Sheffield's Economic Narrative and HS2

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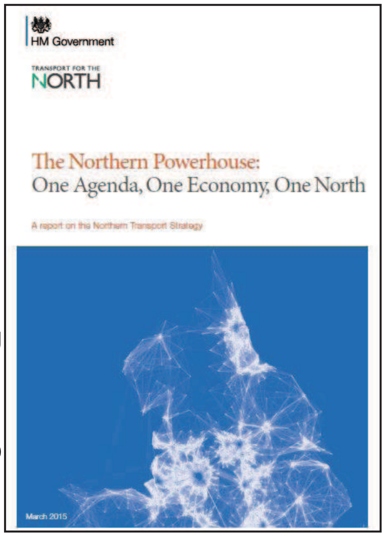
Economic Power of Cities



As the City Growth Commission, Centre for Cities and IPPR North have concluded, the North has a number of medium-sized cities which perform well individually in a national context, but as part of a united economic area would be capable of competing with the best in the world. To address this, we aim to expand the scale and quality of commuter networks around our cities to strengthen and widen their accessible skills markets; and radically reduce the rail journey times between the major city centres in the North to allow talent to move between them on a daily basis.

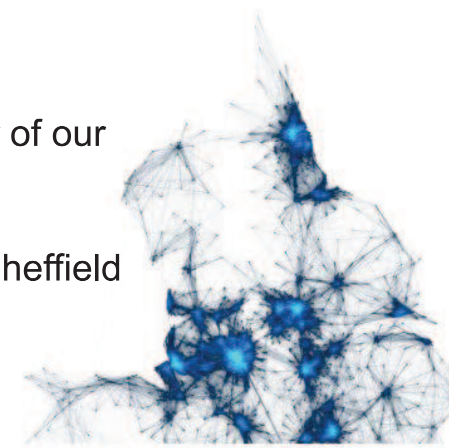
There is a global trend towards people choosing to live and work in cities:

- There is a global trend towards people choosing to live in cities, with 54% of the world's population now living in urban areas; a figure which is expected to increase to 66% by 2050.
- The UK is increasingly urbanised with 80% of the population living in urban areas. Economic growth is increasingly centred in cities.
- City centres are home to the most knowledge intensive industries, universities, cultural and leisure assets and transport interchange.
- Cities increasingly attract the mobile, creative talent that are needed to fuel our future economy.

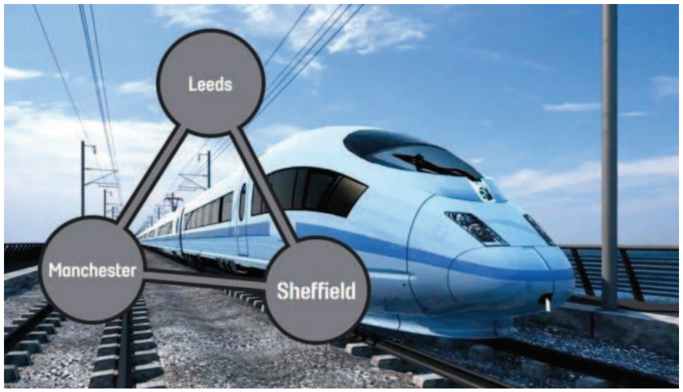
The Northern Powerhouse

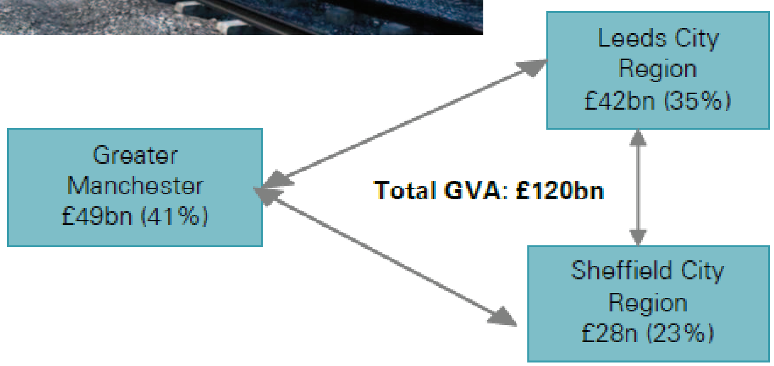
- Connected Cities – scale up economic power of our medium sized cities

