

City of Bradford MDC
Employment Growth Paper
Final report

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Executive Summary

The Council is progressing its new Local Plan Publication Draft. This Economic Growth Paper (EGP) document takes the form of a technical evidence paper which can be used by the Council to enable progression of the updated Employment Land review (ELR) and inform the development of a new Economic Strategy (ES). The primary goal of the analysis is to provide evidence on potential future employment growth in Bradford in the period to 2041.

The work uses a variety of data to analyse current and historic trends in employment in Bradford. The analysis explores employment, Gross Value Added (GVA), business, SWOTs, and key drivers of change. The findings suggest that whilst Bradford has achieved positive employment growth 2000-2021, the level of growth achieved was below that of other comparator areas both in the West Yorkshire and national context. Accordingly, in principle there is potential for Bradford to close the existing 'growth gap' vs these comparator areas.

Delivering a higher level of employment growth in Bradford will be challenging - particularly in the short to medium-term (next 5 years) – due to the current stage of the macroeconomic cycle and constrained local government finances. Implementing an effective economic growth agenda in Bradford will require a robust economic strategy, careful decision-making and sufficient resource.

The dominance of a small number of sectors in terms of total employment in Bradford may also act as a constraint on overall employment growth. For example, the manufacturing sector accounts for a substantial proportion of employment with a significant component of this being low-tech. Whilst there may be new opportunities in the manufacturing sector, some elements are vulnerable to competition and automation which may mean that growing overall employment numbers is challenging.

Whilst there are significant challenges to employment growth, it is clear that Bradford has many strengths and areas of opportunity through which employment growth could be achieved. For example, existing clusters in Health and Education and smaller sectors with potential such as Digital. Bradford also has a higher representation of employment in Knowledge Intensive (KI) Services than West Yorkshire, Yorkshire & Humber and England comparators. This provides a potential foundation to build upon.

Taking into consideration the findings of the EGP analysis, it is recommended that Bradford consider a higher growth scenario (associated with a more supportive economic environment) in the range of 12-15% growth in total employment over the 2021 level¹. This would equate to total employment growth of 26,916 to 33,645 jobs in 2021-2041 (with an annual average of 1,346 - 1,682 jobs)². Taking into account the findings of the EGP, we recommend that additional growth over the baseline be allocated across industry groups but with an emphasis on Health, Information & Communications, Professional, Scientific & Technical and Transport & Storage.

Beyond this EGP, the new ES will consider the economy more broadly and identify key thematic challenges and priorities for Bradford. It will set out priority actions guiding a proactive economic development approach. Actions at the WYCA level, including through an overarching West Yorkshire Economic Strategy and deployment of funds into strategic investments such as major infrastructure will occur in tandem.

¹ As measured by total workforce jobs.

² Change based on 2021 REM base.

1 Introduction

1.1 Purpose of the Employment Growth Paper

- 1.1 Bradford Council is in the process of producing an updated Employment Land Review (ELR) and a new Economic Strategy (ES).
- 1.2 The updated ELR will assist in establishing the levels of economic growth within Bradford District over the plan period to 2041, including the number of jobs and land requirement. This will enable the Council to identify a suitable number and distribution of sites to accommodate future levels of economic growth. The new ES will set out the future economic development strategy for Bradford to 2041, including a target ambition for jobs growth.
- 1.3 Consistency between the ELR and ES is important. In particular, it is critical that the range of employment growth scenarios in the ELR takes into account the target level of employment growth identified in the ES. The ELR will include a higher growth scenario which needs to be broadly aligned with the 'policy on' employment target in the ES.
- 1.4 The Council is progressing its new Local Plan Publication Draft. A new ES will not be produced within the timeframe of the ELR and consequently there is a need to undertake supplementary analysis of employment growth potential. This is the purpose of the Employment Growth Paper (EGP).
- 1.5 This EGP document takes the form of a technical evidence paper which can be used by the Council to enable progression of the updated ELR and inform the development of a new ES. The primary goal of the analysis is to provide evidence on potential future employment growth in Bradford in the period to 2041.
- 1.6 More broadly, an overarching Economic Strategy for West Yorkshire is planned by the West Yorkshire Combined Authority (WYCA) – accompanied by an Inward Investment Strategy. The EGP will provide evidence for Bradford that can support these initiatives.

1.2 Approach

- 1.7 The work uses a variety of data to analyse current and historic trends in employment in Bradford. The analysis explores employment, Gross Value Added (GVA), business, SWOT, drivers of change opportunity sectors. This informs recommendations on an appropriate higher growth scenario for employment in Bradford to 2041.
- 1.8 In addition to the desk-based analysis, engagement with businesses has been a key part of this work. This engagement comprises of the following elements: (i) collection of additional data as part of the online business survey deployed for the updated ELR, (ii) in-depth business interviews to gather further depth on key employers and (iii) Council engagement with other key stakeholders including the Chamber of Commerce and WYCA.

1.9 The remainder of this Economic Growth Paper is structured as follows:

- Section 2 sets out an analysis of employment;
- Section 3 sets out an analysis of the business base, including the key findings of stakeholder engagement;
- Section 4 sets out an analysis of Gross Value Added (GVA);
- Section 5 outlines the findings of a broader comparator analysis, SWOT analysis and drivers of change; and
- Section 6 sets out the implications in terms of potential future employment growth in Bradford.

2 Employment

2.1 Overview

2.1 This section undertakes an analysis of Bradford's employment base. The purpose is to establish an up-to-date baseline position and understanding of recent historic trends.

2.2 The analysis considers:

- Bradford's employment base;
- Performance compared to West Yorkshire, Yorkshire and England; and
- Location Quotient (LQ) indicators, using a grouping of sectors to capture knowledge-intensity and technological level.

2.3 The findings inform the conclusions on employment growth potential in Section 6.

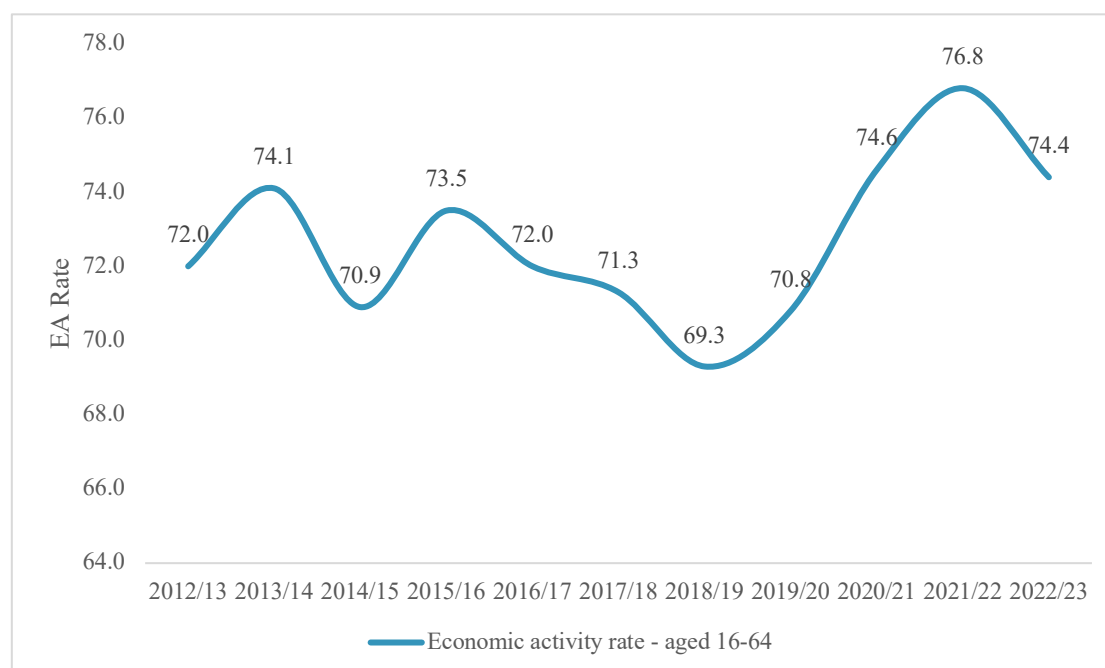
2.2 Bradford employment base

Economic activity rate

2.4 In the year to March 2023, Bradford had an economic activity rate of 74.4. This equates to 248,000 people being economically active.

2.5 Over the period 2012-2023, there have been fluctuations but over the period as a whole the rate has increased (from 72.0 in 2012). This equates to an additional 10,100 people being economically active.

Figure 2.1: Economic activity, Bradford, 2012-2023

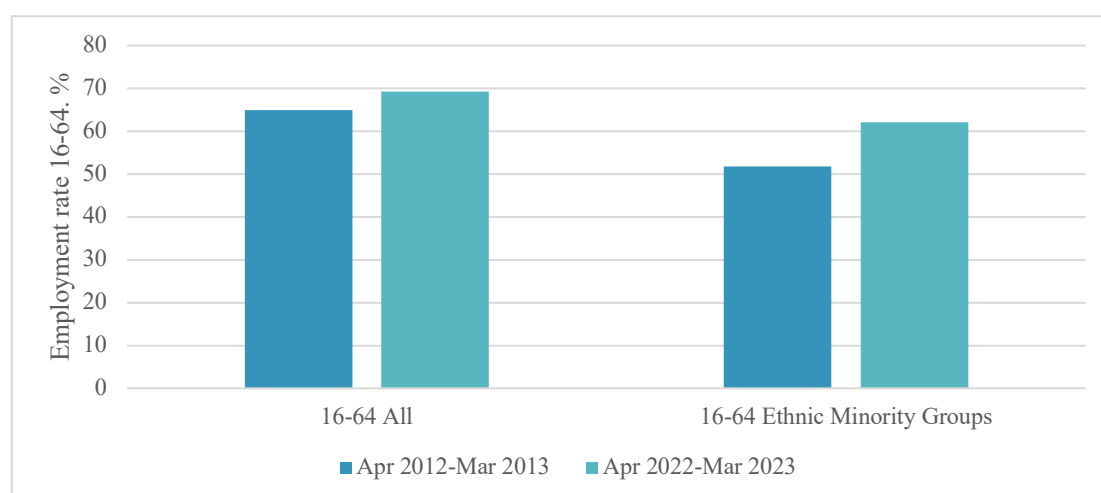


Source: Annual Population Survey (APS), ONS.

Note – Years refer to Apr-Mar periods. Residence-based figures.

2.6 Over the period 2012-2023, there was a greater increase in the employment rate than compared with the all-person average.

Figure 2.2: Change in employment rate, Ethnic minorities, Bradford, 2012-2023



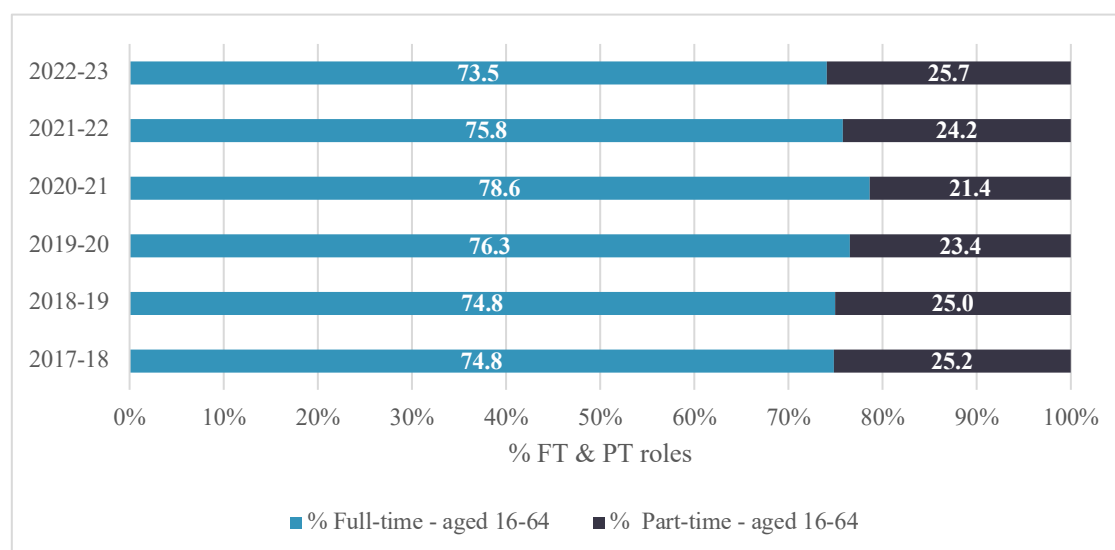
Source: Annual Population Survey (APS), ONS.

Note – Years refer to Apr-Mar periods. Residence-based figures.

Full-time, Part-time and self-employed roles

2.7 In the year to March 2023, 73.5% of employment in Bradford was accounted for by full-time roles, with the remainder (25.7%) being part-time. Over the period 2017-2023, there have been fluctuations but over the period as a whole the proportion of part-time roles has increased marginally (from 25.2% in 2017 to 25.7% in 2023).

Figure 2.3: Full-time and Part-time employment, Bradford, 2017-2023

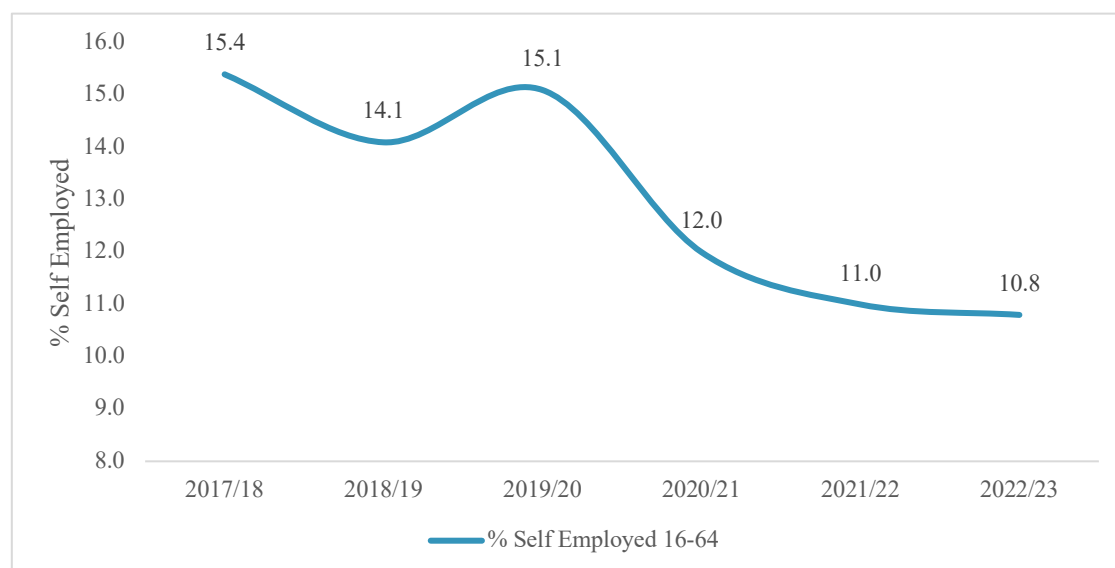


Source: Annual Population Survey (APS), ONS.

Note – Years refer to Apr-Mar periods. Residence-based figures.

2.8 In the year to March 2023, 10.8% of employment in Bradford was accounted for by self-employment. Over the period 2017-2023, there has been a clear downward trend in the proportion of roles accounted for by self-employment (from 15.4% in 2017 to 10.8% in 2023). It is noted that this fall as a proportion was also accompanied by an absolute fall in self-employment numbers (from 33,900 to 24,900) i.e. a fall of 26.5%. This contrasts with significant growth in employee jobs during the same period.

Figure 2.4: Self Employment, Bradford, 2017-2023



Source: Annual Population Survey (APS), ONS.

Note – Years refer to Apr-Mar periods. Residence-based figures.

Headline employment

2.9 Historic data on employment provides an indicator of the performance of the Bradford economy in terms of jobs growth. The main sources of employment data are Business Register and Employment Survey (BRES) and the ONS Total Jobs measure from the Jobs Density dataset. These both provide workplace-based figures.

Total employment (BRES)

2.10 The Business Register and Employment Survey (BRES) provides a measure of workplace-based employment. The employment data in BRES comprises of employees and working owners (for example, sole proprietors and partners).

2.11 In analysing trends in employment in Bradford using BRES data there are some important factors to note. First, BRES data excludes members of the armed forces. The figures include MOD non-uniform employment (civil servants) however.

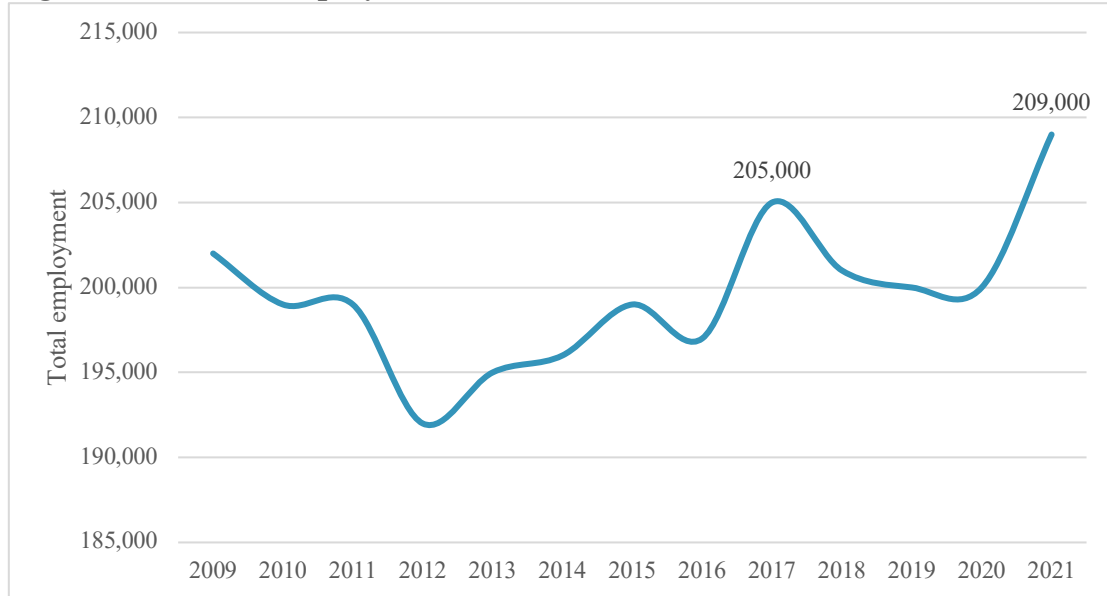
2.12 Second, in examining trends over time, a significant change in the methodology for the BRES was made in 2016. From January 2016, the coverage of the ONS Standard Business Survey Population was extended to include a population of solely Pay As You Earn (PAYE) based businesses³. Nationally, this improvement

³ Solely PAYE based businesses with employment counts less than 20.

in coverage is estimated to have increased the survey level of employment by around 300,000 between December 2015 and January 2016.

- 2.13 Removing the PAYE element enables a consistent comparison of BRES data over the 2009-2015 and 2015-2021 datasets. This shows that for the period 2009-2021, total employment in Bradford increased by around 3.5% (+7,000 jobs). There was considerable variation over the period however, with a contraction in employment taking place 2009 to 2012 (reflecting the Late 2000s Recession) and a recovery to 2017. It is notable that in the final year of data available (2020-2021) there was a strong expansion in employment of around 4.5% (+9,000 jobs).

Figure 2.5: Total employment 2009-2021, Bradford

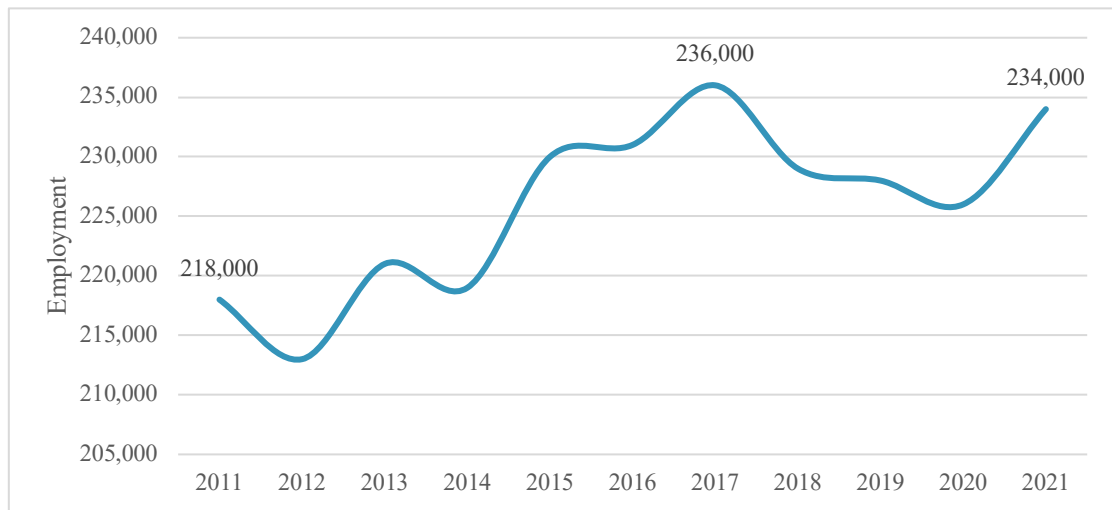


Source: BRES employment data. PAYE element removed from years 2016-2021 to enable comparison with years 2009-2015 which did not include PAYE.

