

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3

4 OCTOBER 2021

REPORT OF THE CORPORATE DIRECTOR – COMMUNITIES

THE BRIDGEND COUNTY ECONOMIC FUTURES FRAMEWORK

1. Purpose of report

- 1.1 The purpose of this report is to inform the Subject Overview and Scrutiny Committee 3 of work to develop an Economic Futures Framework for Bridgend County, including the development of a new Economic Strategy.

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**:-

- **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.
- **Helping people and communities to be more healthy 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.
- **Smarter use of resources** – ensuring 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 deliver the Council's well-being objectives.

3. Background

- 3.1 The County Borough of Bridgend lies at the geographical heart of South Wales, equidistant between Cardiff and Swansea and covering an area of approximately 25,500 hectares. It is directly bordered by Neath Port Talbot County Borough to the west and north, Rhondda Cynon Taf County Borough to the north and northeast, and the Vale of Glamorgan to the east. Bridgend owes its origins to its strategic location at the lowest bridging point on the River Ogmore, which led to its initial establishment as a market town that expanded when the coal mining industry flourished to the north.
- 3.2 The local road and rail network was developed to provide access to communities from the rest of South Wales, taking advantage of the County Borough's strategic

location. The locality's position within the Cardiff Capital Region, and the historical transport links that facilitate key connections to Cardiff and Swansea, have proved critical to the County Borough developing as a major regional employment hub, with specific strengths in advanced manufacturing.

- 3.3 Bridgend County Borough is in a unique position as the gateway to both the Swansea Bay Region and the Cardiff Capital Region. The interdependencies and relationships between the two regions are of particular importance for the County Borough, and indeed, the success of the wider regions more broadly. The pivotal position of Bridgend County Borough will prove key in driving forward collaborative, inter-regional strategic planning through the co-ordination of housing, economic growth and connectivity infrastructure.
- 3.4 Prior to the coronavirus pandemic Bridgend County Borough had 3,770 enterprises, 58,700 employed jobs and an unemployment rate of 4%. 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 Gross Value Added (GVA) from the local economy. Work to plan for the closure and its impact was being coordinated through a Welsh Government Task Force. At the same time 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.
- 3.5 The coronavirus pandemic presented significant challenges for the local economy and business community and led to BCBC undertaking a substantial level of support – financial and advisory – to mitigate the impacts. Over £53m in Welsh Government business grants was processed by officers to support Bridgend businesses and a wide range of locally bespoke actions were made available such as sneeze guards, Covid safety related training and hospitality business guest registers to support Test, Track and Trace.
- 3.6 In June 2020 BCBC Cabinet approved the creation of an Economic Taskforce which is chaired by the Leader of BCBC in response to economic uncertainties and challenges arising from the coronavirus pandemic. Alongside this, Cabinet also created an Economic Futures Fund of £1.687m and the Economic Taskforce have approved allocations of that fund towards a Start-up Business Fund (£140k), a Business Property Enhancement Fund (£350k) and an Innovation Fund (£200k).
- 3.7 The Taskforce gave a mandate to BCBC officers, in partnership with key stakeholders, to 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 was to be aligned with and feed in to the Council's Corporate Plan and Strategic Recovery Planning.

