

	<h2>Assets, Regeneration and Growth Committee</h2> <h3>8 September 2014</h3>
Title	Entrepreneurial Barnet: Consultation Draft
Report of	Cath Shaw, Enterprise and Regeneration Lead Commissioner
Wards	All
Status	Public
Enclosures	<p>Appendix A: Consultation draft of <i>Entrepreneurial Barnet: the public sector contribution to Barnet's economy 2014-2020</i></p> <p>Appendix B: Proposed consultation questions</p>
Officer Contact Details	<p>Luke Ward, Commissioning and Policy Advisor (Economist), Email: luke.ward@barnet.gov.uk, Telephone: 020 8359 2672</p>

Summary

This report presents a draft approach, *Entrepreneurial Barnet: the public sector contribution to Barnet's economy 2014-2020*, aimed at making Barnet the *best place in London to be a small business*. It contains proposals relating to five theme areas:

- Getting the basics right
- A great place to work, live and invest
- Skilled employees and entrepreneurs
- Access to markets
- Facilitating business growth

The report proposes that a period of public consultation with businesses, residents and other organisations takes place over the Autumn, before a final version of the Strategy is returned to the Committee for approval on 15 December 2014.

The approach has been developed in discussion with partners including Middlesex University, Barnet and Southgate College, the Police, NHS, and CommUNITY Barnet, and actions from those partners will be added in time for approval of the final document.

Recommendations

- | |
|---|
| <p>1. That the committee approve the draft report: <i>Entrepreneurial Barnet: the public sector contribution to Barnet's economy 2014-2020</i> (Appendix A), for consultation.</p> |
| <p>2. That the committee note the proposals relating to town centres, and in particular the proposal to differentiate the support available to main, district and local town centres; and invites Area Committees to make recommendations as to which town centres should be included in each of these three categories.</p> |
| <p>3. That the Committee approve the consultation questions at Appendix B.</p> |

1. WHY THIS REPORT IS NEEDED

- 1.1 This report proposes that the Council adopt the aim of making Barnet “the best place in London to be a small business”, and sets out a proposed approach to delivering this.
- 1.2 An evidence-based and carefully targeted approach to facilitating economic success is needed because:
- The Council and its partners have a significant impact on the local economy, and it is important to ensure that this impact is as positive as it can be.
 - To create an environment in which businesses can thrive and grow.
 - To capitalise on the entrepreneurial spirit of Barnet's residents and ensure that small local businesses are able to succeed. Barnet has the highest level of new business start-ups of any outer London borough, but a significantly higher proportion of these businesses fail within the first three years than in other areas.
 - Along with Town Centres across the country, some of Barnet's Town Centres have struggled to respond to changing shopping patterns and tough economic conditions.
- 1.3 The council also has a financial incentive to support local businesses to grow. The Governments Business Rates Retention scheme, introduced in April 2013, means that the council stands to directly benefit from local growth.
- 1.4 An extensive process of research and engagement has been undertaken in the development of this draft strategy. This includes analysis of the structure of Barnet's economy and its relative strengths and weaknesses, input from subject matter experts from across a range of service areas, and engagement with local partners to gain their views and buy-in. Key partners include; Barnet and Southgate College, Middlesex University, the local NHS, the Police and Community Barnet.

- 1.5 The draft approach is divided into five broad “theme” areas, reflecting the ways in which the Council and the wider public sector impact on the business community. We recognise that if we get these right we can give a real boost to local businesses’ chance of success; if we do not, we could seriously hinder prospects for growth. They are:

THEME A: Getting the basics right

1. Streamlined regulation and planning
2. Improved customer access

THEME B: A Great Place to live, work and invest

3. Thriving town centres that people want to live, work and spend time in
4. Excellence in Regeneration and Growth
5. Fit for purpose infrastructure and transport networks

THEME C: Skilled Employees and Successful Entrepreneurs

6. Working with employers to develop a skilled workforce
7. Supporting residents to develop the skills they need to succeed
8. Encouraging a culture of entrepreneurship
9. Healthier Workplaces

THEME D: Access to Markets – building local supply chains

10. Local and small businesses accessing contracts

THEME E: Facilitating Business Growth

11. Businesses enabled to grow and thrive

- 1.6 The approach focuses on making sure the Council is easy to deal with (whether businesses are applying for licences, paying business rates, supplying goods and services, or any of the other reasons why businesses contact us); that initiatives are shaped by the business community as businesses know best what they need; and that the Council is seen by the business community as a help rather than a hindrance. The report sends a strong signal that Barnet is fully committed to economic success and growth, which itself contributes to creating a climate conducive to business growth.
- 1.7 *Entrepreneurial Barnet* contains proposals aimed at supporting residents and businesses to enhance Barnet’s town centres. To maximise the impact of Council resources, it is important that they are effectively targeted. The report therefore proposes that Area Committees are invited to recommend which town centres should be identified as “main town centres”, “district centres” and

“local centres” based on consideration of data relating to the town centres in their areas. It then proposes an offer tailored to each town centre type for consultation.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Given the broad nature of the report, and the fact that it represents a new approach to the way the Council and its partners interact with and support the development of the economy, it is sensible to ensure that the views of the widest possible range of voices are brought in to inform it. This will improve the probability that the draft approach will facilitate the success of the broader economy and of those living and working within it.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 It would be possible to approach economic growth in the borough in a more ad hoc and reactive way. The risk of this approach would be that important components of economic growth would be neglected, resulting in long term growth in Barnet being lower than may actually be the case. This in turn would result in businesses and resident’s being worse off, and would also risk LB Barnet retaining a smaller level of Business Rates growth than would be the case if the more joined up and coherent strategy set out here was implemented.