Total employment (from Jobs Density data)

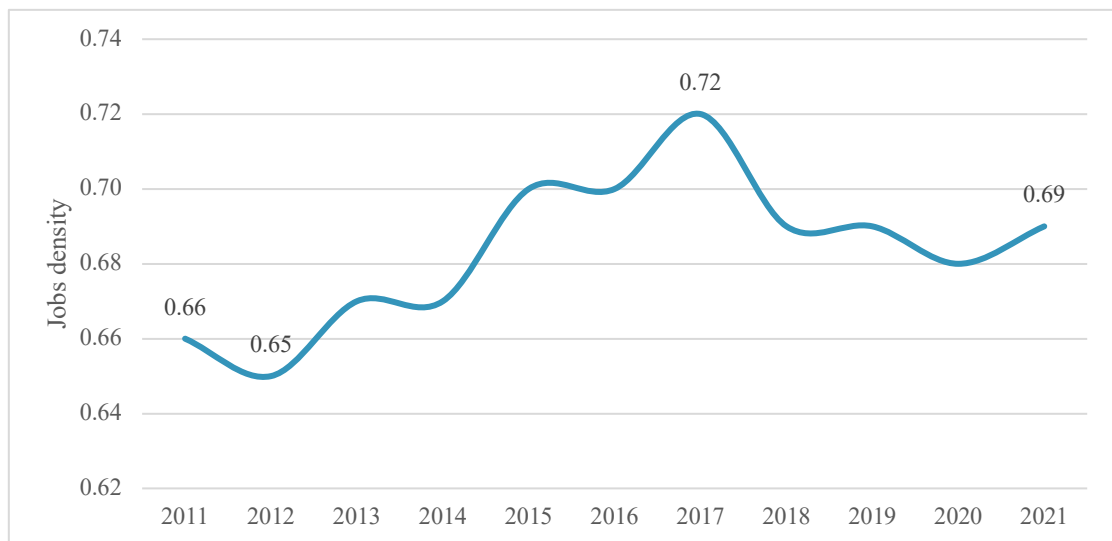
- 2.14 The Total Jobs measure from Jobs Density data comprises employee jobs, self-employed, government-supported trainees and HM Forces. The number of jobs in an area is composed of jobs done by residents (of any age) and jobs done by workers (of any age) who commute into the area.
- 2.15 This shows that for the period 2011-2021, total employment in Bradford increased by around 7.3% (+16,000 jobs). A change of trend occurred in 2017. It is notable that in the final year of data available (2020-2021) there was a strong expansion in employment of around 3.5% (+8,000 jobs).
- 2.16 The Jobs Density measure is the number of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident of working age. This also shows a change in trend at 2017 and was marginally higher in 2021 than 2011 (0.69 compared with 0.66). Increasing Jobs Density through more workplace jobs is a key factor in supporting higher levels of GVA and in turn GVA per head.

Figure 2.6: Total employment 2011-2021, Bradford



Source: ONS Jobs Density statistics.

Figure 2.7: Jobs density 2011-2021, Bradford



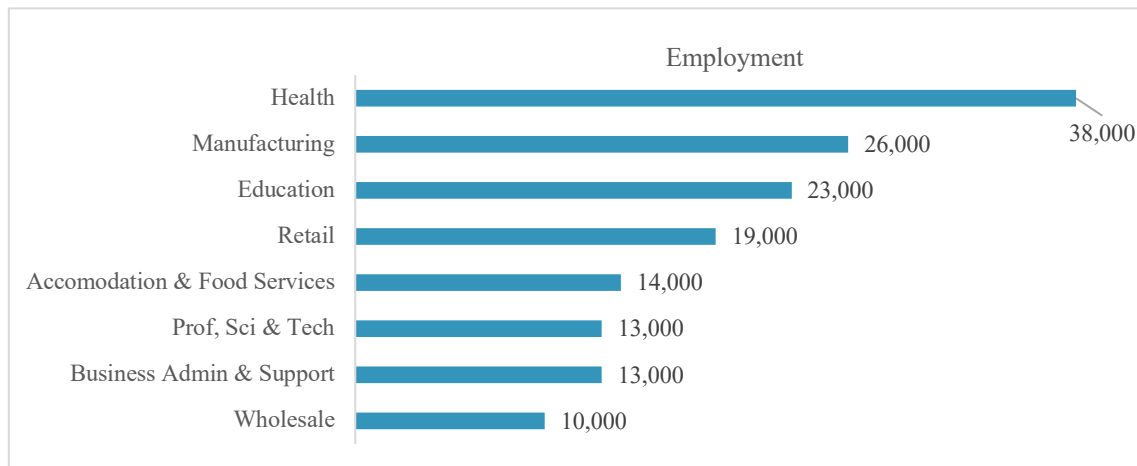
Source: ONS Jobs Density statistics.

Employment by Broad Industry Group

2.17 Historic data on employment provides an indicator of the performance of the Bradford economy in terms of jobs growth and the changing importance of specific sectors.

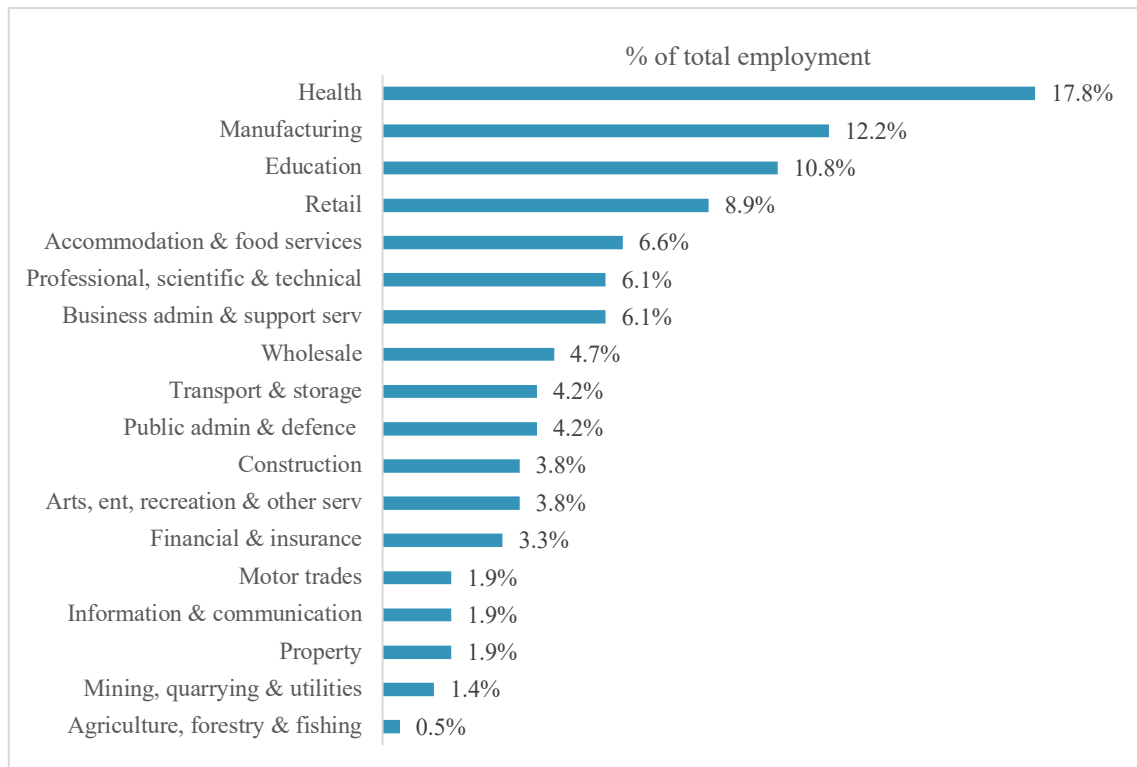
2.18 In 2021, there were eight sectors with 10,000 or more jobs. Together, these sectors accounted for around 73% of total employment. The largest three sectors were Health (38,000 jobs), Manufacturing (26,000 jobs) and Education (23,000 jobs).

Figure 2.8: Sectors with 10,000 jobs, 2021, Bradford



Source: BRES employment data.

Figure 2.9: % share of employment, 2021, Bradford



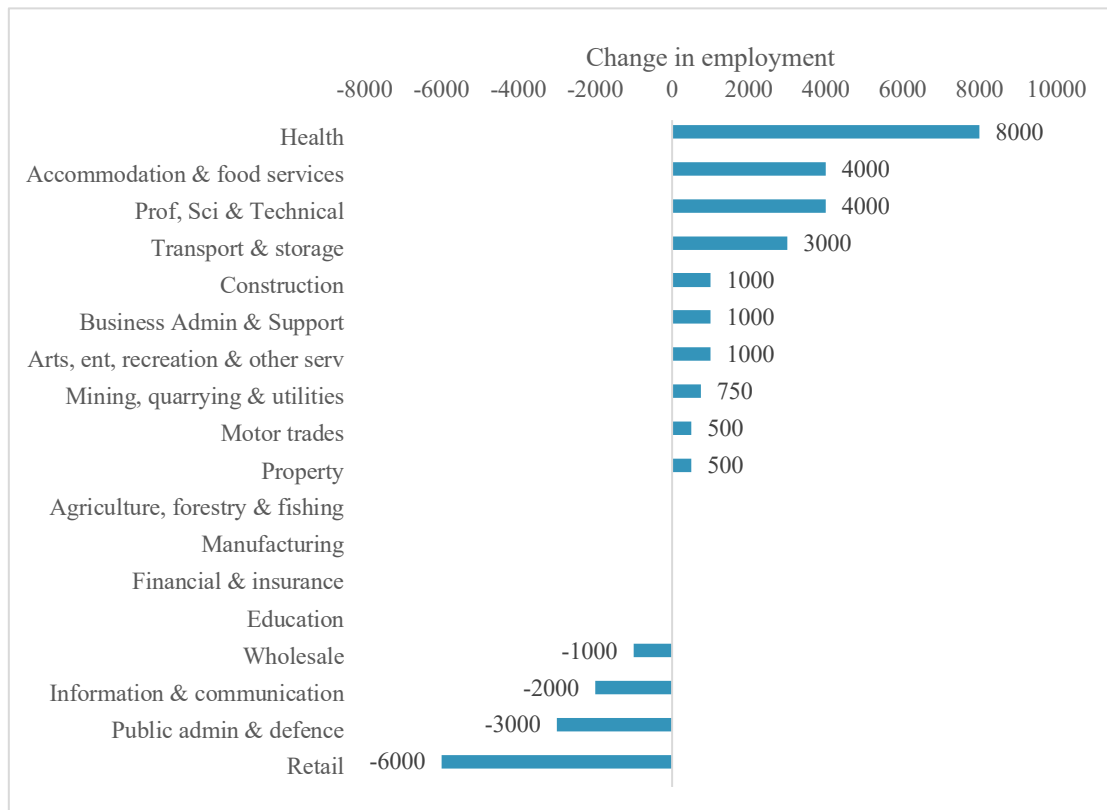
Source: BRES employment data.

2.19 Over the period 2009-2021, the largest absolute growth in employment numbers was in the Health (+8,000 jobs), Accommodation & Food Services (+4,000 jobs) and Professional, Scientific & Technical sectors (+4,000 jobs).

2.20 The total number of jobs in the Manufacturing and Education sectors – two of the three current largest sectors identified – was broadly unchanged in 2021 compared with 2009.

2.21 The largest absolute contractions in total number of jobs were in the Retail (-6,000 jobs) and Public Administration & Defence (-3,000 jobs) sectors.

Figure 2.10: Change in jobs by sector, 2009-2021, Bradford



Source: BRES employment data.

Employment by 2-digit SIC

2.22 More granular 2-digit SIC code data shows that the following five sectors had the largest absolute growth in total number of jobs:

- 86: Human health activities
- 70: Activities of head offices; management consultancy activities
- 52: Warehousing and support activities for transportation
- 56: Food and beverage service activities
- 88: Social work activities without accommodation

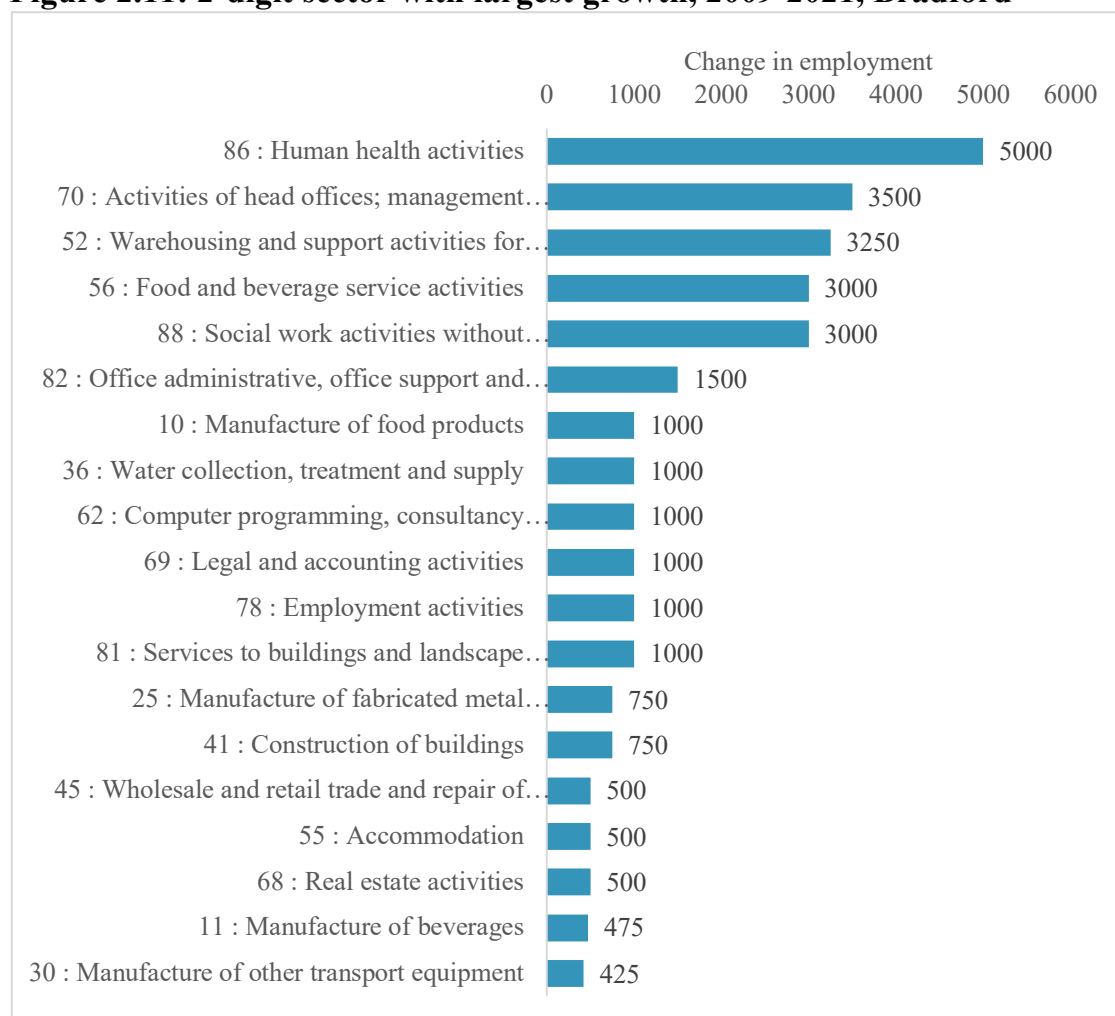
2.23 It is also notable that there were large proportional increases in several sectors that are relatively knowledge intensive, including:

- 62: Computer programming, consultancy and related activities (+67%, 2,500 jobs in 2021);
- 65: Insurance, reinsurance and pension funding (+300%, 300 jobs in 2021);
- 70: Activities of head offices; management consultancy activities (+140%, 6,000 jobs in 2021);
- 82: Office administrative, office support and other business support activities (+100%, 3,000 jobs in 2021)

2.24 Growth in head office and management consultancy activities (70) and broader business support activities (82) may reflect both the opening of new or expanded offices and reclassification of some activities. For example, the new PwC Bradford office which opened in 2019 would be reflected. In addition, there may have been some reallocation of school related activities with schools becoming academies (the number of academies in Bradford increased from 42 in 2015/16 to 133 in 2022/23⁴).

2.25 It is also notable that warehousing related activity (52: Warehousing and support activities for transportation) experienced a high proportional increase in jobs (186%). This sector accounted for 5,000 jobs in 2021.

Figure 2.11: 2-digit sector with largest growth, 2009-2021, Bradford



Source: BRES employment data.

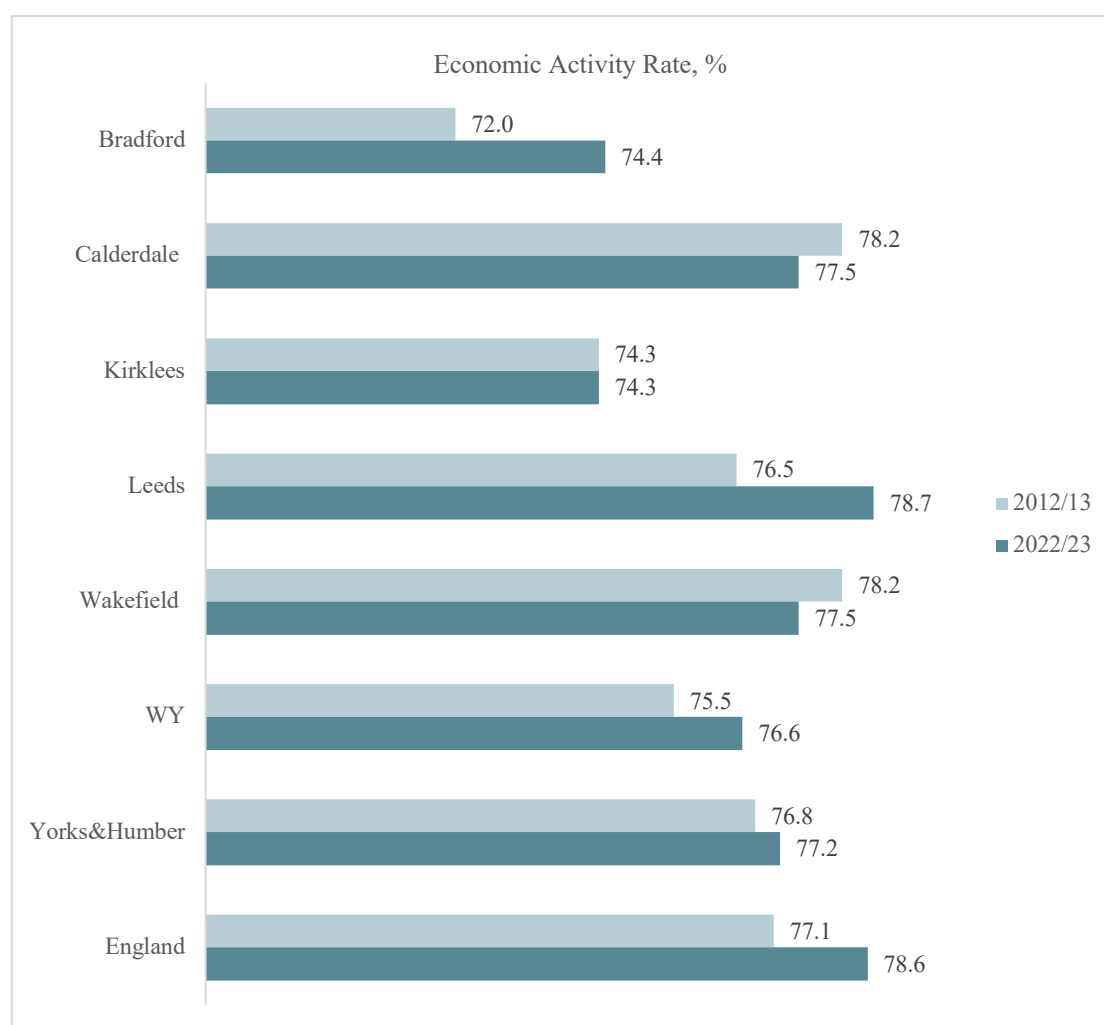
⁴ 'Schools, pupils and their characteristics' data, ONS.

2.3 West Yorkshire, Yorkshire and England comparators

Economic activity rate

2.26 In the year to March 2023, Bradford had an economic activity rate that was lower than in West Yorkshire, Yorkshire & Humber and England. Of the West Yorkshire authorities, only Kirklees had a lower rate. However, over the last 10-year period Bradford has achieved the greatest percentage point increase in the economic activity rate (+2.4pp). This marginally surpassed the improvement in Leeds (+2.2pp). This improvement has been driven strongly by an increase in economic activity among the 16-24 age group.

Figure 2.12: Economic activity, 2012-2023



Source: Annual Population Survey (APS), ONS.

