

Report of the Interim Strategic Director of Place to the meeting of Executive to be held on 5 January 2021.

CV

Subject:

The Bradford District Economic Recovery Plan

Summary statement:

The report provides an overview of the Bradford District Economic Recovery plan that has been developed by the Bradford District Economic Recovery Board. The Economic Recovery Board is a partnership board, chaired by Professor Zahir Irani, Deputy Vice Chancellor, University of Bradford with membership from across the business community, public sector partners, education and voluntary sectors.

The recovery plan assesses the impacts of the COVID pandemic on Bradford District's local economy and sets out the actions we need to take now and over the next two years to accelerate our recovery from Covid-19 by sustaining employment and boosting productivity whilst continuing to build a more inclusive, sustainable and resilient economy for the subsequent period.

Executive are asked to note the work carried out by Professor Zahir Irani and partners on the Economic Recovery Board in developing the Economic Recovery Plan. Executive are recommended to ask the Economic Partnership to lead on taking forward this plan for the whole District. In doing this, the partnership will work with other relevant boards including the Bradford District Sustainable Development Partnership, the Bradford District Culture Partnership and the Bradford District Skills Partnership.

Jason Longhurst, Interim Strategic Director of Place	Portfolio: Corporate
Report Contact: Mark Clayton – Policy Officer	Overview & Scrutiny Area: Regeneration and Environment

SUMMARY

- 1.1 The Coronavirus pandemic has created a major global shock. It has resulted in the loss of many lives, affected people's physical and mental wellbeing, and resulted in the greatest economic downturn in recent history.
- 1.2 In Bradford District we have already seen unemployment double (including a significant spike in youth unemployment), the closure of a number of the District's businesses and reduced footfall and spend in city and town centre. Going forward it is likely we will see further jobs losses and business failures as the economic impacts continue to unfold.
- 1.3 The pandemic has highlighted the issues of social inequality which some communities in the district face and has had a disproportionate impact on our most disadvantaged residents, including those living in poverty, people from BAME communities, those living with disabilities, women, migrants and the elderly. This pandemic has also occurred at a time of real economic change for the country as we work together to tackle climate change and understand the impacts of exiting the European Union.
- 1.4 Council leadership and resources have played a critical role in the district's response to the Covid-19 emergency. This has included ensuring that £125 million of Small Business Grant Fund and Retail, Hospitality and Leisure Business Grant Fund has been paid to over 11,000 businesses throughout the crisis - the third highest amount of any city authority district in England after Birmingham and Leeds. A further £6.9 million of Local Authority Discretionary Grant funds has been paid to 639 businesses - the second highest amount after Birmingham. As the coronavirus pandemic has evolved from a health crisis to an economic one – there is a need for a recovery plan to sit alongside our existing economic strategy to address the impacts of the pandemic that have exposed and amplified the economic challenge facing the district.
- 1.5 To this end the Council has worked with the University of Bradford to form a new Bradford Economic Recovery Board that brings together a diverse and inclusive group of Council and business leaders alongside partner organisations and key stakeholders to help direct the district's economic response to the impacts of the pandemic and support businesses and communities to respond to the on-going challenges and opportunities presented by the Covid-19 crisis.
- 1.6 The Board has been responsible for directing and agreeing the production of a Bradford Economic Recovery Plan that will outline the actions we and our partners will need to take to address the key challenges and opportunities for the district going forward.
- 1.7 PwC have been appointed to work with Bradford Economic Recovery Board to produce an Economic Recovery Plan that builds on the existing Bradford District Economic Strategy and a revised Council Plan and sets out the actions we need to take now and over the next two years to accelerate our recovery from Covid-19 by sustaining employment and boosting productivity whilst continuing to build a more inclusive, sustainable and resilient economy for the subsequent period.
- 1.8 The overall aim is still for Bradford to become the UK's fastest growing economy, performing above the national average on key metrics of economic performance.

