

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

8 MARCH 2022

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

BRIDGEND COUNTY ECONOMIC STRATEGY

1. Purpose of report

- 1.1 The purpose of this report is to update Cabinet on work to develop a new Economic Strategy and request approval of the Economic Strategy. The report also seeks Cabinet approval of the terms of reference for the new Bridgend County Economic Partnership Board and for the proposed use of the 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**:-

- **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 to deliver the Council's well-being objectives.

3. Background

- 3.1 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.

- 3.2 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 £60m in business grants, made available by Welsh Government, 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.
- 3.3 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.
- 3.4 The Taskforce gave a mandate to BCBC officers, in partnership with key stakeholders, to develop an economic plan – presented as part of this report as an Economic Strategy - 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 into the Council's Corporate Plan and Strategic Recovery Planning.

4. Current situation / proposal

- 4.1 The proposed Economic Strategy, as attached to this report at **Appendix 1**, has been developed following an in-depth review of data and extensive engagement with stakeholders. It will provide the basis for dialogue on prioritised actions with Welsh and UK Governments, 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.
- 4.2 The Economic Strategy Data Report, as attached to this report at **Appendix 2**, includes a comprehensive review of existing research, evidence and published datasets as a core part of the basis on which the Economic Strategy is based. This includes alignment with the replacement Local Development Plan (LDP) and recently produced evidence base and an analysis of the Bridgend Business Engagement Programme.
- 4.3 It is proposed that a new governance model be developed to support the delivery of the Economic Strategy, including the development of a Bridgend County Economic Partnership Board as an evolution from the current Economic Task Force with a proposed membership, operating procedures and draft terms of reference as attached to this report at **Appendix 3**.
- 4.4 The proposed Economic Strategy sets out a long-term strategic vision that clearly articulates Bridgend's growth ambitions for the economy of the County Borough. This is based on a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and Stakeholder matrix aligned with the overall vision. Within the strategy there are a clear set of strategic interventions through which the Council can overcome perceived barriers and maximise its capacity for supporting economic growth whilst enabling the economy to make the most of its distinctive strengths.
- 4.5 The proposed Economic Strategy is ambitious and sets out a clear plan of action that strengthens linkages into all sectors of the economy and with all relevant

stakeholders within the short, medium and long term. It sets 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. BCBC already has a great deal of work underway, and this proposed strategy and proposed new governance model presents an opportunity to draw that together within one framework, identify gaps and more clearly articulate current priorities and future opportunities.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the Council's policy framework or procedure rules as a result of this report.

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. It is therefore not necessary to carry out a full EIA on this policy or proposal at this stage.

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

- 7.1 The Economic Strategy demonstrates the sustainable development principle by ensuring that by meeting the needs of the present they do not compromise the ability of future generations to meet their own needs. This is evidenced through the 5 ways of working as follows:

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 on the local economy. Through the process of developing and creating the 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 Strategy builds on strengths to plan for the future, take proactive action and support local businesses.

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

Collaboration: The development of the Economic Strategy has been steered by a BCBC officer group and is being developed and will be delivered in partnership with key stakeholders.

Involvement: For the Economic Strategy 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 Economic Strategy and Economic Strategy Data Report have been developed within existing resources within the Communities Directorate.
- 8.2 The support for the proposed Bridgend County Economic Partnership Board will be provided through financial and staff resources within the Economy, Natural Resources and Sustainability budgets within the Communities Directorate.
- 8.3 It is to be noted that the Corporate Director Communities, in consultation with the Corporate Director – Education and Family Support, Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change proposes to submit proposals to secure resources for programmes, projects and activities from funders at the UK, Welsh and regional level, such as, but not exclusively, the Levelling Up Fund (LUF) and the forthcoming United Kingdom Shared Prosperity Fund (UKSPF) that, if successful, will support delivery of actions contained within the Economic Strategy. It is to be noted that dependent on each funding body and their criteria an element of match funding may be required from BCBC. As the specific detail of individual funding packages are not yet known at this stage it is considered that any match funding requirement would be highlighted by the Corporate Director Communities, and the most appropriate source of match funding identified, which could require further reports to Cabinet and Council, particularly if capital match funding is required. When external funds are offered, these will not be accepted until the Chief Officer – Legal, and Regulatory Services, HR and Corporate Policy and the Chief Officer – Finance, Performance and Change are satisfied that BCBC can comply with all associated grant terms and conditions, and BCBC contract and financial procedure rules.
- 8.4 In June 2020, BCBC Cabinet created an Economic Futures Fund of £1.687m. Initial allocations from this fund were towards a Start-up Business Fund (£140k), a Business Property Enhancement Fund (£350k) and an Innovation Fund (£200k). Whilst the Start-up Business Fund and Business Property Enhancement Fund were commenced, the Innovation Fund was held back to coincide with the completion of the Economic Strategy.
- 8.5 It is proposed that, subject to approval and adoption of the Economic Strategy, that a sum of £1.197m (inclusive of the current allocation of £200k) will be allocated towards the delivery of an enhanced Innovation Fund via the internal panel mechanism previously agreed by Cabinet. Spend from the capital programme will be subject to approval by Council and monitored through the capital programme. The fund will be locally focused and will respond to the challenges and demands that have been identified through the development of the Economic Strategy. Resources would seek to support the development of new business opportunities, business adaptation and enabling innovation and resilience in the local economy.

9. Recommendations

- 9.1 It is recommended that Cabinet:

- 9.1.1 note the progress to develop an Economic Strategy;
- 9.1.2 approve and adopt the Economic Strategy, set out in **Appendix 1**;
- 9.1.3 note the Economic Strategy Data Report, set out in **Appendix 2**, as the evidence base for the Economic Strategy;
- 9.1.4 approve the terms of reference for the Bridgend County Economic Partnership Board, set out in **Appendix 3**, and;
- 9.1.5 approve the proposed use of the Economic Futures Fund, as set out in section 8.5.

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Background documents

None