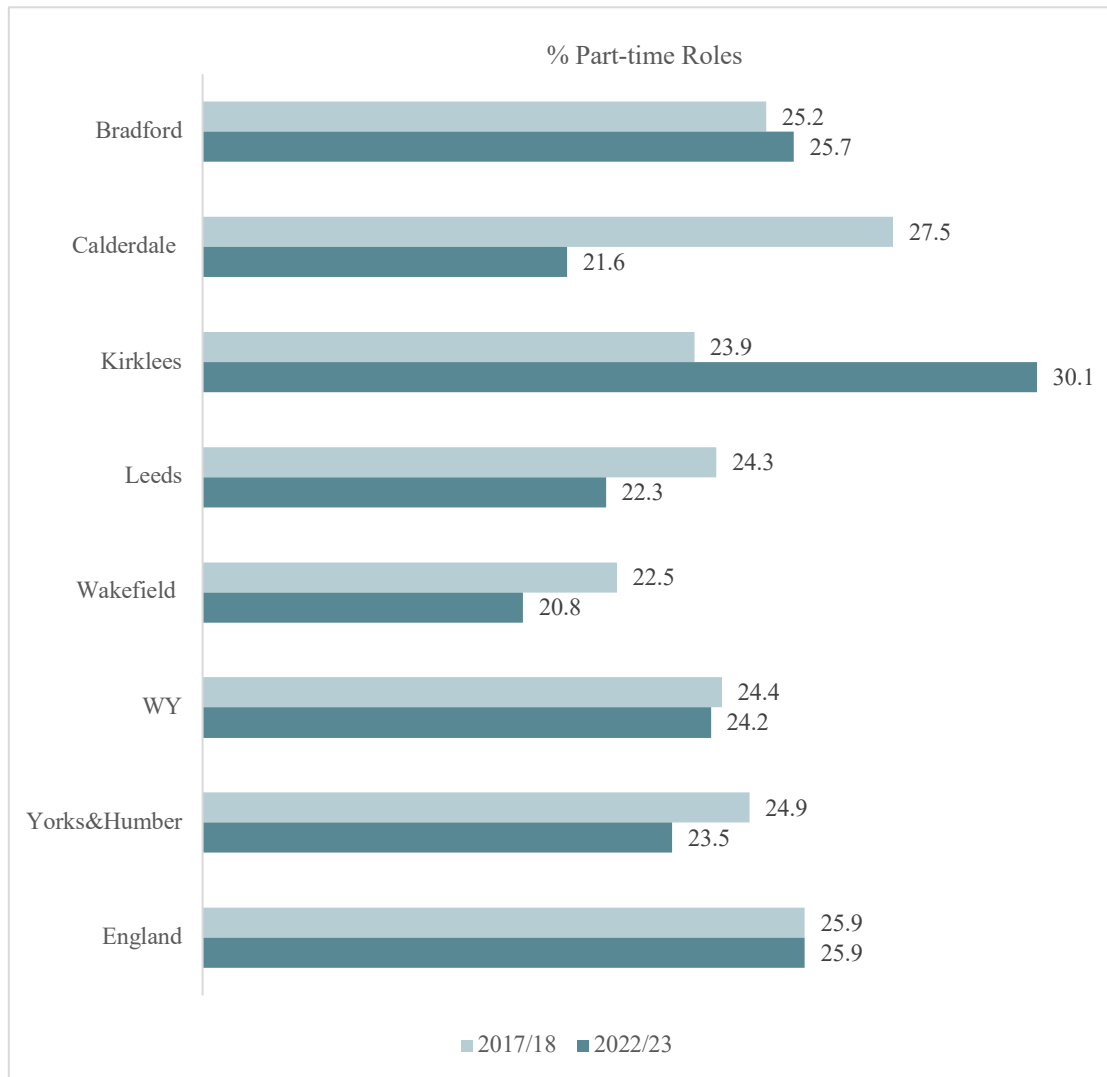
Note – Years refer to Apr-Mar periods. Residence-based figures.

Full-time, Part-time and self-employed roles

2.27 In the year to March 2023, 25.7% of employment in Bradford was accounted for by part-time roles. This is broadly in line with the figure for England.

2.28 Over the period 2017-2023, there have been fluctuations across the West Yorkshire local authorities, the largest being in Calderdale and Kirklees. By comparison, the change in Bradford was relatively small.

Figure 2.13: Part-time employment %, 2017-2023



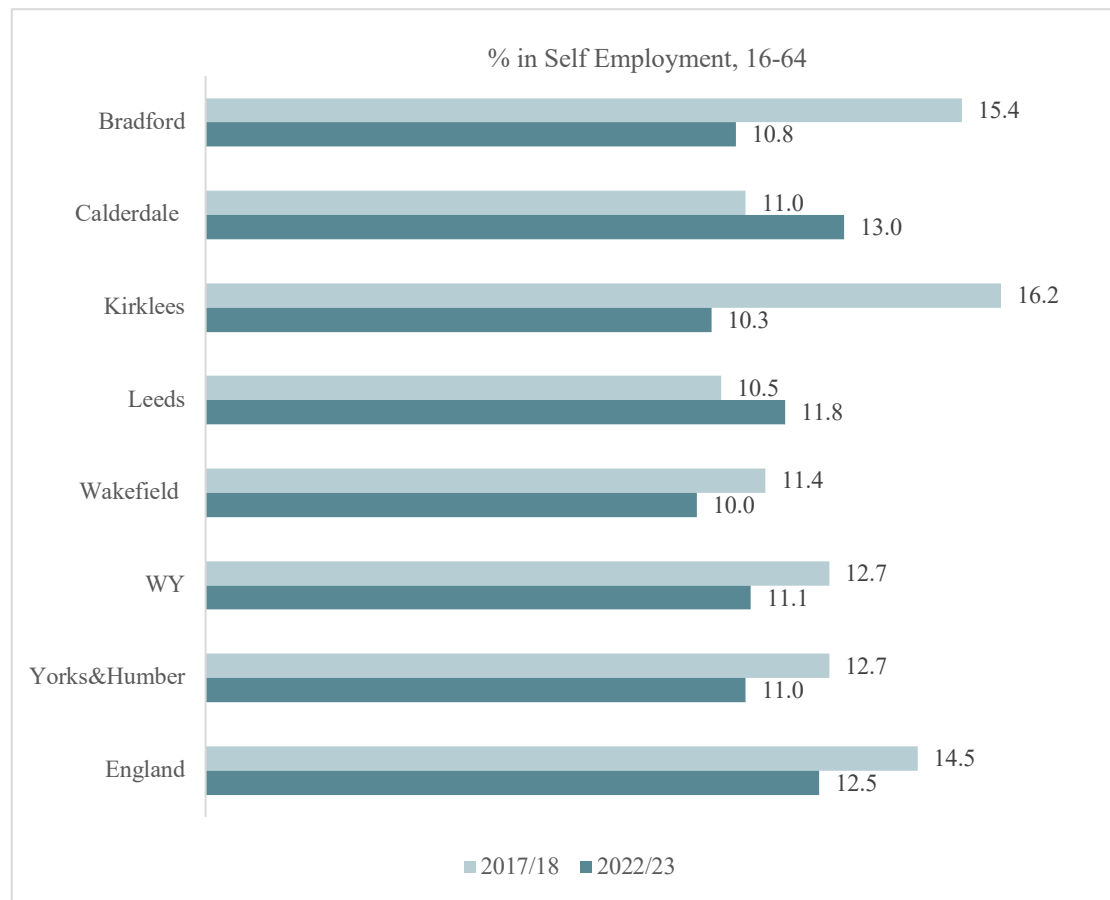
Source: Annual Population Survey (APS), ONS.

Note – Years refer to Apr-Mar periods. Residence-based figures.

2.29 In the year to March 2023, the proportion of employment accounted for by self-employment in Bradford was lower than in West Yorkshire, Yorkshire & Humber and England. Of the West Yorkshire authorities, only Wakefield and Kirklees had a lower rate.

2.30 With the exception of Leeds and Calderdale, all comparators showed a reduction in the proportion of employment accounted for by self-employment.

Figure 2.14: Self Employment, 2017-2023



Source: Annual Population Survey (APS), ONS.

Note – Years refer to Apr-Mar periods. Residence-based figures.

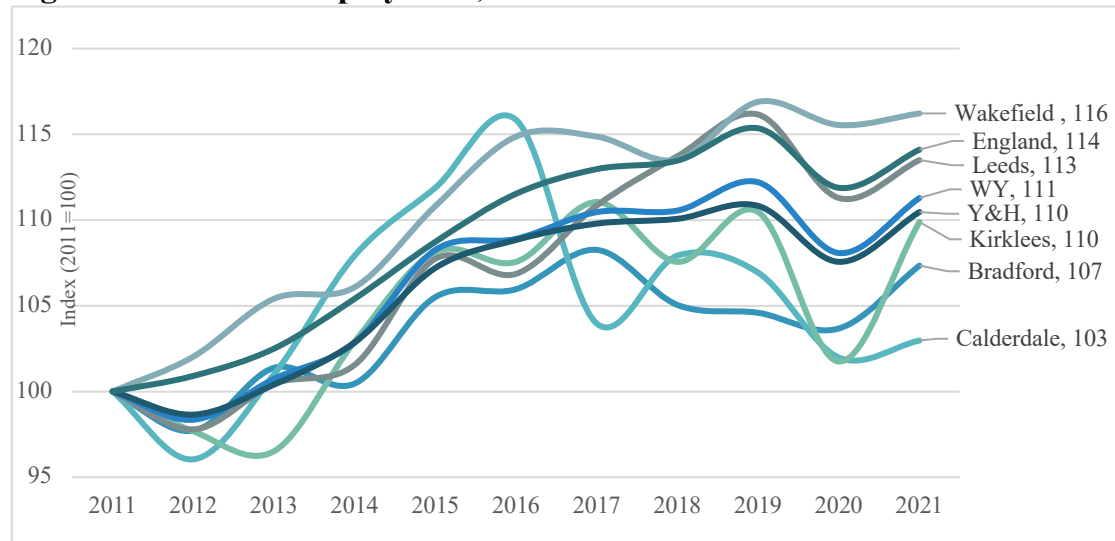
Headline employment

Total employment (from Jobs Density data)

2.31 In the period 2011-2021, the index of total employment in Bradford increased to 107. This was below comparative figures for Yorkshire & Humber (110), England (114) and the West Yorkshire authorities with the exception of Calderdale (103).

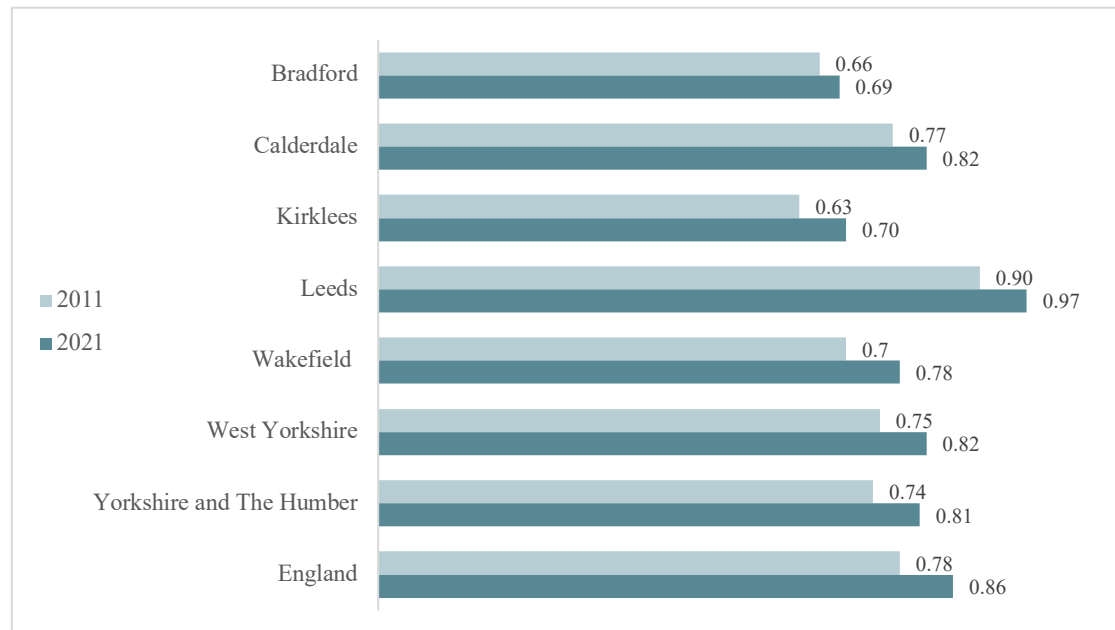
2.32 In 2021, the Jobs Density measure in Bradford (0.69) was below comparative figures for Yorkshire & Humber (0.81), England (0.86) and all the other West Yorkshire authorities. It is also notable that the level of increase in the density between 2011 and 2021 was of less magnitude than these areas.

Figure 2.15: Total employment, 2011-2021



Source: ONS Jobs Density statistics.

Figure 2.16: Jobs density, 2009-2021

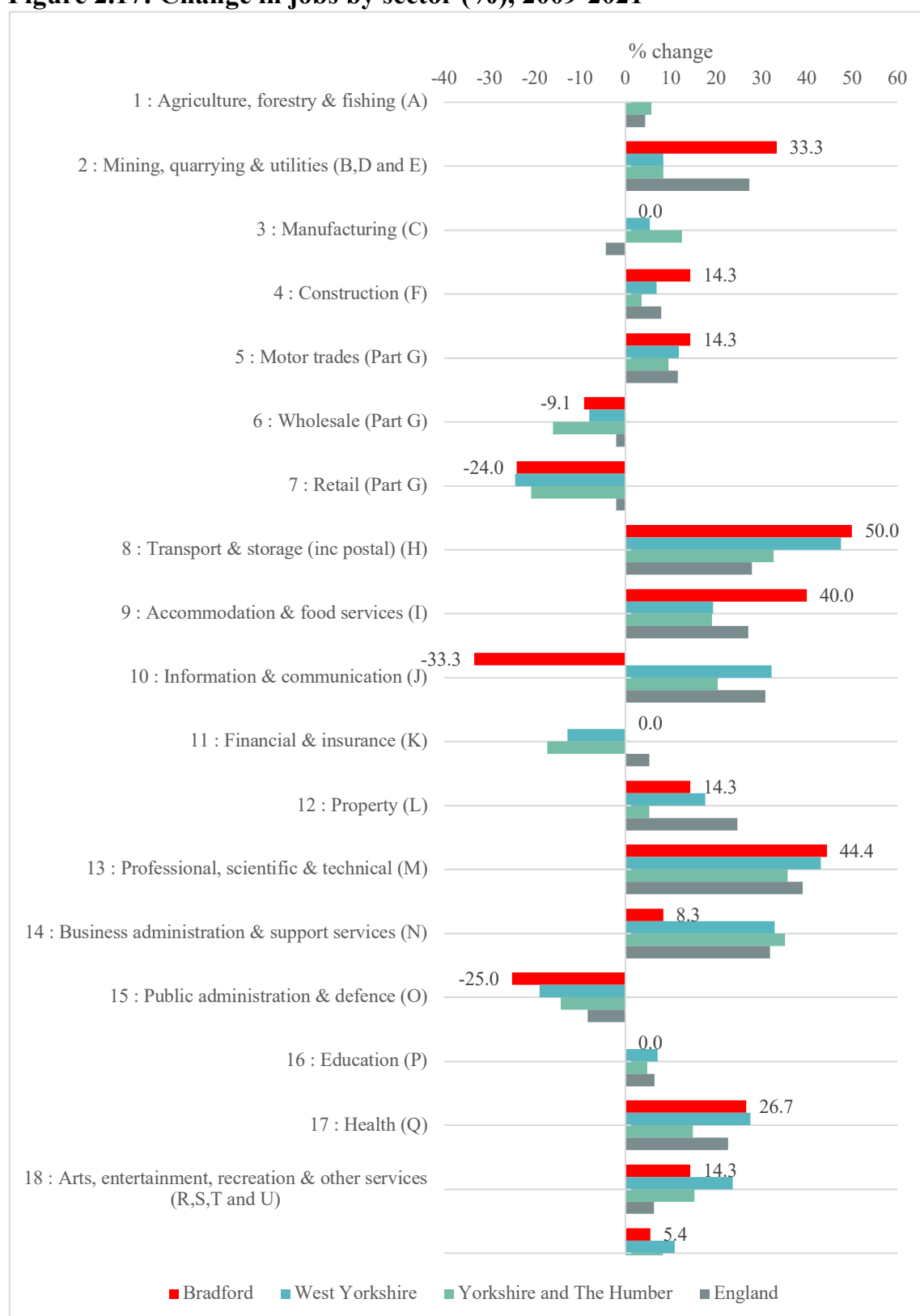


Source: ONS Jobs Density statistics.

Employment by Broad Industry Group

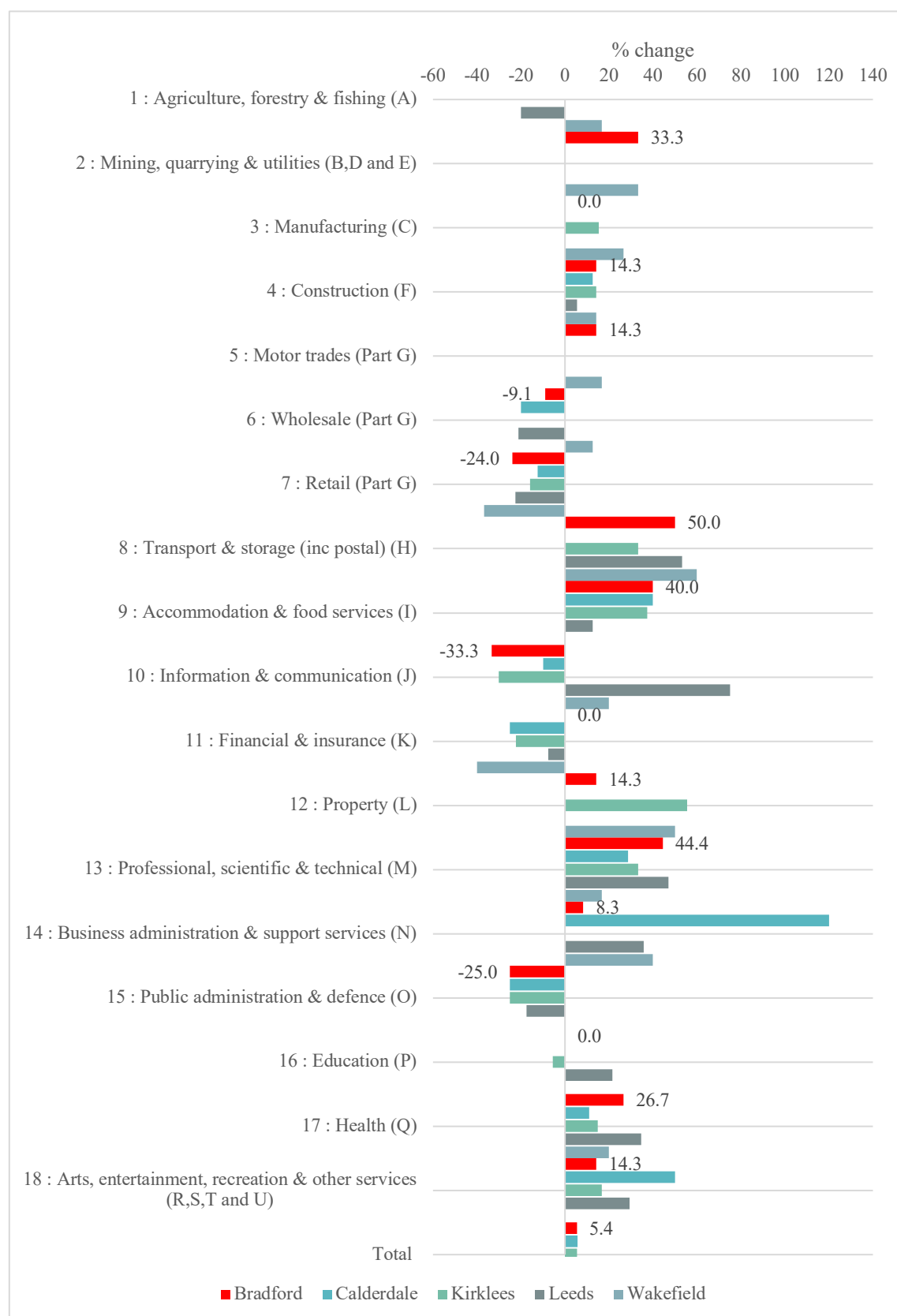
- 2.33 Over the period 2009-2021, the three sectors with the largest absolute growth in employment numbers in Bradford (Health, Accommodation & Food Services and Professional, Scientific & Technical) all performed well in terms of percentage growth in Bradford compared with West Yorkshire, Yorkshire & Humber and England comparators.
- 2.34 Employment in the Education sector – one of the three current largest sectors identified in Bradford – was broadly unchanged however compared with growth registered in other comparators.
- 2.35 The largest proportional expansion in employment in Bradford was in the Transport & Storage sector (+50%), significantly higher than registered in Yorkshire & Humber and England comparators.
- 2.36 The largest proportional contraction in total number of jobs in Bradford was in the Information & Communications sector (-33.3%). This contrasted significantly with growth in the sector in the other comparator areas (including of 32% in West Yorkshire and 31% in England).
- 2.37 Compared to England, it is also notable that the proportional contractions in employment recorded in Bradford in the Retail and Public Administration & Defence sectors were of a significantly higher scale.
- 2.38 Against other West Yorkshire local authority comparators, Bradford performed relatively well in the following sectors:
- Transport & Storage;
 - Accommodation & Food Services;
 - Professional, Scientific & Technical; and
 - Health.