BACKGROUND

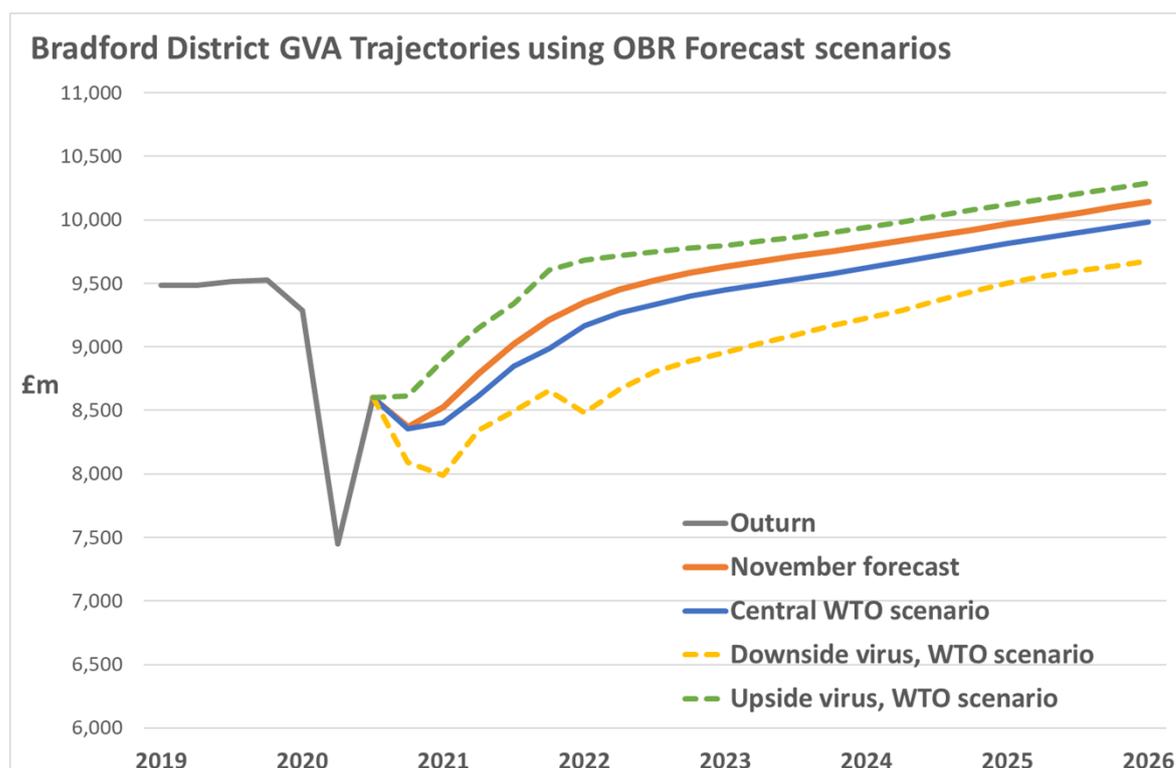
ECONOMIC IMPACTS OF COVID-19

- 2.1 As the full implications of COVID-19 become clearer, we can see that the impact on the district and our economy has been severe. At the time of writing in December 2020, we have already seen a number of measurable impacts across the district including:
- The Covid-19 pandemic has caused the deepest recession on record. The Office for Budget Responsibility's (OBR's) forecast expects GDP to shrink by 11.3 per cent in 2020 – the largest contraction in the economy for over 300 years. Applied to the current Bradford GVA figure of £9.482 billion, this equates to a projected figure of £8.411 billion in 2020, a fall of £1.07 billion.
 - Unemployment has risen sharply and will continue to rise as businesses make redundancies as the Job Retention Scheme winds down. Compared to the pre-lockdown figures of March, the October Claimant Count figure for the district shows an increase from 17,090 to 31,085 people - a rise of 82% over the period.
 - Youth Claimant Count unemployment has risen by 91% since March and the pattern of previous recessions shows that unemployment has a greater negative impact for young people, particularly in BAME communities and communities where there have been high levels of long term unemployment and deprivation. Bradford District's youth claimant count rate is the second highest of any city in the country.
 - Going forward national forecasts indicate we are likely to see further large increases in unemployment when the furlough scheme ends in March 2021 and the full impacts on the most affected sectors such as hospitality, retail and leisure are seen in a rise in business failures in the new year.
 - OBR forecasts UK unemployment will rise to 7.5% in 2021 - 2.6m people. This would equate to a Bradford rate of 10.4% which would mean around 25,000 unemployed residents compared to the current figure of 12,900. This would take unemployment close to the highest levels seen following the 2008 financial crash which peaked at 27,400 or 11.1% in September 2013. Assuming the majority of the expected redundancies will come from those sectors with the highest number of workers still furloughed, we can expect that hospitality, retail and manufacturing employees will make up over half of the increase. It is also likely that young people will be disproportionately affected given that they are over represented in the hospitality and retail sectors.
 - A third of the district workforce were furloughed through the Government's Job Retention Scheme at the height of the summer lockdown. Figures for May indicated 58,000 employments out of an eligible 212,000 employments in the District were furloughed. More recently that figure has fallen significantly but as of August there were still 16,600 employments in furlough.
 - Retail, manufacturing and hospitality have been most affected as the chart below shows and are most at risk from redundancies going forward with 12,800 retail employees furloughed at the height of the lockdown – 40% of all employees in the sector, 10,700 manufacturing employees – 40% of all employees and 8,800 hospitality employees – 73% of all employees.

