

Hanks Phil – I Economic Recovery and Growth Strategy

REPORT TO EXECUTIVE



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PORTFOLIO	Economy and Growth
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PURPOSE

1. The purpose of this report is for the Executive to consider and approve the Economic Recovery and Growth Strategy set out in Appendix 1 and related budgets.

RECOMMENDATION

2. It is recommended that the Executive:
 - i) Recommends to Full Council that the approve, subject to further consultation with key stakeholders, the Economic Recovery and Growth Strategy set out in Appendix 1 of this report.
 - ii) Approves the establishment of an Economic Recovery Board as set out in the Strategy and paragraphs 15 – 19 of this report
 - iii) Recommends to Full Council the approval of a £350,000 increase to the Business Growth Fund to be funded through Business Rates Pool and delegates authority to the Strategic Head of Economy and Growth to agree with the Leader, the Executive Member for Resources and the Executive Member for Economy and Growth a detailed plan for the use of the fund.
 - iv) Approves the establishment of a full time Employment Partnership post to support the Employment and Skills Hub to be funded from the budget established in recommendation iii)
 - v) Approves the use of £25,000 from the Climate Change Initiatives Budget to support a Green Business Demonstrator Project with the detail to be approved by the Climate Change Working Group.
 - vi) That the Strategic Head of Economy and Growth be authorised by the Executive to make any minor changes, either typographical or as a result of stakeholder feedback prior to its publication.

REASONS FOR RECOMMENDATION

3. Burnley Borough Council has successfully pursued an ambitious economic growth strategy over the last decade, resulting in significant employment growth and investment. However, the recent COVID 19 pandemic is posing a serious threat to the economy locally and globally

4. The Council and its partners need to respond to the immediate crisis whilst continuing to address some existing structural weaknesses in the economy and put in place the building blocks for more diverse, inclusive and resilient economic growth in the future.
5. A strategic approach will enable the Council and its partners to present a clear economic vision for the borough to Government and Sub regional partnerships bodies such as the LEP. The strategy will be the building block for lobbying for resources and delivering the Government's "levelling up" agenda
6. The establishment of the Economic Recovery Budget will enable the Council to work with partners to support businesses
7. The Employment Partnership post will be key to the work of the Employment and Skills Partnership and in co-ordinating the work of the Youth Employment and Skills Hub ensuring the residents, particularly young people are supported to gain new skills and employment.
8. A Green Business Pilot/Demonstrator will assist businesses to adopt new green technologies and to diversify into low carbon supply chains.

SUMMARY OF KEY POINTS

Background and Overview

9. The COVID-19 pandemic has been unprecedented and has affected everyone across the globe. Whilst the immediate pandemic is a public health crisis, it has disrupted all aspects of our lives with people and businesses affected economically, socially, culturally and emotionally. COVID-19 is still present and unpredictable, with localised lockdowns already having been implemented within Burnley, and the possibility of a successful vaccine being some time away.
10. It is therefore vital that we respond effectively and efficiently, providing the borough's businesses and people with the support and interventions necessary to enable them to continue to operate in an ongoing pandemic whilst also responding to, and recovering from, a global recession.
11. Whilst COVID-19 has disrupted economies and markets, it should be noted that pre-COVID Burnley's economy was in a good position having benefitted from a decade of employment growth and investment. For many years now, economic forecasts have shown that places such as Burnley, who are over-dependent on manufacturing, would continue to suffer job losses as the sector retracts. This has not been the case and whilst there is a danger that the current recession could accelerate this trend, there could be many opportunities for local companies with the re-shoring of supply chains as businesses seek to minimise risks caused by a reliance on global supply chains and with opportunities to diversify into new and growing sectors.
12. However, despite this level of economic performance it is acknowledged that the economic performance gap between Burnley/Pennine Lancashire and the national average has continued to increase over the last decade and 'levelling-up' is more

important than ever. Never has there been a greater need to invest in the skills of our people and in supporting businesses to innovate.

