

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

30 JUNE 2020

### REPORT OF THE CHIEF EXECUTIVE

#### LOCAL ECONOMIC RECOVERY PLANNING

##### 1. Purpose of report

- 1.1 The purpose of this report is to seek agreement to commence a process of Local Economic Recovery Planning, put in place a Bridgend County Economic Task Force and to identify the funding available to support an 'Economic Futures Fund'.

##### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015:-**
1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
  2. **Helping people and communities to be more health and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
  3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

##### 3. Background

- 3.1 As a result of the coronavirus outbreak and the subsequent nationwide 'lockdown' many restrictions have been in place in relation to the functioning of society and the economy. It is now anticipated that in contrast to the short time frame in which Wales transitioned into these restrictions there will now be a far more gradual and longer term transition away from them.
- 3.2 The Welsh Government National Framework 'Unlocking our Society and Economy' sets out a clear and structured methodology for considering options in relation to transitioning the economy and society from the current restrictions in place. The regular review periods required and the announcements and subsequent guidance released by Welsh Government highlight that different aspects of the transition will occur at different times and a different speeds. This approach, based on the evidence available to Welsh Government as the situation unfolds, results in a

constantly changing context against which local economic recovery planning will take place.

- 3.3 Prior to the coronavirus outbreak Bridgend County Borough had 3,770 enterprises, 58,700 employed jobs and an unemployment rate of 4%<sup>1</sup>. However, significant changes were imminent due to the closure of the Bridgend Ford Plant in September 2020 and impacts from the United Kingdom's exit from the European Union and subsequent ending of the transition period in December 2020. The closure of the Bridgend Ford Plant alone was predicted by Welsh Government to result in the loss of 1,700 direct jobs and the removal of £190m GVA from the local economy. Work to plan for the closure and its impact was being coordinated through a Welsh Government Task Force. Evidence relating to the challenges and opportunities resulting from exiting the European Union was emerging and being closely monitored by Bridgend County Borough Council's (BCBC) Brexit Forum.
- 3.4 Throughout the period of lockdown and the transition period to date a large number of research reports have been produced which predict a wide range of short and long term challenges for the economy of Wales. Whilst the specifics of these reports vary, there are a number of emerging themes, such as:
- An increase in the number of businesses ceasing to trade<sup>2</sup>. Early estimates for 2020 suggest that twice as many businesses have closed already compared to the same period in 2019.
  - A fall in the economic output of the economy<sup>3</sup>. The Office for National Statistics (ONS) published figures on June 2020 for the three months from February to April 2020, which showed a decline in the UK economy of 10.4% compared with the previous three-month period.
  - Differing impacts of economic changes witnessed in different sectors of the economy<sup>4</sup>.
  - An increase in unemployment, predicted by the Office for Budget Responsibility (OBR) in April 2020 to rise to 7.6% in 2020, reducing to 6% in 2021.<sup>5</sup>
  - An increase in the number of people living in poverty with the Institute for Public Policy Research (IPPR) estimating in April 2020 that 1.1 million more people in the UK face poverty at the end of 2020 as a result of the coronavirus pandemic<sup>6</sup>
  - A disproportionately larger impact of the above being witnessed in what can be considered as already disadvantaged communities<sup>7</sup>
- 3.5 In addition, for the duration for which they remain in place, the impacts of social distancing requirements in Wales will continue to impact on transport patterns and use, consumer behaviours and the public realm and natural environment.

---

<sup>1</sup> ONS data, 2020.