- Figures for October show 18,200 self-employed residents have applied for support from the second Self Employed Income Support Scheme which is 74% of those eligible and is higher than the UK figure of 69% and the Yorkshire and the Humber figure of 70%.
- Banksearch data for new business bank accounts used as a measure of business starts fell sharply in April but have since recovered and overall business start-ups during the nine months to September 2020 were slightly up on the corresponding period in 2019. It has to be noted that increases in business start-ups often follow a big increase in unemployment as a response to difficult labour market conditions. Job posting data suggests that job vacancies have fallen by 25% during the pandemic.
- We have seen huge declines in city and town centre footfall, in line with national and regional trends. At the height of the lockdown footfall in Bradford City dropped to 20% normal levels with a similar picture in our town centres. Although this has started to increase and is now around 60% of pre-coronavirus levels, it is not clear when footfall will fully recover.

2.2 Modelling commissioned by the West Yorkshire Economic Recovery Board demonstrates the significant impact this crisis will have on businesses and communities. Even in the event of a relatively strong recovery, the District economy is still set to contract by up to 10% in 2020 - in line with latest OBR forecasts.

The UK economy is expected to grow by 5.5% next year, then 6.6%, then 2.3%, then 1.7% and then 1.8%. This means it will be the end of 2022 before UK GDP recovers to pre-Covid levels. These forecasts assume a Free Trade Agreement (FTA) with the EU with forecasts for GDP significantly lower if a FTA is not reached and the UK reverts to World Trade Organisation (WTO) rules. The central forecast for a WTO scenario predicts it would be Autumn 2023 before GDP recovers to pre-Covid levels. The impact on Bradford GVA of the main OBR scenarios is shown in the Chart below.



3. DEVELOPING OUR APPROACH TO RECOVERY

- 3.1 The ambition that was set out in the Economic Strategy, Pioneering, Confident and Connected for 2018-30 - to grow our economy, get more people into work, and improve the skills of our residents – is now more important than ever. Working with PwC, the Bradford Economic Recovery Board have drafted a Bradford Economic Recovery Plan that sets out the actions we need to take now and over the next two years to accelerate our recovery from Covid-19 by sustaining employment and boosting productivity whilst continuing to build a more inclusive, sustainable and resilient economy for the subsequent period.
- 3.2 The current economic strategy is focused on unlocking the growth potential of four key opportunities;
- Our young and enterprising population: ensuring all our people are equipped with the skills and confidence to succeed.
 - Our distinctive offer: using our unique architecture, heritage and cultural assets to create compelling investment propositions and an environment for growth.
 - Our growth potential: building on our business and sector strengths to drive innovation, increase productivity and create wealth.
 - Our globally connected district: improving our transport infrastructure and digital connectivity to strengthen our global trading links and access new markets.
- 3.3 Before the Covid-19 pandemic, we had begun to deliver on this ambition: employment had increased by 10,700 between 2017/18 and 2019/20, median weekly earnings had increased from £489 to £537 and we were working to strengthen the District's position in the global economy. We attracted interest and inward investment from national names including PwC, NEC and Channel 4 and we were ranked by Barclays as the best place to start a business and featured in The Sunday Times as one of the top cities for growth
- 3.4 The Bradford District Economic Recovery Board have reviewed our 2018 Economic Strategy in the light of the impacts and challenges of the pandemic and key megatrends that will shape the economy in the future.
- 3.5 The partnership support the aim for Bradford District to become the UK's fastest growing economy, performing above the national average on key metrics of economic performance. The complex challenges of the Covid-19 pandemic only serve to make it more important than ever to deliver on these opportunities for the district but also to reflect them in our Recovery Plan.
- 3.6 The development of the Economic Recovery Plan has been directed by the Bradford District Economic Recovery Board. The Board is a partnership, chaired by Professor Zahir Irani, Deputy Vice Chancellor, University of Bradford with membership from across the business community, public sector partners, education and voluntary sectors.