- **Northern Triangle -** Leeds – Manchester – Sheffield



The Northern Triangle could be a future economic core of the Northern Powerhouse





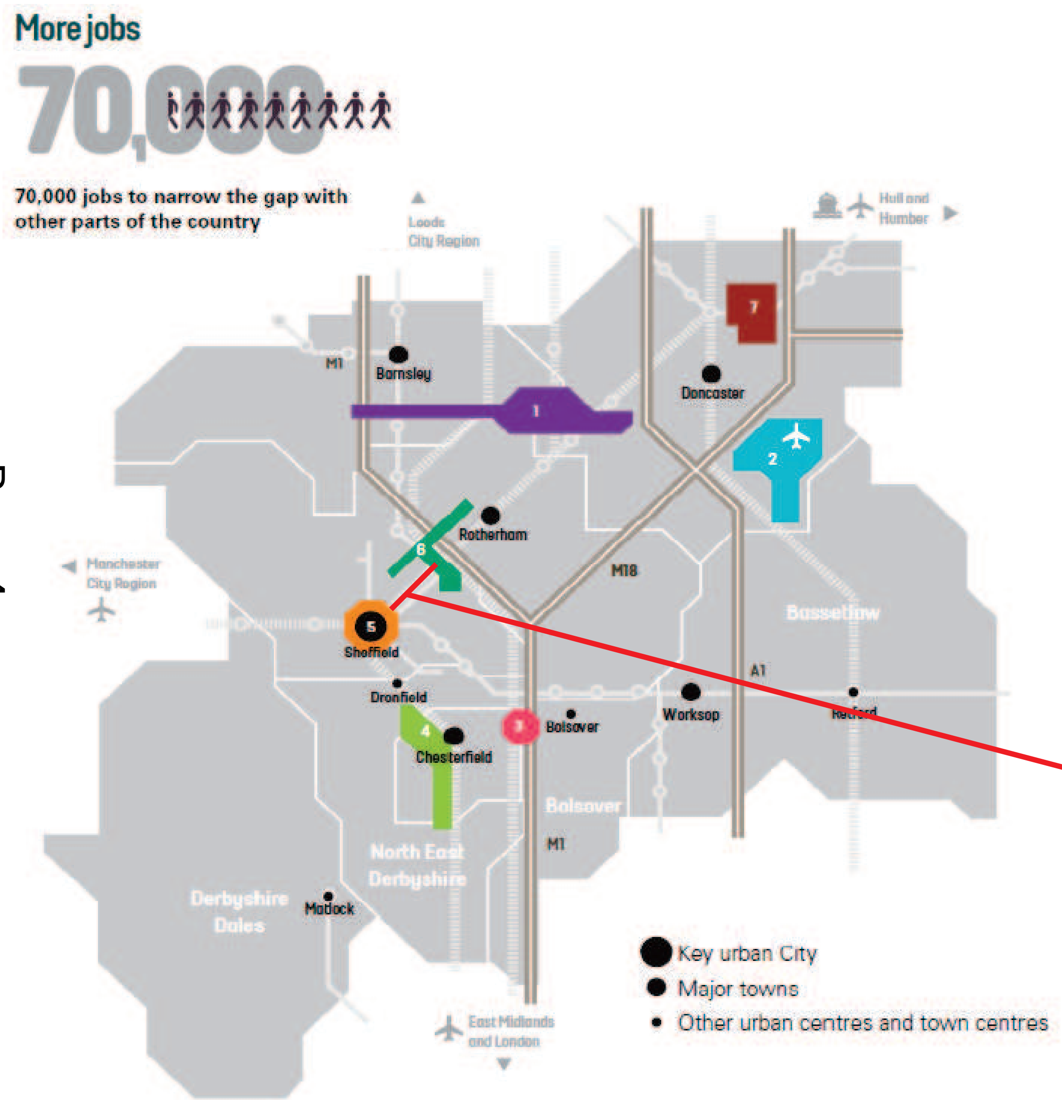
- 35 miles equidistant from each other, provide a unique opportunity to create a single labour market of significant scale.
- Leeds, Manchester and Sheffield together equate to roughly 80% of the population of London but produce just 40% of the economic output.

Table 6: The Northern Triangle compared to London, 2011

City region	Population	Jobs	GVA
London	8.2m	4.3m	£303.4bn
Northern Triangle	6.7m	2.8m	£120.0bn
Northern Triangle relative to London	82%	65%	40%

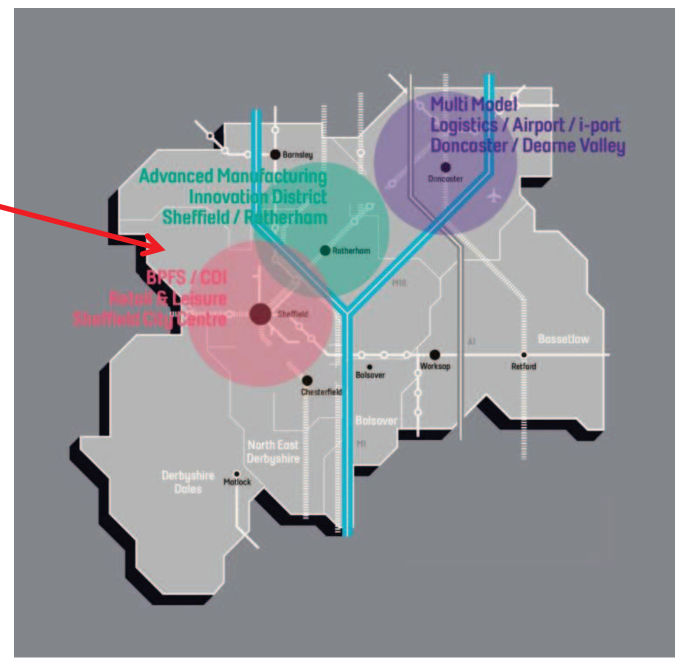
Sources: Census 2011, BRES, ONS GVA
Note: Sheffield City Region GVA estimate calculated based on the sectoral split for employment