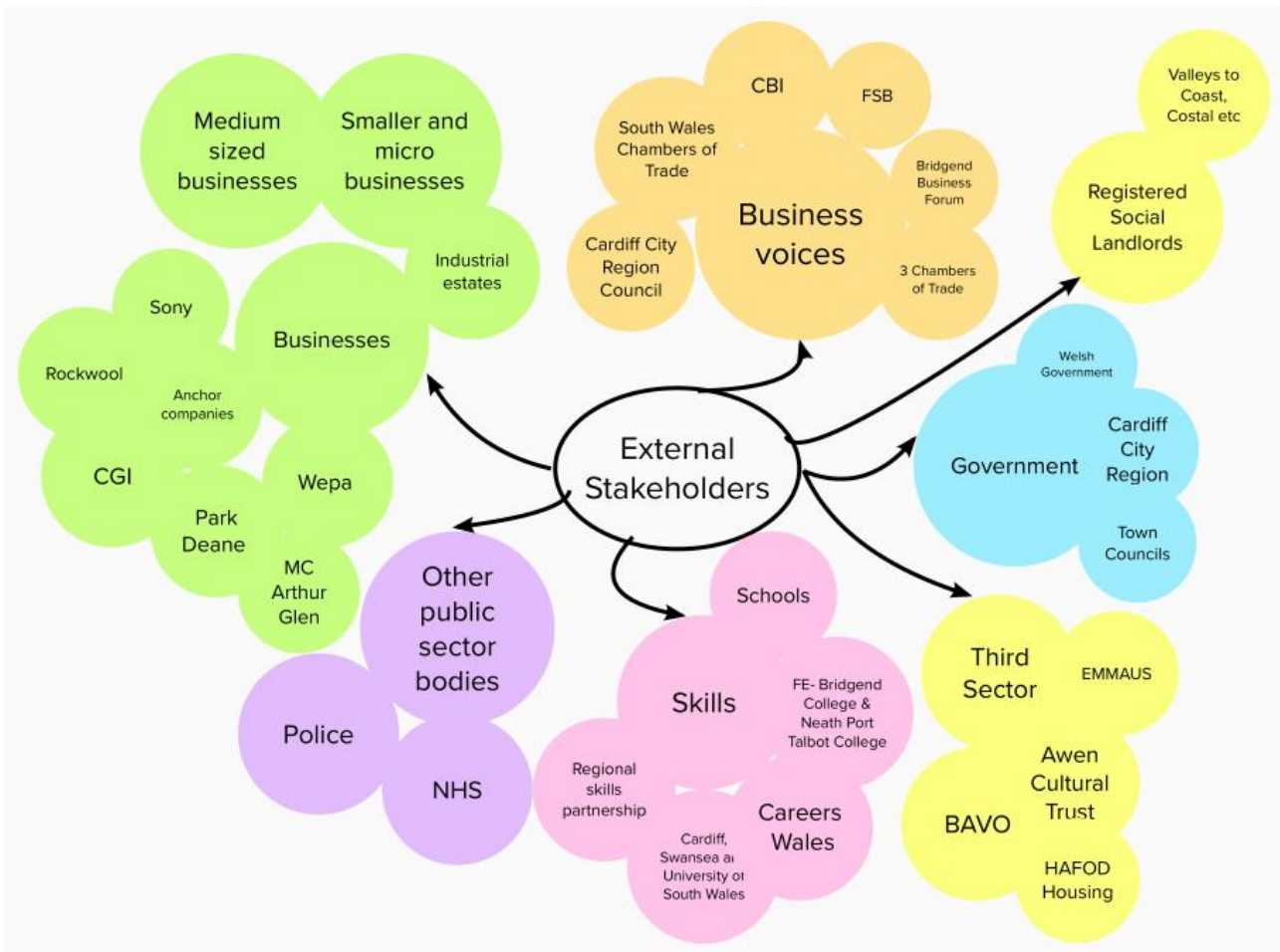
4. Current situation/proposal

- 4.1 Work has commenced on the development of a new Economic Futures Framework for the County Borough. The framework will include a data package, a new Economic Strategy, an investment prospectus and investment decision making toolkit and a revised governance, engagement and delivery model.
- 4.2 The Economic Futures Framework data package will involve a comprehensive review of existing research, evidence and published datasets as a core part of the basis on which the Economic Strategy will be based. This will include alignment with the replacement Local Development Plan (LDP) and recently produced evidence base and an analysis of the Bridgend Business Engagement Programme. In addition a forward plan of key indicator datasets to monitor will enable regular tracking of economic well-being and support periodic reviews of priorities, interventions and investments.
- 4.3 A new Economic Strategy will set out a long term strategic vision that clearly articulates Bridgend's growth ambitions for its economy. This will be based on a SWOT analysis and Stakeholder matrix aligned with the overall vision. An action plan setting out short, medium and long terms actions will be developed. This will include anticipated costs, clear identification of potential funding sources, lead bodies and identified stakeholders and partners, including, but not exclusively, the Bridgend County Economic Futures Fund, the Levelling Up Fund and the anticipated Shared Prosperity Fund. Within the strategy will be a clear set of strategic interventions through which the Council can overcome any barriers and maximise its capacity for supporting economic growth whilst enabling the economy to make the most of its distinctive strengths.
- 4.4 The development of a BCBC Investment Decisions Toolkit will create a bespoke criteria based tool for use by the Council in assessing and scoring which prioritised opportunities it takes forward based on agreed priorities and their relative importance. It will be an investment methodology for consideration of opportunities for the Council to use its powers and resources to directly take action to support the delivery of the aims of the strategy. Alongside this a dynamic and appealing investment prospectus will be published for the County Borough that sells strengths and promotes opportunities for future investment.