4. BRADFORD ECONOMIC RECOVERY PLAN FRAMEWORK

- 4.1 The Economic Recovery Plan proposes a series of actions to take now and over the next two years to accelerate our recovery from Covid-19 by sustaining employment and boosting productivity whilst continuing to build a more inclusive, sustainable and resilient economy for the subsequent period.

- 4.2 The plan is informed by what we already know of the district – its challenges, significant assets and unfulfilled potential – the known impact of Covid-19, what we can reasonably assume about the future, by the opportunities afforded through regional devolution and by our ambitions to deliver inclusive and sustainable economic growth to which more people can contribute and benefit from.
- 4.3 The plan is also aligned to the priorities outlined in the wider West Yorkshire Economic Recovery plan.
- 4.4 **Our Ambition** - Despite the unforeseen impact of Covid-19, our long-term ambition for Bradford’s economy in 2030 remains unchanged. Our aim is still to grow skills, jobs, productivity and earnings so that Bradford is the UK’s fastest growing economy and we are performing above the national average. This means;
- Increasing the value of Bradford’s economy faster than the UK average
 - Getting more people into work to bring employment rates closer to UK rates; and
 - Improving the skills of residents to close the gap to UK levels.
- 4.4 To achieve that, our Economic Recovery Plan needs to respond both to endemic local challenges and to emerging “megatrends” that can accentuate such challenges as set out in the table below.