Sheffield is the SCR's main economic driver

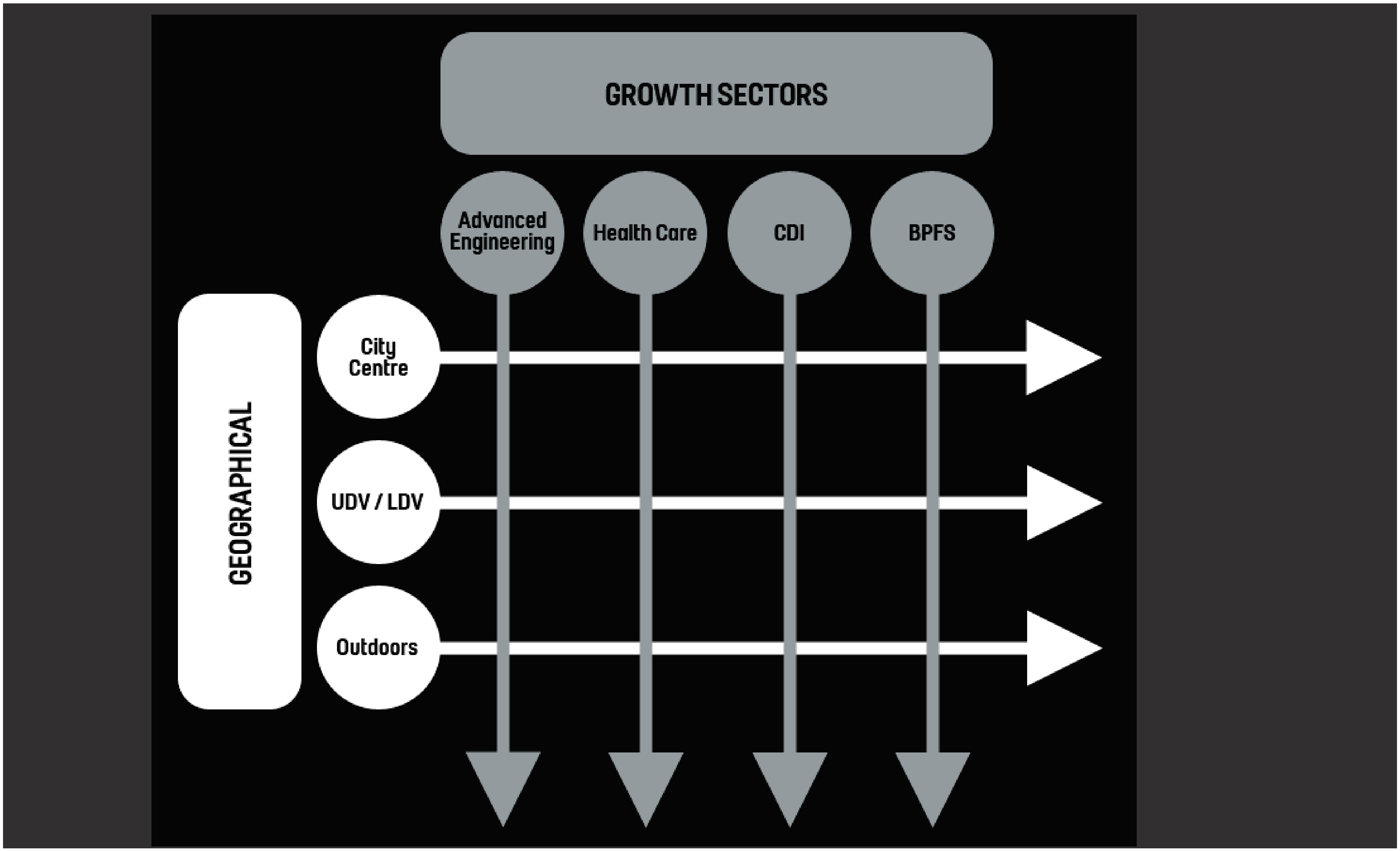


Sheffield City Region forecast jobs growth by 2024

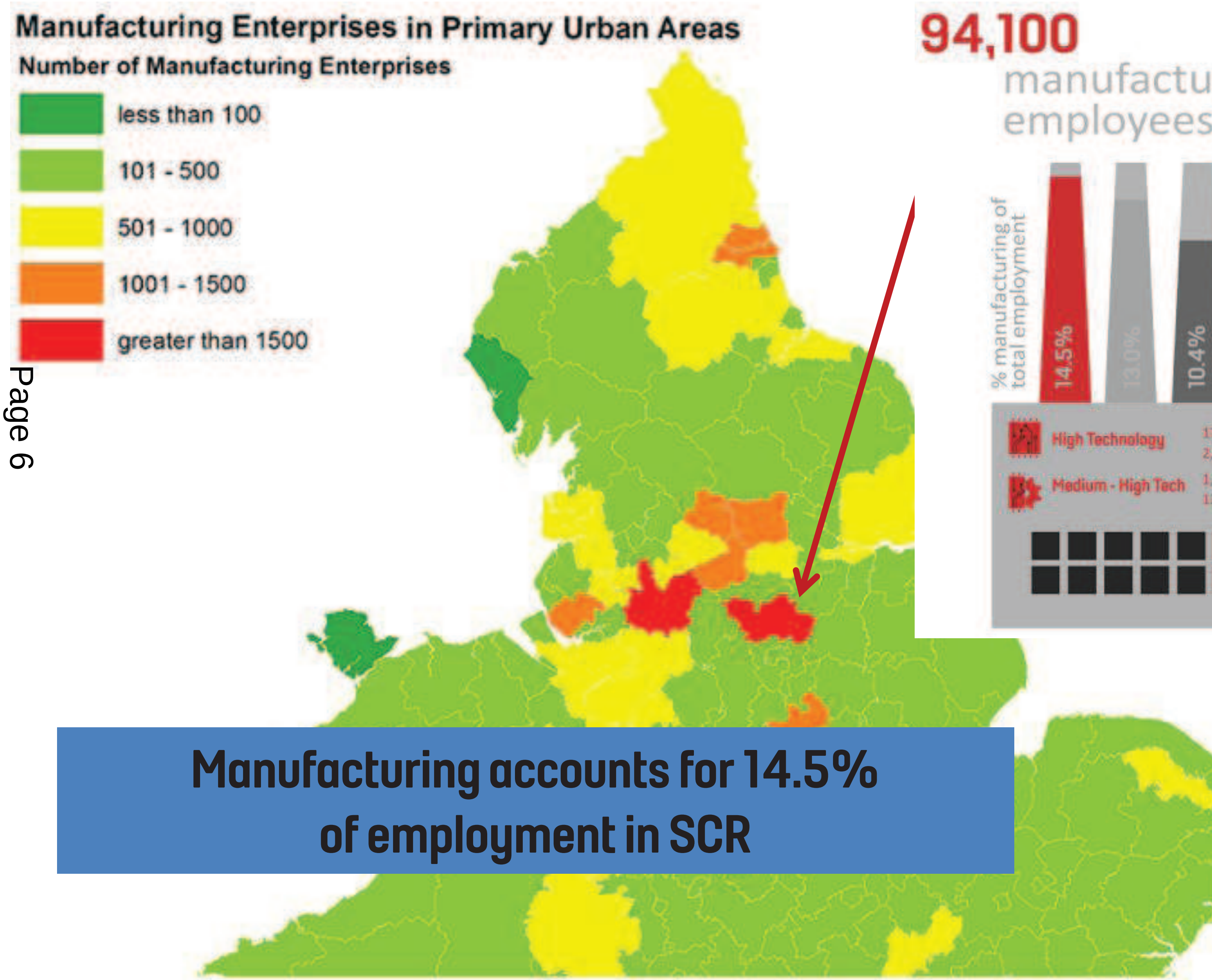
District	Employment	
	Change (Jobs)	%
Sheffield	31,078	11.7%
Rotherham	6,293	5.7%
Doncaster	18,515	14.3%
Barnsley	7,076	8.4%
Chesterfield	3,059	5.8%
N.E. Derbyshire	-1,372	-4.3%
Bolsover	7,360	25%
Bassetlaw	4,197	7.7%
Derbyshire Dales	1,647	4.5%
SCR Total	77,845	9.8%