- 4.5 A new governance model will be developed to support the delivery of the Economic Strategy, including the development of a new Economic Futures Partnership as an evolution from the current Economic Task Force with a proposed membership, operating procedures and draft terms of reference. It will be accompanied by a 5 year engagement plan for the first 5 years of delivery, setting out a range of engagement methodologies, events and activities that will secure involvement from the business community and wider economy stakeholders. Key to this will be the future role of the Bridgend Business Forum. An operational plan will set out mechanisms and delivery structures for co-ordinating the delivery of the Economic Futures Framework at the county level ensuring greater collaboration across Council service areas and with multi-sector stakeholders. Approval of these will be subject to a BCBC Cabinet decision.
- 4.6 The development of a new Economic Strategy, following an in-depth review of data and extensive engagement with stakeholders, will provide the basis for dialogue on

prioritised actions with Welsh and UK Governments as well as the Cardiff Capital Region, a range of funding sources, investors and developers. This will support the Council's ongoing ambitions to play a full and active role supporting the local economy.

- 4.7 The new Economic Strategy will be ambitious and set out a clear plan of action that strengthens our linkages into all sectors of the economy and with all relevant stakeholders within the short, medium and long term. It will set out, based on stakeholder engagement and data analysis, what the key priorities are and what roles exist for stakeholders at a UK, Wales, regional and local level to take action. A great deal of work is underway and this presents an opportunity to draw that together within one framework, identify gaps and more clearly articulate current priorities and future opportunities.
- 4.8 The new Economic Strategy 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
- 4.9 Aligned to these core themes will be the following key areas of focus:
- Business support and resilience
 - Economic growth areas – geographical and sectoral
 - Skills and workforce supply
 - Economic well-being and sustainable livelihoods
 - Transport infrastructure and services
 - Place-based initiatives
 - Digitalisation
- 4.10 As such, alignment is required in these key areas of focus with:
- Welsh Government Policies
 - UK Government Policies
 - City Region Policies
 - Bridgend County Public Service Board Well-being Plan
 - Bridgend County Local Development Plan (LDP)
 - Bridgend County Local Transport Plan
 - Bridgend County Borough Council Corporate Plan and Strategic Recovery Plan
- 4.11 Over the Summer work has been progressing to engage a wide range of stakeholders based on a stakeholder analysis as set out in figure 1 below.

Figure 1 – Bridgend Economic Strategy Stakeholder analysis



4.12 In addition, work is progressing to develop the data package and has to date been based on the data set out in table 1 below.

