

Report of the Strategic Director of Place to the meeting of the Executive to be held on 10 October 2017

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Subject:

Bradford District's Economic Growth Strategy

Summary statement:

This report provides a progress update on the development of the new Economic Growth Strategy for Bradford District.

The purpose of the strategy is to help support the growth of Bradford district's economy, and provide a focus for joint activity across a range of partners. Its goal is supporting economic growth that everyone can contribute to and benefit from.

Executive is asked to endorse the four themes around which delivery will focus, and provide a steer on next steps.

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Portfolio:
Regeneration

Overview & Scrutiny Area:
Regeneration and Economy

1. SUMMARY

- 1.1 This report provides a progress update on the development of the new Economic Growth Strategy for Bradford District.
- 1.2 The purpose of the strategy is to help support the growth of Bradford district's economy, and provide a focus for joint activity across a range of partners. Its goal is supporting economic growth that everyone can contribute to and benefit from.
- 1.3 Executive is asked to endorse the four themes around which delivery will focus, and provide a steer on next steps.

2. BACKGROUND

- 2.1 The Producer City Board has oversight and ownership of the strategy and its development.
- 2.2 The Producer City Board is Bradford district's economic partnership. Its economic ambition for Bradford and district as a city that creates, makes and trades was set out in the Producer City Strategy of 2014. This was aligned to the Leeds City Region Strategic Economic Plan, government plans for achieving sustainable and balanced growth, and endorsed by Executive.
- 2.3 Key priorities previously articulated by the Board and its suite of sub boards include transport, post 16 skills provision and Industrial Centres of Excellence, the Digital Health Enterprise Zone, Bradford College Advanced Technology Centre, delivery of the City Plan actions, identification of sector strengths and the encouragement of growth. The new Economic Growth Strategy is a development of this work.
- 2.4 There have clearly been significant global, national and local shifts in the economy since previous work in this area was produced. The district economy has improved steadily since 2011 following recession with unemployment falling and business numbers growing. However, a number of factors have created increased uncertainty in the outlook for the global economy that will impact on Bradford district going forward. These include continuing austerity, the election of Donald Trump as US president and structural changes in the nature of employment driven by digital technologies and new business models. The UK voting to leave the European Union places an increasing importance on growing export markets outside the EU which could play to Bradford's global connections. A weaker pound will make exports more competitive which could benefit the district's manufacturing sector in particular.
- 2.5 The Economic Growth Strategy aims to support the district's economic growth in this context of both uncertainty and opportunity. The appointment of a new Chair to the Producer City Board also affords the opportunity to review the direction of the district's economic partnership with the business community.
- 2.6 This work also develops further the commitment to our shared outcome of creating better skills, more good jobs and a growing economy which was confirmed in last year's District and Council Plans.

- 2.7 Bradford's new Economic Growth Strategy will focus clearly on the economy of the whole of the district, and will reflect the economic roles of all of the district's communities, and their connections into the wider Northern economy. In so doing it builds on the delivery of the City Plan, approved by Executive in February 2015. While the city centre continues to be a critical factor in the economic success of the district, this Economic Growth Strategy will aim to provide a focus on interventions that will best maximise the opportunities offered by the different sectoral strengths found in our diverse district – for example manufacturing in Keighley and the visitor economy in Haworth – and the new economic growth strategy.
- 2.8 In considering these diverse sectoral opportunities, the strategy also represents an evolution of the Producer City's emphasis on the role of manufacturing within the district. Advanced manufacturing and engineering remains a significant sector strength for the district, and indeed the North of England. However, there are other sectors that also offer great potential, including those seen as foundations to the economy such as health and social care, which are vital in building an economy that everyone can contribute to and benefit from.
- 2.9 The Economic Growth Strategy places this concern of building an economy that everyone can contribute to and benefit from at its heart, and understands this focus on inclusive growth as essential to driving increases in productivity as well as our wider economic and social wellbeing.
- 2.10 The strategy will draw from the district's response to the UK government's Industrial Strategy green paper of early 2017, and will be developed in the context of further work with government on this agenda, in anticipation of an Industrial Strategy white paper in Autumn 2017.
- 2.11 As well as a focus for work within the district and direct with government and other partners, developing an Economic Growth Strategy now for Bradford District will give a clear focus for input into work to incorporate inclusive growth more effectively into the work of West Yorkshire Combined Authority and the Leeds City Region, and will ensure that sub regional approaches reflect Bradford priorities. The alignment of timescales with work by Leeds City Council on a new growth strategy also presents an opportunity to better maximise the economic potential of the two districts.