Economic Context

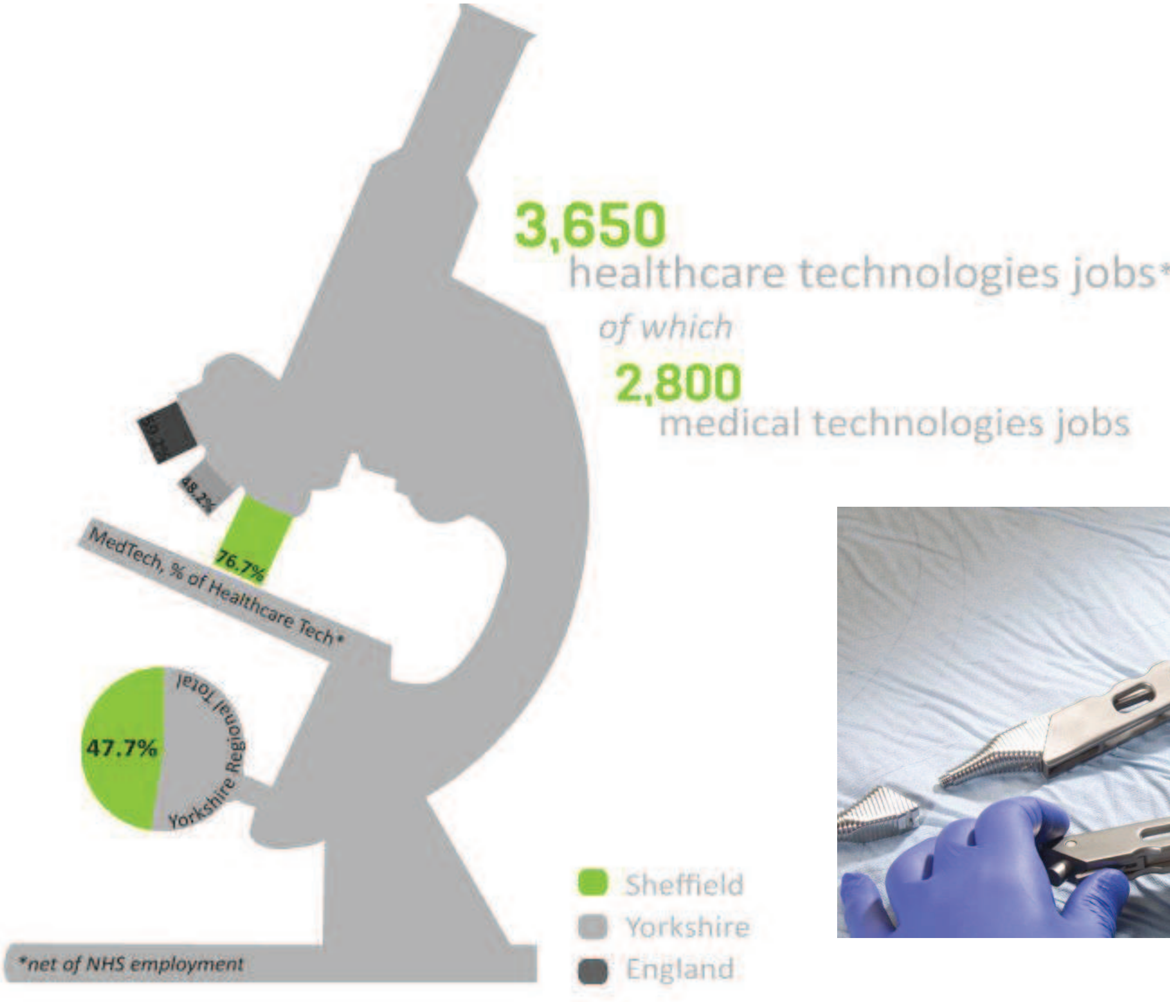


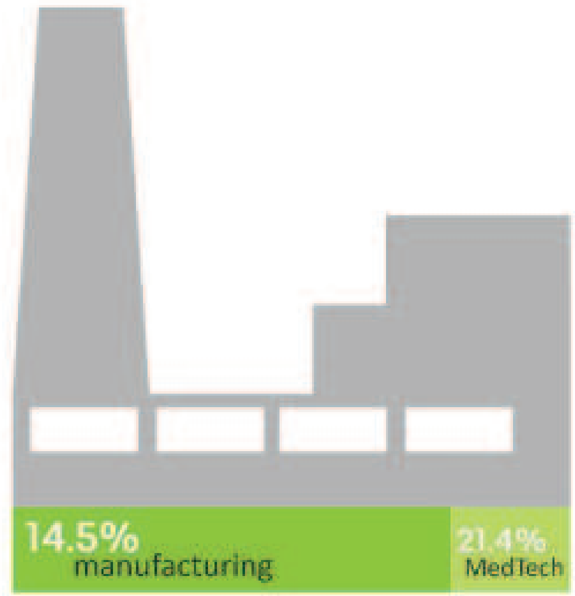
Advanced Manufacturing



Manufacturing accounts for 14.5% of employment in SCR

Health Care Technologies





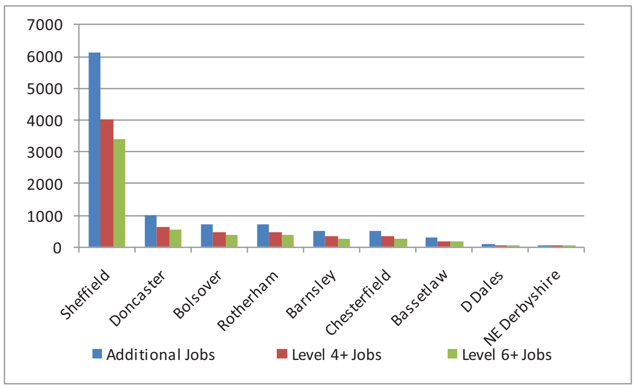
AMRC, NHS and Private Sector collaboration

Strong BPFS Growth

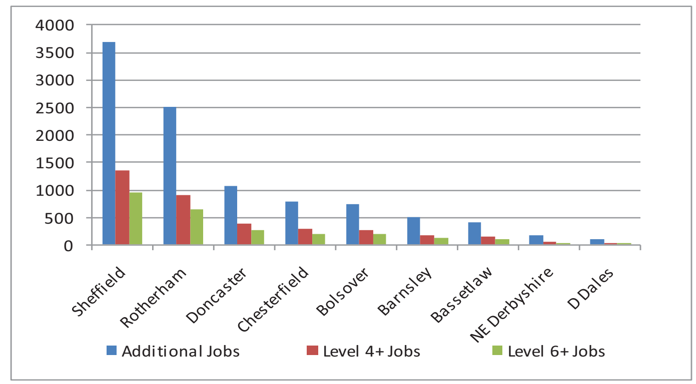
Strong Creative & Digital Industries Growth

Four of the five SCR growth sectors are concentrated in Sheffield

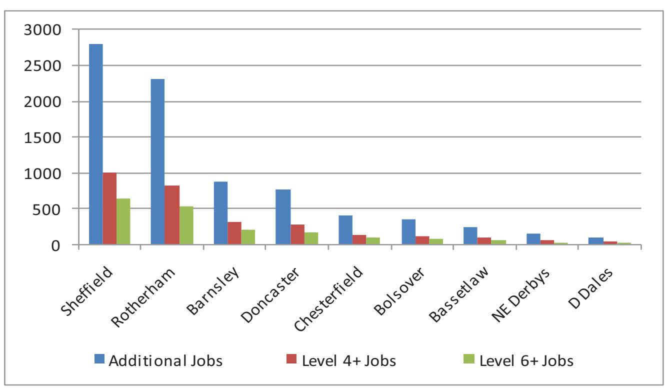
Distribution of forecast financial and professional service jobs in SCR



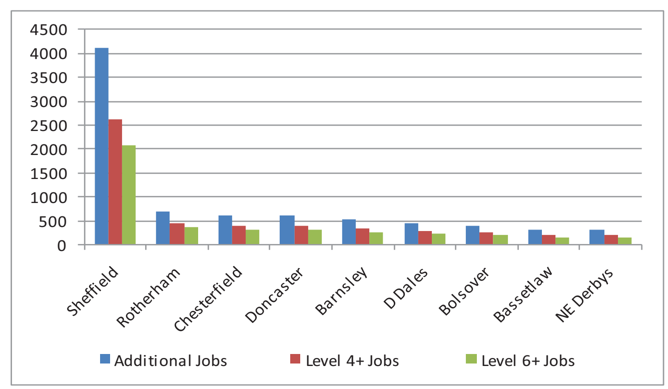
Distribution of forecast business service sector jobs in SCR



Distribution of forecast advanced manufacturing jobs in SCR



Distribution of forecast creative and digital industry jobs in SCR



Taken from Ekosgen (2015) Integrated Infrastructure Plan: Assumptions Report. Top 5 sectors defined by the % in jobs. Fifth sector is Logistics which is concentrated in Doncaster. Advanced manufacturing is also concentrated in Rotherham.

Sheffield City Centre unlocks SCR growth

Growth Areas	Change (Jobs)	%
A61	1,728	3.9%
Dearne Valley	2,375	5.3%
LDV and AMP	8,410	21.3%
Markham Vale	1,238	100%
RHADS	8,284	85.7%
Sheffield City Centre	22,695	46.6%
DN7	161	2.3%

SCR has committed to producing its *Integrated Infrastructure Plan* to translate those priorities into tangible, prioritised projects.