Table 1 – Data sources for Economic Strategy

Bridgend Council Supplied Data	Cardiff Capital Region
Corporate Plans	Data Repository for CCR Skills Partnership
Economic Evidence Base Study (Stantec & PBA)	Cardiff Capital Region City Deal
Labour Market Statistics (Nomis & ONS)	Cardiff Capital Region Investment Prospectus & Business Plan
Bridgend Employability Programme	CCR Publication Library (various reports)
Wellbeing statement and report	CCR Skills Partnership, Employment and Skills Plan 2018, 2019-22
LDP economic data (data repository)	
Covid Recovery Impact Assessment	Swansea City Region
Bridgend County Borough Profile	Swansea Bay City Deal
Wellbeing Assessment economic data and reports	SW & Mid Wales Economic Frameworks
	Economic & other data (on data portal)

Welsh Government	Broadband (Current state & Roll Out plans)
Houshold Statistics & Projections	Welsh Government Broadband Briefings (multiple reports)
Various reports on infrastructure investment	Virgin Media high level approach
Regional Economic Frameworks	Openreach Ultrafast Roll out information
(draft) National Development Framework	Spectrum Internet high-level plans
Future Wales: The National Plan 2040	ISP Review broadband roll out reports
Welsh Index of Multiple Deprivation	Thinkbroadband connectivity maps
	Connected Nations report
	House of Commons Library: Broadband speed mapping tool
Other Data	
Atlas of Deprivation in Wales	
UK Innovation Survey	

4.13 The stakeholder engagement and data analysis work to date has led to an interim set of findings in relation to strengths, weaknesses, opportunities and threats as set out in table 2 below. It is important to note that these findings are interim at this stage and based on stakeholders engaged to date and the views they expressed. As the table shows, certain issues raised by stakeholders are reinforced by the data, but others are challenged.

Table 2 – Interim strengths, weaknesses, opportunities and threats.

Strengths	
<i>Stakeholders views</i>	<i>Data analysis</i>
<ul style="list-style-type: none"> • Strong sense of community • Natural capital - mountains and sea • Good rail connections to Cardiff, Bristol, and London • Safe - low crime rate • Great place to live and work • Strong manufacturing base - good skilled labour • Easy access to good healthcare • More affordable housing 	<ul style="list-style-type: none"> • Much of the qualitative literature supports strong community ties and feeling of place • The Natural capital of the region is a significant strength and opportunity that has not been fully realised • Mainline rail connections to the capital and neighbouring urban centres are strong • Population growth is positive and has exceed modelled trajectory • Employment growth has been relatively constant (preliminary observation - will take time for the data to depict full impact of the pandemic) • GVA per capita relatively constant Y/o/Y • New business births have been relatively constant

Weaknesses	
<i>Stakeholders views</i>	<i>Data analysis</i>
<ul style="list-style-type: none"> • More public transport infrastructure needed • More support for active travel needed • Poor marketing and PR for the area as a place to live and work • Bridgend town centre but all the town centres need attention • Big inequalities between areas • Climate change • Lack of suitable business premises • Difficult to recruit 	<ul style="list-style-type: none"> • Average gross weekly earnings are down Y/o/Y • Lack of last mile transportation and active mobility • Over 10% of the population does not have access to threshold levels of min viable 10Mbps in terms of connectivity • Median incomes have not kept pace with rising housing costs • Supply of flexible commercial premises • Housing demands both private and social • Advanced skills shortages
Opportunities	
<i>Stakeholders views</i>	<i>Data analysis</i>
<ul style="list-style-type: none"> • Remote/Flexible working • Net Zero and the green agenda • Different approaches to the nighttime economy • Need spaces to meet/co-create/innovate • Developing Porthcawl and town centres • Solving the social care crisis • Skills development • Promote the area is a great place to live and work • Using the skills of the people we have locally to attract businesses to • Supporting innovation and entrepreneurship • Making more of the natural beauty of the valleys • Large public sector – can use its economic role for good • Reducing inequality 	<ul style="list-style-type: none"> • Significant commercial opportunity for the County Borough to invest in sustainable public transportation & infrastructure to support active mobility i.e. running, biking etc. Increasingly so, in pandemic recovery • Travel & Tourism is a significant strength that needs to be exploited, increasingly so as we move into a post pandemic environment • Universal digital skills & democratising basic connectivity • Reskilling manufacturing-based labour to align with technical sectors i.e., batteries, home & commercial retrofitting, energy storage, sustainable infrastructure etc • Placemaking is foundational to many aspects of economic development especially town centres • Net Zero policies will be instrumental to priming economic development • Reimagining commercial spaces