3. OTHER CONSIDERATIONS

3.1 Evidence base

- 3.1.1 Metrodynamics were commissioned to produce an intelligence base and economic narrative to underpin the strategy. This work identifies existing and emerging strengths including:

- Population and commuting dynamics
- New emerging sectors
- Young wealth creators
- Historic buildings

- 3.1.2 To inform the development of the strategy, Metrodynamics suggested a number of areas of potential focus:

- Retain and attract more younger residents who are currently leaving Bradford to neighbouring areas.
- Deepen the relationship with Leeds to become cooperative so that both cities benefit from the creation of new complementary assets.
- Continue to develop the 'Producer City' economy, supporting growth in traditional and new-economy sectors including through shared expertise.
- Retain and grow clusters of young wealth creators in the centre of Bradford and Saltaire to maximise their potential by capitalising on and investing in the city's many relevant strengths.
- Improve transport connectivity and capacity between areas within the district and nearby urban centres, and invest in direct rail connectivity to main UK cities.

See **Appendix 1** for further details.

3.2 **Engagement programme**

3.2.1 Discussions have taken place at existing business and partner networks including People and Innovation Board, Bradford Breakthrough, Chamber related groups including the Property Forum, Leeds City Region Directors of Development, Producer City Board, as well as with Council staff.

3.2.2 A series of economic growth strategy focused engagement workshops have also taken place, focused on:

- What the evidence tells us.
- Our globally connected city and district.
- Bradford's young and future economy.
- Bradford in the North.
- Leeds / Bradford – growing together.
- Sector strengths and opportunities.
- The aspirations of young people.

3.2.3 Key findings include:

- Emphasis on young people – retaining and attracting and supporting young people to become wealth creators.
- Focus on education, skills and connectivity.
- Relative affordability of housing and commercial space.
- Low start up costs can create an attractive place for innovation and putting down roots.
- Business to business mentoring and support would be well supported.
- Shared branding and nested identities (i.e. within a Northern Powerhouse brand) is important.

See **Appendix 2** for further details.

3.3 **Citizens' Survey**

A survey was shared with the citizens' panel and made available on the web page that has been set up to support the development of the strategy. This asked respondents about their own personal economic circumstances, their views on Bradford's economy and how they saw the district's future economic prospects. In the main, respondents to the survey were largely satisfied with their own personal current economic circumstances. However, this compares to a more negative general view on the current performance of and future prospects for the district

economy, and a more pessimistic view of their own future economic circumstances.

3.4 Key issues

3.4.1 The Economic Growth Strategy is building on the engagement and analysis described above to outline an ambition for growing a more productive and inclusive economy that is as forward looking as befits the youngest city in the UK.

3.4.2 Four areas of focus for the Council and partners are proposed as providing clear and distinctive opportunities to be seized:

- ***Our young and enterprising population:*** ensuring our young people are equipped to succeed and drive our future economy.
- ***Our distinctive offer:*** capitalising on our distinctive places and cultural assets to create compelling investment propositions.
- ***Our growth potential:*** building on business strengths to improve productivity and create the conditions for growth.
- ***Our globally connected district:*** improving transport infrastructure and digital connectivity, and supporting businesses to increase exports.

3.4.3 The strategy will support the government's stated goal of rebalancing the UK economy. To achieve national average levels of productivity means increasing the value of our economy by £4 billion. The strategy will propose Northern England's productivity levels as a useful benchmark along that journey: an increase of £1.6 billion gross value added (GVA) would see Bradford district's economy matching Northern levels of productivity. Getting 22,000 people from Bradford into work over the next decade would bring us up to national average levels employment. Matching UK rates for NVQ3 (equivalent to two or more A Levels) would mean another 48,000 people in Bradford (working age residents) qualified to that level, and better equipped to work in better paid jobs. Finally, increasing our average earnings to the national average would increase wages by £65.20 each week (on average, based on full time gross pay).