Figure 2.17: Change in jobs by sector (%), 2009-2021



Source: BRES employment data.

Figure 2.18: Change in jobs by sector (%), 2009-2021



Source: BRES employment data.

Employment by 2-digit SIC

2.39 The earlier analysis of Bradford identified four relatively knowledge intensive 2-digit sectors that have experienced large proportional increases in employment (62, 65, 70 and 82). Analysis of comparative data shows that Bradford performed relatively well against comparators for:

- 70: Activities of head offices, management consultancy activities;
- 65: Insurance, reinsurance and pension funding;

2.40 However, it performed less well in:

- 62: Computer programming, consultancy and related activities; and
- 82: Office administrative, office support and other business support activities;

Figure 2.19: Knowledge-based sectors with high % change in jobs in Bradford, 2009-2021

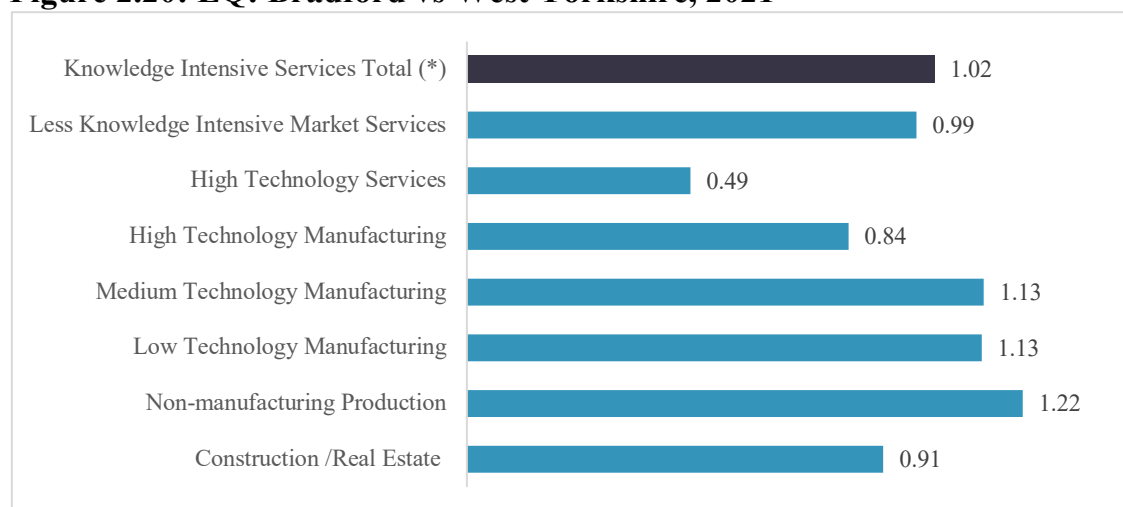


Source: BRES employment data.

Location Quotient (LQ) indicators, grouping sectors to capture knowledge-intensity and technological level

- 2.41 A Location Quotient (LQ) analysis has been undertaken using the latest BRES data with sector groupings applied to capture knowledge and technical intensity of activity.
- 2.42 The Knowledge Intensive Services category has three components (KI Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin).
- 2.43 This shows that compared to West Yorkshire as a whole, Bradford has a slightly higher representation of Knowledge Intensive Services (LQ of 1.02). Within this category, Bradford has a higher representation in the Health, Education & Public Admin component (LQ>1) and lesser representation in the other two components (LQs<1). In relation to manufacturing, Bradford has higher representations in low and medium technology categories (LQs of 1.13) and lower representation in high technology manufacturing (LQ of 0.84).
- 2.44 Compared to Yorkshire & Humber, Bradford has a higher representation of Knowledge Intensive Services (LQ of 1.08). Within this category, Bradford has a higher representation in the Financial Services and Health, Education & Public Admin components (LQs>1) and lesser representation in the Market Services component (LQ<1). In relation to manufacturing, Bradford has a higher representation in the low technology category (LQs of 1.13) and lower representation in medium and high technology manufacturing (LQs of 0.99 and 0.86 respectively).
- 2.45 Compared to England, Bradford has a slightly higher representation of Knowledge Intensive Services (LQ of 1.04). Within this category, Bradford has a higher representation in the Health, Education & Public Admin component (LQ>1) and lesser representation in the other two components (LQs<1). In relation to manufacturing, Bradford has higher representations in low and medium technology categories (LQs of 2.3 and 1.37 respectively) and lower representation in high technology manufacturing (LQ of 0.42).

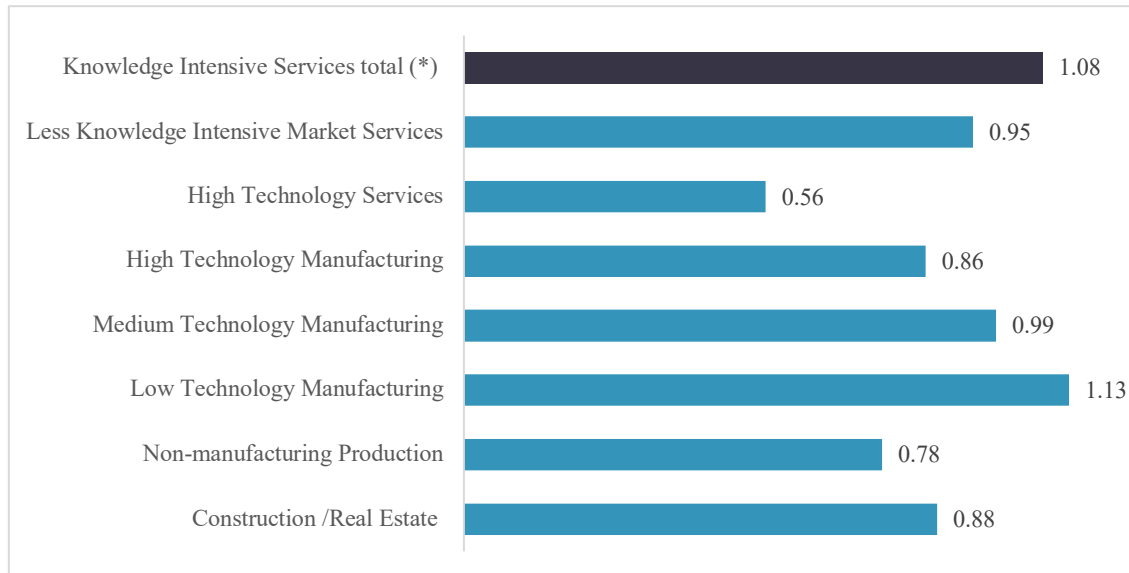
Figure 2.20: LQ: Bradford vs West Yorkshire, 2021



Source: Edge LQ analysis using BRES employment data.

Note - Knowledge Intensive Services Total (*) includes Knowledge Intensive Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin.

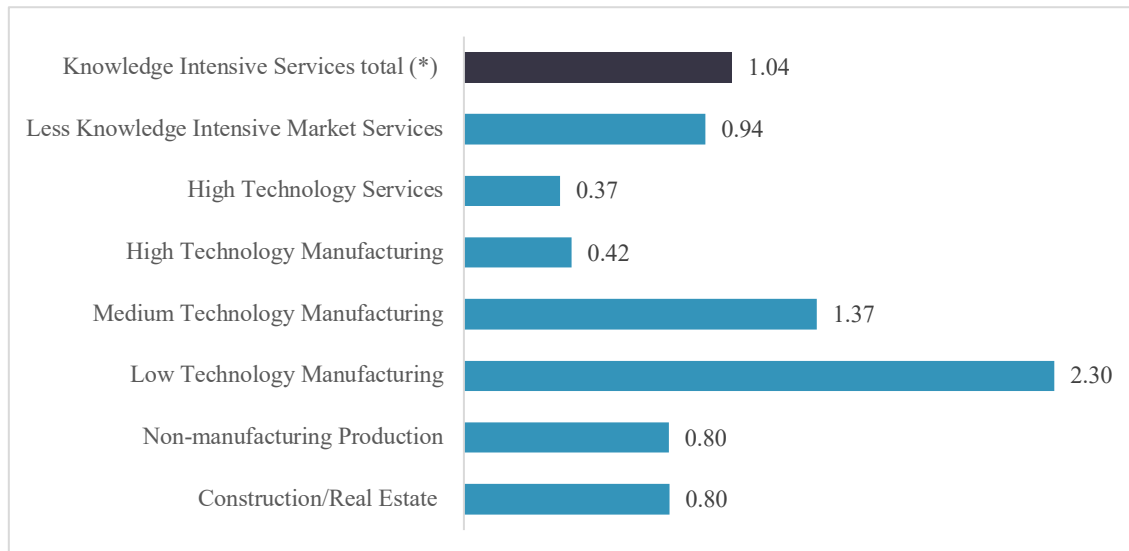
Figure 2.21: LQ: Bradford vs Yorkshire & Humber, 2021



Source: Edge LQ analysis using BRES employment data.

Note - Knowledge Intensive Services Total (*) includes Knowledge Intensive Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin.

Figure 2.22: LQ: Bradford vs England, 2021



Source: Edge LQ analysis using BRES employment data.

Note - Knowledge Intensive Services Total (*) includes Knowledge Intensive Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin.

Findings and implications

Bradford

- There has been strong growth in the economic activity rate, but there is still a gap with comparators
- In 2017-2023, there has been a clear downward trend in the proportion of roles accounted for by self-employment
- In 2009-2021, total employment in Bradford increased by around 3.5% (+7,000 jobs). In the final year of data available (2020-2021) there was a strong expansion in employment of around 4.5% (+9,000 jobs)
- In 2021, there were eight sectors with 10,000 or more jobs - together accounting for around 73% of total employment
- The largest three sectors were Health (38,000 jobs), Manufacturing (26,000 jobs) and Education (23,000 jobs)

West Yorkshire, Yorkshire and England comparators

- There is potential for Bradford to close the existing 'growth gap' vs comparator areas, in terms of:
 - Economic activity rate
 - Total employment growth
 - Jobs density measure
- In terms of proportional employment growth over 2009-2021, Bradford performed relatively well against comparators in the following sectors: Transport & Storage; Accommodation & Food Services; Professional, Scientific & Technical; and Health

Location Quotient (LQ) indicators

- Bradford has a higher representation of Knowledge Intensive Services than West Yorkshire, Yorkshire & Humber and England comparators. Within this category it has a higher representation in the Health, Education & Public Admin component
- In manufacturing, Bradford has a lower representation of high technology manufacturing than West Yorkshire, Yorkshire & Humber and England comparators. This is particularly notable in comparison with England (LQ of 0.42)

3 Businesses

3.1 Overview

- 3.1 This section undertakes an analysis of Bradford's business base. The purpose is to establish an up-to-date baseline position and understanding of recent historic trends.
- 3.2 The analysis considers:
- Bradford's business base;
 - Performance compared to West Yorkshire, Yorkshire and England; and
 - Location Quotient (LQ) indicators, using a grouping of sectors to capture knowledge-intensity and technological level.
- 3.3 The findings inform the conclusions on employment growth potential in Section 6.

3.2 Bradford business base

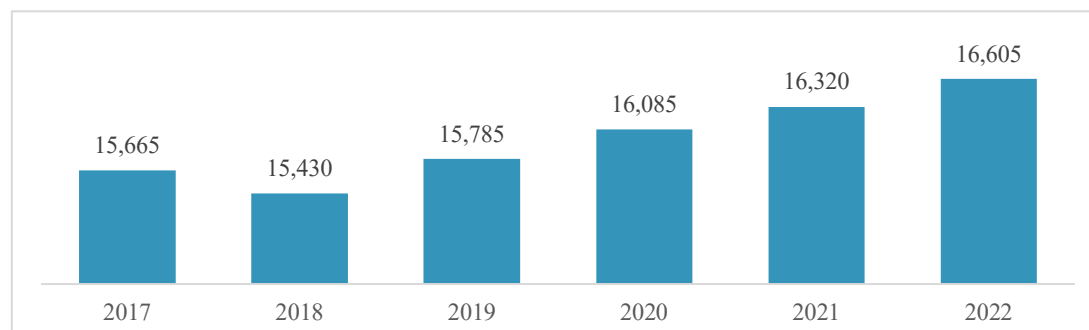
- 3.4 Historic data on businesses provides an indicator of the performance of the Bradford economy in terms of business growth. The main source of business data from ONS is the Inter-Departmental Business Register (IDBR). This includes data for UK businesses registered for VAT and PAYE. From this, two core datasets are produced: (i) UK Business Count and (ii) Business Demography. Both of these are used to explore trends in the Bradford.
- 3.5 It is noted that data from the UK Business Counts data is likely to only represent a proportion of the total businesses in Bradford (as some will not be VAT and/or PAYE registered).
- 3.6 An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group. A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as workplace.
- 3.7 The following analysis uses enterprises.

Total business count

- 3.8 In 2022, there were 16,605 businesses in Bradford. Over the period 2012-2022, the total number of businesses grew by 32.4%.
- 3.9 In the last 5 years 2017-2022, there has been some fluctuation in the numbers but the overall trend since 2018 has seen annual increases, with the 2022 total 7.6% higher than 2018. There are an additional 1,175 enterprises in Bradford over this period.

3.10 ONS also record the number of high growth enterprises⁵. In the latest year of data available (2021), there were 65 high growth enterprises in Bradford. Over the last 5 years (2016-21), the number fell from 75 businesses (a fall of 13.3%).

Figure 3.1: Total number of businesses, 2017-2022

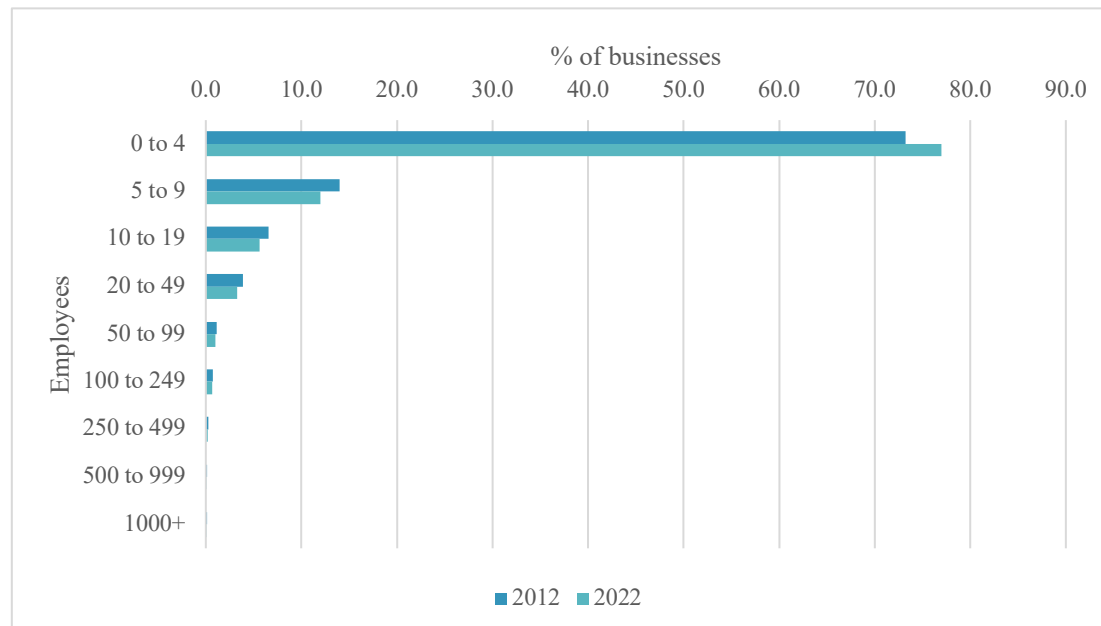


Source: ONS UK Business Counts

Breakdown by firm size (employees)

3.11 In 2022, the majority of businesses in Bradford were smaller businesses with less than 10 employees (89% of total). In particular, businesses in the 0 to 4 employees group accounts for the largest proportion (77%). Between 2012 and 2022, the proportion of businesses in this group increased from 73.3% to 77%. During this period there was also a notable reduction in the proportion of the total accounted for those with 10 to 19 employees (from 6.5% to 5.6%).

Figure 3.2: Businesses by size, Bradford, 2012-2022



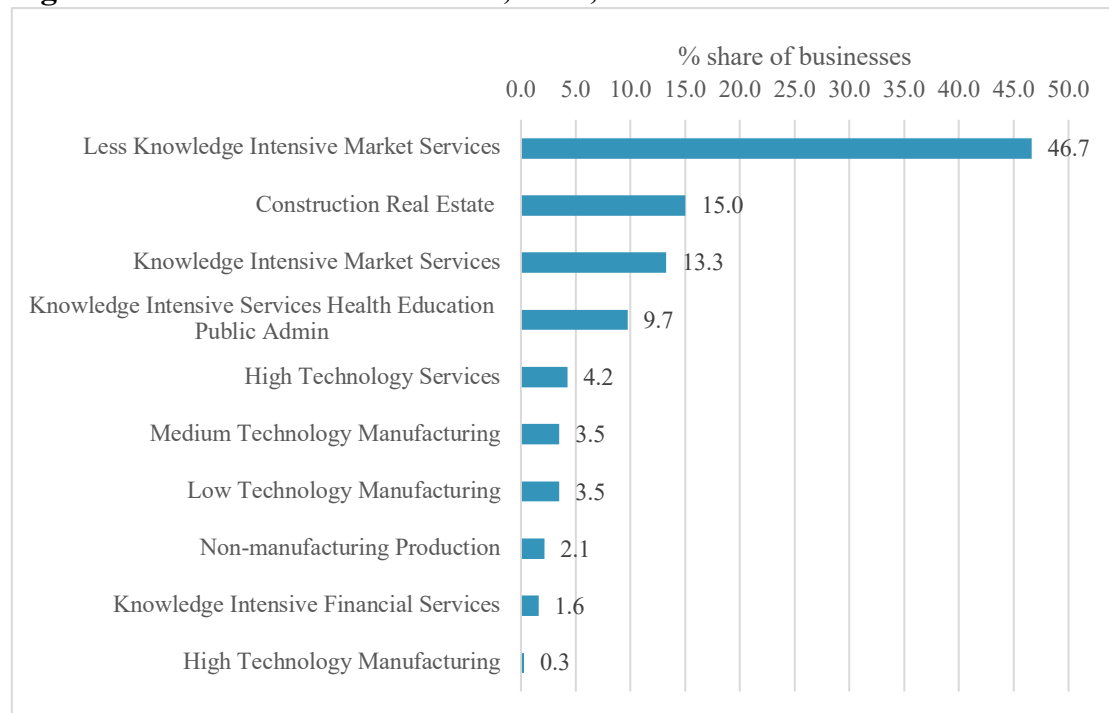
Source: ONS UK Business Counts

⁵High growth for the purpose of this publication measures all businesses with an average growth in employment of greater than 20%, per annum, over a three-year period (between 2017 to 2020). The size threshold used to identify these businesses is that they have ten or more employees.

Breakdown by industrial sector, grouping sectors to capture knowledge-intensity and technological level

3.12 In 2022, the largest share of businesses was accounted for by those in the Less Knowledge Intensive Market Services sector (46.7%). The Construction & Real Estate (15%) and Knowledge Intensive Market Services sectors (13.3%) were the next largest proportions.

Figure 3.3: % share of businesses, 2022, Bradford

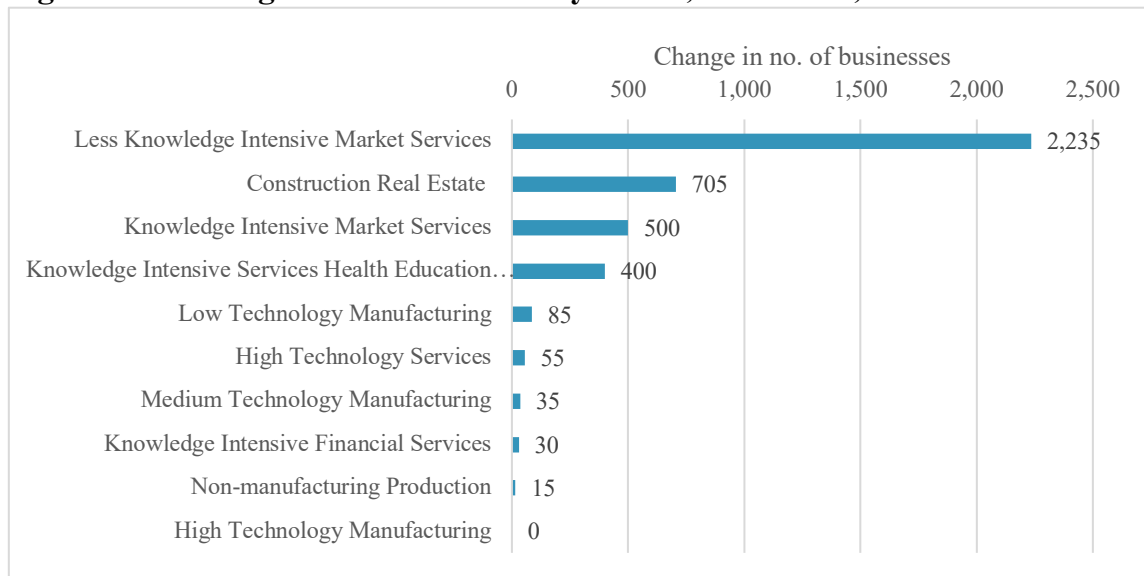


Source: Edge analysis using ONS UK Business Counts

3.13 Over the period 2012-2022, the largest absolute growth in business numbers was in the same three sector groupings (with change of 2,235, 705 and 500 businesses respectively).