<sup>2</sup> Social Market Foundation, 2020

<sup>3</sup> OBR, 2020

<sup>4</sup> Social Market Foundation, 2020

<sup>5</sup> OBR, 2020

<sup>6</sup> IPPR, 2020

<sup>7</sup> Bevan Foundation, 2020

#### **4. Current situation/proposal**

- 4.1 The situation the County Borough finds itself in is unprecedented and constant change is occurring at a significant pace. Guidance from UK and Welsh Governments is evolving with the situation and will continue to do so over the coming months and potentially years.
- 4.2 BCBC has played a key role in facilitating, coordinating and leading the necessary arrangements for dealing with the impact of the coronavirus outbreak on communities and businesses, including for example support through NDR grant payments, extensive information and communication, business diversification support and the provision of resources and training to support businesses to prepare for re-opening and enhance consumer confidence. This has included:
- Over 2,000 local businesses have received support through the NDR grant.
  - Nearly 300 local businesses have been offered support through phase 1 of the Economic Resilience Fund.
  - 2,000 sneeze guards and 300 Covid training courses have been made available to local businesses.
  - Over 200 businesses have completed an on-line survey which will be used to support future planning.
- 4.3 A process of Local Economic Recovery Planning set against this context presents a wide range of challenges, many of which are clear but many of which will emerge in the coming months and years. Whilst BCBC and its partners have so far worked collaboratively to deliver a wide range of responses to the coronavirus outbreak much of this has been as a short term reactions. The ability to react will still be required but must now be coupled with a proactive longer term approach towards Local Economic Recovery Planning. This approach will be linked to the Council's broader approach towards holistic Recovery Planning.
- 4.4 It is therefore proposed that the process of Local Economic Recovery Planning commence by putting in place:
- A Bridgend County Economic Task Force
  - An economic engagement programme
  - A specific ring-fenced budget to support these activities – The Economic Futures Fund.
- 4.5 The task force will be established and chaired by the Leader of Bridgend County Borough Council. It will:
- Assess the impact of the coronavirus outbreak on the local economy and take the necessary collective and individual actions to facilitate the economic and business recovery of the County Borough and support diversification and aid resilience.
  - Draw together senior members of local public sectors organisations, Cardiff Capital Region City Deal, business leaders, representatives of business sectors and trade bodies and other key stakeholders.

- Draw on research and evidence and through the economic engagement programme it will 'ground-truth' this in the County Borough.
- 4.6 The task force will build on and add value to action undertaken by UK and Welsh Government and the Cardiff Capital Region (CCR) City Deal and be positioned to best secure funding and opportunities for Bridgend by identifying and putting in place the specific and locally focused measures needed to support the County's residents and businesses in the short, medium and long-term.
- 4.7 CCR are currently rolling out a number of investment opportunities for the Region. Opportunities aside from the wider investment fund (which is still open for business) that are currently being progressed are:
- Homes for the Region – Viability Gap funding and SME finance
  - Strategic Sites and Premises
  - Future Ready Skills Framework
  - Metro + transport hubs'
  - Improving Digital Connectivity and 5G for the region
  - Challenge Fund and InFuse Programme
- 4.8 The task force will develop an economic plan for the future of the County Borough which will include action to help businesses adapt to the changing economic landscape and improve resilience, as well as support for residents to develop new skills, training and employment opportunities. Work will be aligned with and feed in to the Council's Strategic Recovery Planning group.
- 4.9 The economic plan will be structured around the following core themes:
- Productive and competitive businesses
  - Reducing the factors that lead to income inequality
  - Supporting the transition to a zero-carbon economy
  - Healthier, fairer, and more sustainable communities and local businesses
- These themes link with the current approach by Welsh Government towards the future of Regional Investment in Wales.
- 4.10 The task force will carry out a comprehensive economic engagement programme that will seek to identify the main issues affecting the local Bridgend economy and what are considered to be the most impactful responses. Through a wide range of engagement activities, the task force will, through all its combine networks and partnerships, aim to engage with businesses of all sizes and type and all sectors of the local economy. This engagement process will form a key part of the evidence base to inform the prioritised actions and it will 'ground-truth' research and evidence from outside bodies.
- 4.11 The implementation of the task force prioritised actions and the delivery of the future economic plan will be supported by an Economic Futures Fund of £1.687 million. All members of the task force will be urged to add to this initial budget of what will come to be a key resource in supporting the County Borough's economic future.

4.12 The economic plan and Economic Futures Fund will initially be targeted towards what have been identified as key areas, namely:

- Business and the economy
- Transport
- Public realm and natural environment.
- Digitalisation

4.13 This resource will be a leverage tool, with its deployment aimed at attracting funds from current and future regional and national grant and private sector investment. Allocations will be based on evidence of need and be able to offer demonstrable positive impacts to support the priorities of Local Economic Recovery Planning.