Threats	
Stakeholders views	Data analysis
<ul style="list-style-type: none"> • Moving away from EU funding not clear how much or how funding will be distributed in future • Potential loss of collaboration across counties, if funding distributed at a local level • Being between Cardiff and Swansea • Difficult to recruit staff • Lack of the right skills, digital, marketing, project management, supporting green technologies • Not being ambitious enough • Climate change • Digital exclusion • Ensuring a nuanced approach to the different places within the area 	<ul style="list-style-type: none"> • Deep-rooted social deprivation in the area of Caerau, continuously moved up the ranking from 35th in 2005 to 5th most deprived (across the UK) in 2019 • Data suggests that housing costs account for 31% of mean household incomes, this is higher than the standard modelling based on 25% for the UK • Preliminary findings suggest a disproportionate number of long-term sick/unemployed • More work needed to embrace net-zero economic opportunities

4.14 Emerging from the engagement and data analysis work to date are a series of initial headline themes that are beginning to emerge. These themes are:

- Digital Connectivity
- Low Carbon Economy
- Place Based development approaches
- Natural Capital and Visitor Economy
- Advanced Manufacturing
- Public Sector Enablement
- Social Care
- Skills Development
- Active Travel and Public Transport
- Marketing the County
- Business Support

4.15 Further work is now underway in relation to stakeholder engagement, data analysis and refinement of priority themes which will start to present a focused basis on which the Economic Strategy and other elements of the Economic Futures Framework will be developed. It is currently proposed that the final Economic Strategy will be presented to Cabinet for approval by January 2022 with the investment toolkit, investment prospectus and new governance model work completed by March 2022.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Act 2010 implications

- 6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language as a specific result of this report. It is therefore not necessary to carry out a full EIA at this stage.

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 developing the Economic Futures Framework and the creation of an Economic Strategy for the area it will be possible to set out a long term response.

Prevention: BCBC has for many years worked closely with stakeholders and the local business community to support the local economy in a wide variety of proactive ways. Throughout the coronavirus pandemic a great deal of reactive work also took place in relation to the impacts of the pandemic on the local economy. As well as a continuation of this ability to react to the situation, the development of the Economic Futures Framework builds on strengths to plan for the future, take proactive action and support local businesses.

Integration: The work to develop the Economic Futures Framework is closely aligned with the BCBC Corporate Plan, the Local Development Plan and the Public Service Board's Well-being Plan.

Collaboration: The Economic Futures Framework is being steered by a cross-directorate BCBC officer group and is being developed and will be delivered in partnership with key stakeholders.

Involvement: For the Economic Futures Framework 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.

8. Financial implications

- 8.1 The £1.687 million Economic Futures Fund 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. Allocations to date include a Start-up Business Fund (£140k), a Business Property Enhancement Fund (£350k) and an Innovation Fund (£200k). Any future capital allocations from the Economic Futures Fund will be subject to Council approval for inclusion in the Capital Programme.

- 8.2 The funding required to undertake the work needed to develop the Economic Futures Framework has been made available through existing Economic Development budgets within the Communities Directorate.
- 8.3 Priority proposals that arise through the development of the Economic Strategy will be subject to financial analysis and business case development. As required, when bids for funding are made to external funding sources to support the delivery of the strategy and 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

- 9.1 It is recommended that the Subject Overview and Scrutiny Committee 3 note the work to date to develop an Economic Futures Framework for Bridgend County, including the interim findings based on stakeholder engagement and data analysis to date which will be developed further to support a creation of a new Economic Strategy.

Janine Nightingale
Corporate Director – Communities
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Contact Officer: Ieuan Sherwood
Group Manager: Economy, Natural Resources and
Sustainability

Telephone: (01656) 815333

E-mail: ieuan.Sherwood@bridgend.gov.uk

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

Background documents:
None