3.14 Growth in the number of businesses in the Manufacturing sectors was far weaker and notably in the low and medium technological levels. There were no additional businesses in the high technology manufacturing grouping.

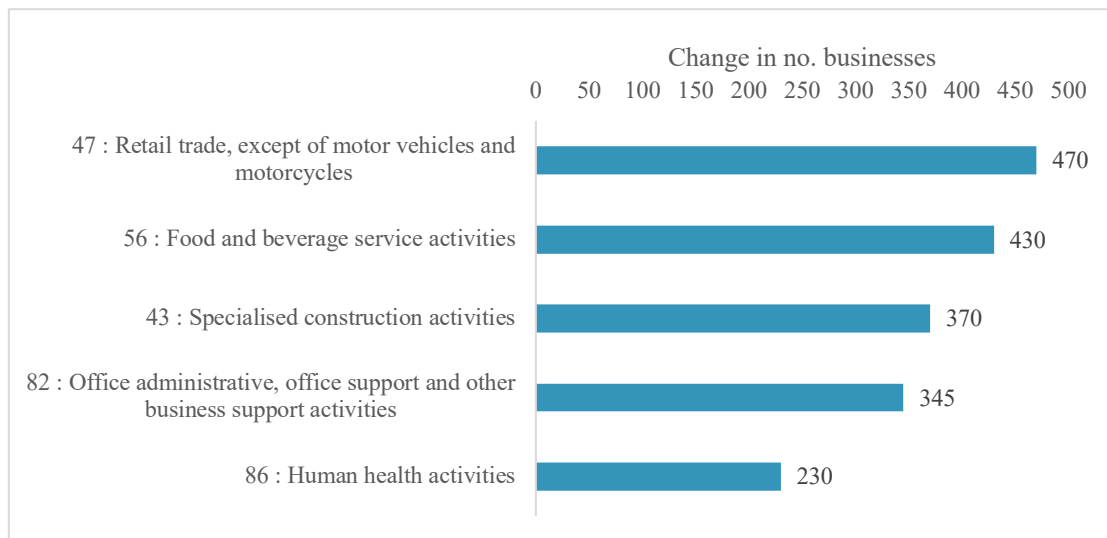
Figure 3.4: Change in no. businesses by sector, 2012-2022, Bradford



Source: Edge analysis using ONS UK Business Counts

3.15 More granular 2-digit SIC code data shows that the following five sectors had the largest absolute growth in total number of businesses: 47 Retail, 56 Food & Beverage Services, 43 Specialised Construction, 82 Office Admin and 86 Human Health. Together, these sectors accounted for almost half of the growth in the number of businesses over 2012-2022.

Figure 3.5: Top 5 2-digit sectors for business growth, 2012-2022, Bradford

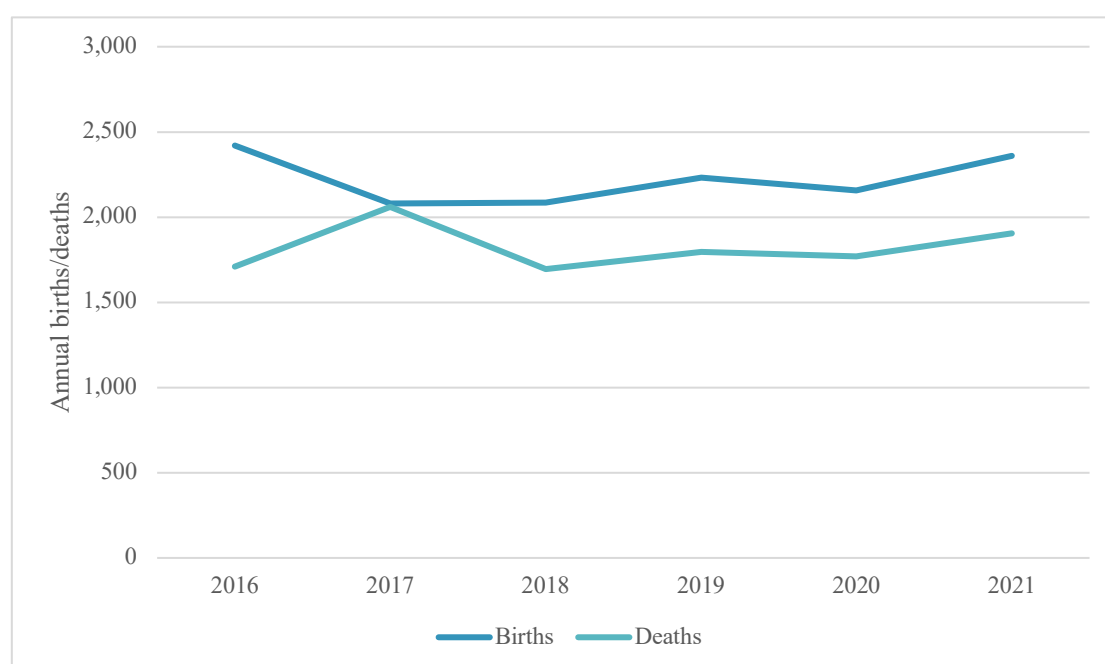


Source: ONS UK Business Counts

Business births and deaths

3.16 Business births and deaths data shows that in the last five-year period (2016-2021), birth rates have mostly been above death rates in Bradford. This is supportive of growth in the overall count of active businesses, which increased by 7.9%. The gap between births and deaths has been relatively stable since 2018.

Figure 3.6: Business births and deaths, 2016-2021, Bradford



Source: ONS UK Business Counts

3.17 One-year survival rates in Bradford stood at 93.3% in 2020, down slightly from 93.6% in 2016.

Key employers in Bradford

3.18 Recent research on top businesses by Bradford University⁶ and the more granular local IDBR dataset is also useful in gaining further insight into key employers in Bradford.

3.19 The Bradford Top 100 Businesses 2022 research derives company rankings based on a non-weighted algorithm based on profit, turnover, year-on-year growth/change in turnover (comparing 2021 with 2020 data), shareholder funds/balance sheet, and number of employees. Each of these variables were ranked independently and these rankings combined to give each company's position in the final list. Inclusion criteria meant businesses that were a subsidiary of other businesses listed were removed so that the businesses retained their highest singular position. All the businesses included have their headquarters or their primary trading address within the Bradford Council area. It does however, therefore not include the many outstanding and high-profile businesses whose headquarters or registered offices are based outside the area. It should be acknowledged that the data draws from a period where the impact of Covid may well still have been evident on firms.

3.20 The top 20 firms identified using the index are shown in the following table along with their 2021 staff numbers. This shows strong representation of manufacturing and retail companies in the top 20. Within this top 20, five firms had in excess of 1,000 employees – these firms were in the manufacturing, utilities, care services, finance and retail sectors. The top 20 firms accounted for around 15,000 jobs in total.

⁶ <https://edition.pagesuite.com/html5/reader/production/default.aspx?pubname=&pubid=19053258-c981-4e0d-a1c6-f3fab7373c30>

Table 3.1: Top 20 (using index)

	Business	Staff in 2021
1	BARRETT STEEL LIMITED	1,090
2	JCT600 LIMITED	2,137
3	BORGWARNER LIMITED	377
4	YORKSHIRE WATER	3,810
5	DAMARTEX UK LIMITED	617
6	B - SPORTING LIMITED	204
7	FREEMANS + GRATTAN	710
8	ALFRED BAGNALL AND SONS LIMITED	606
9	CARNAUDMETALBOX ENGINEERING LIMITED	608
10	BTL GROUP LIMITED	169
11	ASTONISH	210
12	MAILWAY PACKAGING SOLUTIONS GROUP LIMITED	567
13	ACORN MOBILITY SERVICES LTD.	1,310
14	PRESTIGIOUS TEXTILES LIMITED	194
15	ICS UK+ ICS UK (HOLDINGS)	338
16	PFF GROUP LIMITED	225
17	LRUK (RETAIL) LIMITED	99
18	STONECROFT HOLDINGS LIMITED	217
19	P. & B. FOODS HOLDINGS LIMITED	138
20	VANQUIS BANK LIMITED	1,378
		15,004

Source: Bradford Top 100 Companies report, Bradford University.

3.21 The following table shows the top 10 firms by employment size drawn from the top 100 using the index. Further to the firms also appearing in the top 20 firms by overall index, other firms in speciality chemicals, manufacturing and retail are included. Together, these 10 firms around 19,000 jobs in 2021.

Table 3.2: Top 10 by employment (of Top 100 index)

	Business	Staff in 2021
1	SPARTA I INTERNATIONAL LIMITED	5,022
2	YORKSHIRE WATER	3,810
3	JCT600 LIMITED	2,137
4	HALLMARK CARDS (HOLDINGS) LIMITED	1,568
5	VANQUIS BANK LIMITED	1,378
6	ACORN MOBILITY SERVICES LTD.	1,310
7	BARRETT STEEL LIMITED	1,090
8	MARSYLKA MANUFACTURING CO. LIMITED	999
9	FREEMANS + GRATTAN	710

10	DENSO MARSTON LTD	672
		18,696

Source: Using data from Bradford Top 100 Companies report, Bradford University.

3.22 The local IDBR dataset for Bradford provides more granular data on businesses in Bradford. The latest dataset (2022) and one historic year (2012) was examined.

3.23 For Middle Super Output Areas (MSOAs) it allows for analysis over the period 2012-2022 while the published UK business counts for MSOAs allows analysis over a shorter period (2016-2022).

3.24 Analysis of the local IDBR dataset shows that:

- The top 20 firms in terms of absolute employment growth in 2012-2022 accounted for growth of around 8,500 jobs. This accounts for over 50% of the total net employment change recorded in this dataset;
- Applying a threshold of absolute jobs growth in 2012-2022 of 100 jobs or more identifies 43 businesses. Together this accounted for growth of around 11,500 jobs. This accounts for almost 80% of the total net employment change recorded in this dataset;
- New firms not previously present in Bradford in 2012 accounted for additional 67,800 jobs in 2022. This is counter balanced by firms that had stopped trading from 2012-22, or were still trading in 2022 but with a reduced workforce;
- Spatially, positive net job change was seen in 34 MSOAs with approximately 26,000 jobs. The order of 71% of the job change total was seen in 8 MSOAs⁷. However, 27 MSOAs saw a net loss of around 11,200 jobs and 54% of that net loss of employment was in 3 MSOAs⁸;
- There was growth in the number of businesses across all MSOAs, with 46% of this growth in 10 MSOAs⁹.
- The order of 62% of KI employment and 27% of KI businesses (Financial/Insurance & Market Services, such as professional and scientific) are found in 6 MSOAs¹⁰ with the employment focus being Central Bradford.

3.25 The following three figures illustrate the spatial distribution of KI businesses across Bradford – for two KI categories and by firm size (in terms of employees) for these combined.

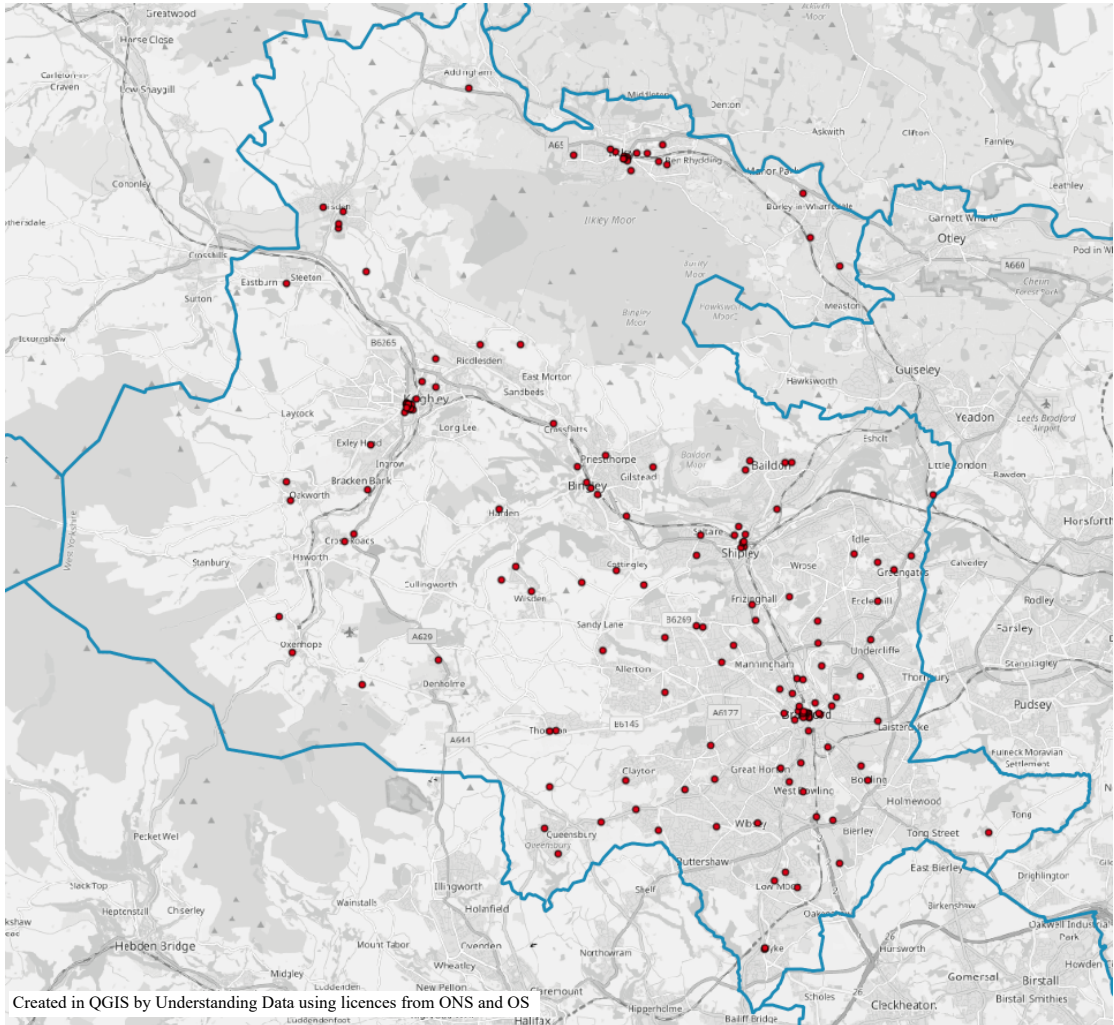
⁷ Bradford 059 (Buttershaw), Bradford 035 (Undercliffe), Bradford 017 (Thackley & Esholt), Bradford 028 (Bolton Road & Kings Road), Bradford 044 (Shearbridge & University), Bradford 057 (Bierley & Tong), Bradford 052 (Holme Wood) and Bradford 014 (Oakworth & Laycock).

⁸ Bradford 029 (Heaton Highgate), Bradford 050 (Great Horton & Brackenhill) and Bradford 018 (Saltaire & Baildon West).

⁹ Bradford 038 (Thornbury), Bradford 029 (Heaton Highgate), Bradford 035 (Great Horton & Brackenhill), Bradford 008 (Keighley Central & East), Bradford 059 (Buttershaw), Bradford 007 (Keighley Uitley), Bradford 039 (Central Bradford & Barkerend West), Bradford 024 (Wrose & Bolton Woods), Bradford 052 (Holme Wood), Bradford 015 (Bingley Town) and Bradford 057 (Bierley & Tong).

¹⁰ Bradford 039 (Central Bradford & Barkerend West), Bradford 038 (Thornbury), Bradford 053 (Bowling Park), Bradford 020 (Shipley), Bradford 057 (Bierley & Tong) and Bradford 002 (Ilkley & Ben Rhydding).

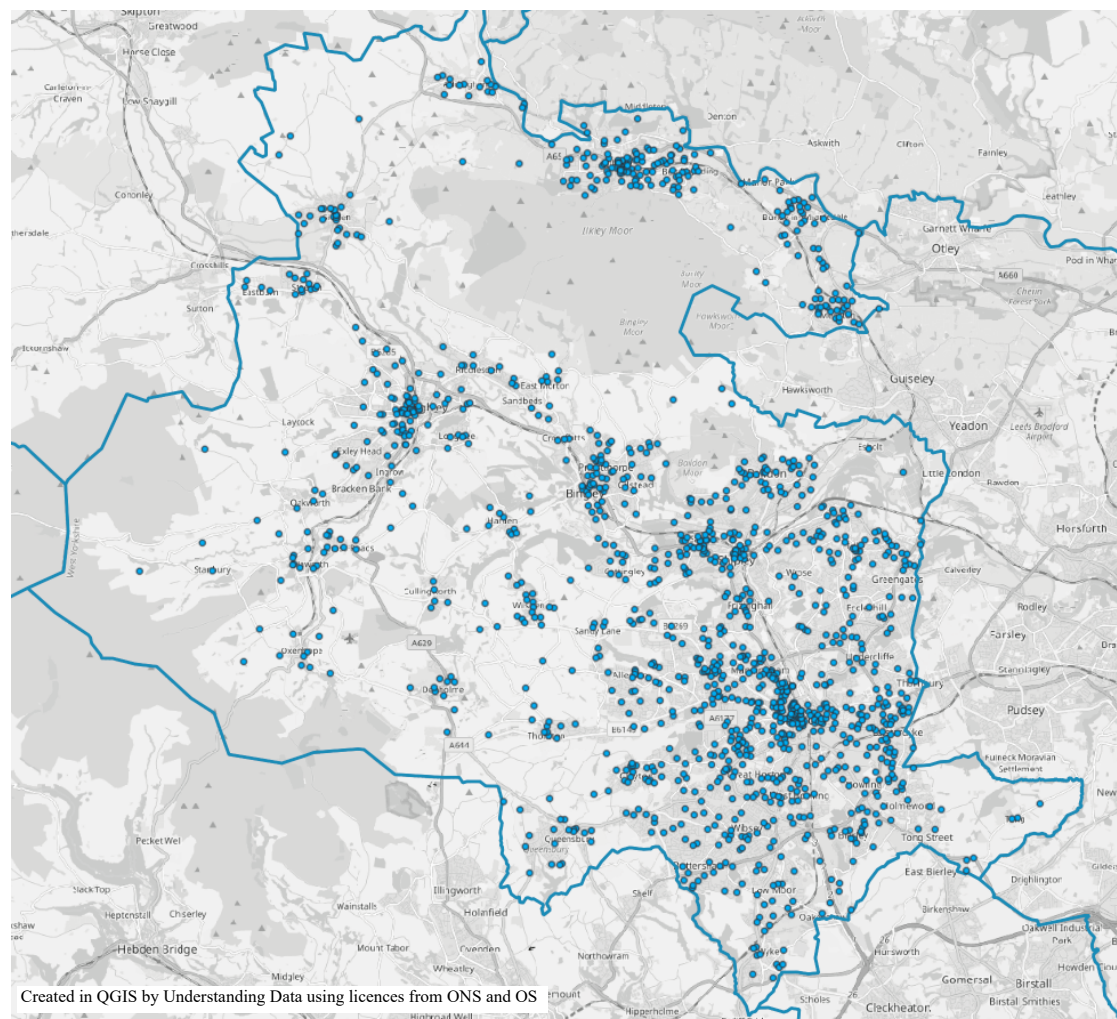
Figure 3.7: KIs (Financial Services) Distribution of Local Units, 2022



Source: Edge using data from ONS Local IDBR Dataset for 2022.

Note – Includes financial and insurance activities.