4. POST DECISION IMPLEMENTATION

- 4.1 Should the committee approve the recommendations the relevant documents and consultation questions will be placed on the council’s consultation portal¹ and responses will be invited from a range of sources. Officers will also engage directly with businesses at a range of events to seek more detailed feedback to inform the final strategy.
- 4.2 Furthermore, the detailed actions set out in the draft Strategy will be developed in more detail and reporting arrangement back to the Assets Regeneration and Growth committee will be developed, with proposals for the same to be brought to the Committee in December along with the finalised Strategy.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

This proposals in the *Entrepreneurial Barnet* directly support the delivery of the Corporate Plan 2013-2016, particularly the following two corporate priorities:

- Promote responsible growth, development and success across the

¹ <http://engage.barnet.gov.uk/>

borough

- Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.

The proposals relating to skills and learning in the workforce also relate to the third corporate plan priority area:

- Support families and individuals that need it – promoting independence, learning and well-being.

Where proposals relate to Corporate Plan priorities and indicators, the same indicators will be used to monitor progress. This will ensure continued alignment between *Entrepreneurial Barnet*, and the Corporate Plan, and will also prevent any duplication of effort by the council and its partners.

5.1.2 The draft strategy also explicitly supports the delivery of Public Health priorities, particularly in relation to improving the health of the workforce via the pan-London Healthy Workforce charter

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.3 The majority the proposals set out in the *Entrepreneurial Barnet* will be delivered within existing resources, particularly where they align with existing and already funded work programmes.

5.4 There are a number of proposals that are not currently funded e.g. relating to the establishment of a business support social enterprise, or some aspects of public realm improvement. Options for securing funding for these proposals will be identified over the consultation period and brought back to the Committee in December 2014.

5.5 The intention is that, should it be approved, the Economic Strategy will be delivered within existing resources. Where additional finding is required it will be brought in from outside sources, for example central Government or London Enterprise Panel funding.

5.6 **Legal and Constitutional References**

5.7 There are no specific legal issues associated with the draft Economic Strategy. The proposals are in line with the Localism Act (2011), and particularly the General Power of Competence given to local authorities.

5.8 Council Constitution, Responsibility for Functions, Annex A – details the terms of reference of the Assets, Regeneration and Growth Committee which includes “Engagement with the business community and measures to support local business.”

5.9 Risk Management

5.10 There is a risk that if partners in Barnet do not fully understand their role in supporting the development of a successful local economy in Barnet that other areas will out-compete, resulting in fewer and lower quality jobs being available to Barnet residents, less income to the Council as Business Rates rise more slowly than would otherwise be the case, and that Barnet will become, relatively speaking, a less attractive place to work, live and invest.

5.11 Likewise it is important that the key outcomes set out in the draft strategy are achievable and credible.

5.12 Equalities and Diversity

5.13 A principle embedded across the *Entrepreneurial Barnet* is that all people in Barnet, no matter what their background or circumstances, should have equality of opportunity to succeed and gain from the growth of the economy here and nationally.

5.14 A number of key groups have been identified who will be given additional focus in the delivery of *Entrepreneurial Barnet* to ensure the proceeds of growth are spread equitably. These are:

- **Young people and NEETs:** Barnet has a low proportion of young people not in education, employment or training compared to London. However, JSA claimants have been rising since the economic downturn showing an upward trend in young people seeking work.
- **Lone parents:** In Barnet 15.6% of those claiming out of work benefits are lone parents. Claimants are concentrated in deprived areas to the west of the borough and are particularly disadvantaged in London because of the high cost of childcare provision.
- **Disabled and people with long term health conditions:** In Barnet 46% of the total number of claimants of incapacity benefits were related to mental health issues (May 2010). Of these, 98% have been claiming benefits for at least 12 months, and nearly two-thirds have been claiming for at least five years. Around 93% of those in Barnet receiving secondary mental health services are not in paid employment (Jan 2014).
- In Barnet 10.6% of clients with a **Learning Disability** of working age were in employment in 2009/10, above the national average of 6.4%. There are many challenges in finding work placement and employment opportunities for people with learning disabilities, in particular those with mental health problems and a learning disability, require intensive 1:1 support to prepare for, find and keep work.
- **Black and Minority Ethnic groups:** Unemployment for Black and Minority Ethnic Groups (BAME) tends to be consistently higher than the overall average unemployment rate.

- Those **groups living in areas of greater economic disadvantage** (as set out in the Indices of Multiple Deprivation), and the approximately 15% of the population may have been impacted by **changes to the welfare system** will be an area of particular focus.

5.15 An equalities impact assessment will be presented to the committee prior to final approval of the Strategy. The equalities impact assessment will take into account the specific needs of the groups identified above and seek to address them in the implementation of the Strategy.

5.16 **Consultation and Engagement**

5.17 Should the Committee accept recommendation 1 of this report a period of public consultation will commence between September and 13th November 2014. This consultation exercise will include a publicly available consultation document with a standard set of consultation questions, a series of events with local businesses and employers to gain their views, and further work with partners and key stakeholders to further refine the content of the strategy and to agree reporting and funding arrangements. A “business expo”, to include consultation on this report as well as advice on how to do business with the Council and other sessions is planned for 23 October 2014.

6. **BACKGROUND PAPERS**

6.1 Developing Barnet’s Economic Strategy, Middlesex University Report to Re: <http://www.barnet.gov.uk/developing-barnets-economic-strategy>