3.4.4 The next stage is to identify the actions which will require long term commitment and effort, to achieve the scale of impact and outcomes being sought. On going work around educational attainment and significant investment in our transport connectivity would be clear examples. Also critical will be the Council's role in enabling and catalysing more rapid actions across partners in all sectors. And alongside this work in Bradford district and across the Leeds city region, the strategy will also make clear the scale of the ambition and ask of government, and the potential return on such investment via increased economic activity, reduced welfare support requirements and increased tax returns.

3.4.5 In supporting this next stage in the development of the Economic Growth Strategy, a specially convened Producer City Board meeting in September focused on drawing out the focus for delivery and made the following points:

- The importance of building on our successful Industrial Centres of Excellence.
- The value of a unified brand, which reflects Bradford in a confident light.
- The need to reflect the district's positive relationship with Leeds, and the differentiated offer we can provide.
- The contribution our cultural assets can make to our economic success.
- The need for peer to peer business support.

- 3.4.6 Further work will be progressed to build buy in and ownership, clarify partner contributions and ensure that the final product is fit for purpose as a mechanism for promoting and supporting the district's economic growth with a range of partners both within the district and beyond.
- 3.4.7 The intent is to bring the final version of the strategy to the Producer City Board in December 2017. Options for a subsequent business conference to provide a platform for the launch of the Economic Growth Strategy are being developed. This will provide a good opportunity to profile partner commitments to the delivery of the strategy, including the ways in which businesses are supporting more inclusive growth. It would also be a means to continue to raise the district's profile with government.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 Budget support for development of the strategy is coming from within Economy and Development resources. Staffing support is being provided by the Office of the Chief Executive.
- 4.2 The design of the strategy is being handled externally due to the current limited capacity in the Council's design team. The appointment of an external designer to fulfil this project is underway. This will include supporting materials as well as the strategy document itself.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 A project team including staff from Bradford Council, West and North Yorkshire Chamber of Commerce, the University of Bradford, West Yorkshire Combined Authority, and the voluntary and community sector is supporting the development of the strategy to time and to plan. The Producer City Board has oversight of its development.

6. LEGAL APPRAISAL

- 6.1 The economic growth strategy is being prepared under the Local Authority's General Power of Competence as provided in the Localism Act 2011, Section 1.
- 6.2 Neither the Local Democracy, Economic Development and Construction Act 2009, nor the Localism Act 2011 place a statutory duty on local authorities to produce an economic strategy.
- 6.3 Under Section 69 of the Local Democracy, Economic Development and Construction Act 2009, since September 2010 local authorities are free to determine the breadth and scope of their own assessments of the economic condition of their area, reflecting local priorities.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Our goal is to achieve inclusive economic growth and this is being taken into account as the strategy develops Equalities Impact Assessments will be considered

as necessary.

7.2 SUSTAINABILITY IMPLICATIONS

Our goal is to achieve sustainable and long term economic growth through investment in skills, infrastructure and innovation.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Our goal is to create inclusive economic growth which has a positive impact on the environment. The next phase of development will aim to identify actions to support energy infrastructure development and greenhouse gas emission reductions.

7.4 COMMUNITY SAFETY IMPLICATIONS

None identified.

7.5 HUMAN RIGHTS ACT

No implications identified.

7.6 TRADE UNION

No implications identified.

7.7 WARD IMPLICATIONS

This is a District Economic Growth Strategy which focuses on understanding and supporting the economic role of all communities and wards within the District.

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

Not applicable.

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. OPTIONS

That Members endorse the approach to the draft strategy and progress made to date.

10. RECOMMENDATIONS

10.1 Members endorse the four themes as providing a useful focus for further work around delivery.

10.2 Members ask the Producer City Board (and supporting officers) to develop these themes into a clear set of proposals for action and implementation.

11. APPENDICES

- Appendix 1 – economic analysis
- Appendix 2 – engagement summary

12. BACKGROUND DOCUMENTS

None.