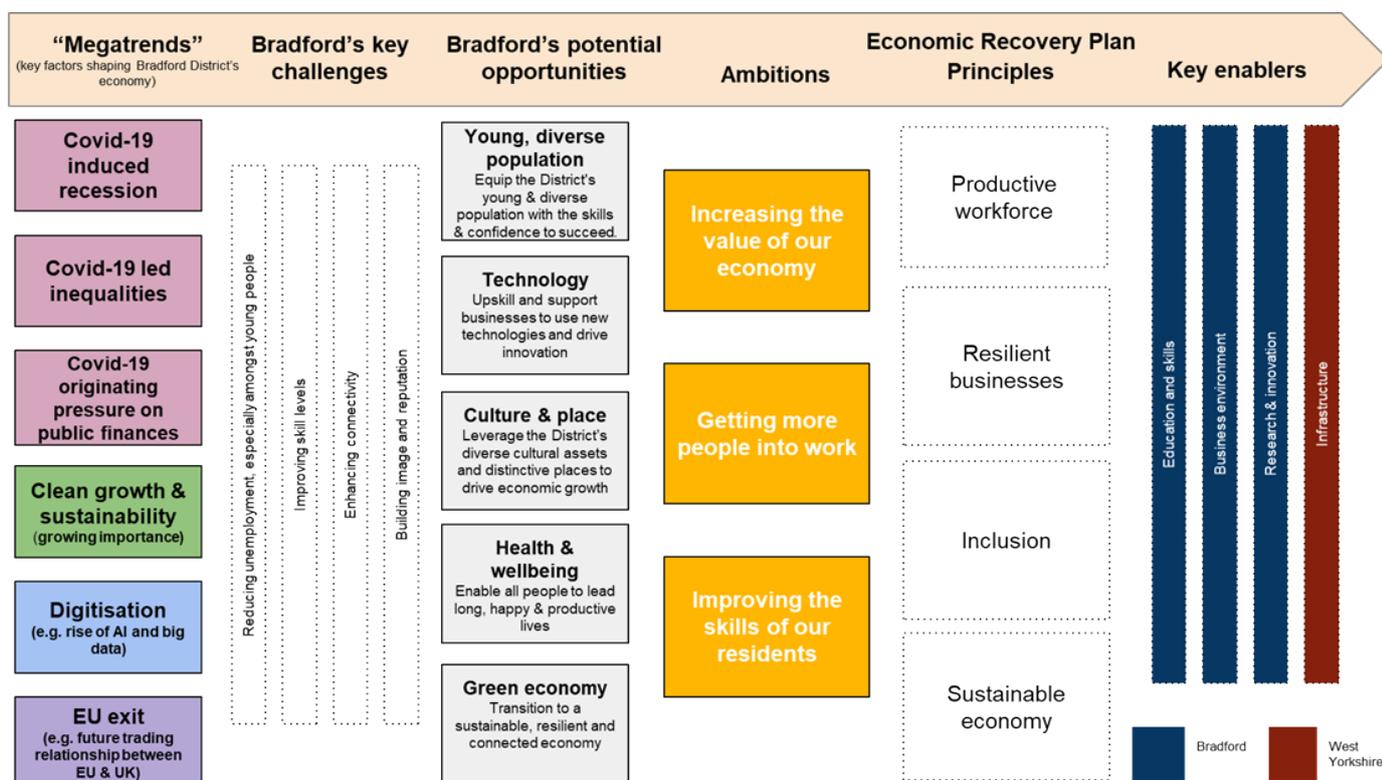
Key Megatrends	Key Local Challenges
<ul style="list-style-type: none"> ● The effects of the sustained economic fallout from Covid-19; ● The rise in inequalities that Covid-19 has provoked; ● The increased pressure on public finances; ● The UK’s exit from the EU; ● Faster growth of the digital economy; ● The emergence of the green economy. 	<ul style="list-style-type: none"> ● A rapid rise in unemployment amongst young people; ● A sustained gap in skills; ● Poor connectivity; and ● Building our image and reputation.

- 4.5 The plan also identifies five areas of opportunity for Bradford, some of which will be made possible by the acceleration of a ‘new economy’ based on developments in the application of digital technology, commitments to decarbonisation and the growth of more purpose-driven businesses. These areas of opportunity are:
- Equipping our **young, diverse population** with the skills and confidence they will need to succeed in our evolving economic environment in sectors where Bradford has the best growth potential;
 - Supporting businesses to adapt to and exploit developments in **technology** by upskilling and supporting businesses to use new technologies and drive innovation;
 - Leveraging Bradford’s diverse **cultural assets and distinctive places** to drive economic growth;
 - Accelerating the development of Bradford’s **green economy** by transitioning to a sustainable, resilient and connected economy; and
 - Promoting and enabling better **health & wellbeing** by enabling all people to lead long, happy & productive lives.

4.6 To realise the opportunities and overcome the challenges, our Recovery Plan is based on actions spread across four key enablers:

- Education and Skills – enabling residents to access employment and support jobs growth across the district
- Business Environment – encouraging business start-ups and attracting new businesses and investment
- Research and Innovation – promoting growth through strong collaborations across academia (notably University of Bradford), industry and government
- Infrastructure – improving the quality of our physical and digital infrastructure

4.7 The figure below summarises the framework used to shape the Economic Recovery Plan.



5. BRADFORD DISTRICT ECONOMIC RECOVERY PLAN DELIVERY

5.1 Key Interventions

Our planned interventions fall into three broad categories:

- Those that we will undertake with the support of our partners across Bradford District: in some cases, this will involve building on our existing initiatives but in others it will involve new interventions;
- Those where we want to work with partners in the region, notably the West Yorkshire Combined Authority and the Leeds City Region Local Enterprise Partnership to pursue our mutual goals: together, this partnership working can bring new investment to the District and greater local influence on how and where resources are spent; and
- Those where we want to work with the Government to seize the immediate opportunities to boost skills, employment and productivity and so contribute to 'levelling up' the national economy as well as contributing to its other priorities, for example achievement of Net Zero.