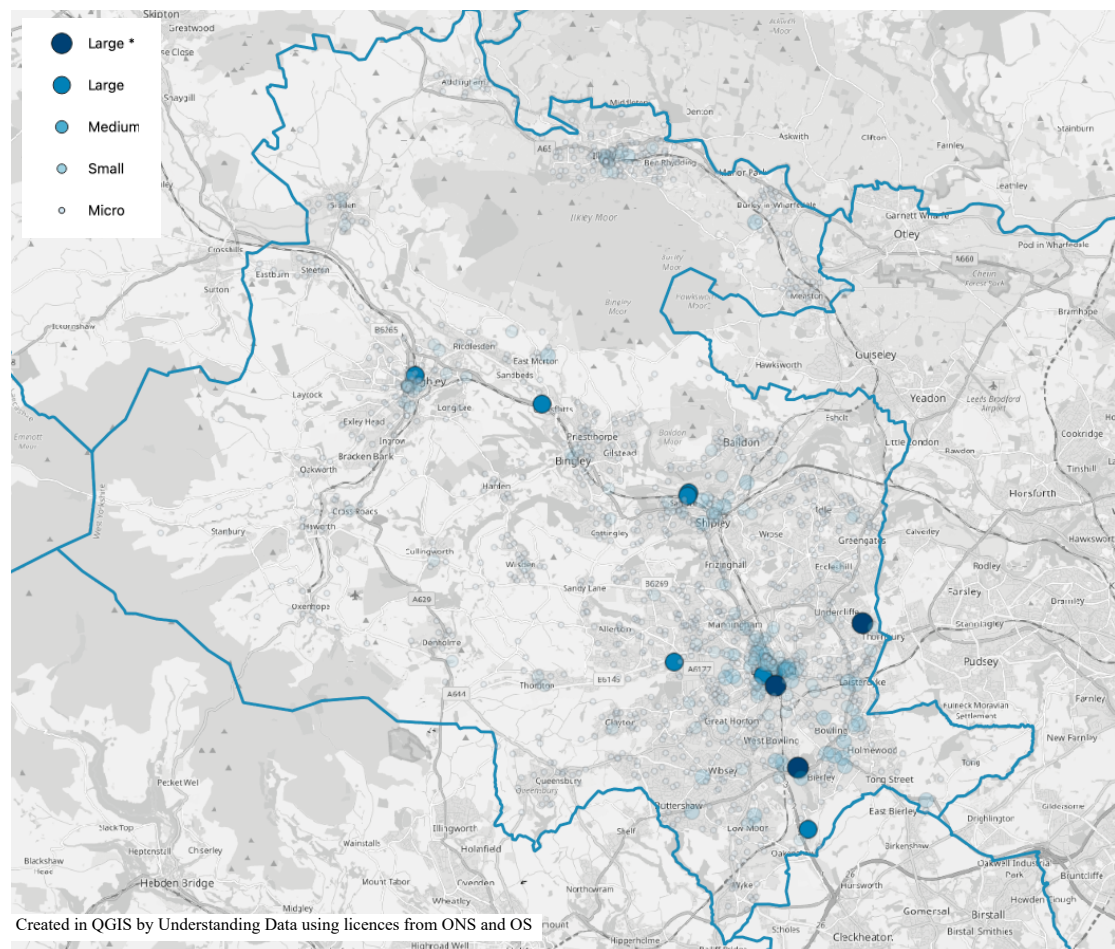
Figure 3.8: KIs (Market Services) Distribution of Local Units, 2022



Source: Edge using data from ONS Local IDBR Dataset for 2022.

Note – Includes mostly services including other forms of transport, professional, scientific, technical and administrative activities.

Figure 3.9: KIs (Financial and Market Services) – by size, 2022



MICRO = 0-9 employees
 SMALL = 10-49 employees
 MEDIUM = 50-249 employees
 LARGE = 250 -1,000 employees
 LARGE+ = 1,000+ employees

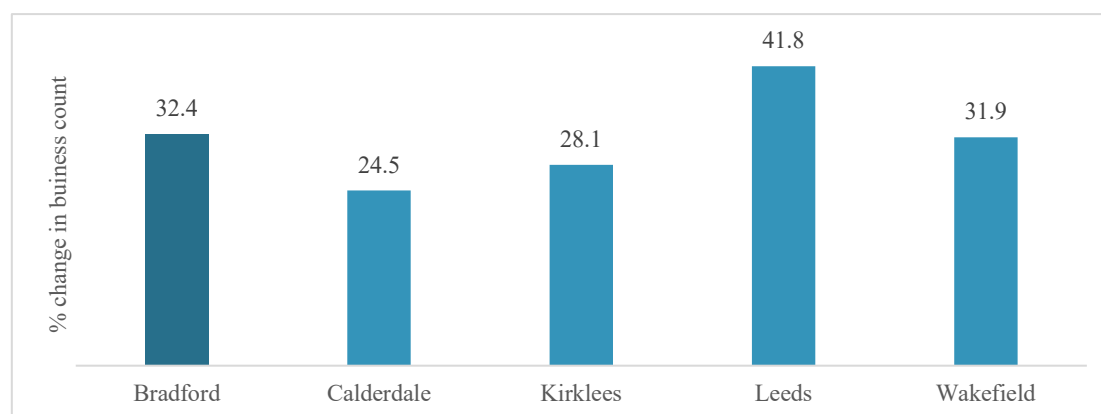
Source: Edge using data from ONS Local IDBR Dataset for 2022.

3.3 West Yorkshire, Yorkshire and England comparators

Total business count

3.26 In 2012-2022, percentage growth in the total number of businesses in Bradford was above that for the other West Yorkshire local authorities with the exception of Leeds. Leeds recorded a significantly higher level (41.8% compared with 32.4% in Bradford).

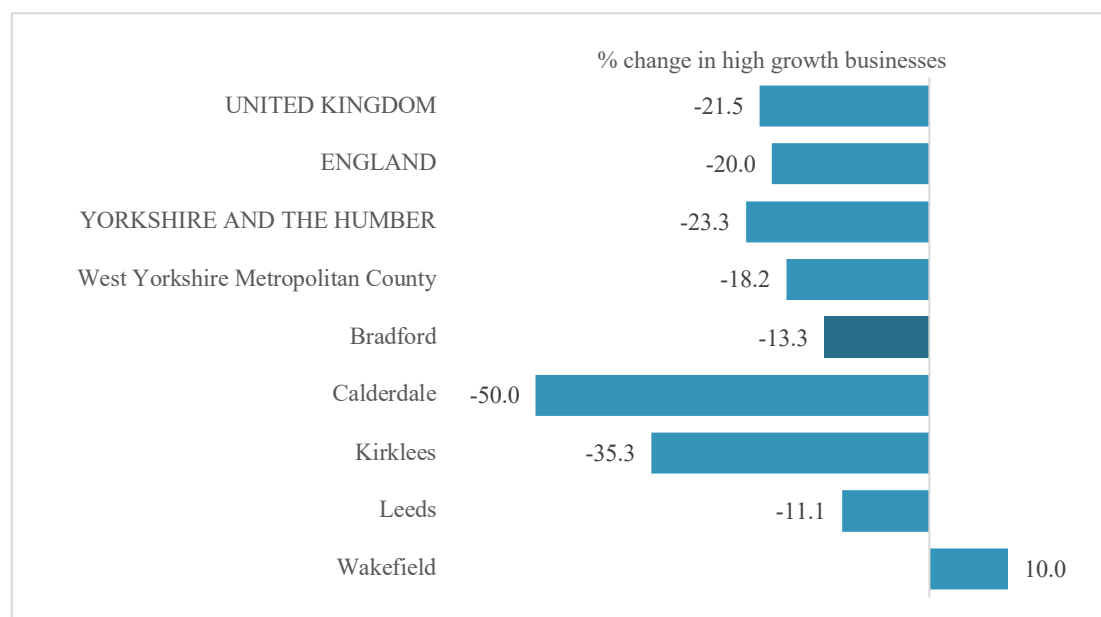
Figure 3.10: Change in total business count, %, 2012-2022



Source: ONS UK Business Counts

3.27 Over the last 5 years (2016-21), the percentage change in number of high growth businesses in Bradford was negative – as was also the case in the other West Yorkshire authorities except Wakefield, region and England. The decline in Bradford was lower than many comparator areas.

Figure 3.11: Change in high growth businesses, %, 2016-2021



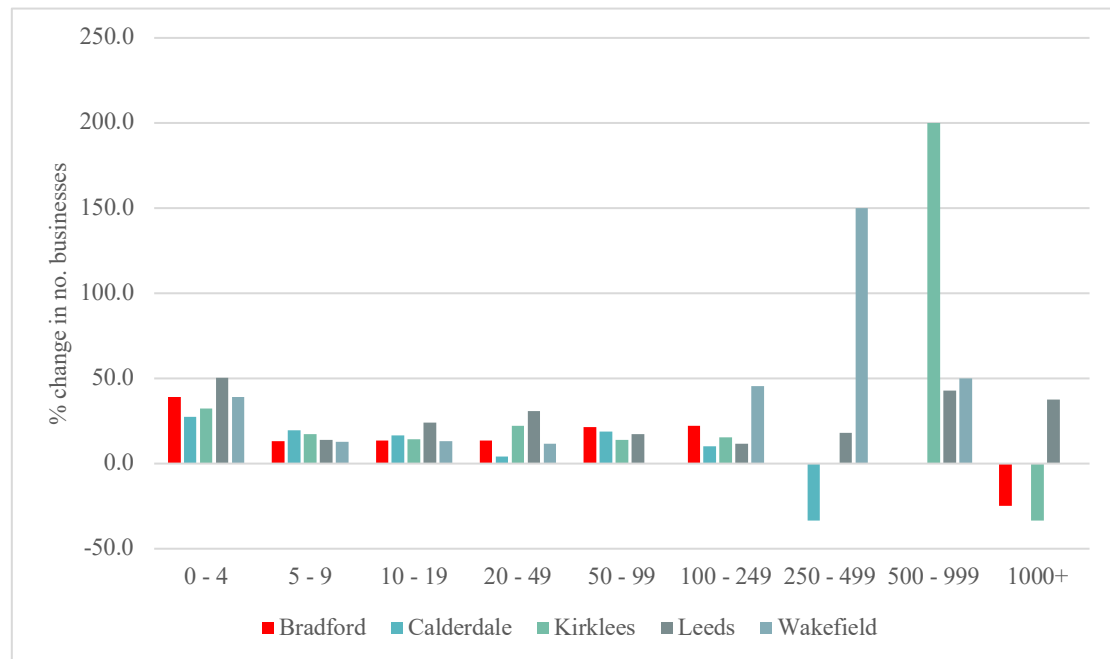
Source: ONS UK Business Counts

Breakdown by firm size (employees)

3.28 In 2012-2022, the change in the number of businesses in the 50-99 and 100-249 size bands was greater in Bradford than the other West Yorkshire authorities (with the exception of Wakefield in the latter band). Growth in number of businesses at the lower end of the size scale was reasonably in line with comparators.

3.29 It is at the higher end of the size scale – from 250+ employees – that Bradford performs less well against comparators. In the period, Bradford did not record any growth in the number of businesses with more than 250 employees.

Figure 3.12: Change in no. of businesses by employee size, %, 2012-2022



Source: ONS UK Business Counts

Location Quotient (LQ) indicators, grouping sectors to capture knowledge-intensity and technological level

3.30 A Location Quotient (LQ) analysis has been undertaken using the latest UK Business Count data for enterprises with sector groupings applied to capture knowledge and technical intensity of activity. This mirrors the LQ analysis for employment in Section 2 but is for businesses.

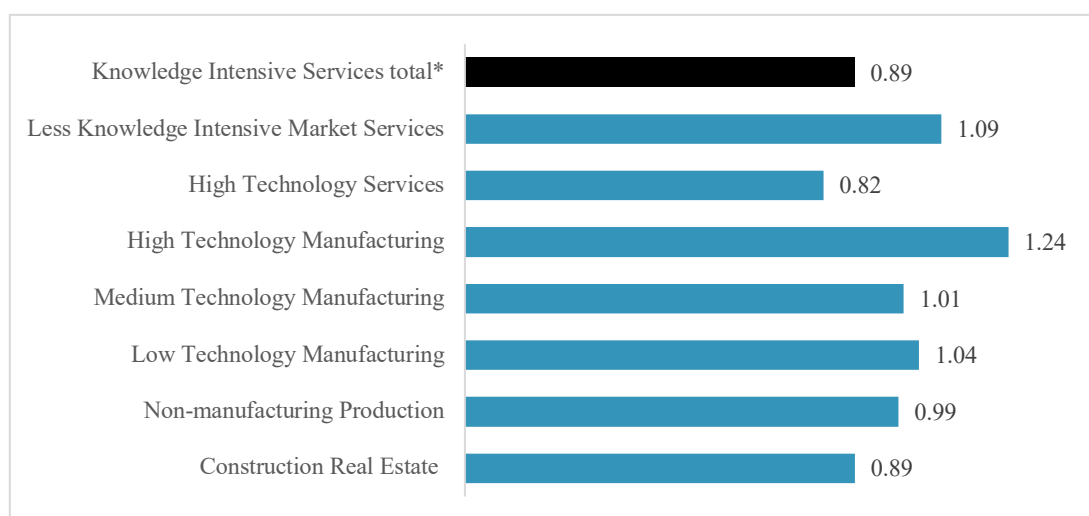
3.31 This shows that compared to West Yorkshire as a whole, Bradford has lower representation of Knowledge Intensive Services (LQ of 0.89). Within this category, Bradford has a higher representation in the Health, Education & Public Admin component (LQ>1) and lesser representation in the other two components (LQs<1). In relation to manufacturing, Bradford has higher representations across all three low, medium and high technology categories, with this being most pronounced in high technology manufacturing (LQ of 1.24).

3.32 Compared to Yorkshire & Humber, Bradford has a slightly higher representation of Knowledge Intensive Services (LQ of 1.03). Within this category, Bradford has a higher representation in the Health, Education & Public Admin component (LQ>1) and lesser representation in the other two components (LQs<1). In relation to

manufacturing, Bradford has higher representations across all three low, medium and high technology categories, with this being most pronounced in high technology manufacturing (LQ of 1.42).

- 3.33 Compared to England, Bradford has a higher representation of Knowledge Intensive Services (LQ of 1.11). Within this category, Bradford has a higher representation in the Health, Education & Public Admin component (LQ>1) and lesser representation in the other two components (LQs<1). In relation to manufacturing, Bradford has higher representations across all three low, medium and high technology categories, with this being most pronounced in low technology manufacturing (LQ of 1.62).

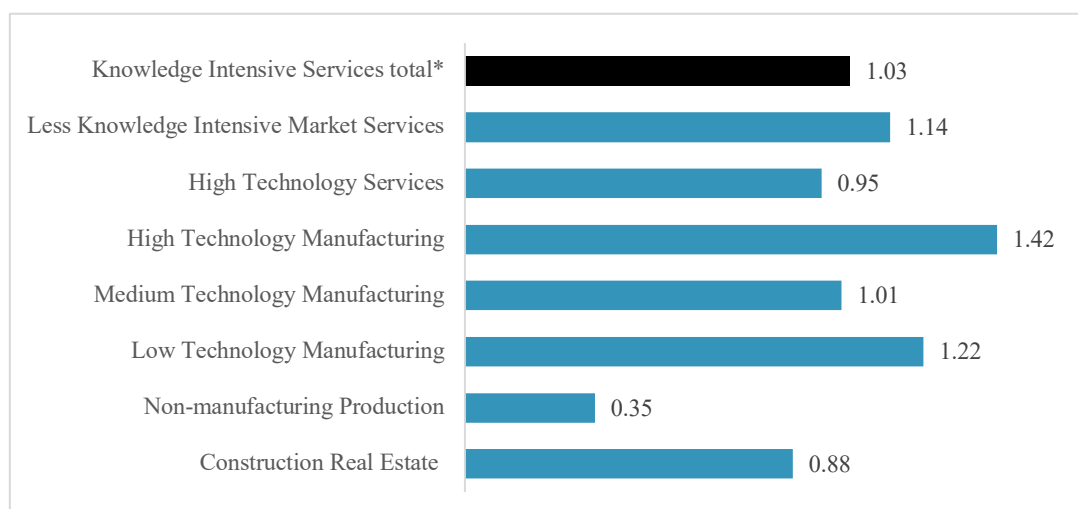
Figure 3.13: LQ: Bradford vs West Yorkshire, 2021



Source: Edge LQ analysis using ONS Business Count data.

Note - Knowledge Intensive Services Total (*) includes Knowledge Intensive Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin.

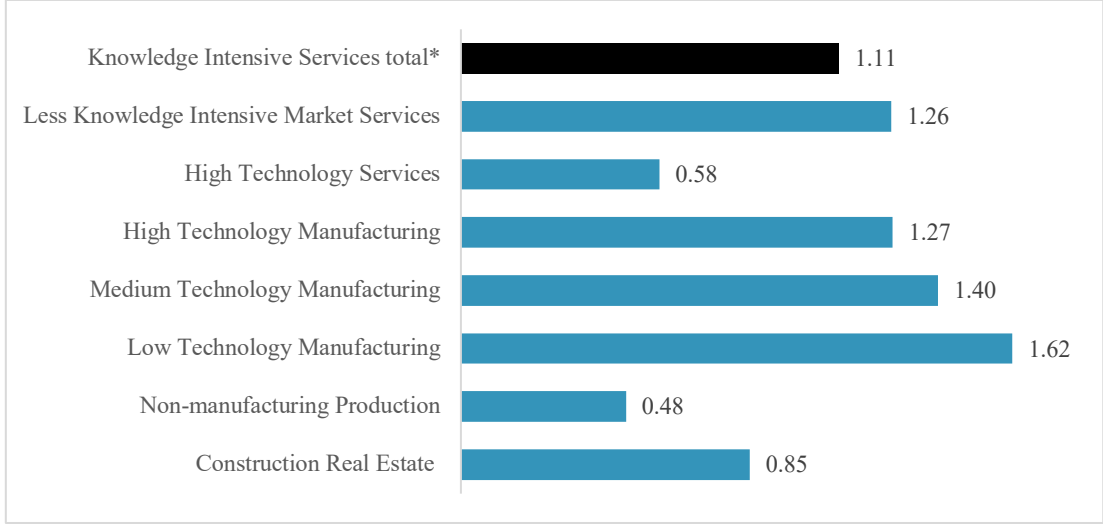
Figure 3.14: LQ: Bradford vs Yorkshire & Humber, 2021



Source: Edge LQ analysis using ONS Business Count data.

Note - Knowledge Intensive Services Total (*) includes Knowledge Intensive Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin.

Figure 3.15: LQ: Bradford vs England, 2021



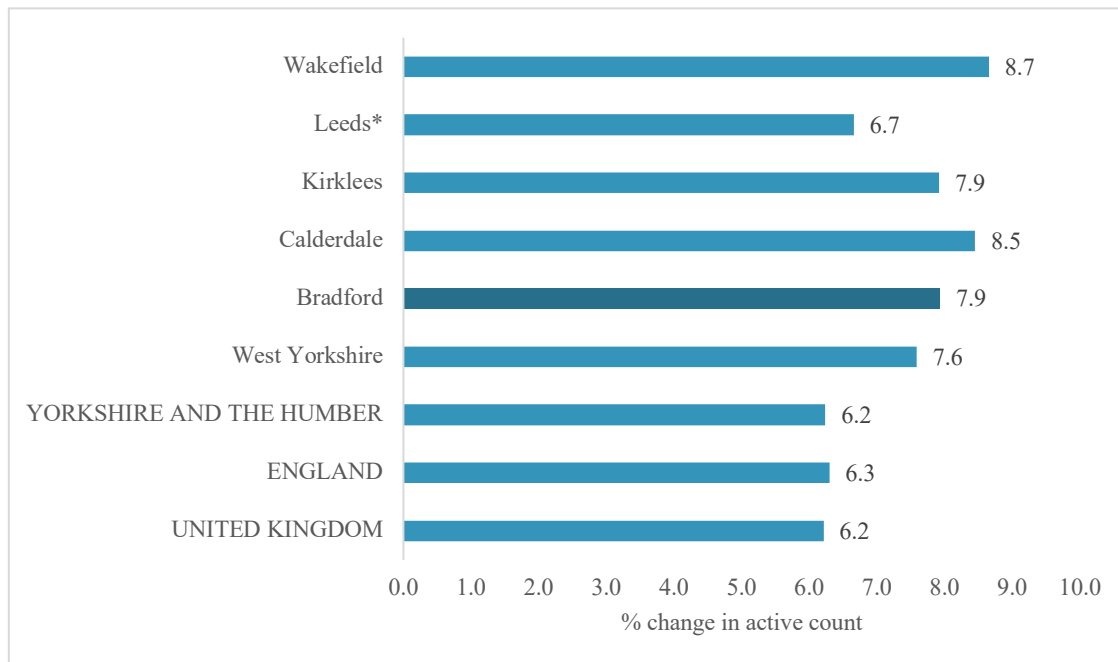
Source: Edge LQ analysis using ONS Business Count data.

Note - Knowledge Intensive Services Total (*) includes Knowledge Intensive Market Services, KI Financial Services and a KI category that covers health, Education and Public Admin.

Business births and deaths

3.34In the last five-year period (2016-2021), Bradford’s performance in terms of growth in the overall count of active businesses was good against comparators. Only Wakefield and Calderdale recorded higher rates. The rate of growth in Bradford was above that in the region and England.

Figure 3.16: Change in no. active enterprises, %, 2016-2021



Source: ONS UK Business Counts

3.35 One-year survival rates in Bradford were also broadly in line with figures in comparator areas.

3.4 Evidence gathered from engagement

3.36 To supplement the desk-based statistical analysis, engagement was undertaken with businesses and economic development stakeholders. The purpose was to gather further evidence specifically in relation to employment growth potential. It is recognised that a broader engagement exercise is likely to be undertaken through the subsequent development of a new Economic Strategy.

