary or non-pecuniary interest.

26 Minutes and Notes of Previous Meetings

The minutes of the meeting held on 12th May 2020 were received.

27 Impact of Covid-19 on the Barnsley Economy and Glass Works Development

The following witnesses were welcomed to the meeting:

- Matt Gladstone, Executive Director - Place Directorate
- David Shepherd, Service Director, Economic Regeneration & Culture, Place Directorate
- Councillor Tim Cheetham, Cabinet Spokesperson - Place Directorate

A presentation regarding the report of the Executive Director Core Services and the Executive Director Place regarding the Impact of COVID-19 on the Barnsley Economy and Glass Works Development was delivered to Members.

Key items to note included:

£39m in grants has been distributed to 3500 businesses to date, with an additional £2.3m of discretionary grants in progress. Economic modelling scenarios indicate that in the 'worst' case scenario the economy in Barnsley is predicted to contract by 15%, with a 7% contraction for a 'medium' case scenario and an associated impact on jobs, businesses and GDP.

Five key priority areas have been identified for recovery: sectoral business support; retail and urban centres; digital campus; commercial property and the Market.

In terms of the employment and skills priority, it is likely that there will be increasing volumes of high unemployment, insecure work and in-work poverty, with older workers (50+) and new entrants to the labour market most likely to be impacted. Plans are in place to address these areas and to develop new skills and resilience in the workforce to keep pace with technology and business process re-engineering.

The Glass Works experienced temporary suspension of work in line with Government guidance, with an exemplary phased return to work from 6th April. Productivity is now back to almost 80% productivity but there will be an inevitable impact, with opening moved out by a couple of months to Autumn 2021.

Existing signed tenants are actively working with the Council to mitigate impacts and along with incoming tenants have stated their continued commitment to the scheme, with plans for social distancing in place. New tenants are also coming on board. Cllr Cheetham gave credit to officers and partners, particularly Henry Boot, in reaffirming commitment to the scheme and planning for recovery. Weekly discussions take place with Government around the recovery, in which the Sheffield City Region (SCR) is also playing a key role.

Members carefully considered the report and presentation, providing challenge through detailed questioning. In the ensuing discussion the following points were raised: -

Over 60% of the scheme by lettable area is currently let or in solicitors' hands, with further lettings expected and several leads being actively followed up, particularly on the 'food' side in terms of restaurants etc, with interest in part raised due to the signing of key leisure providers such as Cineworld and Superbowl. Several retailers have already approached the Council about future lettings and reserve plans are in place. The leasing strategy is being revised, with back up plans for potential vacant space in the scheme is being considered for high quality cultural space, education space and working with health care partners, building on the success of the Library at the Lightbox, which has proven to be a highly innovative scheme which has drawn people in. Members will be provided with financial information in relation to the current income secured and the overall income forecast for the scheme. The Council remains committed to letting further space in the Glass Works on a commercial basis and ensuring income maximisation remains a key driver of the leasing strategy as the scheme moves towards completion in late 2021. Members will be provided with financial information in relation to the current income secured and the overall income forecast for the scheme. The Council remains committed to letting further space in the Glass Works on a commercial basis and ensuring income maximisation remains a key driver of the leasing strategy as the scheme moves towards completion in late 2021.

All signed tenancy agreements have been reviewed with assurances given that even in the worst-case scenarios, 'long stop' dates will be met to ensure exit clauses are not invoked. Where timescales have been tight, personal discussions have taken place with operators with extensions to dates agreed which have been followed up with legal agreements.

Discussions have taken place with operators who have signed agreements around their plans moving forward, incorporating concerns about insolvency and what will happen when the 'furlough' scheme comes to an end. To date no difficulties have been identified. There is a lot of volatility on the High Street nationally, with many big names folding in the restaurant sector but with others waiting to bring forward new formats etc. A number of operators, including those in the leisure sector, have expressed an interest in bringing forward a 'family oriented' scheme for the Glassworks and which is appropriate for Barnsley. This is unlikely to change. Operators such as casinos and purely drinking establishments will not fit within the family market which is being pursued. The local demographic is vitally important to the Glassworks and may mean that Barnsley bounces back sooner than expecting, with people staying locally for retail and leisure opportunities rather than travelling further afield.