5.2 Priorities

Building on the extensive array of existing activity taking place in the District, our proposed priorities for the key areas of opportunity are summarised in table below:

Category	Intervention	Alignment to opportunity areas	Overview
Immediate asks	Make Bradford a Learning City	Young, diverse population	Leverage Bradford's Skills House to mobilise resources in every sector to promote inclusive learning, from basic to higher education and make Bradford a UNESCO Learning City
	Access to Work	Young, diverse population	Support residents find job opportunities and develop their skills to make them more employable and the economy more resilient
	Inspire, Reskill and Upskill	Young, diverse population	The SkillsHouse partnership will inform the development of vocational provision, including higher level skills - with a cohesive offer for employers, the self-employed and the unemployed
	Neighbourhood retrofit	Green economy	Building on existing plans in the District to retrofit individual homes and public buildings and developing the concept and strategy for creating '15-minute neighbourhoods' retrofitted to enable sustainable living
	Business support simplification	Cross-cutting	Provide a unifying positive image for Bradford as a place to live, work and play which can be communicated to communities within the region through the District's leaders to promote the many opportunities Bradford District offers
	Bradford District Business House	Cross-cutting	Provide an impartial central resource, support and guidance for entrepreneurs and new start-ups by establishing a single body of experts working under one banner to help businesses navigate/co-ordinate business support
	Implementation of 'Culture is Our Plan'	Culture and place	Build on Bradford's City of Culture bid to implement our 10-year cultural strategy for the District to attract investment and act as a lever for multiple District-wide interventions
	Building an inclusive health and care economy	Health and wellbeing	Build an inclusive health and care economy through the power of anchor institution collaboration, based on the development of a highly effective and compassionate integrated workforce based on a world class medical, health and care learning infrastructure
	Act Early North	Health and wellbeing	Make the case for a new research centre in Bradford Institute of Health Research focusing on preventative health policy and early years measures to help create research jobs and attract wider investment to the District
	Northern Powerhouse Rail	Cross-cutting	Secure commitment for the Bradford station to be on the new Northern Powerhouse Rail (NPR) line
Aspirational	Creation of a sustainable food supply system	Green economy	Build on the District's existing assets and activity to develop a sustainable food supply system and build the District's reputation as a sustainable food hub
	Development of the supply chain for hydrogen LGVs	Green economy	Position the District's automotive businesses to win opportunities in the fuel cell electric vehicles supply-chain through having a UK 'test-bed' fleet of hydrogen light goods vehicles
	Construction of a circular economy demonstrator	Green economy	Encourage local businesses to invest in reprocessing of recycled or bi-product materials and positioning the District as an exemplar of the circular economy in the UK
	Greening the City	Culture and place	Develop a new green space and a new green park in the city centre
	Assessing the potential of Heritage Action Zone designation	Culture and place	Support the business needs of the cultural and creative sector by utilising vacant space and improving the visitor and citizen experience

6. NEXT STEPS

- 6.1 We believe that the current economic crisis can be turned to our advantage. By supporting change in the economy and encouraging new ways of working, we have a narrow, but real, opportunity to position Bradford better and deliver greater wellbeing for all.
- 6.2 Our ability to do this is helped by the big change in political attitudes we have seen since Covid-19. Bolder economic and social strategies are gaining force in policy debates around the world. The pandemic is the chance to reset our economy to create a healthier, more equitable, and more sustainable future. We need to use all the levers at our disposal, including taking advantage of devolution and the levelling-up agenda.
- 6.3 We have responded with speed and agility during the crisis to ensure our communities and businesses are supported through this difficult unprecedented time. We are already taking forward some immediate actions that our approach identifies, and our Council Plan (2021-25) commits us to a number of new initiatives. Other actions will require collective action across the district, working collaboratively with the mayoral West Yorkshire Combined Authority to leverage support and funding and making the case for additional support from Government.
- 6.4 This report recommends that we ask the Bradford Economic Partnership to oversee the next steps for this work and use this Economic Recovery Plan to inform the District's approach to economic recovery. The Economic Partnership will consider how we support economic recovery across the whole district. This work will be convened by a new chair as Dave Baldwin stood down from his chair role of the Economic Partnership in summer 2020. The process to replace his role is currently underway.
- 6.5 Where the recommendations fall under the remit of wider partnership boards, such as the skills plan and the culture strategy– the recommendation is that this work will be progressed by these partnership boards. This economic recovery work will also be fed into the process for the Shipley and Keighley Towns Fund Boards to support recovery for these parts of our district.

7. FINANCIAL & RESOURCE APPRAISAL

- 7.1 The interventions in the Economic Recovery Plan will be for the partnership, including the Council to consider the delivery of. Many of the interventions are for the private sector and wider partners to support. The financial impact of actions arising from the Economic Recovery Plan will be considered at a future Executive meeting as required.

8. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 8.1 It is intended that delivery of Economic Recovery Plan will be overseen by the Economic Partnership Board, part of the wider Health and Wellbeing board structure.

9. LEGAL APPRAISAL

- 9.1 The Economic Recovery Plan has been prepared under the Local Authority's General Power of Competence as provided in the Localism Act 2011, Section 1.

- 9.2 While there is no statutory duty on Local Authorities to produce an economic plan they are free to determine the breadth and depth of assessments of the economic condition of their area, ensuring a reflection of local priorities.
- 9.3 The agreement and implementation of the Economic Recovery Plan will require further decisions in due course and the legal implications of the specific proposals being recommended will need to be considered at that time

10. OTHER IMPLICATIONS

10.1 EQUALITY & DIVERSITY

- 10.1.1 Inclusion is one of the key principles of the Economic Recovery Plan with a commitment to an economy that everyone can contribute to and benefit from.

There is significant evidence that the COVID pandemic has had a greater economic impact on those with protected characteristics, who are more likely to work in the sectors most affected. This includes BAME communities, women, younger adults and people on low incomes in more insecure work. In line with the District Economic Strategy, the recovery plan aims to drive actions that specifically target under-represented groups and specific areas of deprivation. It will also address underlying historical labour market disparities and improve workforce diversity ensuring greater economic participation and opportunity.

- 10.1.2 If required, equality impact assessments will be considered as part of the delivery framework.

10.2 SUSTAINABILITY IMPLICATIONS

- 10.2.1 Sustainability is a key principle underpinning the Economic Recovery Plan approach which aims to achieve sustainable and long term economic growth through relevant interventions and investment. This includes consideration of sustainable use of resources, innovation approaches to best use of assets and resources. This will be supported by a focus on green jobs and enabling a more circular economy.

10.3 GREENHOUSE GAS EMISSIONS IMPACTS

- 10.3.1 Our recovery plan will align with our commitment to meet the Leeds City Region target of zero carbon emissions by 2038. Developing the Green economy is a key focus of the recovery plan.

10.4 COMMUNITY SAFETY IMPLICATIONS

- 10.4.1 Ensuring equality of access to economic opportunity and promoting local economic development will address deprivation that underpins the geographic disparities across the district and create a fairer district.

10.5 HUMAN RIGHTS ACT

None

10.6 TRADE UNION

None

10.7 WARD IMPLICATIONS

The recovery plan will take a district wide approach which focuses on understanding and supporting the economic role of all communities and wards across Bradford.

10.8 IMPLICATIONS FOR CORPORATE PARENTING

There are no issues in relation to corporate parenting.

10.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

There are no impacts arising from this report on data protection and information security matters.

11. NOT FOR PUBLICATION DOCUMENTS

None

12. RECOMMENDATIONS

It is recommended that:

- Executive would like to thank Professor Zahir Irani and the Economic Recovery Board members for their valuable contribution to this crucial area of work
- Executive note the approach to Economic Recovery outlined in this report and the accompanying Bradford District Economic Recovery Plan.
- Recommend that the Economic Partnership takes the lead in taking this plan forward and uses the plan to inform the District's approach to economic recovery supported by other appropriate partnership boards including the Skills Partnership and the Sustainable Development Partnership.
- That these plans are progressed for the whole District, working with the Keighley and Shipley Towns Fund Boards and other partnerships.

13. APPENDICES

- Appendix A – Bradford District Economic Recovery Plan

14. BACKGROUND DOCUMENTS

- Pioneering, confident and connected – An economic strategy for Bradford District 2018-2030
- West Yorkshire Economic Recovery Plan