3.37 Intelligence was gained through several sources: the survey of businesses as part of the new Employment Land Review (ELR), in-depth business interviews with a sample of firms and engagement undertaken by the Council.

3.38 The in-depth interviews focussed on key employers and potential future growth sectors. A sample was selected in order to provide a cross-section of representation in terms of businesses that: (i) are significant existing employers in terms of number of jobs, (ii) have achieved significant recent jobs growth, (iii) have recently moved to Bradford or invested in expansion and (iv) operate in sectors that are expected to experience future growth nationally. A total of 45 businesses were identified and an additional analysis of these undertaken (through a blend of desk-based analysis and discussions). In depth interviews were held with around one-third of the list. These conversations were held in a confidential manner (and consequently individual businesses are not identified in this study).

3.39 Communication and engagement was undertaken by the Council, including specifically with the Chamber of Commerce (via Property and Economic Forum) and the West Yorkshire Combined Authority (WYCA).

3.40 The following pertinent points were identified through the engagement exercise:

- Business expectations for staff numbers in the next 5 years were predominantly of growth, with the remainder envisaging stable numbers. Where an increase was expected, this was in the range of 10%-100%;
- In terms of the labour market, recruiting was broadly without issue for general roles but more challenging in more specialist roles (the latter including professional services roles and IT/Tech/Cyber);
- In instances where businesses had relocated staff from Leeds to Bradford, the main driver was cost reduction;
- In instances where businesses envisaged leaving Bradford District in the future, the main reason cited was the ability to attract top staff;
- Some major businesses in the professional services sector are actively working together to address skills constraints and enable them to meet their future planned expansions;
- The perception/image of Bradford and undersupply of modern premises are seen as significant constraints;
- One City Park is seen as helpful in changing perceptions but not sufficient alone to achieve the perceived step change required (with transport investment and enhancement on the City Centre offer being seen as particularly important).
- There is a need for enhanced growth in the provision of employment space to support economic growth, with a shortage of employment space hampering levelling up aspirations (Chamber response); and
- That this combined with the proposed ambitions for infrastructure improvements in Bradford – which will provide a significant growth boost – means that planning policies should be seeking to facilitate transformational economic growth rather than forecasting forward past trends from a recessionary period (Chamber).

Findings and implications

Bradford

- The overall trend in the number businesses has consistently upwards since 2018
- In 2022, the majority of businesses in Bradford were smaller businesses with less than 10 employees (89% of total)
- In 2022, the largest share of businesses was accounted for by those in the Less Knowledge Intensive Market Services sector (46.7%). The Construction & Real Estate (15%) and Knowledge Intensive Market Services sectors (13.3%) were the next largest proportions
- Over the period 2012-2022, the largest absolute growth in business numbers was in the same three sector groupings
- Growth in the number of businesses in the Manufacturing sectors was far weaker and notably in the low and medium technological levels
- The top 20 firms identified using the composite index shows strong representation of manufacturing and retail companies
- In the Local IDBR, the top 20 firms in terms of absolute employment growth in 2012-2022 accounted for growth of around 8,500 jobs, over 50% of the total net employment change recorded

West Yorkshire, Yorkshire and England comparators

- In 2012-2022, percentage growth in the total number of businesses in Bradford was above that for the other West Yorkshire local authorities except Leeds
- In 2016-2021, the percentage change in number of high growth businesses in Bradford was negative
- In 2012-2022, the change in the number of businesses in the 50-99 and 100-249 size bands was greater in Bradford than most other West Yorkshire authorities
- It is at the higher end of the size scale – from 250+ employees – that Bradford performs less well against comparators. In the period, Bradford did not record any growth in the number of businesses with more than 250 employees.

Location Quotient (LQ) indicators

- Bradford has a lower representation of Knowledge Intensive Services businesses than West Yorkshire but higher representation than Yorkshire & Humber and England comparators. Within this category it has a higher representation in the Health, Education & Public Admin component
- In manufacturing, Bradford has a particularly higher representation of high technology manufacturing than West Yorkshire and Yorkshire & Humber and England comparators. It also has a much higher representation of low technology manufacturing businesses compared with England

4 GVA

4.1 Overview

4.1 This section undertakes an analysis of Bradford's performance in terms of gross value added (GVA). The purpose is to establish an up-to-date baseline position and understanding of recent historic trends. The analysis considers:

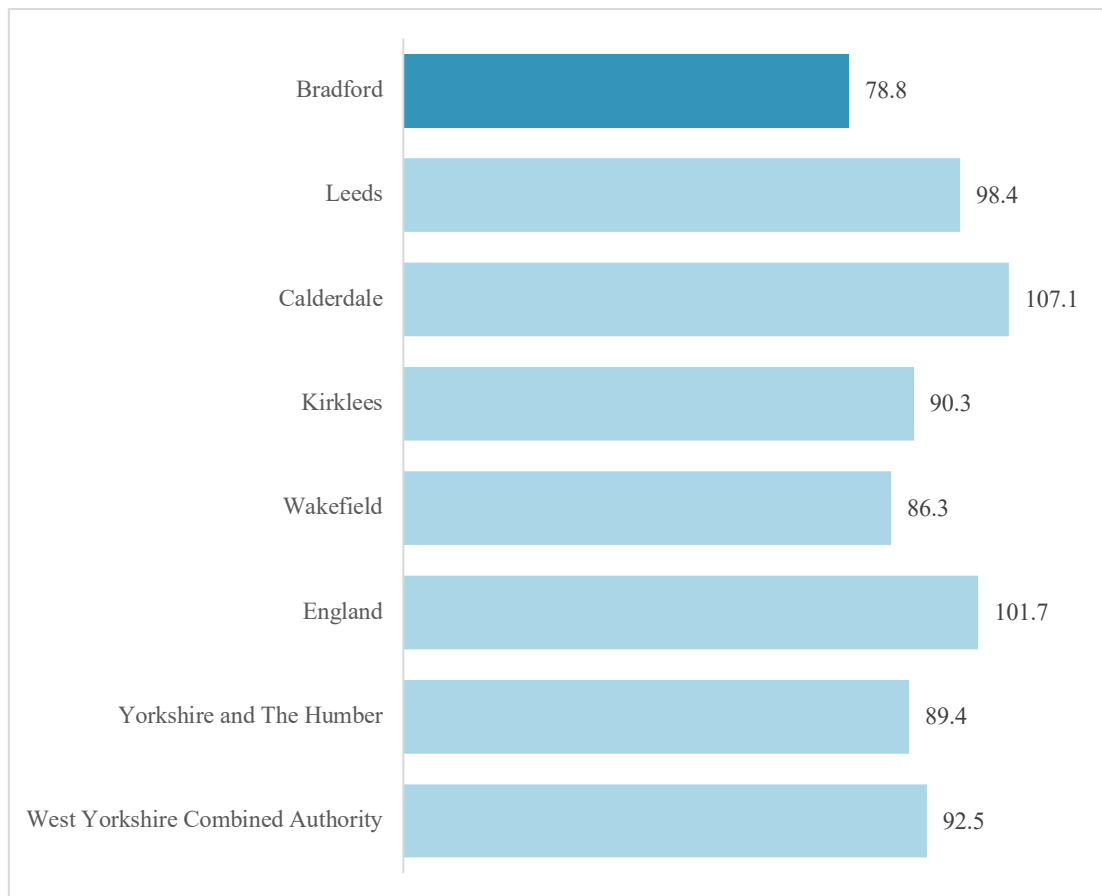
- Headline GVA;
- GVA by broad industry group; and
- GVA per filled job.

4.2 The findings inform the conclusions on employment growth potential in Section 6.

4.2 Headline GVA

4.3 Headline GVA growth is an important in supporting employment growth. In 2001-2021, total GVA in Bradford increased by £4,539m (an increase of 78.8%). In proportional terms, this was a smaller increase than in the other West Yorkshire LAs, West Yorkshire, Yorkshire & Humber region and England.

Figure 4.1: % increase in GVA, 2001-2021



Source: ONS data, GVA at current basic prices.

4.3 GVA by broad industry group

4.4 In terms of GVA growth by broad industry group in 2001-2021, Bradford performed particularly well against comparators in:

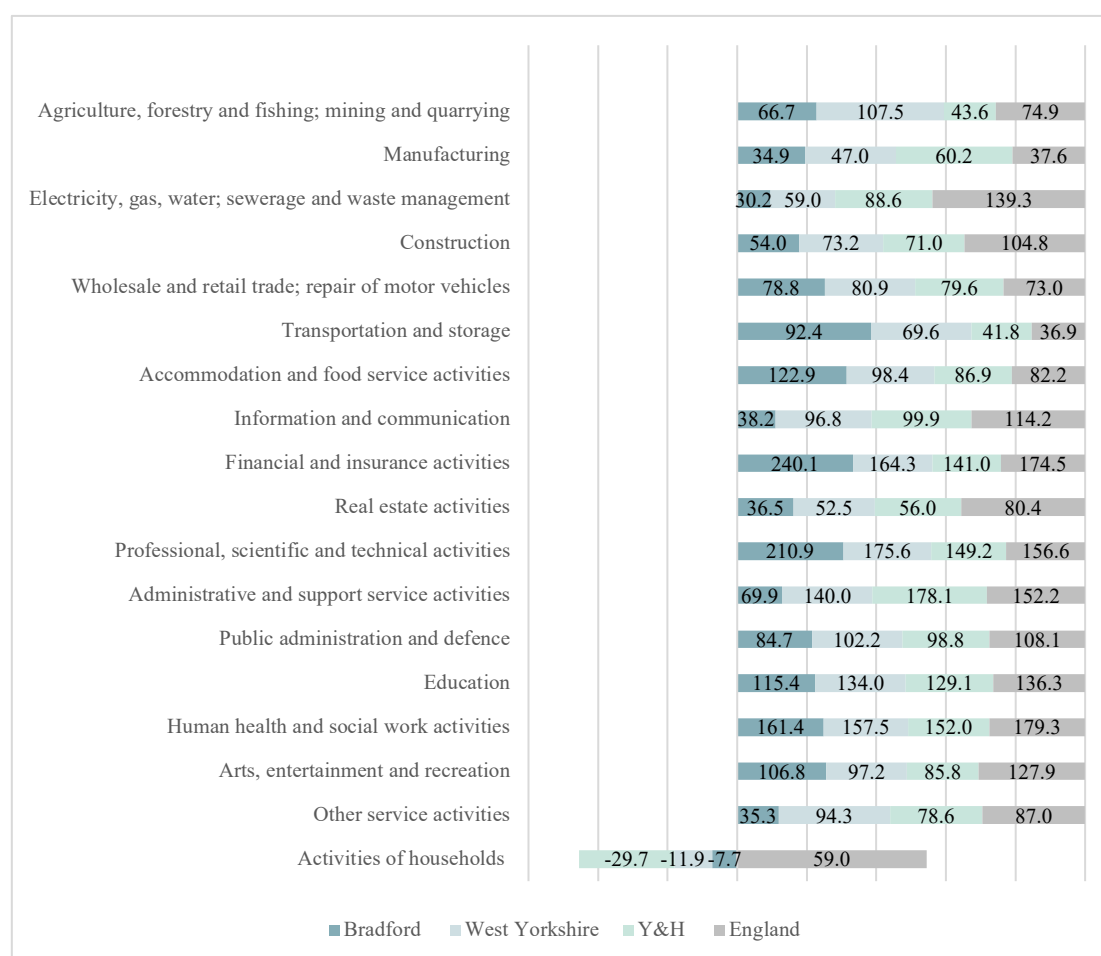
- Financial and Insurance Activities;
- Professional, Scientific and Technical Activities;

4.5 Growth in GVA in Bradford in these two sectors was in excess of 200% over the period.

4.6 However, in Bradford's largest three sectors in terms of absolute employment (Health, Manufacturing and Education), performance was less strong. In the Manufacturing and Education sectors, the proportional increase in GVA was less than West Yorkshire, Yorkshire & Humber and England comparators. In the Health sector, growth was stronger than in West Yorkshire and Yorkshire & Humber but weaker than in England.

4.7 Growth in GVA in the Information and Communication sector was notably weaker in Bradford than comparators.

Figure 4.2: Broad Ind groups, % increase in GVA 2001-2021



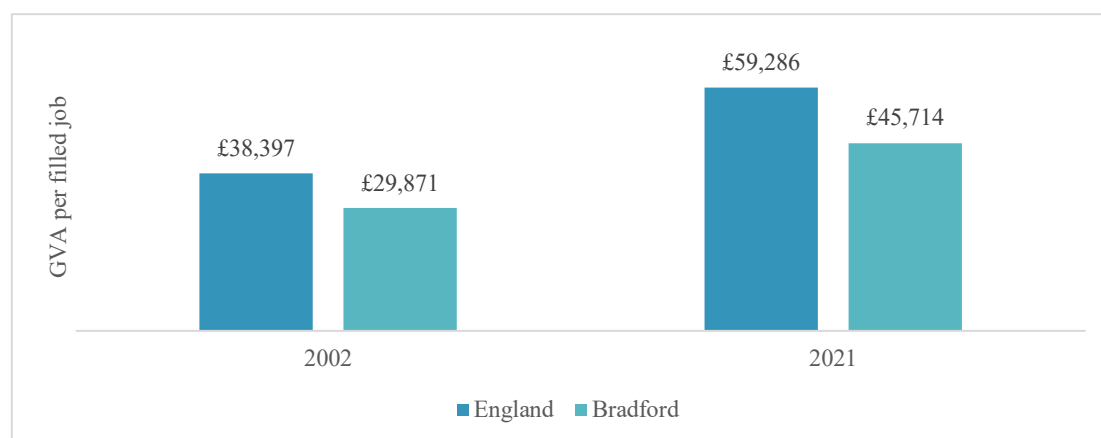
Source: ONS data, GVA at current basic prices.

4.4 GVA per filled job

4.8 GVA per filled job provides a measure of economic value per job post. This metric can be helpful in understanding relative labour productivity between areas.

4.9 In 2021, GVA per filled job in Bradford was £45,714. This is 22.9% less than the figure for England (£59,286) – indicating a significant gap in performance. It is also evident that this gap is broadly unchanged compared to in 2002 (when Bradford’s figure was 22.2% less than the figure for England). This suggests the persistence over time of factors contributing to underperformance. Closing this gap will require improvements in productivity and/or a greater proportion of jobs in high value-added activities.

Figure 4.3: GVA per filled job £, Bradford and England

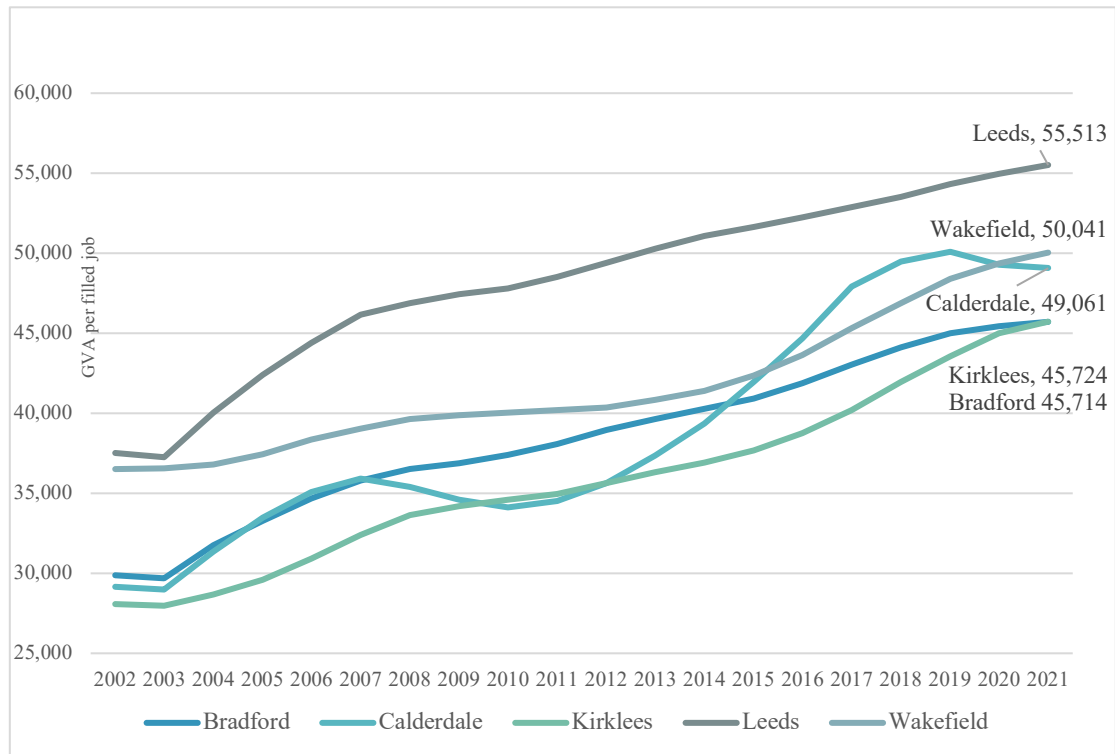


Source: ONS data, Current price GVA (smoothed) per filled job.

4.10 GVA per filled job in Bradford in 2021 is also lower than comparable figures for the other West Yorkshire local authorities. Leeds and Wakefield had significantly higher - figures than Bradford (21.4% and 9.5% higher respectively). The comparative figures for Yorkshire & Humber and England were 7.7% and 29.7% higher respectively)

4.11 Over the period 2002-2021, Bradford’s relative position to the other West Yorkshire comparators has changed. In 2002, Bradford’s GVA per filled job was above that of Calderdale and Kirklees but below both by 2021. However, the relative gap in performance with reference to Leeds and Wakefield has been narrowed over the period (being 25.7% and 22.2% higher respectively in 2002). In particular, the gap with Wakefield has been broadly halved).

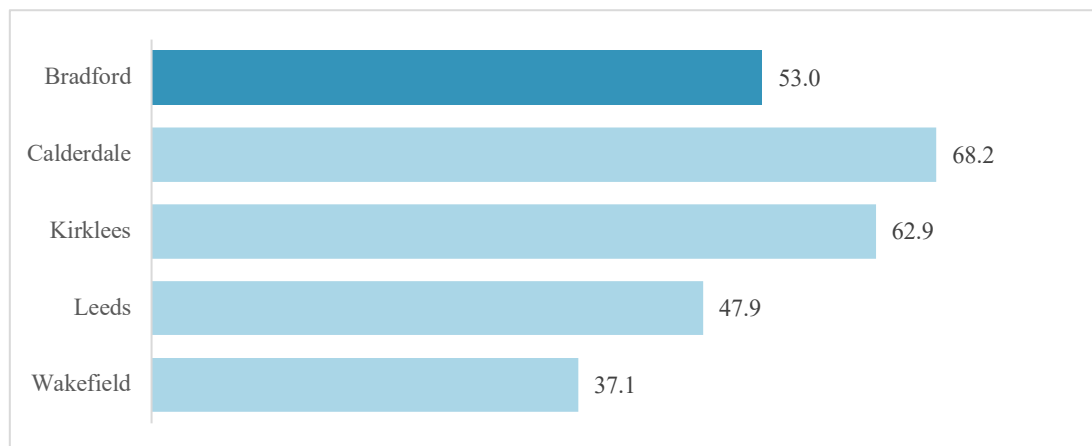
Figure 4.4: GVA per filled job £, 2002-2021



Source: ONS data, Current price GVA (smoothed) per filled job.

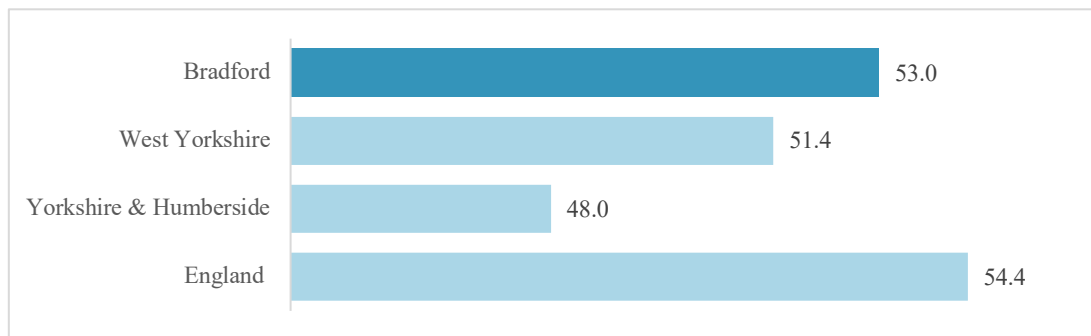
4.12 Over the period 2002-2021, Bradford had a 53% increase in GVA per filled job. Within West Yorkshire, this was above that in Leeds and Wakefield but below the level of growth in Calderdale and Kirklees. Bradford's level of increase was greater than that in the Yorkshire and Humber region but less than for England as a whole.

Figure 4.5: % increase in GVA per filled job, 2002-2021



Source: ONS data, Current price GVA (smoothed) per filled job.