External Connectivity

Transformational City Region Infrastructure

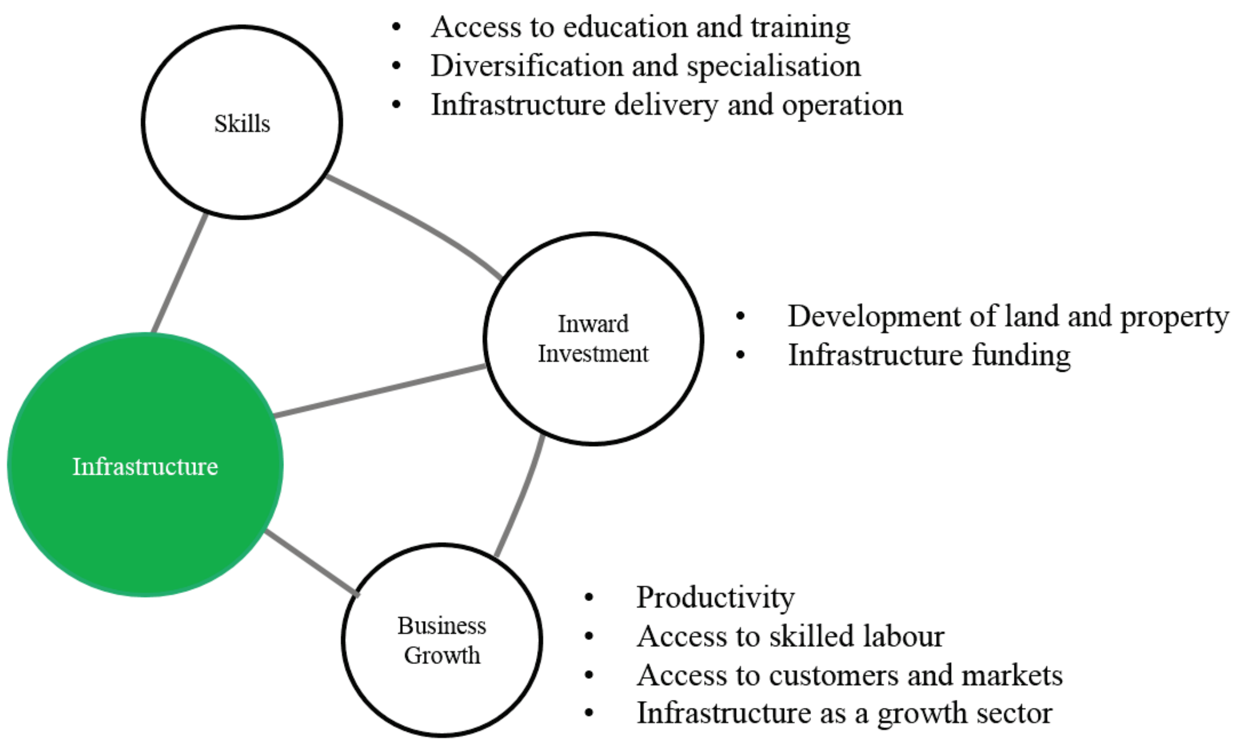
Enabling Infrastructure

It prioritises macro level infrastructure within our city region to connect people to our known key growth areas across our city region via metro, road and rail.

This means securing the right connectivity for:

- Sheffield City Centre
- Core urban areas e.g. Doncaster
- The Advanced Manufacturing Innovation District / Lower Don Valley (AMP)
- Robin Hood Airport Doncaster Sheffield

A high performing city centre needs the transport infrastructure to match its aspirations



"Integrated infrastructure which takes cognisance of skills, inward investment and business growth"

Taken from Sheffield City Region Integrated Infrastructure Plan (2015)

Current infrastructure provision will not support our growth ambitions

- Intra-city region connectivity to some growth areas is poor, such as AMID and Robin Hood Airport (in terms of rail, connectivity is non-existent)

- Intra-city region connectivity enabling in-commuting to serve city-centre jobs needs enhancing and capacity

- Inter-city connectivity is a significant barrier to growth, particularly in terms of agglomeration:
    - Slow journeys (by road and rail) times between cities
    - Infrequent rail services (particularly to Leeds
    - Rail network operating close to capacity and road network affected by adverse weather

Table 10: Distance and travel time between core cities in the North of England

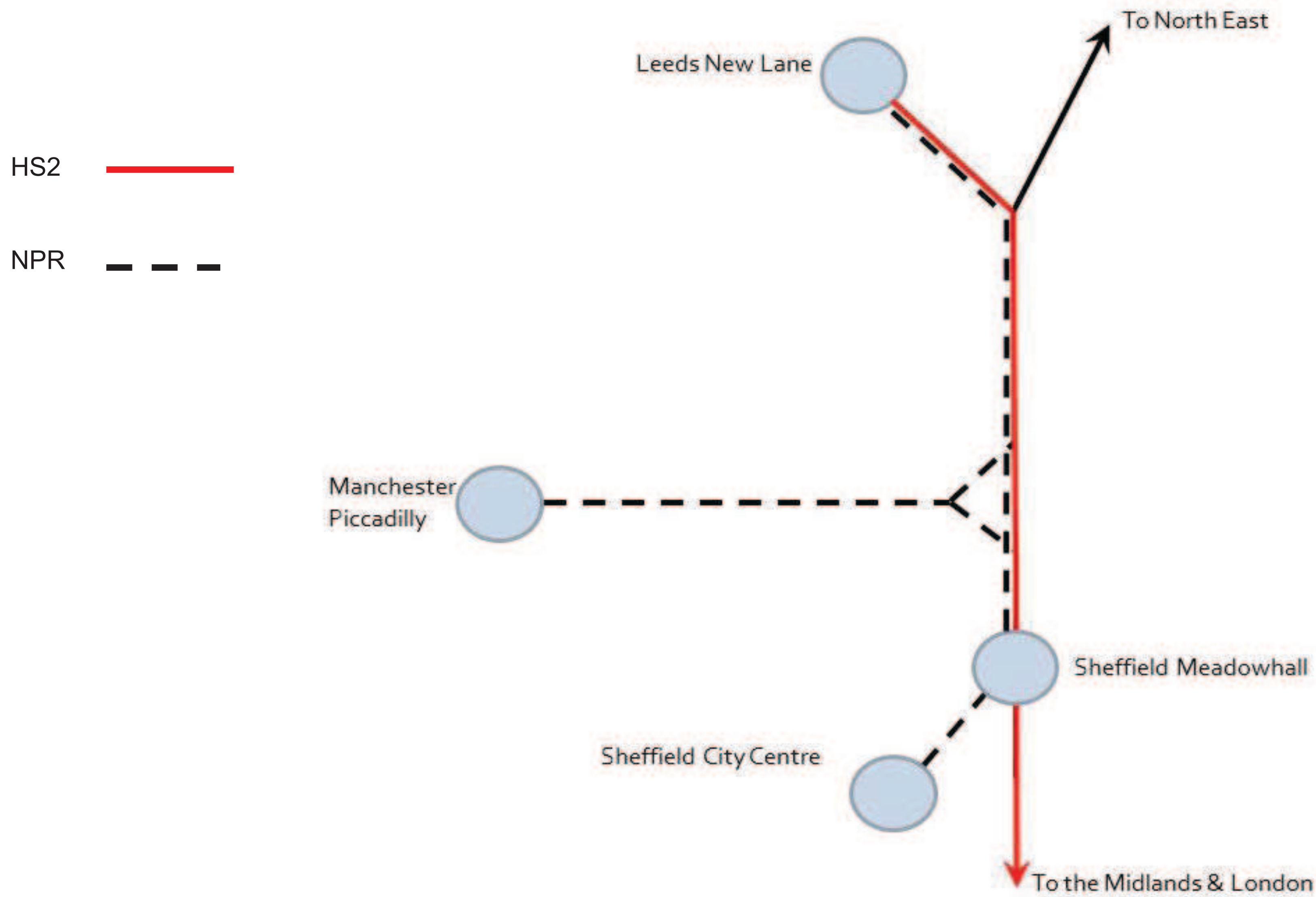
From	To	Distance (miles)	Journey time by road	Journey time by fastest train	Fast service frequency	Average train speed
Sheffield	Leeds	29	49 min	40 min	1 tph	58 mph
Sheffield	Manchester	33	72 min	51 min	2 tph	42 mph

