

Birmingham City Council

Report to Leader of the City Council

29th September 2020



Subject: Consultation on the Economic Recovery Strategy
Report of: Acting Director - Inclusive Growth
Relevant Cabinet Member: Councillor Ian Ward, Leader of the Council
Relevant O &S Chair(s): Councillor Lou Robson, Economy and Skills

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|---|---|---|
| Are specific wards affected? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No – All wards affected |
| Is this a key decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, add Forward Plan Reference: | | |
| Is the decision eligible for call-in? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

1 Executive Summary

- 1.1 The purpose of this report is to seek authority to undertake public consultation on the draft 'Economic Recovery Strategy' starting on 5th October 2020.

2 Recommendations

- 2.1 Approves the commencement of public consultation on the draft 'Economic Recovery Strategy' (Appendix 1) for a period of 6 weeks commencing 5th October 2020. The outcome of the consultation and recommended next steps will be the subject of a future report to Cabinet.

3 Background

- 3.1 The pandemic has had a significant impact on the local economy with economic output and employment falling significantly and unemployment increasing sharply. The city's economy is more vulnerable than many other areas due to the concentration of exposed sectors locally such as hospitality, retail and manufacturing. Office of Budgetary Responsibility forecasts indicate that the local economy could contract by around 12% in 2020, which would see Birmingham's economy shrink by £4bn.
- 3.2 Claimant unemployment in the city has increased to 81,165 (15%) its highest level since 1987. Unemployment is 31,605 higher than it was in February prior to the lockdown; an increase of 65%; with further increases expected in the coming months as education leavers enter a challenging labour market and the furlough scheme is tapered. Currently there are 156,200 workers furloughed locally accounting for 35% of eligible employees in the city. It is expected that a significant number of furloughed workers will be made redundant when the scheme ends in October.
- 3.3 The economic and labour market impact are also more likely to fall more heavily on certain communities and in certain areas of the city which have a higher concentration of low-income households with residents disproportionately working in lower paid, less skilled and less secure occupations in the most heavily affected sectors.
- 3.4 The purpose of the Economic Recovery Strategy ("the Strategy") is to summarise the City Council's contribution to supporting the economy of the city as it recovers from the COVID-19 crisis and adapts to changing conditions. It sits alongside the plans set out by the West Midlands Combined Authority (WMCA) and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). It is a working document and will evolve in the months ahead: the intention is to engage with local stakeholders to refine it further.
- 3.5 The City Council's overall priorities for the recovery from COVID-19 are:
- Creating a more inclusive economy and tackling the inequalities and injustices highlighted by the crisis
 - Taking more radical action to achieve zero carbon and a green and sustainable city
 - Strengthening our public services and creating new services to address needs
 - Building the strength and resilience of our communities, based on the positive response to the crisis.
- 3.6 Our priorities for economic recovery are based on the City Council's distinct role in place leadership:
- Place development and management
 - Green recovery
 - Supporting people and businesses – especially protecting jobs and helping people find training and work
 - Unlocking and accelerating infrastructure investment

3.7 The following principles will be followed in delivering the Strategy:

- Follow the vision and principles set out in the Birmingham Development Plan
- Inclusive Growth key cross-cutting principle
- Maximise opportunities for jobs and skills provided by existing and planned projects and funding
- Engage and work with our partners and key stakeholders, the WMCA, GBSLEP, the Core Cities network, and complement/add value to their work
- Align activities around a series of 'Big Moves' - key programmes that will have the most impact
- Focus on what we can do additionally and differently
- Focus on what can be got going in a 0 – 2-year timescale
- We will develop and implement plans to respond to the impact of Brexit alongside the wider economic shock.

3.8 The detailed intervention plan at the end of the draft Strategy sets out the main projects and programmes that will deliver these objectives.

3.9 The publication of the draft Strategy for consultation will be the beginning of a continuous process of collaborative engagement through which stakeholders will shape and influence the projects emerging from the Strategy, in line with the City Council's principles of delivering inclusive growth.

3.10 Consultation will commence on 5th October 2020 for a period of 6 weeks. The approach to consultation is set out in the engagement and consultation plan attached as Appendix 3.

3.11 The purpose of the consultation is to invite comments on the draft Strategy and to establish a stakeholder framework to guide the subsequent work which will implement the Strategy. Following consultation, the draft Strategy will be amended taking account of the representations received and in due course it will be brought back to Cabinet to seek approval for its adoption by the City Council.

4 Options Considered and Recommended Proposal

4.1 Do Nothing: Do not consult on the draft Strategy. This would prevent stakeholders and partners from becoming engaged to shape the way in which the inclusive growth agenda is progressed in their area.

4.2 Consult on the draft Strategy in line with the engagement plan attached as Appendix 3. This will enable our partners and stakeholders across the city to influence the emerging Strategy, avoid duplication of resource and to become engaged with the delivery of the Strategy in the future.

4.3 Based on the evidence assembled the recommended option is to proceed with consultation.

5 Consultation

- 5.1 Engagement will be undertaken online, in person events are not possible due to Covid-19 restrictions continuing. The draft Strategy will be available on the City Council's website and on the BeHeard consultation platform. Email notifications will also be sent to relevant stakeholders. The consultation will also be promoted on the Council's social media channels. Responses will be able to be submitted through the BeHeard platform or via e-mail or in writing. The closing date for responses will be 5pm on Monday 16th November 2020.

6 Risk Management

- 6.1 The draft Strategy and consultation plan have been prepared to ensure that the approach and commitments of the City Council and partners is clear. This will minimise the risk of creating false expectations and facilitate ongoing positive engagement and collaboration in the future.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The Strategy is consistent with the Council Plan 2018-2022 (2019 Update). The principles and objectives of the Strategy are aligned with the six Council Plan Outcomes: Birmingham is an entrepreneurial city to learn, work and invest in; Birmingham is an aspirational city to grow up in; Birmingham is a fulfilling city to age well in; Birmingham is a great city to live in; Birmingham residents gain the maximum benefit from hosting the Commonwealth Games; and Birmingham is a city that takes a leading role in tackling climate change. Consultation is compliant with the Community Cohesion Strategy.

7.2 Legal Implications

- 7.2.1 The Council has general power of Competence under Section 1 of the Localism Act 2011 and it is using this to undertake the production of the draft Strategy.

7.3 Financial Implications

- 7.3.1 The draft Strategy has been prepared using existing Inclusive Growth Directorate (Planning and Development) staff resources.
- 7.3.2 The draft Strategy contains a list of detailed schemes that will support the City's recovery from the economic impact of Covid-19. Any schemes delivered by the City Council as a result of the Strategy will be subject to approval through the Council's Gateway and related Financial Approval Framework, which will include the identification of financial implications (both capital and revenue) and associated resources.

7.4 Procurement Implications (if required)

7.4.1 No implications.

7.5 Human Resources Implications (if required)

7.5.1 No implications.

7.6 Public Sector Equality Duty

7.6.1 An initial Equality Impact Analysis has been undertaken and is attached at Appendix 2. Consideration of the EIA discloses that the report recommendation will not have a negative impact on the groups and characteristics protected under the Equality Act 2010.

8 Appendices

- 1: Draft Economic Recovery Strategy
- 2: Equality Impact Analysis
- 3: Engagement and Consultation Plan

9 Background Documents

None