Figure 4.6: % increase in GVA per filled job, 2002-2021



Source: ONS data, Current price GVA (smoothed) per filled job.

Findings and implications

- In 2021, GVA per filled job in Bradford was 22.9% less than the figure for England - indicating a significant gap in performance. It is also evident that this gap is broadly unchanged compared to in 2002, suggesting the persistence over time of factors contributing to underperformance
- In proportional terms, historic growth in headline GVA was weaker in Bradford than in the other West Yorkshire LAs, West Yorkshire, Yorkshire & Humber region and England
- There was relatively strong GVA growth in Financial and Insurance and Professional, Scientific and Technical sectors. Less strong performance however in some of the sectors accounting for the largest proportion of employment in Bradford. Growth in the Information and Communications sector was also relatively weak against comparators
- In 2021, GVA per filled job in Bradford was lower than comparable figures for the other West Yorkshire local authorities, Yorkshire & Humber and England. However, the relative gap in performance with reference to Leeds and Wakefield has been narrowed over the period
- Over 2002-2021, Bradford's level of growth in GVA per filled job was broadly in line with England as a whole

5 Broader Comparators, SWOT Analysis and Drivers of Change

5.1 Overview

- 5.1 This section presents an analysis of employment, businesses and GVA performance in Bradford against broader UK comparators in the North of England and Midlands. A summary of the findings of a SWOT analysis is then presented and key drivers of change identified in the context of the potential path of future employment growth in Bradford.

5.2 Performance against broader UK comparators

- 5.2 The preceding chapters have set out a detailed analysis of trends in employment, business and GVA in Bradford and considered performance against West Yorkshire, region and national comparators. It is also helpful to consider Bradford's performance in the context of seven other UK areas in the North of England and Midlands which share at least some similar characteristics.
- 5.3 To provide a comparative analysis, areas of a similar economy size (GVA) and broadly similar geographic characteristics are considered. In terms of economy size these areas are all smaller than Bradford but at least 60% of its size. Geographically, the focus is on locations in the North of England and Midlands.
- 5.4 This is used to highlight different levels of performance in terms of productivity and employment. The areas selected are generally higher performing, aspirational places. These areas had different outcomes to Bradford, but share at least some similar characteristics. The analysis focusses on the most recent 10-year period for which data is available.
- 5.5 In terms of employment, all seven comparators had a higher level of employment growth in the period 2000-21. Five of the seven comparators achieved employment growth of in excess of 20% over the period compared with the 7.8% recorded in Bradford. Considering this against performance in other metrics (growth in number of businesses and total GVA) underlines that total GVA is important in supporting employment growth. The location with the largest employment growth was also the place with the largest GVA growth. Only one of the seven comparator areas recorded less GVA growth than Bradford. Bradford's performance was stronger in terms of growth in the number of businesses, this does not appear to have translated strongly into growth in employment numbers however. Performance on GVA per job was relatively strong in Bradford.

Table 5.1: Comparative performance analysis - Core

	Employment 2000-21 (%)	Employment 2011-21 (%)	Companies Enterprises 2012-22	GVA total 2011-21 (%)	GVA per filled job 2011-21 (%)
Solihull	50.5	43.5	22.3	64.1	13.6
Trafford	35.3	26.8	29.0	44.1	15.0
Warrington	34.8	20.2	38.4	54.2	25.7
Salford	28.1	23.0	74.0	60.6	30.2
County Durham	20.3	14.5	28.2	25.7	10.2
Coventry	16.5	17.9	40.4	36.3	16.4
Bolton	13.2	21.2	44.9	45.5	17.2
Bradford	7.8	7.3	32.4	27.8	20.0

Source: ONS data.

Note: Data is sorted on Employment change for 2000-21 %, with green indicating the highest values and red the lowest.

5.6 Examining comparative growth in two permutations of Knowledge Intensive (KI) sectors over the period 2011-2021 shows that Bradford also performed less strongly than comparator areas.

Table 5.2: Comparative performance analysis – Knowledge Intensive (KI)

	KI (A) 2011-21 (%)	KI(B) 2011-21 (%)
Solihull	39.5	39.4
Trafford	62.9	66.7
Warrington	60.6	77.4
Salford	78.7	68.4
County Durham	1.8	8.9
Coventry	15.7	16.7
Bolton	30.9	39.1
Bradford	9.3	8.3

Source: ONS data.

Note:

Data is sorted on Employment change for 2000-21 % with green indicating the highest values and red the lowest.

KI (A) = Financial and Insurance Services, Market Services (including other forms of transport, professional, scientific, technical and administrative activities) and High Technology Services (including information and communication and scientific research and development). KI (B) = Financial and Insurance Services and Market Services.

5.7 It is also noted that there exists other published evidence of underperformance in Bradford relative to other UK locations. This includes analysis published by Centre

for Cities (CFC). The CFC data tool¹¹ ranks Bradford at position 63 relative to other cities using a variety of metrics. This shows how Bradford underperforms on productivity, new economy and private sector knowledge services compared to the majority of UK cities (as well as structural weaknesses in terms of unemployment and skills).

5.3 SWOT analysis

5.8 The SWOT analysis is intended to identify the internal and external factors that are favourable and unfavourable to achieving economic growth in Bradford. Strengths and weakness are internally related, while opportunities and threats focus on the external environment.

5.9 The analysis examines:

- Strengths - characteristics of Bradford that give it an advantage over other areas.
- Weaknesses - characteristics of Bradford that place it at a disadvantage relative to others.
- Opportunities - elements in the environment that Bradford could exploit to its advantage; and
- Threats - elements in the environment that could cause problems for Bradford.

5.10 The SWOT analysis is undertaken with respect to the objective of achieving sustainable economic growth in Bradford, and in particular growth in employment.

5.11 It should be noted that some characteristics may have several implications – for example, they may provide both strengths and weaknesses.

Figure 5.1 Summary SWOT Analysis

Strengths

- A young population, with a relatively high number of people aged under 16 – providing a new future cohort of working age population, supporting the attractiveness of the labour market pool for businesses
- The University of Bradford, a highly ranked university – including specifically in medicine & health, engineering, natural sciences and computer science
- Bradford has a higher representation of Knowledge Intensive Services (KIS) than West Yorkshire, Yorkshire & Humber and England comparators (recognising however, that much of this is public sector based, including two NHS trusts, University and a large FE College)
- Strong SME base with recent steady growth in number of businesses and relatively good survival rates
- Benefits of a strong relationship with Leeds, providing access to industrial clusters, employment opportunities, wider labour pool and onward transport connections – including as a provider of employment, with a commuter outflow

¹¹ See: <https://www.centreforcities.org/city/bradford/>

of almost 50% more than inflows (i.e. more Bradford residents working in Leeds than Leeds residents working in Bradford)¹²

- Strong cultural and tourism offer – including access to heritage and natural assets
- One of the largest manufacturing clusters in the UK - providing a critical mass in terms of scale and specialised skills in advanced manufacturing and precision engineering
- Part of the wider polycentric West Yorkshire area, providing access to wider labour market and industrial clusters

Weaknesses

- Limited historic growth in the sectors accounting for the largest shares of employment growth
- Performance gap with comparators in economic activity rates, employment growth, jobs density and productivity per head
- Difficulties in unlocking housing and employment sites – including due to viability issues
- Within Knowledge Intensive Services (KIS), Bradford has a higher representation in the public sector orientated component
- In manufacturing, which is one of the largest sectors in Bradford in terms of employment, significant elements of activity are vulnerable to competition and increased automation
- Less representation than comparators in tech related Knowledge Intensive Services (KIS), many of which are expected to experience significant future growth in the UK and globally
- Some significant areas of high economic deprivation (by ONS IMD measure)
- Areas of poor transport connectivity and congestion – including areas where issues of capacity are constraining growth
- Proximity to Leeds can in some ways compromise business/employment growth in Bradford – including the loss of jobs as occupiers relocate to Leeds (an example of this is the loss of over 2,500 HMRC jobs to Leeds in recent years)
- Skills and educational attainment levels – acting as constraint to businesses in terms of the labour pool and also in supporting higher GVA per job¹³

¹² 2021 Census Commuting data, some caution required since surveys were undertaken during the Pandemic when a lot of people were working from home.

¹³ Relative performance on metrics such as proportion of people with high level qualifications, no formal qualifications and attainment of GCSEs in Math and English.

Opportunities

- Potential to capitalise upon national and international growth opportunities in areas including Health tech, Fintech, CyberTech, Creative sector Advanced Manufacturing
- Potential to develop proposition as a UK leader in AI and Data Science, given existing strong research/education base, young population and recent economic development initiatives
- Media and visitor exposure and resulting inertia arising from Bradford being UK City of Culture in 2025
- Growth in new product and service markets created through decarbonisation and the development of the circular economy
- To deliver and leverage the economic benefits of major infrastructure investments to catalyse economic growth
- To build upon the inertia of recent local led economic initiatives and major developments such as One City Park – with the potential to counter the trend of occupiers moving from Bradford to Leeds
- Changing international trade environment – which may provide more UK government support to access non-EU markets
- Combined Authority driven activities, including:
 - Developing the West Yorkshire Investment Zone in partnership with the five constituent WY local authorities, universities and businesses – supported by around £80m of funding to be provided across a variety of fiscal incentives, tax breaks and spend;
 - Work on Spatial Priority Areas (SPAs) to focus investment and regeneration activity; and
 - Employment Land Accelerator Fund (ELAF).
- To leverage the economic growth benefits of major planned transport investment – including the Government’s recently (October 2023) announced Network North Plan. This commits to £19.8 billion to link the North’s major cities – with more than £2 billion for a brand-new rail station at Bradford
- To leverage the economic growth benefits of the planned Southern Gateway regeneration area

Threats

- Macroeconomic challenges and a weak UK growth outlook in the short to medium term (next 5 years)
- Pressures on businesses as structural changes from the departure of the UK from the EU continue, in particular the impact on the labour market and supply-chains

- Changing international trade environment – which may make EU-market access more challenging and make other markets uncertain due to geopolitics
- Automation and AI poses a threat to a significant number of jobs in a range of industries, particularly for lower skilled workers

5.4 Drivers of Change

5.12 This section identifies key drivers of change that are critical in considering the future path of employment growth in Bradford. These drivers can be considered at both the overarching macro level and locally.

5.13 At the overarching macroeconomic level, major drivers that may impact on employment growth include:

- Transition to a low carbon economy;
- Advancement and adoption of Artificial Intelligence (AI); and
- Changing patterns of international trade.

5.14 A brief summary of these is outlined below.

5.15 In the short-term, it is also noted that there are significant macroeconomic challenges to growth (due to the current stage of the macroeconomic cycle and inflationary pressure for example). Key general elections are also due in the UK and US which may impact on economic policy.

DOC1: Transition to a low carbon economy

Driver

Global and national policy drive to accelerate transition to a low carbon economy, ensuring the long-term sustainability of the natural environment.

Long-term environmental sustainability is expected to be a cross-cutting theme of the future Economic Strategy, having significant implications for housing, transport, tourism and energy. The overarching goal is to encourage behavioural change and the adoption of low carbon solutions across Bradford.

Implications for employment growth

Areas of potential activity that may support employment growth:

- Upgrading of the building stock to deliver improved energy efficiency (construction sector and trades, low carbon technologies and services)
- Increased number of community renewable energy projects (construction sector and trades, low carbon technologies and services)
- Environmental accreditation and monitoring activity (environmental services)

- Increased adoption of innovative packaging materials/solutions (manufacturing)

Low carbon transition may also result in employment losses elsewhere, for example in businesses where the cost of transition is not viable.

DOC2: Advancement and adoption of Artificial Intelligence (AI)

Driver

Rapid advancement of Artificial Intelligence (AI) and increasing adoption by businesses.

Artificial Intelligence may affect the long-term growth of cities, industries and the global economy. AI has the potential to reshape labour and skills and drive significant change in the activities of companies, governments and educational institutions.

Implications for employment growth

This is an evolving area and the approach to regulation will be important in determining the path of change.

AI may disrupt the labour market, leading to job losses. It could however also be an important catalyst for longer-term growth. The implementation of more powerful AI tools will be affected by a number of factors – including geopolitics, skills issues and infrastructure challenges that will determine which sectors, cities and nations may lead or lag the AI revolution.

For Bradford, developments in AI may provide opportunities for employment growth in AI and Data Science related fields – generally higher skilled, higher productivity jobs. However, Bradford also has a significant proportion of its current employment base that is relatively low skilled and at risk from labour displacement as a consequence of AI rollout in the longer-term.

DOC3: Changing patterns of international trade

Driver

Changing patterns of international trade resulting from ongoing structural changes following the UK's departure from the European Union and changing geopolitics.

This could have significant implications for international supply chains and both UK importers and exporters.

Implications for employment growth

For Bradford, its large manufacturing base means that it may be impacted by changing patterns of trade. Increased UK government support could provide greater opportunities for Bradford firms to expand their reach in non-EU export markets – supporting local employment growth, for example in advanced manufacturing and specialist service markets. This opportunity may however be tempered by

geopolitical instability. Less easy access to the EU market for UK firms may also act as drag upon employment growth in firms for whom this is an important market.

5.16 At the local level, major drivers that may impact on employment growth include local economic development policy and future investment.

5.17 The West Yorkshire Plan is the overarching strategy for West Yorkshire, setting the trajectory up to 2040. The new West Yorkshire Economic Strategy will be critical to achieving this vision. The strategy will reflect WYCA's expanded policy remit following devolution. WYCA has signalled its intention to achieve a net zero region by 2038 and to embed equality, diversity and inclusion across its policy.

5.18 The West Yorkshire Economic Strategy will set out how WYCA will deliver the economic aspects of the West Yorkshire Plan vision and missions. The WY Economic Strategy will have links across all five of the WY Plan missions but will have a particular focus on the first mission (A prosperous West Yorkshire, an inclusive economy with well paid jobs). This mission outlines the following to be achieved by 2040:

- Closed the productivity gap between West Yorkshire and the UK;
- Living standards above the national average, with no child growing up in poverty;
- Good quality work available for all; and
- A diverse and inclusive workforce, where everyone who wants to work can.

5.19 The underpinning actions to achieve this will focus on:

- Increasing productivity;
- Promoting an environment where it is easy for businesses to start, grow, innovate, trade and invest;
- Increasing business resilience;
- Digital transformation;
- Overseas inward investment; and
- Supporting export growth.

5.20 A number of local priorities have already been set out by the 2021 Bradford District Economic Recovery Plan and a new Economic Strategy is also being developed. These will be important in guiding responses to key drivers of change and in the path of future economic growth. Specifically relating to employment, the identification of three Business Development Zones (BDZs) will provide focus.

5.21 Further to the development and implementation of a new economic strategy at both the West Yorkshire and Bradford level, the scale of future investment in economic infrastructure will also be critical.

6 Implications: Potential Employment Growth

- 6.1 The up-to-date analysis of the employment and business base established by the EGP enables an understanding of the key changes taking place in the Bradford economy relevant to future employment growth potential. Several key drivers of change have also been identified as influential in the future path of growth.
- 6.2 The findings suggest that whilst Bradford has achieved positive employment growth over the 2000-2021 period, the level of growth achieved was below that in other comparator areas both in the West Yorkshire and national context. Accordingly, in principle there is potential for Bradford to close the existing 'growth gap' vs these comparator areas. This could be achieved through measures to support GVA growth and increased jobs density. It will also be important to ensure that existing businesses can grow within Bradford and that there is an attractive business environment conducive to attracting new businesses. Targeting the attraction of more high growth potential businesses and larger businesses will also assist.
- 6.3 Delivering a higher level of employment growth in Bradford will be challenging - particularly in the short to medium-term (next 5 years) – due to the current stage of the macroeconomic cycle and constrained local government finances. Implementing an effective economic growth agenda in Bradford will require a robust economic strategy, careful decision-making and sufficient resource.
- 6.4 The dominance of a small number of sectors in terms of total employment in Bradford may act as a constraint on overall employment growth. For example, the manufacturing sector accounts for a substantial proportion of employment with a significant component of this being low-tech. Whilst there may be new opportunities in the manufacturing sector, some elements are vulnerable to competition and automation which may mean that growing overall employment numbers is challenging. Bradford has a higher representation of Knowledge Intensive Services than West Yorkshire, Yorkshire & Humber and England comparators which provides a potential opportunity area of growth to build upon. However, it is noted that within this category it has a higher representation in the Health, Education & Public Admin KI component rather than the more private sector-orientated elements (therefore with less potential for growth).
- 6.5 Nonetheless, whilst there are significant challenges to employment growth, it is clear that Bradford has many strengths and areas of opportunity through which employment growth could be achieved. For example, existing clusters in Health and Education and smaller sectors with potential such as Digital.
- 6.6 The role of the EGP is to highlight the potential for future employment growth in Bradford in the context of considering a credible scenario in which a higher level of employment growth is achieved compared with baseline forecasts. Taking into consideration the findings of the analysis, it is recommended that Bradford consider a higher growth scenario in the range of 12-15% growth in total employment over the 2021 level. This level reflects a comparative analysis and professional judgement. The lower bound of this range is broadly commensurate with the average of 20-year historic growth in Calderdale and Kirklees. The upper bound is broadly commensurate with the average of 20-year historic growth in Calderdale, Kirklees and Leeds. This range represents a higher level of growth than has been achieved in the most recent 20-year period and partial closing of the existing gap with comparator areas. This scenario would reflect a situation where a more supportive economic environment and improved macroeconomic conditions enables a higher level of growth to be achieved. This could be supported by

economic development policy, increased infrastructure investment and greater land supply.

6.7 In terms of the ELR, the following table sets out the implications for employment growth in the plan period 2023-2041.

Table 6.1: Recommendation for ELR – Higher growth scenario

Scenario	Change in total employment, 2023-2041
	Annual average
Baseline forecast (REM)	1,111
Higher growth scenario REM+ (Lower)	1,346
Higher growth scenario REM+ (Upper)	1,682

Note – REM refers to the REM forecast (December 2022) baseline forecast applied in Bradford's 2023 ELR. Figures relate to total workforce jobs (workplace-based measure).

6.8 Taking into account the findings of the EGP, we recommend that additional growth over the REM baseline be allocated to the broad industry groups in the following table.

Table 6.2: Recommendation for ELR – Higher growth scenario: Sectors

Broad industry group	Rationale
Accommodation & Food Services	Large sector by employment size, strong historic growth
Construction	Future growth potential
Finance & Insurance	KI sector, future growth potential
Information & Communications*	KI sector, future growth potential
Health*	Large sector by employment size, strong historic growth, future growth potential
Manufacturing	Large sector by employment size
Professional, Scientific & Technical*	KI sector, strong historic growth, future growth potential
Transport & Storage*	Strong historic growth, future growth potential
Wholesale & Retail	Large sector by employment size

6.9 Of these, we recommend additional growth be concentrated in Health, Information & Communications, Professional, Scientific & Technical and Transport & Storage.

6.10 For the purposes of the Economic Strategy, the above higher growth scenario figures can be used to inform consideration of an appropriate target ambition for employment growth in Bradford.

6.11 Beyond this EGP, an Economic Strategy will consider the economy more broadly and identify key thematic challenges and priorities for Bradford. The new Economic Strategy for Bradford will set out priority actions – guiding a proactive economic development approach. Actions at the WYCA level, including through an overarching West Yorkshire Economic Strategy and deployment of funds into strategic investments such as major infrastructure will occur in tandem.

7 Appendix

High-tech and knowledge-intensive services (HTEC) industry groupings of two-digit level industries breakdown of the 2007 SIC

HTEC industry groupings	Description	Two-digit industry codes
Less Knowledge Intensive Market Services	Mostly services including wholesale and retail, land transport, accommodation and administrative activities	45, 46, 47, 49, 52, 53, 55, 56, 77, 79, 81, 82, 94, 95, 96
Other Knowledge Intensive Services	Mostly services including arts, entertainment, human health, social work, education and public administration	58, 75, 84, 85, 86, 87, 88, 90, 91, 92, 93
Knowledge Intensive Market Services	Mostly services including other forms of transport, professional, scientific, technical and administrative activities	50, 51, 69, 70, 71, 73, 74, 78, 80
Knowledge Intensive Financial Services	Financial and insurance activities	64, 65, 66
High Technology Services	Mostly services including information and communication and scientific research and development	59, 60, 61, 62, 63, 72
High Technology Manufacturing	Manufacture of pharmaceutical, computer, electronic and optical products	21, 26
Medium Technology Manufacturing	Mostly manufacture of machinery, equipment, motor vehicles, metals, mineral, rubber and plastic products	19, 20, 22, 23, 24, 25, 27, 28, 29, 30, 33
Low Technology Manufacturing	Mostly manufacture of food, beverages, textiles, apparel, paper and wood products	10, 11, 12, 13, 14, 15, 16, 17, 18, 31, 32
Non-manufacturing Production	Mostly agriculture, forestry, fishing, mining and quarrying, energy and water supply	1, 2, 3, 5, 6, 8, 9, 35, 36, 37, 38, 39
Other	Construction and real estate activities	41, 42, 43, 68

Source: ONS