From KPMG (2014) The case for improving city-to-city connectivity in the North

Plans for future rail services fall short of our vision

- HS2 station location in SCR
- HS2 and Northern Powerhouse Rail (NPR) integration
- Midland Mainline electrification
- Reduction in future services on the Hope Valley Line

HS2 and NPR at Meadowhall

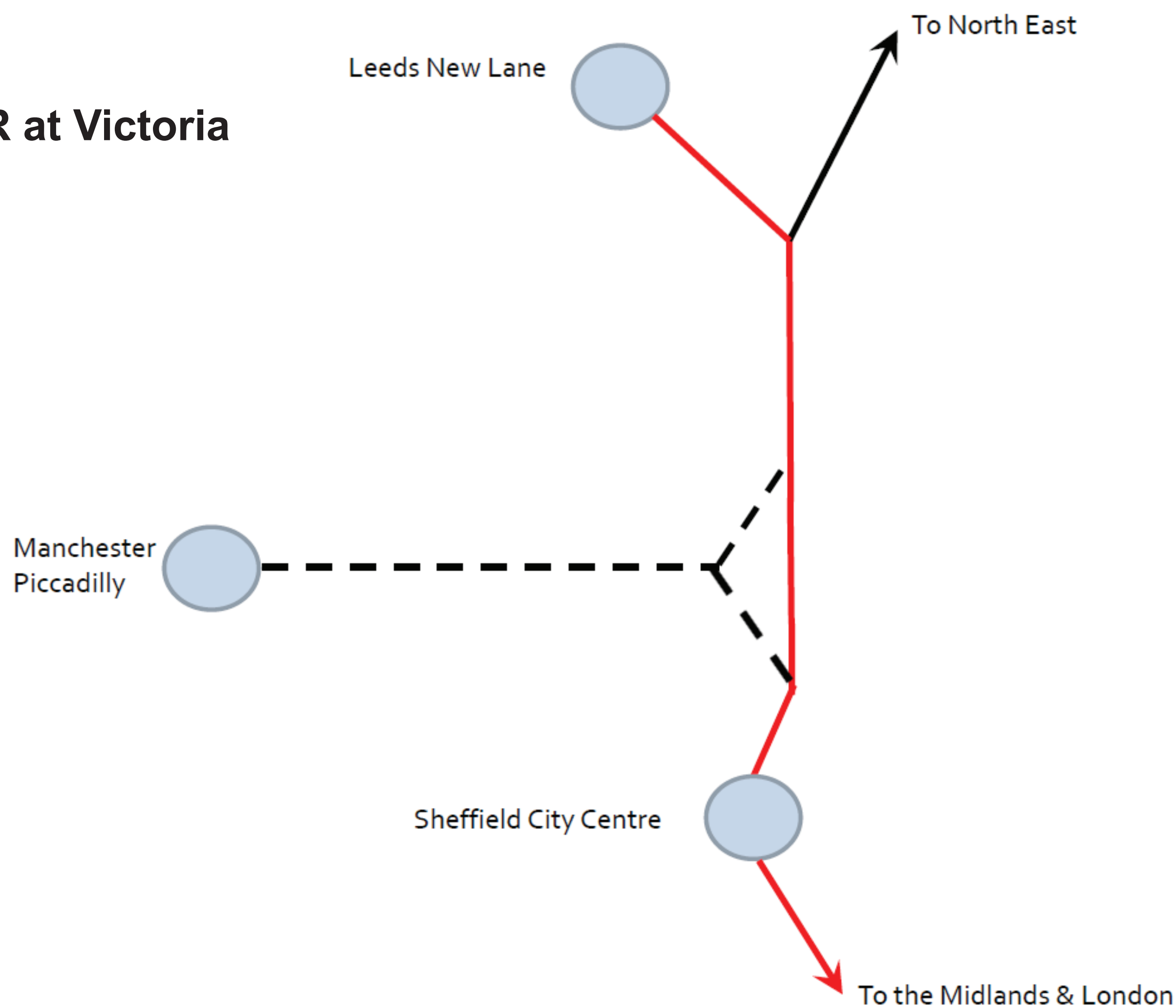


Alternative HS2/NPR scenario

HS2 and NPR at Victoria

HS2

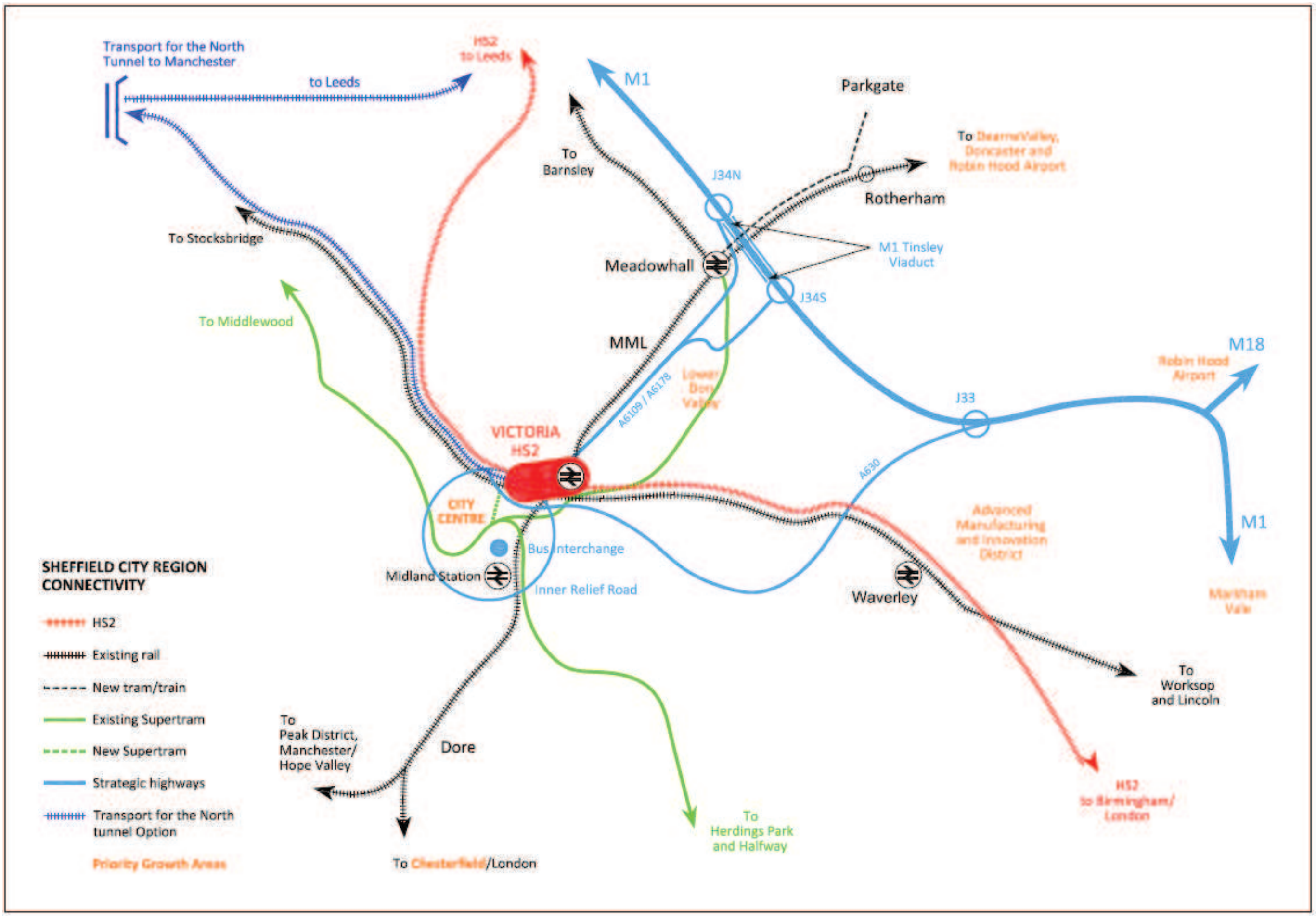
NPR



Summary of Evidence

		Meadowhall	Victoria
Connectivity	Rail	Good	Good
	Bus	Fair	Good
Accessibility	To ticket sales	Poor	Good
	To SCR population	Fair	Good
Housing	Housing growth	250-300	1,100 – 1,400
Cost	Difference between Meadowhall and Victoria	N/a (base case)	£680m / Net zero taking into account cost of HS3 integration and local contribution
Economic Impact	Jobs	4 – 5k	10 – 13k
	GVA	£0.75 -1.87 bn	£3 – 7bn
Strategic fit	SEP / Northern Powerhouse	Poor	Good
Future proof	Existing and future investment e.g. HS3 integration	Poor	Good

Only a city centre can provide comprehensive city region connectivity and strategic national connectivity



The HS2 station in the city centre acts as a catalyst reinforcing and accelerating further economic growth for the SCR.

Solutions

We demand that Government:

- Sees Transport for the North and HS2 as a single, integrated whole where Northern Powerhouse Rail is Manchester to Leeds and Sheffield city centres, and HS2 is Sheffield to Leeds city centres
- Works with SCR to understand how HS2 can deliver more jobs at less cost
- Ends the debate about HS2 and commit to the station location in Sheffield City Centre

Specifically, this means:

- Commit to Northern Powerhouse Rail from Manchester to Leeds and Sheffield city centres as the next phase of infrastructure investment, connecting city centres to each other
- Work with us on making the right decision for HS2 station location in Sheffield City Region.

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