

Bradford Economy Key Issues

Industry Sectors

Note 5 – April 2007

Introduction

This note provides an overview of the key business sectors in Bradford, identifies growth sectors and those that are declining. Several clusters have been identified as a priority within the Leeds City Region and the Yorkshire & Humber region as a whole and we look at Bradford's performance within these clusters. The note also summarises forecast data looking at the industry areas predicted to be important for Bradford in the future.

Summary

- Bradford lags behind Leeds and other parts of the region in certain service sector industries such as Banking and Finance. However, this is predicted to be a growth sector over the next 10 years.
- Bradford has seen growth within the region's priority clusters, but this has been below average compared to other parts of the region.
- Health, construction and other services are also predicted to undergo significant growth in Bradford to 2016.

1. Sector composition

1.1. Bradford is dominated by industries in the service sector

The majority of businesses in Bradford District are in the service sector (81.5%).

Table 1: Number and percentage of Businesses by Broad Industrial Sector

Industry	Bradford		Leeds City Region		Yorkshire & Humber %	GB %
	Number	%	Number	%		
Agriculture & fishing (SIC A,B)	22	0.1	275	0.3	0.4	0.5
Energy & water (SIC C,E)	27	0.2	181	0.2	0.2	0.2
Manufacturing (SIC D)	1,514	10.1	8,539	8.6	8.6	7.2
Construction (SIC F)	1,210	8.1	9,374	9.4	9.9	9.5
Distribution, hotels & restaurants (SIC G,H)	5,117	34.2	31,454	31.6	31.9	28.5
Transport & communications (SIC I)	691	4.6	4,661	4.7	5.1	4.4
Banking, finance & insurance, etc (SIC J,K)	3,628	24.3	27,578	27.7	26.1	31.7
Public admin, education & health (SIC L,M,N)	1,614	10.8	9,901	9.9	10.1	9.4
Other services (SIC O,P,Q)	1,132	7.6	7,691	7.7	7.8	8.6
Total	14,955	100.0	99,654	100.0	100.0	100.0

Source: Annual Business Inquiry, Workplace analysis 2005, Nomis

1.2. Manufacturing is still a significant sector for Bradford

Although declining, the manufacturing sector still accounts for 10.1% of the business units in Bradford, compared to only 8.6% regionally and 7.2% nationally.

1.3. Bradford is under-represented in several industry groups

There are 3,628 banking, finance and insurance services businesses in Bradford, making up 24.4% of the business base. However, this is compared to 27.7% in the City Region as a whole, and 31.7% nationally. There is also a lower than average number of construction businesses in Bradford.



2. Clusters

2.1. Regional Clusters

Both the Regional Economic Strategy (RES) and the City Region Development Programme identify a number of sectors or clusters that are important for regional growth and employment. These are detailed at Table 2.

Table 2: Clusters identified in the Regional Economic Strategy and Leeds City Region plan

Priority Clusters	RES	Leeds City Region
Creative & digital industries	✓	✓
Advanced engineering & metals	✓	
Food & drink	✓	
Healthcare technologies	✓	✓
Environmental/"Green" technologies	✓	✓
Chemicals	✓	
Bioscience	✓	✓
Electrical & optical equipment.		✓
Financial & business services		✓
Other significant sectors:		
Tourism	✓	
Logistics & construction & distribution	✓	✓
Communications		✓
Public services incl. education & health		✓
Niche manufacturing including defence		✓

2.2. Employment in RES clusters in Bradford has grown

Table 3 below details trends in employment and business numbers in the RES clusters. Overall, achievements have been made in the District. All the sectors identified underwent employment growth, with the exception of the advanced engineering and metals cluster (although this sector did see growth in business numbers). Employment growth was achieved in most clusters despite a fall in the number of businesses.

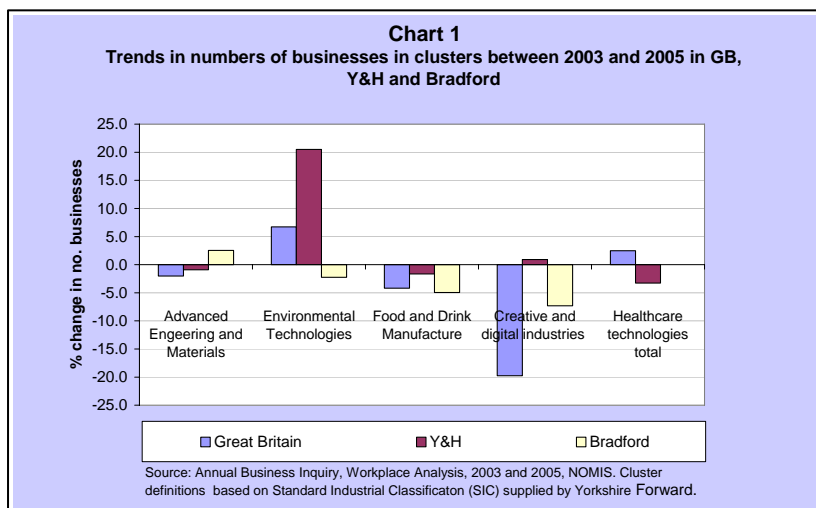
Table 3: Trends in employment and businesses in RES clusters and construction in Bradford