## **5. Effect upon policy framework and procedure rules**

5.1 There is no direct impact on the Council's policy framework and procedure rules.

## **6. Equality Impact Assessment**

6.1 An initial assessment has identified that there are no equality issues related to this report.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:

- Long-term: The elements that make up the proposed early action to support Local Economic Recovery Planning have been identified following discussion with key stakeholders and in relation to current understanding of the potential long term challenges and impacts that the coronavirus will continue to have on the local economy. Through the process of Local Economic Recovery Planning and the creation of an economic plan for the area it will be possible to set out a long term response.
- Prevention: A great deal of work has already been undertaken by BCBC and its partners to support the local economy in relation to the impacts of the coronavirus outbreak. As well as a continuation of this ability to react to the situation as it evolves but focusing on recovery effort will be made to take preventative action where the need arises.
- Integration: The proposed Economic Task Force and its links with the Council's broader Recovery Planning approach will ensure an integrated approach to all matters directed at supporting the County Borough through the current situation and it to the future.
- Collaboration: As part of the Council's broader approach to Recovery Planning, work on Local Economic Recovery Planning, will take place with all Council Directorates and in partnership with key stakeholders.

- Involvement: For the Economic Task Force to successfully operate it will require the involvement of senior members of local public sectors organisations, business leaders, representatives of business sectors and trade bodies and other key stakeholders. The economic engagement programme will set out to provide opportunities for all sections of the local economy to be involved in sharing concerns and working towards identified possible actions for the future.

## **8. Financial implications**

- 8.1 The implementation of the task force prioritised actions and the delivery of the future economic plan will be supported by an Economic Futures Fund of £1.687 million. The secretariat function for the task force and the undertaking of the economic engagement programme will be carried out with existing resources within the Economy, Natural Resources and Sustainability Group.
- 8.2 The £1.687 million comprises resources from an established earmarked reserve for Economic Future Resilience of £800,000 and an Economic Stimulus Grant from Welsh Government (WG) of £887,000. This capital grant was awarded to BCBC by WG in August 2019, and one of the main purposes of the grant was to 'provide economic benefits which are aligned with the WG's priorities and which can stimulate wider economic demand at a time when it is needed most'.
- 8.3 An internal panel will be created within BCBC comprising officers from the finance, legal, regeneration, procurement and economy departments. Recommendations for allocation will be made by the panel based on advice from the Bridgend County Economic Task Force. Spend from the capital programme will be subject to approval by Council and monitored through the Capital programme.
- 8.4 If any proposed scheme involves the procurement of works, goods or services then it will comply with BCBC Contract Procedure Rules.
- 8.5 The Economic Futures Fund will set out with an explicit intention of acting as a leverage tool. BCBC will intend therefore to bid for UK, Welsh Government and other grant funding. When external funds are offered, these will not be accepted until the Section 151 Officer and Chief Officer – Legal, HR and Regulatory Services are satisfied that BCBC can comply with all associated terms, conditions and legal requirements and grant procedure rules of BCBC.

## **9. Recommendation(s)**

- 9.1 It is recommended that Cabinet:-
- Approve the creation of a Bridgend County Economic Task Force to be chaired by the Leader of Bridgend County Borough Council;
  - Approve the development of an economic engagement programme;
  - Note that capital approvals from the Economic Futures Fund will be subject to Council approval for inclusion in the Capital Programme.

**Mark Shephard**  
**Chief Executive**  
**10<sup>th</sup> June 2020**

**Contact Officer:** leuan Sherwood  
Group Manager: Economy, Natural Resources and Sustainability

**Telephone:** (01656) 815334

**E-mail:** [leuan.Sherwood@bridgend.gov.uk](mailto:leuan.Sherwood@bridgend.gov.uk)

**Postal Address:** Bridgend County Borough Council, Communities Directorate, Angel Street, Bridgend, CF31 4WB

**Background documents:** None