There has been volatility in the cinema market particularly in terms of share price. Cineworld was initially affected but the company share price has now rallied and long-term plans are in place to bring forward socially distanced cinema across the world. Cineworld continues to be a strong worldwide operator and has reaffirmed commitment to Barnsley, viewing Barnsley as a great opportunity as there are 340,000 potential customers in the Barnsley catchment area without competition. Offers from other cinema providers have been turned down. Members were reassured that by the time the Glassworks opens, Cineworld will have very slick arrangements in place having learned from the experience of the global lockdown easing.

GDP is not an effective 'stand-alone' measure of the economic impact of Covid 19, as in some instances as it can mask the impact of job losses and business closures. This is why economic impact is measured in a variety of ways, not just GDP. Plans are being developed to address the impact on employment, but the priority at the start of the crisis was to put £40m into Barnsley's business bank accounts whilst ensuring all businesses had access to high quality advice through Enterprising Barnsley (both online and over the phone) together with specific employment support advice (Tom Smith). Recovery plans are aligned to SCR plans to ensure recovery across the region as a whole.

Companies who have been identified as 'at risk' of job losses are being tracked through the 'Gold' arrangements. Inward investment enquiries continue to come in and Barnsley has been praised for not using Covid 19 as an excuse. Henry Boot only paused for a couple of weeks and along with many other companies were soon back up and running with social distancing in place to ensure safety.

Although it has been suggested that there could be as many as 2000 job losses in Barnsley, this is from other parties' economic modelling. Barnsley is not predicting the number of possible job losses but rather attention is focussed on supporting specific sectors such as a strong construction sector, hotel, retail, hospitality and leisure sectors and ensuring they are able to move forward. The 2008 recession saw lots of new jobs in the retail and hospitality sector, which may (or may not) happen again. There is a recognition that there is a need to support local employers now and supported employment schemes are being actively explored across all sectors. The Future Jobs Fund model has been problematic in relation to private sector

engagement, but this is now further considered in conjunction with SCR although there are some technicalities to face.

DMC2 is working with Barnsley College and Sheffield Hallam University around the digital jobs' agenda, both for now and planning for the future. Tech businesses are connecting with local businesses to plan for the future together, which will have a significant positive impact across the Borough.

Apprenticeships are highly valued in Barnsley, with performance higher than the Yorkshire and Humber average. There is a degree of potential risk, but Barnsley College and other providers are working together to ensure there will be a good offer for the new academic year in September for current Year 11 students.

A report has been prepared and a press statement issued regarding a review of Barnsley Markets, encompassing rental agreements, flexible arrangements, use of artwork, and other lessons learned, particularly from the Market Kitchen. The review highlighted the importance of the Market Kitchen in the recovery, as this acts as a key footfall driver and was doing well before the lockdown.

Market Traders have been involved in discussions around the recovery arrangements. Further lessons will be learned from Monday when 'non-essential' traders will be able to open in a safe and managed way. Intuitive signage and social distancing measures and advice will be in place. Officers are in touch with the Market Traders Federation and have asked for interested traders to come forward to be part of a steering group which is being set up.

RESOLVED that:

- (i) Officers be thanked for their attendance at the meeting, their hard work and contribution to driving forward the recovery of Barnsley from the Covid-19 pandemic;
- (ii) Thanks be extended to staff who had worked hard to ensure the smooth running and public webcasting of the meeting;
- (iii) Members will be provided with financial information in relation to the current income secured and the overall income forecast for the scheme.
- (iv) Markets report will be provide with a redacted version of the Markets review report.

Chair