Cluster	Employees				Businesses			
	2003	2005	Change 2003-05		2003	2005	Change 2003-05	
			No.	%			No.	%
Advanced Engineering & Metals	9,688	8,196	-1,492	-15.4	514	527	13	2.5
Environmental Technologies	3,946	4,409	463	11.7	133	130	-3	-2.3
Food & Drink Manufacture	3,939	4,028	89	2.3	81	77	-4	-4.9
Creative & Digital Industries	11,646	11,992	346	3	1,270	1,177	-93	-7.3
Healthcare Technologies	101	141	40	39.2	18	18	0	0
Construction	6,443	6,672	229	3.6	1,124	1,210	86	7.7

Source: Annual Business Inquiry, Workplace Analysis, 2003 and 2005, NOMIS

2.3. Business growth in RES clusters in Bradford has not matched regional average growth

Looking at cluster performance in terms of growth in businesses, Bradford hasn't met regional average growth rates – see Chart 1. However, it may also be the case that output and productivity did increase (data not available at a District level).



3. Growing and declining sectors in Bradford District

3.1. Growth has been weak across all broad sectors in Bradford

In all sectors, growth in the number of businesses in Bradford has not kept pace with growth in other parts of the region. Between 2003 and 2005 the number of service sector businesses grew by 4% in Bradford compared to 5.7% growth regionally.

3.2. Growth in the number of businesses has been largely confined to the service sector

Table 4 lists the ten industries in the District that have undergone most rapid growth in business numbers between 2003 and 2005. Growth sectors have mostly been in service industries, with construction firms and those manufacturing fabricated metal products also increasing.

Table 4: Top ten growth sectors in Bradford (based on change in absolute numbers) - businesses

SIC 2 digit Code	Industry description	No. businesses		Change	
		2003	2005	No.	%
65	Financial intermediation, except insurance & pension funding	259	386	127	49.0
74*	Other business activities	1,746	1,869	123	7.0
85*	Health and social work	922	1,038	116	12.6
45*	Construction	1,124	1,210	86	7.7
91*	Activities of membership organisations	225	304	79	35.1
80	Education	332	410	78	23.5
70*	Real estate activities	586	643	57	9.7
50*	Sale, maintenance & repair of motor vehicles & motorcycles; retail sale of automotive fuel	623	654	31	5.0
28	Manufacture of fabricated metal products, except machinery and equipment	254	277	23	9.1
51	Wholesale trade	1,106	1,124	18	1.6

Notes: * These sectors have also experienced growth in employee numbers

Source: Annual Business Inquiry, Workplace Analysis 2003, 2004, 2005, Nomis.

3.3. Sectors undergoing decline in Bradford District

The largest declines in businesses have been in manufacturing, such as basic metals, textiles and furniture. Hotels & restaurants, computer related activities and other services have also declined. Despite the loss of publishing and printing businesses, employment in this sector has increased.

Table 5: Sectors undergoing greatest declines in numbers of businesses in Bradford

SIC 2 digit code	Industry description	Businesses Change 2003-05		Employees Change 2003-05	
		No.	%	No.	%
27	Manufacture basic metals	-6	-25.0	-332	-55.5
75	Public administration and defence; compulsory social security	-6	-3.5	-265	-2.6
29	Manufacture of machinery & equipment not elsewhere classified	-8	-5.6	-920	-23.4
17	Manufacture of textiles	-12	-8.6	-406	-13.4
55	Hotels and restaurants	-20	-2.0	-387	-4.5
22	Publishing, printing and reproduction of recorded media	-28	-11.4	+585	+12.2
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	-43	-1.8	-348	-1.4
36	Manufacture of furniture; manufacturing not elsewhere classified	-44	-21.8	-307	-14.1
72	Computer and related activities	-60	-11.6	-4	-0.2
93	Other service activities	-66	-14.1	-43	-2.4

Source: Annual Business Inquiry, Workplace Analysis 2003, 2004, 2005, Nomis.



4. Future employment growth by sector

4.1. Future Growth Sectors

Forecasts for employment growth by sector, measured in full-time equivalents, have been produced using the Yorkshire Forward's Regional Econometric Model, which incorporates regeneration and investment activity into the scenario. The forecasts show that 'Health', 'Construction' and 'Other Services' are predicted to experience the most significant growth in Bradford over the next 10 years, both in terms of numbers and rates of increase. Despite poor recent performance, the Financial & Business Services sector is predicted to grow by over 11% to 2016.

Table 6: Employment Growth Forecasts by Industry Sector

Full-time equivalents	Change 2006 to 2016	
	No.	%
Top ten growth sectors in Bradford:		
Health	3,332	14.8
Construction	2,895	21.6
Other Services	2,748	31.6
Business Services	1,623	8.4
Hotels & Catering	688	10.3
Other Financial & Business Services	476	11.4
Banking & Insurance	442	6.5
Communications	436	17.9
Transport	245	3.2
Transport Equipment	195	10.0
All industries:		
Bradford	4,476	2.5
Leeds City Region	29,311	2.4
Yorkshire & the Humber	29,254	1.4

Source: Regional Econometrics Model, Yorkshire Forward, Extracted March 2007

Further information

This note, produced by the Economic Policy Team in the Department of Regeneration, is part of a series summarising key economic and labour market issues facing Bradford District. This series of briefing notes is intended to provide a factual and analytical description of the District's economy, and thus provide a sound basis for future working. The notes do not set out the programmes and services delivered by Bradford Council and partners to address the issues identified. More detailed economic and labour market data can be found on the Council's website.

http://www.bradford.gov.uk/economics_and_finance/economic_development/economic_information_service/

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