The Strategy

13. The Economic Recovery Plan sets out key priorities for the next five to ten years through four, non-linear phases to deliver a new Vision in which:

Our economy will recover, renew, and reset; it will be a place where innovative and productive businesses thrive based on inherent strengths in precision engineering and manufacturing and new and emerging sectors, people are up-skilled and have access to more and better jobs, and our town centres and places are underpinned by a stronger, more competitive local economy with high quality investment in our key assets and improved infrastructure and connectivity.

14. The strategy is based around four phases to Reset and the new normal. It is important to acknowledge that the phases will not be linear and will inevitably overlap. Indeed, it is likely to be necessary to step back or lengthen phases, for instance, in response to any subsequent spikes in the pandemic. It might be that some parts of the economy will progress much more quickly through the transition to recovery than others.
- Respond (0 to 6 months): managing the public health crisis, subsequent lockdown and gradual reopening of the economy (completed).
 - Recover (6 to 12 months): creating the conditions to support businesses and residents to return to normality and to take steps to recover from the impacts of the pandemic-induced economic downturn.
 - Renew (1 to 3 years): ensuring that businesses, people and places have the skills, know-how and infrastructure to respond to new trends and opportunities offered through a low-carbon economy, digitisation, automation, and an ageing society.
 - Reset (3 to 5 years plus): delivering the new “normal” transitioning towards a more inclusive, innovative, higher-value, and greener economy, building on the borough’s existing sector strengths and assets to transform the local economy
15. For each phase the strategy is based around 3 themes – Our businesses, Our People and Our Place.
16. The strategy identifies for each theme a number of Strategic Interventions and “Asks”. These are strategic projects for which we will be seeking support from the Government and other partners. For each phase is a more detailed action plan including more tactical interventions that can be delivered within existing resources. The early phases are more tactical in nature focussing on immediate issues but progress to delivering more ambitious strategic interventions focussing on transformational changes in the renew and re-set phases.

Economic Recovery Board

17. It is proposed to establish an Economic Recovery Board for Burnley. The Board’s key aim will be to co-ordinate and maximise the effectiveness of the Council and its strategic partners, working collaboratively to achieve economic recovery.
18. The Board will bring together key partners from the public and private sectors to respond cohesively to the immediate challenges presented by the COVID-19 pandemic, as well as ensuring the focus is on the medium to long term recovery and growth of the borough’s economy through the delivery of an agreed Vision.

19. Proposed Membership of the Economic Recovery Board will include: Burnley Borough Council, Burnley College, UCLAN, East Lancashire Chamber of Commerce and Industry (ELCCI), the Department for Work and Pensions (DWP), Burnley Football Club (BFC), Lancashire County Council, the Chair of Burnley Bondholders, Burnley Business Improvement District (BID), five private sector members and the MP for Burnley.
20. The Board will be a voice between the public and private sectors, providing impetus to Burnley's economic recovery, and lobbying Government and other national bodies/agencies to ensure that the necessary resources and tools to support the delivery of a 'levelling-up' agenda are secured and 'touch down' locally in the borough.
21. It will also ensure that Burnley's economic growth priorities are communicated in a strong, co-ordinated and consistent way when engaging with the Lancashire Enterprise Ltd (LEP) and a potential Combined Authority.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

22. The strategy seeks to make the best use of the resources already available to the Council and its partners. Some of the more ambitious interventions will require significant external funding from Government and other bodies.
23. In 2013 the Executive established a £1m Business Growth Fund. The fund has been used to support a range of activity to support businesses to grow including business mentoring, start up support, business events and grants to support businesses making investments to create jobs. There is just over £200,000 of the fund remaining of which £140,000 is committed. It is proposed to boost the fund with £350,000 of funding from the Business Rates Pool.
24. The cost of the Employment Partnership post, including on-costs, is £41,000 pa. The post would be fixed term for two years and funded from the proposed Business Growth Fund.

POLICY IMPLICATIONS

25. This document will be a key strategic document of the Council setting out how it will respond to the immediate impact of the pandemic and ensuring recession and setting an ambitious vision and actions for a new normal.

DETAILS OF CONSULTATION

26. None

BACKGROUND PAPERS

27. None

FURTHER INFORMATION

PLEASE CONTACT:

**Kate Ingram, Strategic Head of
Economy and Growth**

ALSO: