

# Economic Development and Skills Policy Committee

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**Monday 20 June 2022 at 2.30 pm**

**To be held in the Town Hall,  
Pinstone Street, Sheffield, S1 2HH**

**The Press and Public are Welcome to Attend**

## **Membership**

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Councillor Martin Smith  
Councillor Ben Miskell  
Councillor Paul Turpin  
Councillor Kurtis Crossland  
Councillor Jayne Dunn  
Councillor Tom Hunt  
Councillor Barbara Masters  
Councillor Henry Nottage  
Councillor Minesh Parekh

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## PUBLIC ACCESS TO THE MEETING

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The Economic Development and Skills Policy Committee discusses and takes decisions on:

- Economic Development, Skills and Culture
- Business growth and economic strategy
- Arts development and projects
- Theatres. Museums, galleries etc
- City and community events
- Employment policy and programmes
- Adult education and Skills
- Enterprise, employment and digital skills
- Adult skills policy and programmes

Meetings are chaired by Councillor Martin Smith.

A copy of the agenda and reports is available on the Council's website at [www.sheffield.gov.uk](http://www.sheffield.gov.uk) . You may not be allowed to see some reports because they contain confidential information. These items are usually marked \* on the agenda. Members of the public have the right to ask questions or submit petitions to Policy Committee meetings and recording is allowed under the direction of the Chair. Please see the [Council's webpage](#) or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Policy Committee meetings are normally open to the public but sometimes the Committee may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last on the agenda.

Meetings of the Policy Committee have to be held as physical meetings. If you would like to attend the meeting, please report to an Attendant in the Foyer at the Town Hall where you will be directed to the meeting room. However, it would be appreciated if you could register to attend, in advance of the meeting, by emailing [committee@sheffield.gov.uk](mailto:committee@sheffield.gov.uk), as this will assist with the management of attendance at the meeting. The meeting rooms in the Town Hall have a limited capacity. We are unable to guarantee entrance to the meeting room for observers, as priority will be given to registered speakers and those that have registered to attend.

Alternatively, you can observe the meeting remotely by clicking on the 'view the webcast' link provided on the meeting page of the [website](#).

If you wish to attend a meeting and ask a question or present a petition, you must submit the question/petition in writing by 9.00 a.m. at least 2 clear days in advance of the date of the meeting, by email to the following address:  
[committee@sheffield.gov.uk](mailto:committee@sheffield.gov.uk).

In order to ensure safe access and to protect all attendees, you will be recommended to wear a face covering (unless you have an exemption) at all times within the venue. Please do not attend the meeting if you have COVID-19 symptoms. It is also recommended that you undertake a Covid-19 Rapid Lateral Flow Test within two days of the meeting.

If you require any further information please email [committee@sheffield.gov.uk](mailto:committee@sheffield.gov.uk).

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## FACILITIES

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There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms. Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

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**ECONOMIC DEVELOPMENT AND SKILLS POLICY COMMITTEE AGENDA  
20 JUNE 2022**

**Order of Business**

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- 1. Welcome and Housekeeping**  
The Chair to welcome attendees to the meeting and outline basic housekeeping and fire safety arrangements.
- 2. Apologies for Absence**
- 3. Exclusion of Press and Public**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 7 - 10)  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 6. Economic Development and Skills Policy Committee Overview**  
The Executive Director, City Futures to report
- 7. Work Programme** (Pages 11 - 24)  
Report of the Director of Legal and Governance

**Formal Decisions**

- 8. Budget Monitoring Report Month 01, 2022/23** (Pages 25 - 42)  
Report of the Director of Finance and Commercial Services
- 9. Economic Recovery Fund 2022-23** (Pages 43 - 62)  
Report of the Executive Director, City Futures
- 10. Local Economic Assessment and development of the City Strategy's Inclusive Economic Framework** (Pages 63 - 166)  
Report of the Executive Director, City Futures
- 11. UK Shared Prosperity Fund** (Pages 167 -180)  
Report of the Executive Director, City Futures
- 12. Approval of commissioning the Adult Education Budget Grant from South Yorkshire Mayoral Combined Authority.** (Pages 181 -188)  
Report of Executive Director, People Services

## **Other Items**

**NOTE: The next meeting of Economic Development and Skills Policy Committee will be held on (date to be confirmed)**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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If you are present at a meeting of the Council, of its Policy Committees, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest** (DPI) relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period\* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

\*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
  - under which goods or services are to be provided or works are to be executed; and
  - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
  - the landlord is your council or authority; and
  - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
  - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
  - (b) either -
    - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
    - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.



Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email [gillian.duckworth@sheffield.gov.uk](mailto:gillian.duckworth@sheffield.gov.uk).

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## **Report to Economic Development and Skills Policy Committee**

**20 June 2022**

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**Report of:** Gillian Duckworth, Director of Legal and Governance

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**Subject:** Committee Work Programme

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**Author of Report:** Craig Rogerson, Democratic Services  
Deborah Glen, Strategy and Partnerships

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### **Summary:**

The Committee's Work Programme is attached at Appendix 3 for the Committee's consideration and discussion. This aims to show all known, substantive agenda items for forthcoming meetings of the Committee, to enable this committee, other committees, officers, partners and the public to plan their work with and for the Committee.

Any changes since the Committee's last meeting, including any new items, have been made in consultation with the Chair, and the document is always considered at the regular pre-meetings to which all Group Spokespersons are invited.

The following potential sources of new items are included in this covering report, where applicable:

- Questions from the public (where notified sufficiently in advance)
- Petitions to this committee, including those referred from Council
- References from Council or other committees (statements formally sent for this committee's attention)
- A list of issues, each with a short summary, which have been identified by the Committee or officers as potential items but which have not yet been scheduled (the source of the items is specified)

The Work Programme will remain a live document and will be brought to each Committee meeting.

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**Type of item:**

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Briefing paper for the Committee	
Other	X

**Recommendations:**

1. That, with reference to issues raised in this report, consideration be given to any further additions or adjustments to the work programme presented at Appendix 3.
2. That the committee's work programme as set out in Appendix 3 be agreed.
3. That consideration be given to any further issues to be explored by officers for inclusion in part 6 of the next work programme report, for potential addition to the work programme

**Background Papers:**

**Category of Report:** OPEN

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**COMMITTEE WORK PROGRAMME**

**1.0 Prioritisation**

1.1 For practical reasons this committee has a limited amount of time each year in which to conduct its formal business. The Committee will need to prioritise firmly in order that formal meetings are used primarily for business requiring formal decisions, or which for other reasons it is felt must be conducted in a formal setting.

1.2 In order to ensure that prioritisation is effectively done, on the basis of evidence and informed advice, Members should usually avoid adding items to the work programme which do not already appear:

- In the draft work programme in Appendix 3 due to the discretion of the chair; or
- within the body of this report accompanied by a suitable amount of information.

**2.0 Member engagement, learning and policy development outside of Committee**

2.1 Subject to the capacity and availability of councillors and officers, there are a range of ways in which Members can explore subjects, monitor information and develop their ideas about forthcoming decisions outside of formal meetings. Appendix 2 is an example 'menu' of some of the ways this could be done. It is entirely appropriate that member development, exploration and policy development should in many cases take place in a private setting, to allow members to learn and formulate a position in a neutral space before bringing the issue into the public domain at a formal meeting.

2.2 Training & Skills Development - Induction programme for this committee.

Title	Description & Format	Date
Economic Overview	Presentation giving overview of Sheffield and Local area data, including employment and skills	TBC
Funding Landscape	Familiarisation with Directorates Funding and potential external sources of funding	TBC
Introduction to the Culture Collective	Offer of briefing with Culture Collective chair	TBC

### 3.0 Public Questions

3.1 Any public questions to this meeting are listed here with officer commentary as appropriate:

### 4.0 Petitions

4.1 Any Petitions to this meeting are listed here with officer commentary as appropriate:

### 5.0 References from Council or other Committees

5.1 Any references sent to this Committee by Council or other committees since the last meeting are listed here, with officer commentary as appropriate:

#### Council 1/6/22 Public Question

What will this Council's strategic approach be to realising the full value of heritage in all its forms to the economy and skills? And how will this extend to maximise the benefits to climate change, education, health and wellbeing?

### 6.0 List of other potential items not yet included in the work programme

6.1 The following issues have recently been identified by the Committee, its Chair or officers as potential items but have not yet been added to the proposed work programme. If a Councillor raises an idea in a meeting and the committee agrees under recommendation 3 that this should be explored, it will appear either in the work

programme or in this section of the report at the committee's next meeting, at the discretion of the Chair.

<b>Topic</b>	Bidding, acceptance and spending approval of external funds
<b>Description</b>	During the year the Directorate will seek out or be approached to bid for various funding. We will need clarity from the committee how we will manage this, within timescales that do not align with Committees.
<b>Lead Officer/s</b>	Diana Buckley / Ben Morley
<b>Item suggested by</b>	<i>Officer, Member, Committee, partners, public question, petition etc</i> <b>Officer</b>
<b>Type of item</b>	<ul style="list-style-type: none"> <li>• <i>Decision</i></li> <li>• <i>Referral to decision-maker</i></li> <li>• <i>Pre-decision (policy development)</i></li> </ul> <i>Post-decision (service performance/ monitoring)</i>
<i>(re: decisions)</i> <b>Prior member engagement/ development required</b> <i>(with reference to options in Appendix 1)</i>	TBC
<i>(re: decisions)</i> <b>Public Participation/ Engagement approach</b> <i>(with reference to toolkit in Appendix 2)</i>	TBC
<b>Final decision-maker (&amp; date)</b>	<ul style="list-style-type: none"> <li>• This Cttee</li> <li>• Another Cttee (eg S&amp;R)</li> <li>• Full Council</li> <li>• Officer</li> </ul>
<b>Lead Officer Commentary</b>	<p>Need to determine with the committee.</p> <ul style="list-style-type: none"> <li>- delegated authority to submit funding within agreed policy / strategic framework (where matching funding outside of the portfolios budget is not required)</li> <li>- Agree a process to ensure timely decisions can be made where needed between committee meetings where funding timescales dictate</li> </ul>

### **Appendix 1 – Menu of options for member engagement, learning and development prior to a formal decision**

Members should give early consideration to the degree of pre-work needed before an item appears on a formal agenda.

All agenda items will anyway be supported by the following:

- Discussion well in advance as part of the work programme item at Pre-agenda meetings. These take place in advance of each formal meeting, before the agenda is published and they consider the full work programme, not just the

immediate forthcoming meeting. They include the Chair, Vice Chair and all Group Spokespersons from the committee, with officers

- Discussion and, where required, briefing by officers at pre-committee meetings in advance of each formal meeting, after the agenda is published. These include the Chair, Vice Chair and all Group Spokespersons from the committee, with officers.
- Work Programming items on each formal agenda, as part of an annual and ongoing work programming exercise
- Full officer report on a public agenda, with time for a public discussion in committee
- Officer meetings with Chair & VC as representatives of the committee, to consider addition to the draft work programme, and later to inform the overall development of the issue and report, for the committee's consideration.

The following are examples of some of the optional ways in which the committee may wish to ensure that they are sufficiently engaged and informed prior to taking a public decision on a matter. In all cases the presumption is that these will take place in private, however some meetings could happen in public or eg be reported to the public committee at a later date.

These options are presented in approximately ascending order of the amount of resources needed to deliver them. Members must prioritise carefully, in consultation with officers, which items require what degree of involvement and information in advance of committee meetings, in order that this can be delivered within the officer capacity available.

The majority of items cannot be subject to the more involved options on this list, for reasons of officer capacity.

- Written briefing for the committee or all members (email)
- All-member newsletter (email)
- Requests for information from specific outside bodies etc.
- All-committee briefings (private or, in exceptional cases, in-committee)
- All-member briefing (virtual meeting)
- Facilitated policy development workshop (potential to invite external experts / public, see appendix 2)
- Site visits (including to services of the council)
- Task and Finish group (one at a time, one per cttee)

Furthermore, a range of public participation and engagement options are available to inform Councillors, see appendix 2

## **Appendix 2 – Public engagement and participation toolkit**

Toolkit to follow.

Appendix 3 – Work Programme

Items which the committee have agreed to add to an agenda, but for which no date is yet set.						
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> <li>• Decision</li> <li>• Referral to decision-maker</li> <li>• Pre-decision (policy development)</li> <li>• Post-decision (service performance/ monitoring)</li> </ul>	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 1)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> <li>• This Cttee</li> <li>• Another Cttee (eg S&amp;R)</li> <li>• Full Council</li> <li>• Officer</li> </ul>
<b>Inclusive Economy and Wellbeing Economy</b>	Referral from full council February 2022: Appropriate committee should look into how Sheffield Council and Sheffield can support our ambition for an Inclusive Economy in the One Year Plan with the wellbeing economy model, and in order to put Sheffield's health and well-being front and centre of our aims, decision making and expenditure	Greg Fell / Diana Buckley	Policy Development	Facilitated policy development workshop	TBC	TBC
<b>Work and Health Service</b>	Decision to continue to commission this service	Greg Fell/Ruth Granger	Decision	TBC	TBC	This committee
<b>Budget Items</b>						



Budget Monitoring Reports		Jane Wilby	Monitoring			
Committee Budget Proposals		Liz Gough	Pre decision – budget development			
Budget Sign Off		Liz Cough	Decision			

Meeting 1	June 2022					
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> <li>Decision</li> <li>Referral to decision-maker</li> <li>Pre-decision (policy development)</li> <li>Post-decision (service performance/ monitoring)</li> </ul>	(re: decisions) Prior member engagement/ development required (with reference to options in Appendix 1)	(re: decisions) Public Participation/ Engagement approach (with reference to toolkit in Appendix 2)	Final decision-maker (& date) <ul style="list-style-type: none"> <li>This Cttee</li> <li>Another Cttee (eg S&amp;R)</li> <li>Full Council</li> <li>Officer</li> </ul>
Economic Recovery Fund	This report updates the Committee on phase 1 of the Economic Recovery Fund. Seeks to delegate authority of the £2m extension to the recovery fund to the established Economic Recovery Fund Steering Group for development and delivery of the fund.	Diana Buckley / Sarah Lowi Jones	Decision	Briefings as requested	Private sector input on ERF steering group, and wider Business Response Group	This Committee

Local Economic Assessment and development of City Strategy's inclusive Economic Framework	Council has a duty to undertake an economic assessment. A draft economic assessment will be attached for the committee to endorse. This is the foundation for the developing City Strategy and key economic policy and strategy documents to be developed. The City Partnership has started this work and the Committee will have a key role in shaped, adopting and delivering the framework	Diana Buckley/ Greg Fell/ Jen Rickard	Policy development/decision	Economic Overview Training Session	Stakeholder task group engaged in development	May also need referral to Strategy and Resources Committee
Shared Prosperity Fund	Overview of SPF and arrangements and processes for Sheffield to secure its allocation	Ben Morley	TBC (need to determine if Committee want to sign off the final programme in a special meeting in July / or give Delegated Authority)	TBC	Planned in with MCA as part of the Shared Prosperity Fund process	TBC May need a future decision, when funding and processes are confirmed
AEB funding	Decision to accept the ESF funding which supports the delivery of Adult Education	Kevin Straughan	Decision for committee	Full briefing provided that will explain funding allocations, funding mechanisms, audit and accountability risks and measures of success linked to funding allocation	Engagement with LACs and community groups to understand locality needs. Links to city economic strategies and employer needs	This committee

				and revenue protection.		
Budget Monitoring Report	TBC	Jane Wilby	Monitoring	TBC – Committee briefing?	N/A	TBC
Standing items	<ul style="list-style-type: none"> <li>• <i>Public Questions/ Petitions</i></li> <li>• <i>Work Programme</i></li> <li>• <i>[any other committee-specific standing items eg finance or service monitoring]</i></li> </ul>					

Meeting 2	September 2022	Time				
Topic	Description	Lead Officer/s	Type of item	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 1)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	Final decision-maker (& date)
Business Recovery Plan, Phase 2 delivery plan	This report gives an overview of the progress against the delivery of the Business Recovery Plan, and proposes a further set of funding decisions and project proposals against the plan, including the establishment of a new diverse and inclusive business board	Diana Buckley / Jen Rickard	Decision	Briefing to be offered	Stakeholder engagement undertaken as part of the production of the plan	TBC

Culture Strategy Development	Adopting City's Culture Collective Strategy and commitment to development of City / SCC Culture plan.	Diana Buckley / Rebecca Maddox	Decision / Policy Development	Facilitated policy workshop with Culture Collective Chair and Members	TBC	TBC
Business Support and Start	The item gives an overview of the business support delivered by SCC, and identify key areas of focus for future action. Including a focus on starts up provisions and allocation of appropriate funding.	Diana Buckley / Yvonne Asquith	Decision	Interactive briefing session with business advisors	Stakeholder engagement	TBC
Employment and Skills Strategy Development	Adopting Chamber's Local Skills Improvement plan, and MCA draft skills strategy and commitment to develop City / SCC Employment and Skills Strategy	Diana Buckley / Laura Hayfield	Decision / Policy Development	Facilitated policy workshop with external experts	TBC	TBC
Committee Budget Proposals	TBC	Liz Gough				
Standing items	<ul style="list-style-type: none"> <li>• <i>Public Questions/ Petitions</i></li> <li>• <i>Work Programme</i></li> <li>• <i>[any other committee-specific standing items eg finance or service monitoring]</i></li> </ul>					

Meeting 3	<b>November 2022</b>	Time				
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<b>Topic</b>	<b>Description</b>	<b>Lead Officer/s</b>	<b>Type of item</b> <ul style="list-style-type: none"> <li>Decision</li> <li>Referral to decision-maker</li> <li>Pre-decision (policy development)</li> <li>Post-decision (service performance/monitoring)</li> </ul>	<i>(re: decisions)</i> <b>Prior member engagement/development required</b> <i>(with reference to options in Appendix 1)</i>	<i>(re: decisions)</i> <b>Public Participation/Engagement approach</b> <i>(with reference to toolkit in Appendix 2)</i>	<b>Final decision-maker (&amp; date)</b> <ul style="list-style-type: none"> <li>This Cttee</li> <li>Another Cttee (eg S&amp;R)</li> <li>Full Council</li> <li>Officer</li> </ul>
Stockbridge (TBC – potential to go to Transport, Regen, Climate)	Programme development update / refinement	Ben Morley /Gill	TBC	TBC	TBC	TBC
Draft City Strategy / Economic Plan (Could be Sep)	Consultation of draft strategy and priority interventions, agreement to go to public consultation	Diana Buckley / James Henderson	TBC	TBC	TBC	TBC
JESSICA (may need to go to finance committee too)	Agreement to repro cure fund manager and Establish the fund for the next period	Ben Morley	TBC	TBC	TBC	TBC
<b>SAR</b>		<b>Kevin Straughan</b>	<b>Briefing</b>			<b>Economy and Skills</b>
Standing items	<ul style="list-style-type: none"> <li>Public Questions/ Petitions</li> <li>Work Programme</li> <li>[any other committee-specific standing items eg finance or service monitoring]</li> </ul>					

Meeting 4	TBC	Time				
<b>Topic</b>	<b>Description</b>	<b>Lead Officer/s</b>	<b>Type of item</b> <ul style="list-style-type: none"> <li>Decision</li> </ul>	<i>(re: decisions)</i>	<i>(re: decisions)</i>	<b>Final decision-maker (&amp; date)</b>

			<ul style="list-style-type: none"> <li>Referral to decision-maker</li> <li>Pre-decision (policy development)</li> <li>Post-decision (service performance/ monitoring)</li> </ul>	<b>Prior member engagement/ development required</b> <i>(with reference to options in Appendix 1)</i>	<b>Public Participation/ Engagement approach</b> <i>(with reference to toolkit in Appendix 2)</i>	<ul style="list-style-type: none"> <li>This Cttee</li> <li>Another Cttee (eg S&amp;R)</li> <li>Full Council</li> <li>Officer</li> </ul>
Item 2						
Standing items	<ul style="list-style-type: none"> <li>Public Questions/ Petitions</li> <li>Work Programme</li> <li>[any other committee-specific standing items eg finance or service monitoring]</li> </ul>					

Meeting 5	TBC	Time				
Topic	Description	Lead Officer/s	Type of item	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 1)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	Final decision-maker (& date)
Item 1			<ul style="list-style-type: none"> <li>Decision</li> <li>Referral to decision-maker</li> <li>Pre-decision (policy development)</li> <li>Post-decision (service performance/ monitoring)</li> </ul>			<ul style="list-style-type: none"> <li>This Cttee</li> <li>Another Cttee (eg S&amp;R)</li> <li>Full Council</li> <li>Officer</li> </ul>
Item 2						
Standing items	<ul style="list-style-type: none"> <li>Public Questions/ Petitions</li> <li>Work Programme</li> <li>[any other committee-specific standing items]</li> </ul>					

	<i>eg finance or service monitoring]</i>					
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Meeting 6	TBC	Time				
Topic	Description	Lead Officer/s	Type of item	(re: decisions) Prior member engagement/ development required (with reference to options in Appendix 1)	(re: decisions) Public Participation/ Engagement approach (with reference to toolkit in Appendix 2)	Final decision-maker (& date)
Item 1						
Item 2						
Standing items	<ul style="list-style-type: none"> <li>Public Questions/ Petitions</li> <li>Work Programme</li> <li>[any other committee-specific standing items eg finance or service monitoring]</li> </ul>					

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## Report to Policy Committee

**Author/Lead Officer of Report:** Ryan Keyworth,  
Director of Finance and Commercial Services

**Tel:** +44 114 474 1438

**Report of:** *Ryan Keyworth*  
**Report to:** *Economic Development & Skills Committee*  
**Date of Decision:** *21 June 2022*  
**Subject:** *Month 1 Monitoring, Financial Position and Budget Timetable*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes		No	X	
Has appropriate consultation taken place?	Yes		No	X	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	X	
Does the report contain confidential or exempt information?	Yes		No	X	

### **Purpose of Report:**

*This report brings the Committee up to date with the Council's financial position as at Month 1 2022/23. The report also reports the proposed budget timetable for the development of the 2023/24 budget.*

### **Recommendations:**

#### **The Committee is recommended to:**

1. Note the Council's challenging financial position and the Month 1 position.
2. Note the budget timetable set out in this report including the requirement for the Committee to plan to develop budget proposals over the course of the summer
3. Note that the Strategy and Resources Committee was recommended at its 31 May 2022 meeting to "require any Policy Committee that is forecasting an overspend on their budget to develop an action plan to address the overspend in-year and ask the Finance Sub-Committee to monitor both the development of any required action plans and delivery against them"
4. Continue closely to manage and monitor expenditure in line with budget expectations and ensure forecasts represent current financial conditions.

### **Background Papers:**

[2022/23 Revenue Budget](#)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Ryan Keyworth, Director of Finance and Commercial Services</i>
		Legal: <i>David Hollis, Assistant Director, Legal and Governance</i>
		Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i>
		Climate: n/a
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>SLB member who approved submission:</b>	<i>Ryan Keyworth</i>
3	<b>Committee Chair consulted:</b>	
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Ryan Keyworth</i>	<b>Job Title:</b> <i>Director of Finance and Commercial Services</i>
	<b>Date:</b> <i>26 May 2022</i>	

## 1. PROPOSAL

### 1.1 Context

1.1.1 The Council is facing a challenging financial position. It is critical that all Committees stay within the budgets that have been allocated to them by Full Council

1.1.2 A specific recommendation to Council in the [March 2022 budget report](#) supports this:

*“d) To note that, if overspends against the agreed budgets emerge, then Executive Directors and Directors will be required to develop and implement plans to mitigate fully any overspend, within 2022/23, in consultation with elected Members;”*

1.1.3 This recommendation was further reinforced by an [amendment](#) to the [report establishing the new Committee](#) system approved at Council on 23 March proposed by Cllr Cate McDonald (Executive Member for Finance and Resources), seconded by Cllr Sioned-Mair Richards (Chair of Audit and Standards Committee).

*“49. It is the responsibility of each Committee to work within the budget framework agreed by Council. This includes taking timely action to address any overspend within the services for which the Committee is responsible.”*

### 1.2 Background – 2021/22 Out-turn and 2022/23 Budget

1.2.1 The Council finished the 2021/22 financial year with a £20m overspend – helped by one-off income from the NHS.

£m	FY Outturn	FY Budget	FY Variance
People	286.7	264.3	22.4
Place	131.2	135.1	(3.8)
PPC	3.1	3.4	(0.4)
Resources	10.5	8.8	1.7
Corporate	(411.7)	(411.6)	(0.1)
<b>Total</b>	<b>19.8</b>	<b>0.0</b>	<b>19.8</b>

1.2.2 Balancing the 2022/23 Budget required significant savings and a use of reserves. On 2 March 2022, Council approved the 2022/23 budget. That budget required almost £53m of savings proposal and the use of £15m of the Council's one-off reserves to balance it.

£m 22/23	Approved Savings
People	37.7
Place	7.1
PPC	1.2
Resources	6.7
<b>Total</b>	<b>52.7</b>

The Council has also earmarked £25m of reserves to manage the delivery (ie can the saving be realised) and timing risks (ie when can the full saving be delivered) associated with the £52.7m savings.

1.2.3 The Council allocated a total of £70m Reserves to support the Budget from 2021/22

These one-off reserves have been used, or are earmarked as follows:

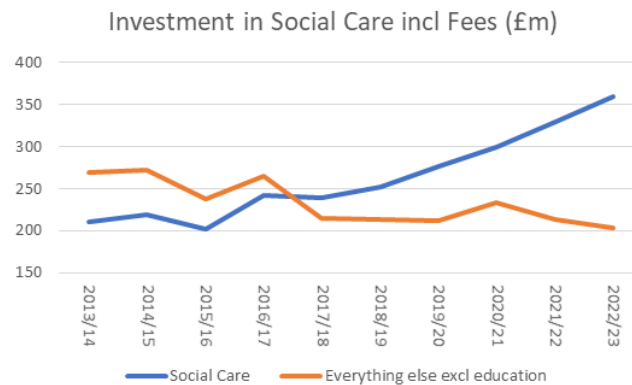
<b>Reserves Usage</b>	<b>£m</b>
2021/22 Overspend	20
2022/23 Budget Balancing	15
2022/23 Current Overspend	19
<i>Unallocated</i>	<i>16</i>
<b>Total</b>	<b>70</b>

1.2.4 The 2022/23 budget, consistent with the Council’s long-term priority, protected investment in key front-line services and in particular social care.

The table below shows how budgets changed from 2021/22 to 2022/23. Effectively, the 2021/22 overspend in People as shown above has been built into the 2022/23 budget. There have been some reallocations between portfolios (eg Libraries) but the message is unaltered:

<b>£m Budget Comparison</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Change</b>
City Futures		43.8	
Operational Services		112.3	
Sub-Total	135.1	156.1	21.0
People	264.3	291.9	27.7
Policy, Performance And Comms	3.4	2.8	(0.6)
Resources	8.8	6.6	(2.2)
Corporate (Incl Use Of Reserves)	(411.6)	(457.4)	
<b>Total</b>	<b>0.0</b>	<b>(0.0)</b>	<b>45.8</b>

1.2.5 Over the longer term and including fee income, this chart shows how the Council has continued to invest in Social Care services with increases of 6% per year for last 10 years and 8% per year for the last 5 years.



1.2.6 The use of reserves can only be one-off. A series of Reviews were commissioned as part of the 2022/23 budget that are designed to save money over the longer term whilst protecting vital services:

<b>Early Intervention &amp; Prevention including Financial Support</b>	Review and consolidation of the Council's early intervention and prevention services including services provided by Children and Families, Housing, Communities, Adult Health and Social Care.  Review of the Council's approach to providing financial support / hardships support including the funding and administration of schemes. Including Council Tax support / hardship, s17 payments, No Recourse to Public Funds, Local Assistance Scheme etc
<b>Libraries</b>	Review the Council's Libraries offer, including the remaining 11 Council-run libraries to determine whether any more should become volunteer run libraries.
<b>Accommodation</b>	<ol style="list-style-type: none"> <li>1. City Centre e.g Moorfoot, Howden, Town Hall</li> <li>2. Locality buildings</li> <li>3. Depots / operational type bases</li> <li>4. Community buildings, including all parks/libraries</li> <li>5. Service tenancies</li> <li>6. Commercial Estate and leased out</li> </ol>
<b>Apprenticeships</b>	Review to explore further opportunities to grow our apprenticeship cohort, saving money and providing opportunities at the same time.
<b>Customer Service</b>	<ol style="list-style-type: none"> <li>1. Communication</li> <li>2. Access to Services</li> <li>3. Quality and Timeliness</li> <li>4. Digital and Self-Service</li> </ol>

### 1.3 Council Portfolio Month 1 2022/23

1.3.1 The Council is forecasting an £18.7m overspend against the 2022/23 budget

Full Year £m	Outturn	Budget	Variance
Corporate	(457.0)	(457.1)	0.1
City Futures	44.6	43.8	0.8
Operational Services	111.9	112.0	(0.1)
People	308.2	291.9	16.3
Policy, Performance Comms	2.9	2.8	0.1
Resources	8.1	6.6	1.5
<b>Total</b>	<b>18.7</b>	<b>0.0</b>	<b>18.7</b>

1.3.2 This overspend is due to a combination of agreed Budget Implementation Plans ("BIPs") not being fully implemented and ongoing cost / demand pressures that are partially offset by one-off saving.

Full Year £m	One-off	BIPs	Trend Variance	
Corporate	-	-	0.1	0.1
City Futures	-	-	0.8	0.8
Operational Services	(3.2)	1.3	1.8	(0.1)
People	(1.2)	15.4	2.1	16.3
Policy, Performance Comms	-	0.1	-	0.1
Resources	-	1.4	0.1	1.5
<b>Total</b>	<b>(4.4)</b>	<b>18.2</b>	<b>4.9</b>	<b>18.7</b>

#### 1.4 Committee Financial Position

##### 1.4.1 Overall Position

### The Council is forecasting a £18.7m overspend at Month 1

Within this, there is a £11.6m overspend in Adult Health and Social Care Committee and a £4.7m overspend in Education, Children and Families	Full Year Forecast £m @ Month 1	Outturn	Budget	Variance
Adult Health & Social Care		162.1	150.5	11.6
Education, Children & Families		133.9	129.2	4.7
Housing		8.8	8.8	-
Transport, Regeneration & Climate		41.6	39.9	1.7
Economic Development & Skills		5.8	5.8	-
Waste & Street Scene		53.7	54.2	(0.5)
Communities Parks and Leisure		39.3	39.8	(0.5)
Strategy & Resources		(426.5)	(428.2)	1.7
<b>Total</b>		<b>18.7</b>	<b>0.0</b>	<b>18.7</b>

The majority of the overspend is attributable to forecast shortfall in Business Improvement Plans (BIPs) delivery	Variance Analysis £m @ Month 1	One-off	BIPs	Trend
Adult Health & Social Care		-	9.2	2.4
Education, Children & Families		-	6.3	(1.6)
Housing		-	-	-
Transport, Regeneration & Climate		(0.1)	1.2	0.6
Economic Development & Skills		-	-	-
Waste & Street Scene		(3.0)	-	2.5
Communities Parks and Leisure		(1.4)	-	0.9
Strategy & Resources		-	1.5	0.2
<b>Total</b>		<b>(4.5)</b>	<b>18.2</b>	<b>5.0</b>

**£4.5m of one-off savings are mitigating part of the ongoing overspend**

Contributions from provisions for energy and waste inflation mitigate the in-year impact of rising baseline costs. These are one-off contributions that will not help our position in 23/23 as the trend continues.

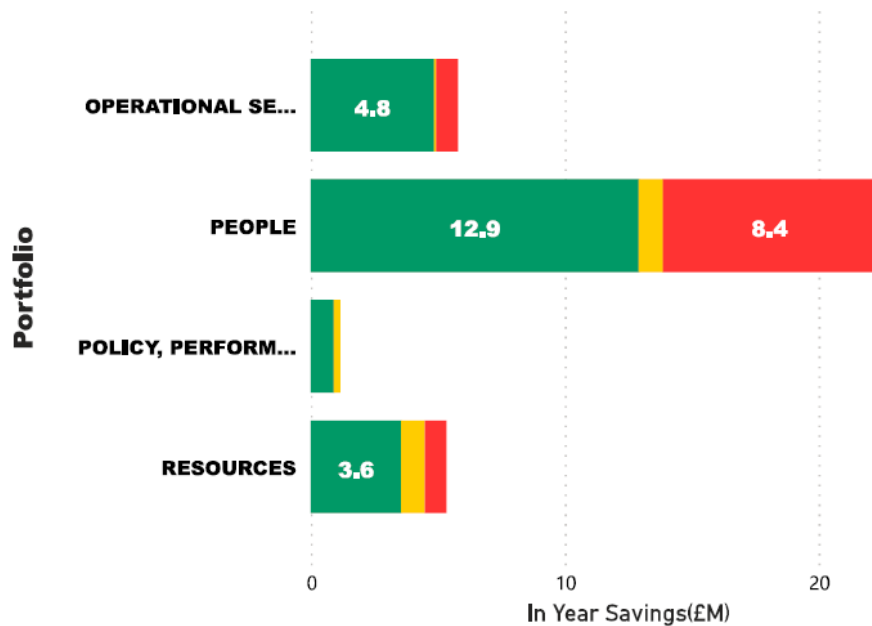
Balancing the 22/23 budget was only possible with £53m of BIPs, £34m are reported as deliverable in year	£m Portfolio	Total Savings 22/23	Deliverable in year	FY Variance
	People	37.7	22.3	15.4
	Operational Services	7.1	5.8	1.3
	PPC	1.2	1.1	0.1
	Resources	6.7	5.3	1.4
	<b>Total</b>	<b>52.7</b>	<b>34.5</b>	<b>18.2</b>

Focus has to be on delivering BIPs in 22/23 and preventing the budget gap from getting any wider

Of the £34m BIPs forecast as being deliverable, £10m are rated Red, which indicates high risk of increased overspending.

### £34M Deliverable

Financial RAG ● Green ● Amber ● Red



**Adult Health and Social Care are forecast to overspend by £11.6m**

The high cost of packages of care put in place during covid has increased our baseline costs into 22/23. Work is underway as part of an investment plan with additional resource to tackle the underlying issues although recruitment issues are impacting our ability to deliver the required savings.

**Education, Children and Families are forecast to overspend by £4.7m**

Forecast under-delivery of budget implementation plans in the service are the main cause of overspends; plans to reduce staffing and increase income from Health are looking unlikely and the residential children's home strategy requires further work on capital business cases in order to progress. The service needs to provide mitigations to bring overspends back in line with budgets.

## 1.4.2 Economic Development & Skills Committee - Balanced at Month 1

The revenue outturn position for the Economic Development & Skills Committee is to balance	Full Year Forecast £m @ Month 1	Outturn	Budget	Variance
	<b>Education &amp; Skills</b> <i>(Employment and Skills; Family and Community Learning)</i>	0.4	0.4	-
	<b>Economy, Culture &amp; Skills</b> <i>(Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)</i>	5.5	5.5	-
	<b>Total</b>	<b>5.9</b>	<b>5.9</b>	<b>-</b>

The £5.9m budget for this committee is a net budget after £11.2m income	Full Year Forecast £m @ Month 1	FY Outturn Expend	FY Outturn Income	FY Outturn Net	FY Budget (Net)
	FAMILY & COMMUNITY LEARNING	6.1	(5.7)	0.4	0.4
	EMPLOYMENT & SKILLS	6.9	(5.0)	1.8	1.8
	BUSINESS DEVELOPMENT & FUND MA	0.4	(0.2)	0.2	0.2
	ECONOMY & BUSINESS SUPPORT	1.4	(0.3)	1.1	1.1
	DIRECTOR OF ECON DEV & CULTURE	2.3	0.0	2.3	2.3
	<b>Total</b>	<b>17.1</b>	<b>(11.2)</b>	<b>5.8</b>	<b>5.8</b>

Further information on the budget is provided in Appendix 1 of the report.

<b>The key Budget Implementation Plan (BIP) is on target to be delivered</b>	The key BIP for 22/23 is to vacate the offices at Broad Street West. This is on track and saving will be delivered in year as part of the outturn position.
<b>The Budget is in line with expectations</b>	The forecast for the Economic Development and Skills committee is broadly on track to balance in 22/23. Some small emerging pressures have been mitigated in year.

## 1.5 Outlook for 2023/24 and Beyond

1.5.1 We do not expect to receive additional core funding – the trend in government is to support specific initiatives rather than general funding uplifts. In any case, the Local Government finance settlement is normally issued just before Christmas – far too late to support a budget process.

The best we can hope for is that the government will recognise and provide funding to cover the current high rates of inflation, although there are no indications from government on this and we would not expect to get any confirmation until the Autumn Statement at the earliest.

1.5.2 We are working on the Medium Term Financial Analysis which will provide our best estimate of the Council's overall financial position for



the next few years. We normally produce this over the summer for publication in the early Autumn, but this year, we are bringing it forward to July because of the Council's difficult financial position.

1.5.3 There is likely to be a significant budget gap to bridge for 2023/24

Possible 2023/24 Budget Gap	£m
Use of Reserves in 2022/23 Budget	15
Current 2022/23 Forecast Overspend	19
One-offs being used in 2022/23	4
Ball-park inflationary / demand pressures	?45?
Expected Grant / Council Tax Increase	(15)
<b>Potential Budget Gap</b>	<b>68</b>

1.6 **2023/24 Budget Timetable**

1.6.1 The high-level timetable for the 2023/24 budget has been structured around the Committee timetable. This timetable will require significant work from Policy Committees over the summer and will mean that budget proposals from Committees will be reported during September.

<b>Throughout June 2022</b>	Budget Monitoring and timetable Reports to <b>Policy Committees</b> at Month 1 2022/23.
<b>5 July 2022</b>	Medium Term Financial Analysis to <b>Strategy and Resources Committee</b> .  <b>Strategy and Resources Committee</b> sets Policy Committee budget targets.
<b>July – September 2022</b>	<b>Policy Committees</b> develop Revenue and Capital budget proposals to address any cost or demand pressures within the budget allocated by Strategy and Resources Committee.
<b>Throughout September 2022</b>	<b>Policy Committee</b> meetings to formally set out how they are going to deliver their budget – reporting the results of the work done over the summer.
<b>12 October 2022</b>	Consolidated budget report based on individual Policy Committee work to <b>Strategy and Resources Committee</b> .
<b>Throughout November 2022</b>	<b>Policy Committee</b> meetings formally to sign-off budgets after any changes from Strategy and Resources Committee in October
<b>5 December 2022</b>	Overall budget formally signed off by <b>Strategy and Resources</b> including the Housing Revenue Account Rent setting report as part of the Housing Policy Committee's budget.
<b>24 January 2023</b>	Budget report formally approved by <b>Strategy and Resources</b> with recommendations to Full Council
<b>1<sup>st</sup> February 2023</b>	Housing Revenue Account budget approved at <b>Full Council</b> , together with the Rent Setting decision
<b>1<sup>st</sup> March 2023</b>	2023/24 Revenue and Capital Budgets to <b>Full Council</b>

2. **HOW DOES THIS DECISION CONTRIBUTE?**

- 
- 2.1 The recommendations in this report will ensure that the Council has a robust budget process for 2023/24 and will ensure that each Policy Committee undertakes any work required to both balance their 2022/23 budget and prepare for the 2023/24 budget.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 There has been no consultation on this report, however, it is anticipated that the budget process itself will involve significant consultation as the Policy Committees develop their budget proposals

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality Implications**

- 4.1.1 There are no direct equality implications arising from this report. It is expected that individual Committees will use equality impact analyses as a basis for the development of their budget proposals in due course.

#### **4.2 Financial and Commercial Implications**

- 4.2.1 There are no direct financial implications from this report.

#### **4.3 Legal Implications**

- 4.3.1 Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:

- the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- the adequacy of the proposed financial reserves.

- 4.3.2 There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

- 4.3.3 By the law the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

#### **4.4 Climate Implications**

- 4.4.1 There are no direct equality implications arising from this report. It is expected that individual Committees will consider climate implications as they develop their budget proposals in due course.

#### **4.4 Other Implications**

- 4.4.1 No direct implication

### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 
- 5.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

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Committee	Service - further description of service where split between Committee Portfolios	FY Outturn	FY Budget	FY Variance @M1	One off items - 2022/23	Under delivering 2022/23 BIPs	Underlying budget variance	FY Variance @ M0	FY Variance - Movement	Comments (where variance +/- 100k)
Economic Development and Skills	EDUCATION & SKILLS (Employment and Skills; Family and Community Learning)	359	357	2			2	-	2	
	ECONOMY, CULTURE & SKILLS (Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)	5,466	5,512	(46)			(46)	-	(46)	
<b>Economic Development and Skills Total</b>		<b>5,825</b>	<b>5,869</b>	<b>(45)</b>	-	-	<b>(45)</b>	-	<b>(45)</b>	

Committee	Service	Division of Service	FY Outturn Expend	FY Outturn Income	FY Outturn Net	FY Variance - Expend @ M1	FY Variance - Income @ M1	FY Variance - Net @ M1	FY Variance - Net @ M0	FY Variance - Movement
Economic Development and Skills	EDUCATION & SKILLS	EMPLOYMENT & SKILLS	-	-	-	-	-	-	-	-
	EDUCATION & SKILLS	FAMILY & COMMUNITY LEARNING	6,050	(5,692)	359	1,549	(1,547)	2	-	2
	ECONOMY, CULTURE & SKILLS	EMPLOYMENT & SKILLS	6,891	(5,047)	1,844	443	(443)	0	-	0
	ECONOMY, CULTURE & SKILLS	BUSINESS DEVELOPMENT & FUND MA	375	(158)	218	51	(28)	24	-	24
	ECONOMY, CULTURE & SKILLS	ECONOMY & BUSINESS SUPPORT	1,419	(306)	1,112	9	(9)	(0)	-	(0)
	ECONOMY, CULTURE & SKILLS	DIRECTOR OF ECON DEV & CULTURE	2,321	(28)	2,293	(69)	(1)	(70)	-	(70)
<b>Economic Development and Skills Total</b>			<b>17,056</b>	<b>(11,231)</b>	<b>5,825</b>	<b>1,984</b>	<b>(2,028)</b>	<b>(45)</b>	<b>-</b>	<b>(45)</b>

**Economic Development and Skills**

Portfolio	Service	Division of Service	Management Area	Organisation Code	M1 Outturn - net	FY budget	M1 Variance - expenditure	M1 Variance - income	M1 Variance - net	M0 Variance - net	Movement
<b>CITY FUTURES</b>											
ECONOMY, CULTURE & SKILLS											
<b>BUSINESS DEVELOPMENT &amp; FUND MA</b>											
<b>ACCOUNTABLE BODY PROJECTS PLA</b>											
				0012018528103, RISE	0		0	0	0	0	0
				0012018528110, SOUTH YORKSHIRE BROADBAND	0		0	0	0	0	0
				0012018528161, TOWNS FUND STOCKSBRIDGE	91	91	0	0	0	0	0
				0012018528250, ESIF GROWTH HUB	(0)	0	0	(0)	(0)	0	(0)
				0012018528251, ESIF LAUNCHPAD	103	103	0	0	0	0	0
				0012018528252, RISE ENHANCEMENT PROJECT	0	0	28	(28)	0	0	0
				0012018528255, ESIF BUSINESS PRODUCTIVITY	(0)	0	(0)	0	(0)	0	(0)
				0012018528256, ESIF LOW CARBON	0	0	0	0	0	0	0
				<b>ACCOUNTABLE BODY PROJECTS PLA Total</b>	<b>194</b>	<b>194</b>	<b>28</b>	<b>(28)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOWNS FUND STOCKSBRIDGE</b>											
				0012019828109, PROJECT MANAGEMENT	7	0	7	0	7	0	7
				0012019828203, BUS LINK	5	0	5	0	5	0	5
				0012019828205, SPORTS HUB	12	0	12	0	12	0	12
				<b>TOWNS FUND STOCKSBRIDGE Total</b>	<b>24</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>24</b>
				<b>BUSINESS DEVELOPMENT &amp; FUND MA Total</b>	<b>218</b>	<b>194</b>	<b>51</b>	<b>(28)</b>	<b>24</b>	<b>0</b>	<b>24</b>
<b>DIRECTOR OF ECON DEV &amp; CULTURE</b>											
<b>CORPORATE CS MGT</b>											
				0012018800000, CORPORATE CS MGT	321	391	(70)	0	(70)	0	(70)
				<b>CORPORATE CS MGT Total</b>	<b>321</b>	<b>391</b>	<b>(70)</b>	<b>0</b>	<b>(70)</b>	<b>0</b>	<b>(70)</b>
<b>MANAGEMENT &amp; SUPPORT CG</b>											
				0012075722070, DIRECTOR OF DEVELOPMENT SERVIC	620	621	(0)	0	(0)	0	(0)
				0012075722072, ADMIN SUPPORT	209	209	(0)	0	(0)	0	(0)
				<b>MANAGEMENT &amp; SUPPORT CG Total</b>	<b>830</b>	<b>830</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>STRATEGY &amp; SKILLS</b>											
				0012019028107, STRATEGY & SKILLS	381	381	1	(1)	0	0	0
				0012019028108, ECONOMIC RECOVERY FUND	(0)	0	(0)	0	(0)	0	(0)
				0012019028109, AMID	761	761	0	0	0	0	0
				<b>STRATEGY &amp; SKILLS Total</b>	<b>1,142</b>	<b>1,142</b>	<b>1</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
				<b>DIRECTOR OF ECON DEV &amp; CULTURE Total</b>	<b>2,293</b>	<b>2,362</b>	<b>(69)</b>	<b>(1)</b>	<b>(70)</b>	<b>0</b>	<b>(70)</b>
<b>ECONOMY &amp; BUSINESS SUPPORT</b>											
<b>BUSINESS GROWTH</b>											
				0012018724201, EXTERNAL PROJECTS	(0)	(0)	0	0	0	0	0
				0012018724204, BUSINESS GROWTH ADVISORS	100	100	0	0	0	0	0
				0012018728100, BUSINESS GROWTH TEAM	788	788	3	(3)	(0)	0	(0)
				0012018728102, SECTOR GWTH ENHANCEMENT PROG	0	0	0	0	0	0	0
				<b>BUSINESS GROWTH Total</b>	<b>888</b>	<b>888</b>	<b>3</b>	<b>(3)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>PROGRAMME TEAM</b>											
				0012018900000, PROGRAMME TEAM	224	224	7	(7)	0	0	0
				<b>PROGRAMME TEAM Total</b>	<b>224</b>	<b>224</b>	<b>7</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>
				<b>ECONOMY &amp; BUSINESS SUPPORT Total</b>	<b>1,112</b>	<b>1,112</b>	<b>9</b>	<b>(9)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

**EMPLOYMENT & SKILLS**

**EMPLOYMENT & SKILLS**

0013007633017, ADVANCE DIGITAL - ESF	0	0	582	(582)	0	0	0
0013007633128, ESA PATHWAY PILOT	0		0	0	0	0	0
0013007633130, WORK EXPERIENCE	0	(0)	(12)	12	0	0	0
0013007833009, SHEFFIELD'S WORKING	1,404	1,404	10	(10)	0	0	0
0013007833010, PATHWAYS TO PROGRESSION ESF	0	0	(470)	470	0	0	0
0013007833011, PATHWAYS TO SUCCESS ESF	0	0	(766)	766	0	0	0
0013007833012, CONSTRUCTION SKILLS FUND	0	0	0	0	0	0	0
0013007933018, 100 APPRENTICES	391	391	0	0	0	0	0
0013008033052, OPPORTUNITY SHEFFIELD	(0)	0	(538)	538	(0)	0	(0)
0013008133108, SECTOR ROUTEWAYS ESF	(0)	0	1,250	(1,250)	(0)	0	(0)
0013008233127, ESF TA LEVY	48	48	(69)	69	0	0	0
0013008333135, DIGITAL SKILLS INNOVATION	0	0	67	(67)	0	0	0
0013008433137, ADVANCE SCR ESF	0	0	390	(390)	0	0	0

**EMPLOYMENT & SKILLS Total**

1,844	1,844	443	(443)	0	0	0
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**EMPLOYMENT & SKILLS Total**

<b>1,844</b>	<b>1,844</b>	<b>443</b>	<b>(443)</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**ECONOMY, CULTURE & SKILLS Total**

5,466	5,512	435	(481)	(46)	0	(46)
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**CITY FUTURES Total**

<b>5,466</b>	<b>5,512</b>	<b>435</b>	<b>(481)</b>	<b>(46)</b>	<b>0</b>	<b>(46)</b>
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**PEOPLE**

**EDUCATION & SKILLS**

**EMPLOYMENT & SKILLS**

**CITY DEAL**

0013007733141, CITY DEAL	0	0	0	0	0	0	0
0013007733142, CITY DEAL - FRAMEWORKS	0		0	0	0	0	0

**CITY DEAL Total**

0	0	0	0	0	0	0
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**EMPLOYMENT & SKILLS Total**

<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**FAMILY & COMMUNITY LEARNING**

**ADULT AND COMMUNITY LEARNING**

0013008633051, STUDENT FINANCIAL SUPPORT	(0)	(0)	(82)	82	(0)	0	(0)
0013008633055, ADULT EDUCATION ADMIN	2	0	105	(103)	2	0	2
0013008633060, MENTAL HEALTH PROJECT	0		0	0	0	0	0
0013008633061, WIDER FAM LEARN AUG19 - JULY20	0		0	0	0	0	0
0013008633062, FEML AUG 2019 - JUL 2020	0		0	0	0	0	0
0013008633063, AEB TRANSITIONAL PAYMENT 2122	0	0	0	0	0	0	0
0013008633064, AEB DIRECT DELIVERY	(0)	0	492	(492)	(0)	0	(0)
0013008633065, PROVIDER CONTRACTS AUG21JUL22	0	0	209	(209)	0	0	0
0013008633066, MENTAL HEALTH PROJECT16-17	0		0	0	0	0	0
0013008633068, CONTROL MIGRATION FUND	0		0	0	0	0	0
0013008633069, FEML AUG 18 to JULY 2019	0	0	0	0	0	0	0
0013008633070, CL EXTERNAL PROJECTS	0		0	0	0	0	0
0013008633071, AEB DD REGULATED	0	0	164	(164)	0	0	0
0013008633072, AEB Regulated CH - NT	0	0	60	(60)	0	0	0
0013008633075, WFL AUG 18 to JULY 2019	0	0	0	0	0	0	0

**ADULT AND COMMUNITY LEARNING Total**

2	(0)	946	(945)	2	0	2
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**LDD/SHEAF**

0013008533107, POST 16 HIGH NEEDS SEN	0		0	0	0	0	0
0013008533112, LDD PLACEMENTS	0		0	0	0	0	0



	0013008533113, FUTURE PROOF NEETS 14 - 25	0		0	0	0	0	0	0
	0013008533114, LDD SPECIALIST PLACEMENTS	0		0	0	0	0	0	0
	0013008533115, PROSPECTS - YOUTH NEETS	0		0	0	0	0	0	0
	<b>LDD/SHEAF Total</b>	0	0	0	0	0	0	0	0
	<b>LEARNING SKILL AND EMPLOYMENT</b>								
	0013008933040, RED TAPE CENTRAL	111	111	10	(10)	0	0	0	0
	0013009033045, SHEAF TRAINING	39	39	568	(568)	(0)	0	(0)	(0)
	0013009133048, LSE SUB-CONTRACTORS	0		0	0	0	0	0	0
	0013009233050, CONSTRUCTION DESIGN CENTRE	83	83	60	(60)	(0)	0	(0)	(0)
	0013009333054, FAMILY & COMM MANAGEMENT	124	124	(35)	35	0	0	0	0
	0013009433058, LSE DEVELOPMENT	0		0	0	0	0	0	0
	0013009533088, ENGINEERING CENTRE	0		0	0	0	0	0	0
	0013010633018, 100 APPRENTICES (PEOPLE)	0	0	0	0	0	0	0	0
	0013010733052, OPPORTUNITY SHEFFIELD: PEOPLE	0	0	0	0	0	0	0	0
	<b>LEARNING SKILL AND EMPLOYMENT Total</b>	357	357	603	(603)	(0)	0	(0)	(0)
	<b>FAMILY &amp; COMMUNITY LEARNING Total</b>	<b>359</b>	<b>357</b>	<b>1,549</b>	<b>(1,547)</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>
	EDUCATION & SKILLS Total	359	357	1,549	(1,547)	2	0	2	2
	<b>PEOPLE Total</b>	<b>359</b>	<b>357</b>	<b>1,549</b>	<b>(1,547)</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>
	<b>Economic Development and Skills Total</b>	<b>5,825</b>	<b>5,869</b>	<b>1,984</b>	<b>(2,028)</b>	<b>(45)</b>	<b>0</b>	<b>(45)</b>	<b>(45)</b>

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## Report to Policy Committee

**Author/Lead Officer of Report:** Sarah Lowi Jones (Economic Policy Officer)/Diana Buckley (Director of Economic Development, Skills and Culture)

**Tel:** 0114 223 2368

**Report of:** Diana Buckley (Director of Economic Development, Skills and Culture)

**Report to:** Economic Development and Skills Policy Committee

**Date of Decision:** 20/06/22

**Subject:** Economic Recovery Fund 2022-23

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1191				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

### Purpose of Report:

Full Council resolved during its budget setting process (on 16 February 2022) to allocated £2m to the city's district and local centres to support their economic recovery. The budget amendment committed to building on the work of the Economic Recovery Fund (launched in March 2021).

This report proposes to continue the work of the Economic Recovery Fund, re-establish its governance arrangements, and develop options for the future operation of the Fund.

The objectives of the Economic Recovery Fund are:

- To support local economic recovery; helping our businesses and our retail and hospitality centres to rebuild and grow.

- To help businesses open safely and remain viable – building resilience to future economic changes.
- To protect jobs and businesses, particularly in hardest hit sectors.
- To generate demand, to bring back customers and promote consumer confidence.

**Recommendations:**

It is recommended that the Committee:

1. Notes the allocation of £2m to the Economic Recovery Fund resolved during its budget-setting process by Full Council on 16 February 2022.
2. Supports re-establishing the Economic Recovery Fund Steering Group with updated membership and term of reference, with a first task of supporting the development of options for the future operation of the Economic Recovery Fund.

**Background Papers:**

[Sheffield Covid-19 Business Recovery Plan \(October 2020\)](#)

[Sheffield City Council One Year Plan \(2021/22\)](#)

[Form 2 Executive Report – Covid-19 Economic Recovery Fund \(03/11/20\)](#)

[Form 2 Executive Report – Sheffield Covid Business Recovery Plan: Phase 1](#)

[Recovery Delivery Programme \(09/06/21\)](#)

[Economic Recovery Fund – Spring Overview 2022](#)

Lead Officer to complete:-						
1	<table border="1"> <tr> <td rowspan="4">I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</td> <td>Finance: James Lyon</td> </tr> <tr> <td>Legal: David Hollis</td> </tr> <tr> <td>Equalities &amp; Consultation: Annemarie Johnston</td> </tr> <tr> <td>Climate: Jessica Rick</td> </tr> </table>	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: James Lyon	Legal: David Hollis	Equalities & Consultation: Annemarie Johnston	Climate: Jessica Rick
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	Legal: David Hollis					
	Equalities & Consultation: Annemarie Johnston					
	Climate: Jessica Rick					
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>					
2	<table border="1"> <tr> <td><b>EMT member who approved submission:</b></td> <td>Kate Martin</td> </tr> </table>	<b>EMT member who approved submission:</b>	Kate Martin			
<b>EMT member who approved submission:</b>	Kate Martin					
3	<table border="1"> <tr> <td><b>Committee Chair consulted:</b></td> <td>Cllr Martin Smith</td> </tr> </table>	<b>Committee Chair consulted:</b>	Cllr Martin Smith			
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4	<table border="1"> <tr> <td colspan="2">I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</td> </tr> <tr> <td><b>Lead Officer Name:</b> Diana Buckley</td> <td><b>Job Title:</b> Director of Economic Development, Skills and Culture</td> </tr> </table>	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.		<b>Lead Officer Name:</b> Diana Buckley	<b>Job Title:</b> Director of Economic Development, Skills and Culture	
I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.						
<b>Lead Officer Name:</b> Diana Buckley	<b>Job Title:</b> Director of Economic Development, Skills and Culture					

1. **PROPOSAL**

**Background**

1.1. In October 2020 Cabinet endorsed the [Sheffield Covid-19 Business Recovery Plan](#) as the framework for action to address the economic impacts of the Covid-19 pandemic in a framework of three phases: relief, recovery and renewal. This plan was co-authored by the Business Response Group (a partnership of private and private sector representatives) and Sheffield City Council.

1.2. The plan highlighted the need to support businesses through reopening and recovery to help retain businesses, safeguard jobs and maintain incomes. It concluded that immediate action at city and district level was required to: promote consumer confidence; help businesses to adapt and survive; and, ensure that the foundations for economic renewal are not eroded during the pandemic.

1.3. The Business Recovery Plan remains the core strategic document and, while Covid restrictions have been lifted, businesses and communities are still living with the aftermath and effects of the pandemic that are now coupled with a cost-of-living crisis. The city therefore remains within the 'recovery' phase, though any new activity should prepare the way for renewal.

1.4. The Economic Recovery Fund is a grant fund open to collaborations led by the private sector, third sector, partners or from within the council itself. It is the Business Recovery Plan's flagship project and is a key priority in the [Council's 2021-22 One Year Plan](#), which also set out the need to engage, enable and empower residents and communities. While the Council is not legally required to deliver the Economic Recovery Fund there is a clear strategic and policy fit around these two pillars: economic recovery and working closely with communities.

1.5. The Fund was split into two pots that applicants could bid into, to support a mix of large and small projects. Small projects of up to £50,000 were run as an open call, considered on a rolling basis. Large projects of between £50,000 and £200,000 went through a two-stage process and were considered as a set, to provide an additional level of scrutiny. These projects were required to submit an Expression of Interest Form that functioned as a statement describing the concept, idea and collaboration. Once scored, the strongest applications were invited to submit a full application. The intention during this period was to work in detail with bidders and the relevant council teams to ensure the viability and value for money of projects.

1.6. A Member led Steering Group (Chaired by the Co-Operative Executive Member) was established to oversee the use of the fund. The Steering Group was cross-party, with places for the three main political groups, and included senior officers (including from the Local Area Committee team) and private sector representatives. It gave a view on core principles for the Fund, scored every application and advised on project proposals and approvals. The Steering Group was updated on the day-to-day management of the project including on risks, issues, progress and budget management.

1.7. Over 100 applications were received and of those 26 were ultimately successful, representing a mix of areas across the city and type of project (see Appendix 1 for a table of each project by LAC area). The first set of projects were approved quickly so that they could form a core part of the Summer in the Outdoor City marketing campaign that ran in 2021 as a mechanism for bringing back visitor and resident footfall in the city centre. The second set of projects were largely from districts and centred around improving local high streets to increase visibility of the offer, encourage consumer confidence and increase footfall for local businesses.

1.8. The Fund opened to applications on 19th March 2021. Much has been delivered in that time and more activity is still to come in 2022. Over £1.5m has been granted to projects to date and some highlights of the past year of delivery are set out below:

- The announcements made since the launch have generated both wider interest and further media opportunities for the projects (see Appendix 2 for relevant links). A communications campaign is in place, working with the individual projects, to generate and amplify further and more proactively all of the activity that is happening across the city.
- During the application period the Fund handled over 250 enquiries via the main email account (recoveryfund@sheffield.gov.uk). There were many more conversations in addition that were not centrally recorded, having been led by Councillors, SCC officers, Business Information Officers and the private sector/others.
- In the early stages of the project an additional £382,871k was secured through the Additional Restricted Grant to bolster the Economic Recovery Fund. This was used to support events that took place in the Summer in the Outdoor City campaign that was delivered between July-September 2021 (a link to a video roundup of that programme can be accessed in appendix 2).
- Since July 2021 over 80 events have been delivered that received ERF funding. In this period, Sheffield was also shown to have the most improved footfall across UK cities (a 33 percent increase), bringing the level up to 89 percent of the pre-pandemic average for the city centre (no data is held for high streets). Sheffield was also placed 9<sup>th</sup> as Time Out's 'Best City Breaks in Europe' article (above Liverpool, Rotterdam and Milan). No doubt the breadth and quality of events the city supported was a contributing factor in these media stories.
- Over the Christmas period in 2021 the team worked at pace to enable activity to happen in all project areas that wanted it. ERF funded the enabling works and installation of Christmas lights (in Hillsborough – for the first time in 25 years, Chapeltown, Mosborough and Firth Park), paid for large Christmas trees and events in Firth Park and Walkley and 45 shop front trees in Broomhill.
- Place-making activity has started and new street furniture has been ordered or is planned for several areas, including a parklet in Walkley and on Abbeydale Road, seating in Hillsborough, seating and signposts in Chapeltown, additional bins in Totley and Manor Park. Lamppost banners have been installed in Broomhill, Firth Park and Hillsborough – with more

areas lined up to follow. Improvements have also been made in Firth Park, including reducing the height of hedges to increase visibility and safety, installing new park benches and picnic tables, refreshing the planting and increasing the patio area of the café. The roundabout is also in the process of being repaired and refreshed.

- Since the new year we have seen events already delivered in Woodhouse and the city centre (Woodhouse Market and St George's Day Parage, Bloomin' Marvellous and the final Pollen Market events funded by ERF, as well as the remaining events in Orchard Square led by the Creative Guild).
- Areas have at least 30 events planned over the coming months using ERF funds, alongside new public art, shop front improvement schemes, a green wall, planters and new trees and lots of other activity. For an overview and more detail on each project area see the summary of all district centre projects available on the [Council's website](#).
- The Summer in the Outdoor City programme and Economic Recovery Fund will be independently evaluated in order to establish the impacts and outcomes of these schemes, as well as any lessons to be learned. These pieces of work will be developed in the next period and reported to the Committee at a future meeting.

### **A refreshed Fund for 2022-23**

- 1.9. Following this first year of activity Full Council committed to continuing the Economic Recovery Fund in the financial year 2022-23. The budget amendment approved by Full Council identified a new £2m for this work and ringfences it only to district centres:

#### **District/Local Centres - £2m**

£2 million to support the city's district and local centres' economic recovery. This will build on the programme delivered last year through the Covid-19: Economic Recovery Plan.

This will be earmarked for outside of the city centre.

The objectives of the Economic Recovery Fund itself are:

- 1.10.
- To support local economic recovery; helping our businesses and our retail and hospitality centres to rebuild and grow.
  - To help businesses open safely and remain viable – building resilience to future economic changes.
  - To protect jobs and businesses, particularly in hardest hit sectors.
  - To generate demand, to bring back customers and promote consumer confidence – encouraging people to shop locally and buy from Sheffield independents.

- 1.11. In terms of governance and oversight of the Fund, it is recommended that the most efficient option is to build on the model already established by the member led Economic Recovery Fund Steering Group. This existing collaboration of cross-party Councillors, senior officers and the private sector have provided leadership, steer and oversight of the project as it has moved forward. It has been particularly helpful and welcome to have private sector representatives (from the Chamber and digital sector) who have offered an outside perspective, balance and challenge throughout.

1.12. Formal decisions on the Fund will be taken in accordance with the Council's constitution but the Steering Group will retain an important role in developing options, undertaking detailed background work and informing those decisions. It is proposed that any decisions for the Economic Development and Skills Policy Committee will be brought to its September meeting.

1.13. The new committee system also necessitates refreshing the political membership of the Steering Group and the previous members have already stepped down to make way for new members. It is proposed that in their place the Group be chaired by Cllr Martin Smith (as Chair of the Economic Development and Skills Policy Committee) and that Cllr Ben Miskell (Deputy Chair) and Cllr Paul Turpin (Group Spokesperson) be invited to sit on the Steering Group.

1.14. It is suggested that the first task for the Economic Recovery Fund Steering Group would be to develop proposals around the scope, purpose and shape of the fund going forward. This would support the development of an options paper that would be submitted to the Committee for its approval at the September meeting. It should be noted that there are no assumptions made about the Fund repeating exactly what has gone before – a reassessment is needed before any new call for projects is opened. In its first meeting, it is expected that the Group will consider the following:

- Whether the broader economic and policy context affects the purpose of the scheme
- Affirming whether the Fund has the right focus and activity
- How to reduce inequality and ensure disadvantaged communities and groups can access the Fund
- Embedding collaboration and facilitation by ensuring the right team is supporting the high street
- Using available evidence and lessons learned to inform the next phase of the Fund
- A set of options on the second phase of delivery and a project plan, updated risk register and communications and stakeholder management plan.

#### **HOW DOES THIS DECISION CONTRIBUTE?**

1.15. Continuing the Economic Recovery Fund will contribute to the following strategic priorities from the Business Recovery Plan:

- Stimulating demand in the local economy
- Opening our city and district centres safely and securely
- Stimulating investment in culture to help rebuild confidence and visitor numbers

1.16. The Fund will directly deliver against the following outcomes and actions in the Business Recovery Plan:

- Our places, in the city centre, district centres and in local neighbourhoods, adapt to the changing economy
- Visitors and residents will be able to visit, learn about and enjoy the cultural, leisure and green spaces that Sheffield is renowned for.



- Businesses have the confidence, information, support and infrastructure they need to operate through and beyond the current crisis, to adapt to changing circumstances
- Business failure rates amongst profitable and productive companies are minimised and good quality jobs are safeguarded.
- Opportunities to rebuild and renew our economy whilst becoming a cleaner and more sustainable city, are seized.

1.17.

It will also contribute to the following strategic priorities from The Council's One Year Plan 2021-22:

Communities and neighbourhoods

- Engaging, enabling and empowering our residents through Local Area Committees
- Supporting communities as Covid restrictions ease
  - Provide as much help and support as possible to local businesses that have been affected by the pandemic.

Climate change, economy and development

- Supporting city and local centre recovery and regenerating high streets
  - We will support the recovery of our local high streets and district centres with a £2m investment fund, the Summer in the Outdoor City programme
- Supporting Sheffield businesses to recover and grow
  - We will work with businesses to deliver the Business Recovery Plan and provide the advice and support that Sheffield businesses need to recover, increase productivity and grow.
- Vibrant arts and culture for every part of the city
  - We will continue to work with Sheffield's Culture Collective and Culture Consortium to achieve the ambition of putting Culture front and centre of Sheffield's recovery.

## **2. HAS THERE BEEN ANY CONSULTATION?**

2.1. Formal public consultation is not required however the project has built in partner engagement and feedback into its delivery model:

- Within the Economic Recovery Fund Steering Group there are private sector representatives and a senior officer representative of the Local Area Committees.
- Regular updates are provided to the Business Response Group, members of which are: the Chamber of Commerce, Sheffield Property Association, Sheffield Digital, Cutlers Company, the Culture Consortium, Unight Sheffield and both Sheffield Universities.
- The project regularly updates and engages with the Business Information Officers who work with hundred of businesses across the city. They have been able to feed intelligence and feedback to the project team throughout.
- Public consultation and engagement will also take place through evaluation and research studies that are planned.

## **3. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

3.1. Equality Implications

3.1.1. An Equality Impact Assessment has been completed. The main risks identified were relating to equality of access to the Fund – based on an assumption that areas with less established networks or capacity may be less able to bring together a collaborative group and bring forward an application to the Fund.

3.1.2. There is also a risk that those whose first language is not English may be less able to engage with the Fund.

3.1.3. There is a risk that applications could form around a specific community to the exclusion of others in the locality. This was judged to be low, particularly as this has not been encountered so far.

3.1.4. To mitigate these risks the project would put the following actions in place:

- Raising equality of access and inclusion as a specific risk on the risk register in order to put in place mitigations and ensure regular assessment of this by the Steering Group.
- Ensuring that resource is allocated to areas that need capacity and help in drawing together a collaboration, in order to support them developing ideas and bringing forward applications.
- Where language may be a barrier to engaging businesses, we will endeavour to work with community leaders, third sector organisations and others who could assist in brokering discussions.
- Demographic information will be requested at the point of application to understand whether any groups are over/under-represented in and throughout the process. Applications will also ask about community cohesion implications of the project to ensure any potential issues can be picked up and addressed.

### 3.2. Financial and Commercial Implications

3.2.1. The £2m identified for this Fund is the council's own funding from the Community Infrastructure Levy and was agreed by Council during the budget-setting process in February 2022. Therefore, there are no outside sources, special conditions or clawbacks to take into account.

3.2.2. There are no direct commercial implications arising from this report. Any procurement activity associated with the Fund will be conducted in accordance with Council standing orders.

3.2.3. All projects that have received funding have been made aware that project overspends will not be approved. Each project will need to manage activity from within the allocation they have been awarded. All projects have set aside their own contingency pot to mitigate this risk. Further to that, a small contingency has been set aside for the Fund so that any unforeseen costs can be covered.

### 3.3. Legal Implications

3.3.1. The Council has no specific powers or duties with regard to delivering economic regeneration. The final proposals may fall under other functions and where not is the Council is able to undertake this activity by virtue of Section 1 of the Localism Act 2011. This provides Local Authorities with a "general power

of competence” and allows them to “do anything that individuals generally may do”. This power is subject to any other obligations or limitations in law that might be relevant and that is likely to include procurement or subsidy control restrictions. Those implications will be considered at the appropriate time based on actual proposals.

### 3.4. Climate Implications

3.4.1. A Climate Impact Assessment has been undertaken and the overall impact is thought to be carbon neutral. This, however, does not take into account any implications of specific projects that are funded through the scheme. It is suggested, to understand and mitigate any impacts, that these considerations are built into the administration and delivery of the Fund, for example:

- In the design of the new project climate impacts are taken into account and that the Steering Group assesses how to ensure the Economic Recovery Fund has a neutral to positive impact.
- Projects are asked to specifically take into account climate impact and demonstrate that the impact of their project will be neutral or positive.
- That the project uses every opportunity of engaging with businesses to raise awareness of the climate emergency and provide information, tools and guidance on climate change readiness, and the business opportunities that might exist as a result.

### 3.5. Other Implications

3.5.1. None.

## 3.6. **ALTERNATIVE OPTIONS CONSIDERED**

3.6.1. In the development of this report several alternative options were considered:

### 3.6.2. Option 1: Sheffield City Council allocating funding directly to local areas without running a competitive process

This option does not fit with the ambition and ethos of engaging, enabling and empowering of residents and communities. This would not deliver the benefits that collaboration and competition has brought to the first iteration of the scheme. It risks losing the local insight, enthusiasm, confidence and collaboration that the first scheme engendered and harnessed.

### 3.6.3. Option 2: Economic Development and Skills Policy Committee take on the decision-making role

Overseeing and steering the Economic Recovery Fund is a detailed job and the Steering Group committed many hours in undertaking tasks relating to the Fund. In this model it is unlikely the Committee would have the time to undertake the necessary work and the Committee does not meet frequently enough to meet the needs of the scheme, which has been able when required to take decisions at pace. In this option the project would also lose the participation of private sector partners who have provided such valuable perspectives to date.

## 4. **REASONS FOR RECOMMENDATIONS**

4.1. The report makes these recommendations to support delivery against the Council’s priorities, as set out in the Business Response Plan and One Year

Plan (see section 2). It will enable the Economic Recovery Fund to deliver a new phase of the scheme, continue supporting district and local centres and building relationships with our communities.

4.2. The expected outcomes of this work include:

- The establishment of a refreshed Economic Recovery Fund that improves on the first iteration and touches additional areas of the city that were not successful in the first round.
- The delivery of a new set of projects in district centres that will achieve positive economic and other impacts for their local high streets and businesses.
- The bringing together of new local collaborations and strengthening of existing networks.
- Embedding this collaborative, enabling approach across different council teams and sharing the organisational learning generated by the first year of delivery.
- Increasing the council's knowledge and understanding of the health of district centres and the development of a set of longer-term interventions to work towards.

## Appendix 1

**Table 1: Economic Recovery Fund approved projects**

LAC Area	Project name	Large/ small	ERF Funding	ARG Funding	LAC Allocation Total
<b>North</b>	Chapelton	Small	£50,000		<b>£50,000</b>
<b>North-East</b>	Spital Hill	Small	£49,709		<b>£296,752</b>
	Firth Park	Large	£197,908		
	Page Hall	Small	£49,135		
<b>East</b>	Manor Park	Small	£49,341		<b>£49,341</b>
<b>South-East</b>	Woodhouse	Small	£49,998		<b>£95,729</b>
	Mosborough	Small	£45,731		
<b>South</b>	Netheredge	Small	£49,262		<b>£67,442</b>
	Abbeydale Road	Small	£18,180		
<b>South-West</b>	Totley Rise	Small	£4,984		<b>£4,984</b>
<b>Central</b>	Hillsborough Regeneration Project	Large	£207,500		<b>£755,400</b>
	Walkley Action Group	Large	£199,686		
	Broomhill Traders Association	Large	£199,544		
	Site Gallery - CIQ animation	Large	£100,000		
	Angel Street Kinema	Small	£48,670		
<b>Multiple</b>	Bear Trail Extension	Small	£50,000		<b>£353,000</b>
	Information Officer contract extension	N/A	£303,000		
<b>Summer in the Outdoor City</b>	Community in Unity	Large	£55,339	£59,239	<b>£548,413</b>
	Division Street Markets	Large		£104,559	
	Festival on the Square	Large		£93,100	
	Orchard Square animation	Small		£18,023	
	Sheffield Music Trails	Small		£46,750	
	Tudor Square Animation	Small		£30,000	
	Leopold Square Summer Festival of Music	Small		£31,200	
	Game City Adventure	Small	£33,104		
	Pollen Market	Small	£35,284		
	Castlegate Festival	Small	£41,815		
<b>Project costs</b>	District Centre Futures research	N/A	£60,000		<b>£201,810</b>
	ERF Evaluations	N/A	£50,000		
	Communications support	N/A	£15,000		
	Other costs and contingency	N/A	£36,810		
<b>TOTAL</b>			<b>£2,000,000</b>	<b>£382,871</b>	<b>£2,382,871</b>

## Appendix 2: Economic Recovery Fund in the Press and Media

- 19<sup>th</sup> March 2021, [£2m fund to bring the buzz back to Sheffield streets.](#)
- 4<sup>th</sup> August 2021, [New festival will bring free art, film and shows plus a feast of food to 'underused' space in Sheffield city centre this summer.](#)
- 7<sup>th</sup> August 2021, [Watch as live music in Sheffield city centre kicks off summer of free events.](#)
- 19<sup>th</sup> August 2021, [New outdoor market for independent businesses comes to Sheffield's Division Street this weekend.](#)
- 19<sup>th</sup> August 2021, [Stellar line-up of art workshops announced for Sheffield's Festival On The Square.](#)
- 10<sup>th</sup> September 2021, [Celebration of Sheffield's Castlegate and Grey to Green.](#)
- 10<sup>th</sup> September 2021, [New monthly flower, plant and produce market to be held in Sheffield city centre starting from this month.](#)
- 15<sup>th</sup> September 2021, [Festival along Sheffield's scenic waterways taking place this weekend.](#)
- 22<sup>nd</sup> September 2021, [Sheffield shines during Summer in the Outdoor City.](#)
- 14<sup>th</sup> October 2021, [Sheffield city centre footfall soars to make it most improved in high street recovery tracker.](#)
- 25<sup>th</sup> November 2021, [Christmas lights boost as Sheffield firms in Hillsborough, Firth Park, Walkley, and Broomhill share £800,000.](#)
- 30<sup>th</sup> November 2021, [The 16 best city breaks in Europe for 2022.](#)
- 22<sup>nd</sup> December 2021, [Broomhill shops shining bright as first project in £200,000 boost for community is completed.](#)
- 23<sup>rd</sup> January 2022, [Why the Walkley area of Sheffield has had to change with the times.](#)
- 24<sup>th</sup> March 2022, [Ten Sheffield high streets set to receive £500k investment.](#)

**BBC Radio Sheffield:** Listen to Chris Beech (Beeches of Walkley) on Kat Cowan's Show at [1:41 on 23/11](#) and Janine Lawson (Hillsborough Tap) with Information Officer Clare Bailey on Small Business Saturday at [01:25 on 04/12](#).

**Summer in the Outdoor City roundup (published on YouTube):**  
<https://www.youtube.com/watch?v=uzN-WI7neEg>.

# Equality Impact Assessment – Ref 1191

## Introductory Information

**Budget/Project name**

Economic Recovery Fund 2022-23

**Proposal type**

- Budget
- Project

**Decision Type**

- Committee
- Cabinet Committee (e.g. Cabinet Highways Committee)
- Leader
- Individual Cabinet Member
- Executive Director/Director
- Officer Decisions (Non-Key)
- Council (e.g. Budget and Housing Revenue Account)
- Regulatory Committees (e.g. Licensing Committee)

**Committee Chair and Vice Chair**

Cllr Martin Smith and Cllr Ben Miskell

**Entered on Q Tier**

- Yes
- No

**Year(s)**

<input checked="" type="radio"/> 22/23	<input type="radio"/> 23/24	<input type="radio"/> 24/25
--	-----------------------------	-----------------------------

**EIA date**

20/05/22

**EIA Lead**

- |   |                                       |
|---|---------------------------------------|
| <input type="radio"/> Adele Robinson                | <input type="radio"/> Ed Sexton       |
| <input checked="" type="radio"/> Annemarie Johnston | <input type="radio"/> Louise Nunn     |
| <input type="radio"/> Bashir Khan                   | <input type="radio"/> Michelle Hawley |
| <input type="radio"/> Beth Storm                    | <input type="radio"/> James Henderson |
| <input type="radio"/> Diane Owens                   |                                       |

**Person filling in this EIA form**

Sarah Lowi Jones

**Lead officer**

Diana Buckley

**Lead Corporate Plan priority**

<input type="radio"/> An In-Touch Organisation	<input checked="" type="radio"/> Strong Economy	<input type="radio"/> Thriving Neighbourhoods and Communities	<input type="radio"/> Better Health and Wellbeing	<input type="radio"/> Tackling Inequalities
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## Portfolio, Service and Team

### Cross-Portfolio

- Yes       No

### Portfolio

City Futures, Economic Development and Culture

Is the EIA joint with another organisation (eg NHS)?

- Yes       No

## Brief aim(s) of the proposal and the outcome(s) you want to achieve

The Economic Recovery Fund is aimed at supporting high street recovery, particularly in district centres, following the Covid-19 pandemic. Previously (in 2021-22) it functioned as a grant fund for collaborations of businesses/other local champions to bid for up to £50k or £200k, but the structure and process for the newly identified £2m for district centres is yet to be decided.

This paper essentially requests a delegation so that the Lead Officer, alongside the Economic Recovery Fund Steering Group, can develop options around the use of this money in this new iteration of the Fund.

## Impact

Under the [Public Sector Equality Duty](#) we have to pay due regard to the need to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations

More information is available on the [Council website](#) including the [Community Knowledge Profiles](#).

Note the EIA should describe impact before any action/mitigation. If there are both negatives and positives, please outline these – positives will be part of any mitigation. The action plan should detail any mitigation.

## Overview

### Briefly describe how the proposal helps to meet the Public Sector Duty outlined above

This proposal is requesting a delegation of power, but indirectly (based on the ERF 2021-22) there is always the potential for grant funds like this to reward areas with existing networks, stronger social capital and more available resources ahead of those that do not have these things available and may struggle more to work together as a collaboration.

Last year to mitigate this we used the Business Information Officers working across the city to make these connections and work with groups of businesses to support the development of ideas and applications. We would very much aim to do this again and ensure there is support for high streets wanting to access funding to improve their areas and encourage customers back.

In addition, it is suggested that running a version of the Economic Recovery Fund again will give those areas with less advantage an opportunity to benefit.



## Impacts

### Proposal has an impact on

<input type="radio"/> Health	<input type="radio"/> Transgender
<input type="radio"/> Age	<input type="radio"/> Carers
<input checked="" type="radio"/> Disability	<input checked="" type="radio"/> Voluntary/Community & Faith Sectors
<input type="radio"/> Pregnancy/Maternity	<input checked="" type="radio"/> Cohesion
<input checked="" type="radio"/> Race	<input type="radio"/> Partners
<input type="radio"/> Religion/Belief	<input checked="" type="radio"/> Poverty & Financial Inclusion
<input type="radio"/> Sex	<input type="radio"/> Armed Forces
<input type="radio"/> Sexual Orientation	<input type="radio"/> Other

Give details in sections below.

### Disability

#### Staff

Yes       No

#### Impact

Positive     Neutral     Negative

#### Level

None       Low       Medium       High

#### Details of impact

#### Customers

Yes       No

#### Impact

Positive     Neutral     Negative

#### Level

None       Low       Medium       High

#### Details of impact

Where language may be a barrier to engaging businesses, we will endeavour to work with community leaders, third sector organisations and others who could assist in brokering discussions.

### Race

#### Staff

Yes       No

#### Impact

Positive     Neutral     Negative

#### Level

None       Low       Medium       High

#### Details of impact

#### Customers

Yes       No

#### Impact

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

Where language may be a barrier to engaging businesses, we will endeavour to work with community leaders, third sector organisations and others who could assist in brokering discussions.

**Voluntary/Community & Faith Sectors****Staff**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

[Empty text box for details of impact]

**Customers**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

Where language may be a barrier to engaging businesses, we will endeavour to work with community leaders, third sector organisations and others who could assist in brokering discussions.

**Cohesion****Staff**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

[Empty text box for details of impact]

**Customers**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

### Details of impact

In the first iteration of the Fund we have not seen any issues with collaborations around a particular community excluding others, thus creating some tension in local areas. We have looked to ensure collaborations were inclusive. It is possible that giving opportunity and encouraging different groups to come round a table and work together may increase local cohesion.

## Poverty & Financial Inclusion

### Staff

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

### Customers

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

It is possible that in areas of poverty businesses may be less able to spare the time and resources to come together and develop ideas and applications that would give them access to the Economic Recovery Fund. It is also the case that other local champions and leaders could step in and support them in doing so where this was an issue. We have seen this during the first iteration of the Fund where third sector groups and Councillors have led the development of applications. As noted above, it is also likely that those areas that found it more difficult to come together in the short timescale in 2021 would have the opportunity to do so now with the benefit of support from Business Information Officers and Local Area Committee teams.

In running the Fund again those initially less able would now have the opportunity to access and benefit from the Fund.

## Action Plan and Supporting Evidence

### Action Plan

We will continue to ensure that our Equality Duty is part of the decision making by the Director and Steering Group for this piece of work. We will continue to try and mitigate any impacts on protected, vulnerable or disadvantaged groups by putting resources in place to support them in applying to the Fund. We will be proactive in approaching less advantaged areas of the city to raise awareness and encourage engagement with the scheme. We will continue to be cognisant of where activity is happening in developing applications across the city, so that if the Steering Group sees areas that are not represented we can apply additional time and resource in those areas to make sure that this is not a result of any disadvantage. Where language may be a barrier in engaging with businesses we will endeavour to work with community leaders, third sector organisations and others who could assist in brokering discussions.

### Supporting Evidence (Please detail all your evidence used to support the EIA)

We did not request EDI information from people enquiring about or applying to the Fund, so we do not have strong evidence as to whether any specific groups had disproportionate success or found it harder to access the Fund.

As a project we have tracked the spread of projects that are part of ERF by LAC area, which is as follows:

North = 1

North-East = 3

East = 1

South-East = 2

South = 2

South-West = 1

Central = 5

Multiple/city-wide = 2

City centre specific = 10 (some received ARG funding and not ERF – 4 of those received ERF funding only, one had mixed funding and 5 were funded through ARG but went through ERF processes to access that funding – the purpose was to bolster the Fund and protect district centre spending.)

The spread is not, and was not intended to be, evenly distributed across LAC areas and in some ways the spread reflects the density of economic activity and is therefore we would expect and want to see projects come forward. However, there is no doubt that projects will need to come from new areas in the coming year.

## Consultation

### Consultation required

Yes  No

### If consultation is not required please state why

### Are Staff who may be affected by these proposals aware of them

Yes  No

**Are Customers who may be affected by these proposals aware of them**

Yes  No

**If you have said no to either please say why**

This is not a project affecting Council customers directly, it is open across District Centres in the city. While there is awareness of the Economic Recovery Fund across the city, we have not consulted on the new iteration, this report simply requests a delegation of authority to allow the Steering Group to work up and decide on options.

## Summary of overall impact

**Summary of overall impact**

Overall this is a positive project as it provides additional resource to support individuals and businesses effected by the economic impacts of Covid-19.

To ensure equality of access to the Fund, the following actions are being put in place:

- Raising equality of access and inclusion as a specific risk on the risk register in order to put in place mitigations and ensure regular assessment of this by the Steering Group.
- Ensuring that resource is allocated to areas that need capacity and help in drawing together a collaboration, in order to support them developing ideas and bringing forward applications.
- Where language may be a barrier to engaging businesses, we will endeavour to work with community leaders, third sector organisations and others who could assist in brokering discussions.
- Demographic information will be requested at the point of application to understand whether any groups are over/under-represented in and throughout the process.

**Summary of evidence**

It is suggested that for 2022-23 we request EDI information from applicants so that we have a better understanding of who accessed the scheme and was successful in securing funding for their areas.

**Changes made as a result of the EIA**

We will ensure that we request information from applicants and monitor the success of protected groups through the scoring process. Should there be any sense that any group is disproportionately not winning funding, the Steering Group will assess this and agree a set of actions to encourage and support those groups to come forward.

## Escalation plan

**Is there a high impact in any area?**

Yes  No

**Overall risk rating after any mitigations have been put in place**

High  Medium  Low  None

## Sign Off

**EIAs must be agreed and signed off by the equality lead in your Portfolio or corporately. Has this been signed off?**

- Yes       No

EIA Lead: Annemarie Johnston

Date agreed

26/05/2022

**Review Date**

30/11/2022



## Report to Policy Committee

**Author/Lead Officer of Report:** Diana Buckley, Director of Economic Development and Culture and Jen Rickard, Economic Policy Officer

**Tel:** [jennifer.rickard@sheffield.gov.uk](mailto:jennifer.rickard@sheffield.gov.uk)

**Report of:** Kate Martin, Executive Director, City Futures

**Report to:** Economic Development and Skills

**Date of Decision:** 20th June 2022

**Subject:** The Local Economic Assessment and development of the City Strategy's Inclusive Economic Framework

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1197				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<i>(CIA will be completed alongside production of the City Strategy)</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

### Purpose of Report:

This report sets out the proposal to develop the City Strategy by way of: evidence gathering and engagement (including the production of the Local Economic Assessment and the delivery of the Community Voice and Insight Commission); strategic development; and consultation and testing.

This report proposes the alignment of the City Strategy with Sheffield's Levelling Up regeneration pilot and the South Yorkshire Mayoral Combined Authority's Strategic Economic Plan.

This report also sets out the proposal for governance arrangements for the City Strategy.

**Recommendations:**

That the Economic Development and Skills Committee:

- Endorses the proposed process to develop the City Strategy as set out in this report.
- Endorses the approach to align economic strategic and policy announcements with the City Strategy, as set out in this report.
- Notes the governance arrangements of the City Strategy, as set out in this report.

**Background Papers:**

- Report to the Sheffield City Partnership Board on the 13<sup>th</sup> May: Developing a New City Strategy for Sheffield (*available on request by contacting report author*)
- Interim Sheffield Economic Evidence Base for the Economic Development and Skills Committee (Appendix 1)

Lead Officer to complete:-	
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: Kerry Darlow/James Lyon</p> <p>Legal: Richard Marik</p> <p>Equalities &amp; Consultation: Annemarie Johnston</p> <p>Climate: Mark Whitworth and Victoria Penman</p>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	<p><b>EMT member who approved submission:</b></p> <p>Kate Martin, Executive Director, City Futures</p>
3	<p><b>Committee Chair consulted:</b></p> <p>Councillor Martin Smith, Chair of the Economic Development and Skills Committee</p>
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>



<b>Lead Officer Name:</b> Diana Buckley	<b>Job Title:</b> Director of Economic Development and Culture
<b>Date:</b> 9 <sup>th</sup> June 2022	

## 1.1 THE NEED FOR A NEW CITY STRATEGY

- 1.1.1 SCC's previous Economic Strategy ran from 2013-2020. Work had begun to refresh the strategy but was not completed before the COVID-19 pandemic in 2020. At the beginning of the pandemic, Sheffield's leading business networks, support organisations and Sheffield City Council identified a need for a short-medium term plan to support businesses and growth and the Business Recovery Plan (BRP) was developed and endorsed by SCC in October 2020. A Phase 1 Recovery Delivery Programme for the BRP was agreed by the Co-operative Executive in June 2021.
- 1.1.2 The development and delivery of the Sheffield Business Recovery Plan during the COVID-19 pandemic highlighted the need for a longer-term framework that sets out the city's priorities. Communities, businesses and city partners have told us they want a shared understanding of Sheffield's future – so that there is greater clarity about what Sheffield as a city wants to achieve, how we maximise the city's strengths and what we are going to do about tackling the challenges that we face.
- 1.1.3 There is a real sense of momentum to rise to the challenges and opportunities that Sheffield currently faces. There are multiple valuable conversations happening across the city, in different formal and informal contexts but we do not currently have a coherent plan for bringing these together and maximising the impact of our collective assets and ambition.
- 1.1.4 Approved Council plans have highlighted the need for a partner led long-term strategy for the city. The Business Recovery Plan identified a need to refocus our plans to tackle systemic economic challenges, both old and new, through a new longer-term economic plan. The Council's One Year Plan 2021 committed the Council to working with partner and communities to creating a new shared plan for Sheffield's future and the 10 Point Plan for Climate Action made similar commitments, in particular committing to working with businesses to secure a zero carbon economy and the green skills and jobs that are needed for the future.
- 1.1.5 Since the last Economic Strategy was developed, the city and its economy has changed significantly and so has the way people think about economies. Instead of economic models which focus on traditional measures such as Gross value Added (GVA) and numbers of jobs and office take-up, approaches such as [community wealth building](#) and the [wellbeing economy](#) place people at the centre of the

economy, and take a wider view of the connections that economic activity has to people's health, wellbeing, equality and the environment. The connections between economic growth, social and environmental needs can be illustrated by the [United Nation's Sustainable Development Goals](#) which links poverty, inequality and climate change with decent work and economic growth.

1.1.6 The city's experience of the pandemic has opened up a renewed desire for whole-place collaboration: both in terms of the impacts felt from COVID-19 but also the new collaborations and partnerships formed as part of the city's response.

1.1.7 In November 2021, Sheffield City Partnership agreed that partners needed to come together to develop a 'city strategy' which will both enable the city, and empower others, to address this. It was agreed that this strategy would incorporate an inclusive economic framework which reflects the new economic context looking at the economy in its widest sense by including wellbeing, health inequalities and environmental sustainability.

1.1.8 A City Strategy *and* an Inclusive Economy Strategy are fundamentally interconnected as they are all about people and place and therefore, this is an opportunity to bring these together with clear missions for what we want to achieve.

## 1.2 HOW WOULD A CITY STRATEGY CONNECT TO OTHER STRATEGIC AND POLICY ANNOUNCEMENTS?

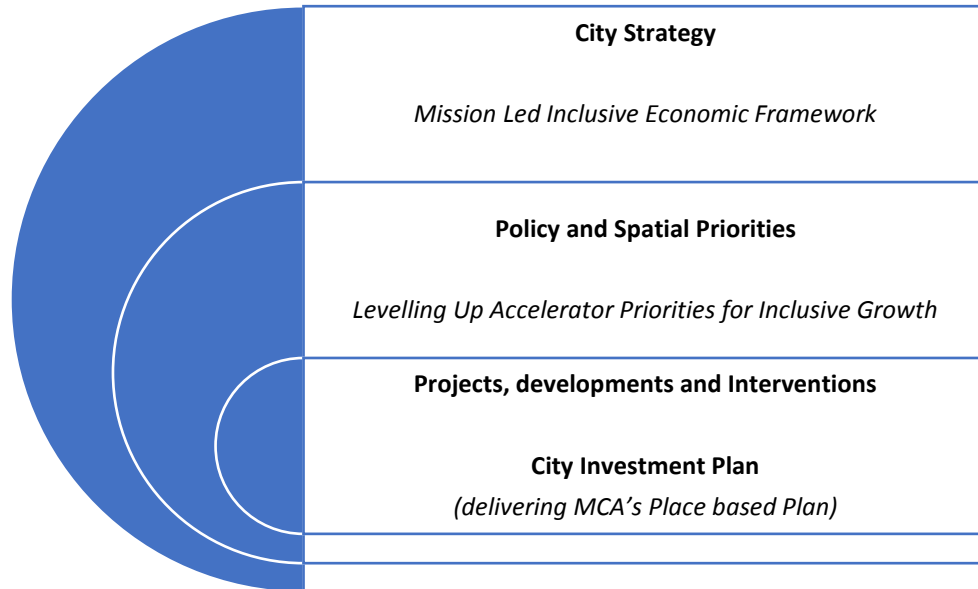
1.2.1 Since the City Strategy and Inclusive Economic Framework were agreed in November last year, there have been further economic strategic and policy announcements, which we would seek to align with the City Strategy work.

1.2.2 Sheffield was announced as one of the first Levelling Up regeneration pilots and is working closely with the Department for Levelling Up, Housing and Communities (DLUHC) and Homes England to identify workstreams that will deliver against the Levelling Up Missions set out in the Government's [Levelling Up White Paper](#). The regeneration pilot is a catalyst for enabling core workstreams to be brought forward to accelerate progress and input into the developing City Strategy.

1.2.3 At a regional level, South Yorkshire Mayoral Combined Authority's (SYMCA) key strategy is its [Strategic Economic Plan](#) (SEP), which was developed in collaboration with the four South Yorkshire local authorities including Sheffield City Council. The South Yorkshire Renewal Fund will support the delivery of the ambitions within the SEP. To access this funding, Sheffield City Council need to develop a Place Based Plan setting out investment priorities for the city. Tying together

the City Strategy with propositions and potential interventions could unlock significant investment for Sheffield.

- 1.2.4 There is an opportunity to align these programmes with the City Strategy, creating a single story that strategic partners and businesses can articulate about the city’s needs, opportunities, and priorities. The diagram below gives an overarching framework.



*City Strategy*

The City Strategy will be a single shared vision for Sheffield which will be mission led, akin to the UN Sustainable Development Goals for 2030 which form a call to action across connected policy areas. The missions would sit under key themes and articulate measurable goals to drive the strategy vision. A rationale will be provided for each priority alongside evidence of the problem we are trying to fix.

*Policy and Spatial Priorities*

The Levelling Up regeneration pilot will identify and articulate our evidence based spatial and policy priorities and asks. This will include net zero and sustainability, health and wellbeing economy and tackling inequality. Community participation will be embedded throughout.

*Projects, developments and interventions*

The City Investment Plan will be Sheffield’s Place Based Plan and will identify the critical projects that will impact on the City Strategy missions. It will involve the development of investable propositions for funding or private investment, physical developments plans and key projects.

**1.3 THE PROPOSED PROCESS TO DEVELOP THE CITY STRATEGY**

1.3.1 The approach to developing the City Strategy is underpinned by three principles:

- 1) That it will bring together new ways of thinking to address cross-cutting and complex issues
- 2) That it will be partner owned, with input and decisions being made by stakeholders throughout the process.
- 3) That it will be city owned, engaging with communities so that they are at the heart of the process and the final strategy.

1.3.2 *Evidence and Engagement*

Evidence gathering for the City Strategy forms the foundation for the work. There are two key strands to this that are already underway, one of which focuses specifically on the city's economy:

1.3.2.1 The Council has a duty to undertake a Local Economic Assessment for the city to understand the dynamics of the local economy and this work, called the *Sheffield Economic Evidence Base*, forms a key part of the evidence base for the City Strategy. This assessment is underway and brings together data and evidence from various sources to understand the challenges and opportunities facing Sheffield's economy including, but not limited to, the impacts of COVID. It is also helping to reframe what is regarded as 'the economy' from a policy perspective including health, inclusion, inequalities and climate change. Partners across the city are involved in the steering and working groups overseeing the study. The work is expected to complete by the end of June. An interim report on the findings of this work is appended to this Committee report.

1.3.2.2 *The Community Voice and Insight Commission* will be delivered by the voluntary sector across Sheffield. Conversations will be delivered in communities, using places, methods and approaches which works for them. The aim is to reach a diverse range of people, targeting people who we have not heard from often. It aims to:

- Engage people in talking and thinking about the future of Sheffield, testing out and gathering insights around the high-level priorities and identifying shared goals
- Explore and identify the change that needs to happen at the microlevel: generating insights into existing barriers and informing the potential development of targeted actions at community level.

An insight report will identify key findings and themes for the City Strategy to consider and make recommendations for ongoing future engagement with communities across the city.

1.3.3 *Strategic Development*

The next phase of development will involve synthesising evidence with ongoing partner engagement and integrating key findings into a draft set of missions and policy and spatial priorities. Themed

stakeholder workshops will inform this stage. The workshops will include Sheffield City Partnership Board organisations, community groups, informal networks and wider stakeholders. LACs will also receive an update at their meetings during this phase.

1. 3.4 *Consultation and Testing*

Building on the community voice and insight work and the relationships which have been formed around this, we will be able to engage around a publicly available draft strategy from November onwards. This will provide an opportunity for a broad range of people to feedback views on the City Strategy.

1.3.5 Following the consultation stage, it is anticipated that city partners will endorse the new strategy before the end of March 2023.

**1.4 GOVERNANCE OF THE CITY STRATEGY**

1.4.1 In terms of governance, the Sheffield City Partnership Board will oversee the delivery of the City Strategy but each of the partners, including SCC, will own the strategy and be accountable for the high-level commitments within it. This means future SCC strategies and plans will need to support the ambitions set out in the City Strategy.

1.4.2 The City Partnership Board agreed at their meeting of the 13<sup>th</sup> May 2022 that a Task and Finish group would be established to oversee the development of the City Strategy. This group would be made up of senior representatives from city partners (not just organisations that are part of the City Partnership Board). It was agreed that Angela Foulkes, Chief Executive and principal of The Sheffield College would be the chair of the Task and Finish Group.

1.4.3 A reference group will also be established to facilitate wider engagement across the city on the development of the City Strategy.

1.4.4 Further discussions will take place with elected members about how they can input into the work across the different Council committees, but it is anticipated that there will be more member engagement in September this year in the form of workshops.

**2. HOW DOES THIS DECISION CONTRIBUTE ?**

2.1 The One Year Plan contains a commitment to SCC collaborating with citizens and partners on a new vision and shared purpose for the city, setting out ambitions for the city's future and the challenges we need to tackle together. The City Strategy delivers against this commitment.

2.2 The vision of the *Our Sheffield: One Year Plan* is for Sheffield to be a flourishing, sustainable and inclusive city economy which creates

opportunity, good jobs for more of its citizens. Sheffield will be a city where everyone is able to lead happier and healthier lives and where more residents have access to the city's assets. The City Strategy will build on this vision, developing it further and identifying priority missions to deliver against it

- 2.3 Sheffield City Council is developing a new Corporate Plan. Developing a City Strategy and Corporate Plan alongside one another provides an opportunity to for the Corporate Plan to clearly articulate the Council's role in the delivering the priorities within the City Strategy.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 Addressing the challenges Sheffield faces requires a joined-up response across different organisations and communities. This means the City Strategy needs to be owned by the city, not just Sheffield City Council and it is why the principles of city ownership and community engagement underpin the development of the framework.
- 3.2 The Economic Evidence Base has engaged with partners across the city, principally through its steering group and working group which has involved representatives from the universities, the Chamber of Commerce, the voluntary sector and SYMCA.
- 3.3 As the City Strategy and Inclusive Economic Framework moves forward, consultation and engagement will run through the work to develop a strategy:
- As part of the evidence base for the City Strategy, there is a workstream specifically focused on community voice and insight. The aim of this is to engage people in a conversation on the City Strategy by asking them about their views on the future of Sheffield and explore and identify the change that needs to happen at the microlevel. The commission will deliver these conversations in communities, using places, methods and approaches which works for them. This work is also designed to reach a diverse range of people, targeting people who the Council does not hear from often.
  - Themed workshops involving city partners and stakeholders will take place later this year to inform the production of the strategy
  - Public consultation and engagement will take place on a publicly available draft strategy itself from November onwards.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

- 4.1 Equality Implications

4.1.1 An Equality Impact Assessment on the development of the City Strategy has commenced. Throughout the development of the strategy we will seek opportunities to eliminate discrimination, promote fairness and foster good relations between communities.

#### 4.2 Financial and Commercial Implications

4.2.1 There are no financial implications arising from this report. Resources are being aligned to support the City Strategy development process.

#### 4.3 Legal Implications

4.3.1 There are no direct legal implications arising from the recommendations to develop the City Strategy.

4.3.2 Although the Council is under a duty to prepare a Local Economic Assessment of its area under section 69 (1) of the Local Democracy, Economic Development and Construction Act 2009, it has no direct legal duties in relation to economic regeneration generally, although other legal duties may subsequently arise following implementation of the recommendations.

#### 4.4 Climate Implications

4.4.1 A CIA will be completed for the emerging programme, and the approach will also be undertaken at the initial stages of development for the City Strategy and the Place-based Plan. The Council's 10 Point Plan for Climate Action committing to working with businesses to secure a zero carbon economy and the green skills and jobs that are needed for the future.

#### 4.5 Other Implications

4.5.1 The Economic Evidence Base has gone beyond the 'traditional' areas of economic data to look at the relationship between the economy and health and health inequalities. Officers from public health have been involved in the work and the Director of Public Health has jointly chaired the steering group. Having an evidence base that makes the connections between work and health will help to underpin future activity that addresses health inequalities.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 **Do nothing:** Whilst undertaking the Local Economic Assessment is a duty of the Council, there is no requirement to produce a strategy. Instead, policies could be developed and agreed on an ad hoc basis. However, this approach has a number of drawbacks:



1. An agreed strategy between city partners facilitates better joint working which is particularly important on issues that cut across different organisations, for example health and skills.
2. A strategy provides a framework for activity over the longer - term, which allows services to plan more effectively.
3. A strategy provides an opportunity to communicate the city's priorities which can support discussions with central government, funding bodies and investors.

5.2 **Produce a separate City Strategy and Inclusive Economic Strategy:** Another option is to produce two separate strategies. One would cover broad policy areas whilst another would focus on the economy. However, this option had the following drawbacks:

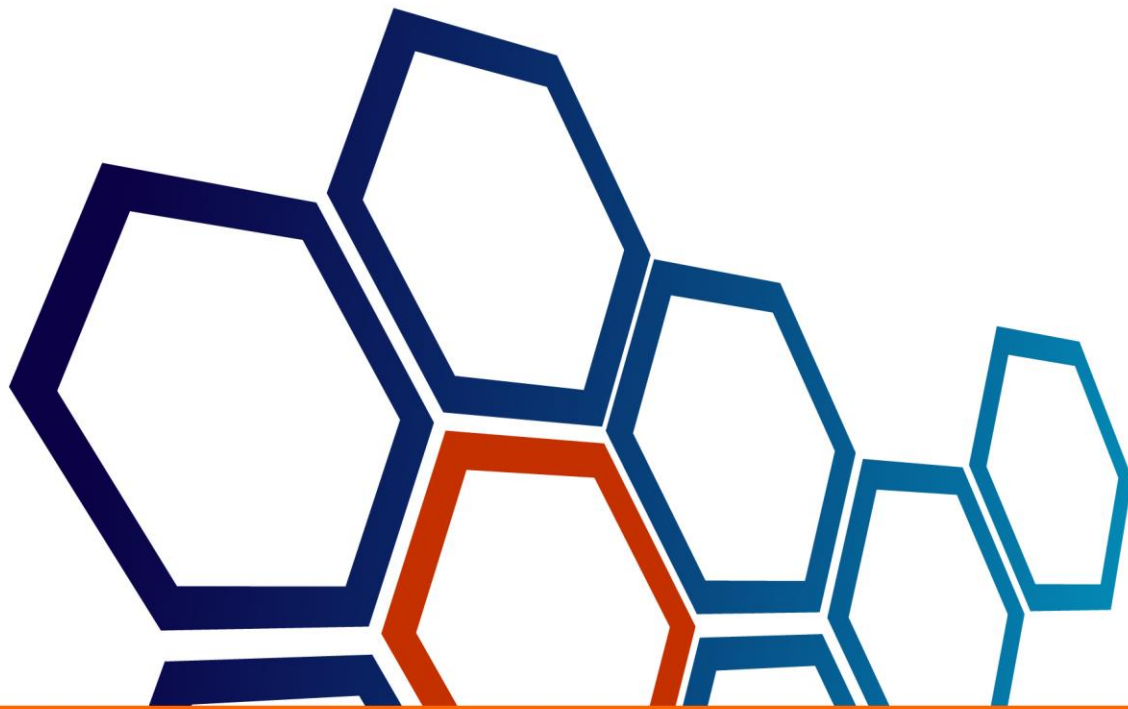
1. Links between the economy and wider policy issues may be missed
2. There would be significant duplication of effort, particularly in regard to partner and community engagement, potentially resulting in 'engagement fatigue'.
3. The coherency of having one single document that sets out the city's priorities would be diluted.

## 6. REASONS FOR RECOMMENDATIONS

6.1 It is crucial that we understand the economic challenges that the city faces, including inequalities across our communities. As our Local Economic Assessment, the Economic Evidence Base creates a new source of evidence upon which the Council can make informed policy decisions.

6.2 The impacts of the COVID-19 pandemic and new collaborations across the city mean there is a fresh impetus behind having a coherent joined up vision for the city that sets out the city's ambitions and how they will be achieved. The economy and people's health, wellbeing, the environment and social inequalities are inextricably linked. Integrating a strategy for an inclusive economy into a wider partner-led City Strategy helps to address cross -cutting issues and creates a focus for the city for the medium to long-term.

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# Sheffield Economic Evidence Base

A Draft Report for the Economic Development and Skills  
Committee (June 2022)



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## 1) INTRODUCTION AND CONTEXT

There is ambition to raise Sheffield's profile nationally and internationally, capitalising on the city's assets to attract new business and investment to the city. The city has experienced high business survival rates and steady job growth in recent years. A highly qualified population and innovation strengths in technology, health and wellbeing, and advanced manufacturing also provide a foundation for future economic growth. However, the challenge of inequality remains with the city and in some neighbourhoods the situation has deteriorated as a result of the impacts of Covid-19. Disparities include poor health and economic outcomes for some groups compared to others. This study was commissioned to help understand (a) the city's short-term and long-term strengths and weaknesses post Covid-19, and (b) the performance and prospects of Sheffield's business base and labour market. This will inform how the City Partnership delivers truly transformational, inclusive economic growth through a new City Strategy.

It is within the above context that this report and evidence base was commissioned. It transcends a traditional economic study taking a more holistic view of Sheffield's economy and communities, reflecting new ways of thinking about inclusive and sustainable development. The study provides a rounded evidence base to support the development of the next city strategy being developed by the Sheffield City Partnership. This represents a marked shift from previous approaches which have tended to adopt a narrower economic lens. This study also looks at health and wellbeing, inclusion and the transition to a greener economy and how long-term improvements in these areas and within particular geographies might improve the prosperity and fortunes of the city.

This evidence base presents an overview of the emerging findings from extensive quantitative analysis which has been supported by qualitative data. Several jointly agreed research questions guided our approach and the data indicators explored have been agreed and collated through engagement with a project Working Group and Steering Group made up of representatives from organisations from across the public, private and voluntary sector in the city.

This study will ensure that the economic impacts of the pandemic are taken account of in future economic strategies and the way Sheffield approaches policy and strategy more broadly over the coming years. The baseline analyses the evidence to help understand the past, present and future of the city and gain a proper understanding of Sheffield's unique characteristics. It is a work in progress and this report summarises the emerging headlines from the analysis of many data sets to date. There is some more work to be done to deepen the analysis and look at the characteristics and prospects for small geographies and key groups.

## CONTEXT

### GLOBAL AND NATIONAL ECONOMIC SITUATION

The UK and global economies have recently faced a series of unprecedented shocks – from the need for businesses to adjust to the UK exiting the European Union and the impact of Covid related restrictions, to challenges associated with the constrained supply of labour across many sectors, the global implications of the war in Ukraine, and the scale of the worsening cost of living crisis.

Many of the consequences of these shocks are interrelated and, while they are playing out at a national and global level, there are clearly already observable impacts on Sheffield's residents and businesses. This has also occurred after a challenging decade following the global financial crash of 2008, which resulted in an extended period of constrained economic and wage growth. It is important to recognise that we entered the recent period of turbulence from a weaker starting point than has been the case in previous economic cycles and this will impact on how the recovery plays out. As an example, across the UK, average real wages increased by only 26% (or 2% per year) in the ten years following the 2008 crash, compared to 70% (or 5% per year) in the ten preceding years<sup>1</sup>.

Looking ahead, the IMF forecast that global growth will slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023; below the levels previously estimated in January. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. It notes inflation is expected to remain higher and for longer than previous forecast, driven by war-induced commodity price increases and broadening price pressures. The war in Ukraine it adds has exacerbated two difficult policy trade-offs: between tackling inflation and safeguarding the recovery; and between supporting the vulnerable and rebuilding fiscal buffers. The IMF maintains that beyond the immediate challenges of the war and the pandemic, policymakers should not lose sight of longer-term goals including novel ways of working, productivity enhancements and positive structural change wherever possible, embracing the digital transformation and retooling and reskilling workers to meet its challenges. It concludes with a prescient point of relevance for Sheffield that the green energy transition will entail 'labour market reallocation across occupations and sectors.

Growth in the UK is now expected to be 3.7% in 2022, slowing to 1.2% in 2023 – a one percentage point reduction on the January forecast, as inflation is expected to erode real disposable incomes. This is expected to represent a long-term loss of income for workers and the UK economy, impacting on personal and government spending decisions. With the Office for Budget Responsibility (OBR) forecasting that average wages will not catch up with inflation until 2026/27 the squeeze on disposable incomes and living standards is expected to continue for several years. It is also important to note that this is an average, with many people including those on lower incomes expecting to experience even slower wage growth over this period. The forecasts also assumes that inflation will quickly reduce to its target level of 2%, however if increases in the cost of living continue at a higher rate for longer than expected then the implications for living standards will be greater.

Economic growth will also be limited by labour shortages with job vacancies increasing sharply despite employment being below pre-pandemic levels. A number of explanations are provided with potential implications for Sheffield including: (i) a mismatch between the types of available job seekers and the skills of job seekers, (ii) health related concerns leading to the withdrawal of older workers from the workforce, (ii) changing job preferences among workers resulting in historically high quit rates, and (iv)

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<sup>1</sup> ONS Gross Domestic Product Time Series (Wages and Salaries)

school and childcare disruptions leading parents of young people, particularly women, leaving the labour force.<sup>2</sup>

Combined with wider trends including accelerating changes to consumer spending patterns, shifting patterns of global trade (with barriers to trade to some nations reducing while increasing to others), continuing technological advancements, and the shift to green and carbon neutral economies, alongside the UK Government's commitment to levelling up, the coming years will bring considerable further change and provide myriad opportunities and challenges for Sheffield's businesses and residents.

Looking ahead, Sheffield must set the challenge of how it can best position itself to seize opportunities to improve the economic and social wellbeing of its residents, while supporting the resilience of those most at risk of global headwinds.

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#### INFORMING THE CITY STRATEGY

The vision of the *Our Sheffield: One Year Plan* is for Sheffield to be a flourishing, sustainable and inclusive city economy which creates opportunity, good jobs, and better jobs for more of citizens. Sheffield will be a city where everyone is able to lead happier and healthier lives and where more residents have access to the city's assets.

This study involves the production of an evidence base to inform the City Partnership's next city strategy which will build on Sheffield's strengths of leading economic assets, global companies, a transforming city centre and proximity to the Peak District National Park. A key part of the city strategy will be to ensure future growth is inclusive and sustainable. This means everyone will benefit from future growth, and that this growth will be a catalyst for reducing inequalities and disparities between different communities in the city.

The next city strategy sits in the context of national and regional policy agendas which share inclusive growth ambitions. The UK Government's Levelling Up Fund missions provide a framework for places around the country to understand inequalities and design interventions to address these. However, in Sheffield the ambition goes beyond the aims of the Levelling Up Fund and the City Strategy will demonstrate this. Regionally, the South Yorkshire Mayoral Combined Authority's Strategic Economic Plan, Renewal Action Plan and Renewal Fund set out the need for sustainable inclusive growth across South Yorkshire. The Sheffield City Strategy will tap into opportunities presented by the Renewal Fund and other funds such as the UK Shared Prosperity Fund as part of a package of means for delivering the wider vision for Sheffield.

Covid-19 has presented Sheffield with a series of new challenges and opportunities, accelerating pre-existing economic and social trends such as digital working, remote learning, and the decline in high street retailing. The pandemic has also had an implication for inequality in the city, stalling efforts to close gaps and widening them in places. This furthers the need to place inclusive growth at the forefront of the City Partnership's work, building on action already taken with funding from Sheffield City Council's Economic Recovery Fund.

This study includes a comprehensive analysis of Sheffield's economy with a focus on inclusivity and health and wellbeing. The summary findings and narrative presented within this report highlight the areas that the City Partnership must focus upon as it develops its new city strategy.

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<sup>2</sup> World Economic Outlook, April 2022 (IMF)

## ABOUT THE STUDY AND THIS REPORT

This interim report has been prepared for the Economic Development and Skills Committee taking place on 21<sup>st</sup> June 2022. It presents an overview of the economic narrative for Sheffield and the headline data and findings of the evidence base report. The final outputs of this study will be a narrative report and evidence base. The evidence will contain additional data and analysis, to further assess and investigate many of the headlines shown, as well as an executive summary.

The policy implications stated throughout this report are the view of the report authors based on the evidence and are not necessarily endorsed or adopted by Sheffield Council.

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## RESEARCH AREAS

The evidence base tells the story of Sheffield through three interrelated chapters which reflect the key issues revealed by the data. These are 1) Productivity challenge and opportunities, 2) Unequal City and 3) Just Transition.

We explore what data tells us about the health and wellbeing of Sheffield's people and the impacts on economic opportunities. Similarly, data on education, qualifications and incomes illuminates about Sheffield's population and workforce of today and the future. These present a more rounded picture of the city's economy, supporting core economic outcomes.

Throughout, the study pays attention to the drivers and implications of inequality, and how Covid-19 may have widened or narrowed disparities. As well as the impact of Covid-19 on businesses and people's work and travel patterns, the evidence base uses the concept of a just transition to frame the links between the City's economy and communities and the need to reduce carbon emissions and improve air quality.

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## GEOGRAPHICAL FOCUS

This evidence base focuses on the Sheffield City Council area, with comparisons made against national and English Core City benchmarks. The Core Cities, including Sheffield, are Manchester, Newcastle Upon Tyne, Birmingham, Nottingham, Bristol, Leeds, and Liverpool.

Where data is available it has been analysed at Medium or Lower Super Output Area (M/LSOA) level. LSOAs are small areas designed to be of a similar population size. Up-to-date data is limited for LSOAs, and more will become available when the 2021 census data is released. MSOAs are slightly bigger, made up of groups of contiguous Lower Layer Super Output Areas.

## ACKNOWLEDGEMENTS

We are grateful to the following organisations who played an important role on the project Working Group and Steering Groups:

- Sheffield City Council, including Public Health
- Sheffield Chamber of Commerce
- South Yorkshire Mayoral Combined Authority
- Voluntary Action Sheffield
- Sheffield Technology Parks
- City Taxis
  - Colloco
  - Proaktive
  - Sheffield Hallam University
  - The University of Sheffield



## NAVIGATING THIS REPORT

This report contains the following sections:

- The next chapter presents an overview of Sheffield and Local Area Committee profiles.
- Chapter three discusses the challenge of low productivity within Sheffield compared to the other Core Cities and examines the reasons for this.
- Chapter four identifies the existing disparities within Sheffield and explores the reasons behind them.
- Chapter five summaries the nature of carbon emissions and air quality within Sheffield and the economic opportunity in the low carbon goods and services sector.
- Chapter six recaps key messages from this report and raises issues for the City Strategy to consider and summarises some potential policy opportunities.

## 2) SHEFFIELD OVERVIEW

Sheffield is synonymous globally for its “Steel City” moniker. It is England’s greenest city. Its name derives from the River Sheaf which runs through the city, Sheffield is the 4th biggest English city and the only major UK city with a National Park within its boundary. It has a rich cultural heritage including the world-famous Crucible Theatre. As well as its reputation for special steels and advanced manufacturing Sheffield is also known as The Outdoor City and a city of seven hills.

### OVERVIEW OF SHEFFIELD’S ECONOMY AND POPULATION

“Throughout its history, Sheffield and its people have been recognised as inventive, hardworking, and entrepreneurial. It is a city that prides itself on getting on with things, quietly but effectively, irrespective of the challenges faced.” <https://www.madeinsheffield.org/about-us/about-sheffield/>

These strengths mean the city has been able to attract and retain new investors, graduates, entrepreneurs, and multinationals. It has some well-known anchor assets including two world class research Universities and the Sheffield Teaching Hospitals (STH). The STH NHS Foundation Trust is formed of the: Northern General Hospital, Royal Hallamshire Hospital, Charles Clifford Dental Hospital, Weston Park Cancer Hospital, and Jessop Wing Maternity Hospital. It is internationally renowned for its services in cancer treatment, spinal injuries, neurology, cardiology pulmonary hypertension, and stereotactic radiosurgery.

The Advanced Manufacturing Innovation District (AMID) is a “world-leading, research-led advanced manufacturing cluster along the Rotherham-Sheffield Corridor”. Its partners include SHU, UoS and both Rotherham and Sheffield councils. It is home to the UoS Advanced Manufacturing Campus (which includes Factory 2050), Sheffield Royce Translational Centre, Integrated Civil Infrastructure Research Centre, Laboratory for Verification and Validation, Boeing Sheffield, and the Olympic Legacy Park.

Sheffield has an international reputation for medical device manufacturing and production including large firms such as B. Braun and Swann Morton. There is a cluster of orthopaedic and orthotic firms too. The city has a strong and growing wellbeing and applied research business community including long-established firms such as Westfield Health.

Sheffield Hallam University is one of the UK’s largest and most diverse universities: a community of more than 30,000 students, 4,000 staff and more than 280,000 alumni around the globe. The University of Sheffield has a similar number of students and is among the top 50 most international universities in the world, according to the 2022 Times Higher Education World University Rankings. Sheffield College has six campuses and has 13,500 students enrolled (including 2,501 apprentices) as of 2021. These three institutions have collectively over 73,000 students.

Sheffield is also known for its strengths in the digital, technology and creative industries, with ground breaking companies like Twinkl, Zoo Digital and Sumo. Its capabilities in digital and tech now include mobility, education, and manufacturing technology.

CITY PROFILE

In 2020 there were 262,500 jobs in Sheffield across all sectors, making it the fifth largest of the eight English Core Cities. The public sector is a major employer within Sheffield, with Health, Education, and Public Administration accounting for 89,500 jobs or over one in three jobs across the city. This is consistent with the rate of employment in the other smaller Core Cities (with these sectors accounting for 39% of employment in Newcastle) but is significantly higher than the rates in some of the larger Core Cities including Manchester (27%) and Leeds (25%). When considering the number of jobs per resident, the evidence suggest that this reflects a lower representation of the private sector, rather than above average levels of public sector employment.

Turning to the private sector, the largest employers in Sheffield are in Wholesale and Retail trades and in Administrative Support Services – which together employ 60,500 people or 23% of all jobs in the city – which is broadly in line with England (24%) and the other Core Cities (ranging from 21% to 25%) with the exception of Newcastle where only 17% of jobs are in these sectors.

Sheffield is associated with its manufacturing and industrial heritage; however manufacturing overall only employs 20,500, accounting for 8% of all jobs in the city. This is above other Core Cities, which range from 3% in Newcastle to 6% in Birmingham and Leeds but is in line with the rate across England.

Among the professional services related sectors (Information and Communications, Finance and Insurance, Real Estate, and Professional Services) the share of jobs accounted for by these sectors is lower than all other Core Cities, accounting for one in six jobs (or 16% compared to 25% in Manchester and 27% in Leeds).

Sheffield Total Employment in Relation to the Core Cities (2020)

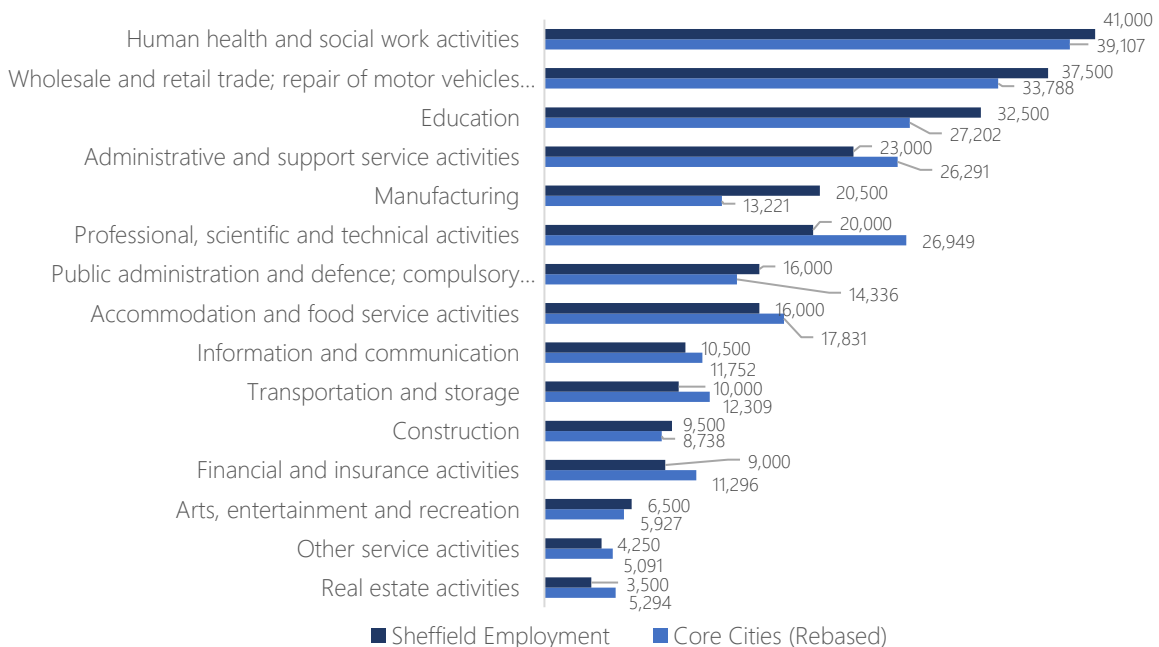


Figure 1: Sectoral breakdown of employment. Source: BRES 2022

Turning to employment growth, between 2015 and 2020, employment in Sheffield grew by 5,500 jobs or 2% - less than half the rate of growth of the Core Cities overall (5%) and below the rate of growth achieved across England (3%).

The fastest growing sector in Sheffield over this period was Public Admin and Defence, which grew by a third over this period, more than double the rate across the Core Cities overall.

There was strong growth within the Information and Communications sector (24%) however this was below the level that occurred across all Core Cities (31%). The strong growth of Admin and Support Services, compared to a small decline elsewhere, and the performance of Professional and Scientific Services and Real Estate Activities and Finance and Insurance also suggest that private sector employment has been focused on lower productivity and lower skilled sectors.

The decline of manufacturing and wholesale and retail, alongside growth of sector such as Information and Communications, also point to wider structural changes in the economy and the need to support those less able to transition into new and growing employment sectors.

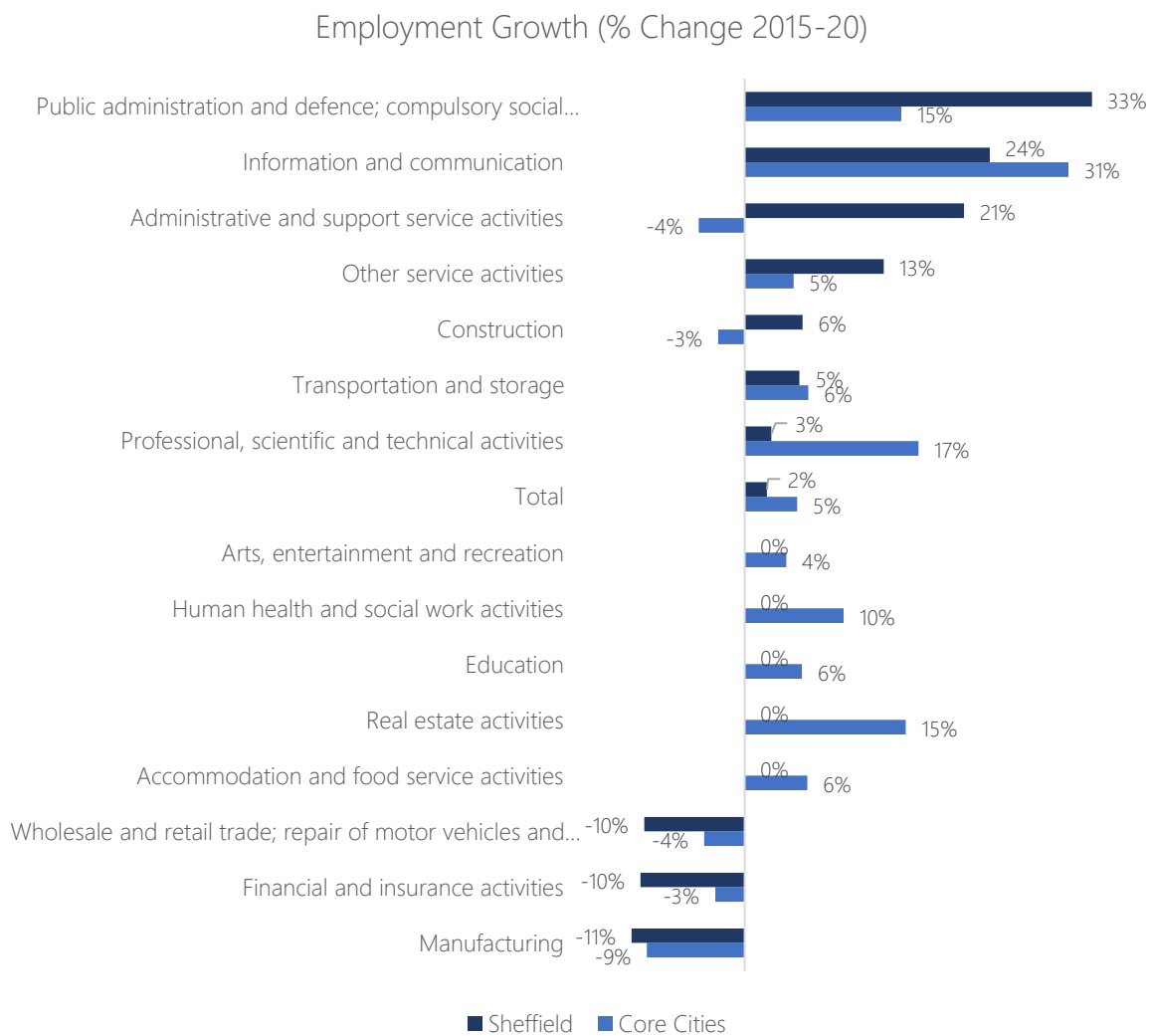


Figure 2: Employment growth by sector. Source: BRES 2022

Table 1 sets out all 3-digit sectors in Sheffield which have a Location Quotient above 1.5 (i.e. employment accounts for 50% or more in Sheffield than it does nationally) and more than 250 employees.

While overall Sheffield is not more specialised in manufacturing than England overall, and employment has declined in recent years, there are a number of sectors where there are clear concentrations of employment – including some important niches. Unsurprisingly Sheffield is highly represented in a

number of metals based sub-sectors, however employment in Satellite Telecommunications Activities is more than 10 times the national average and there are specialisms in Wireless Telecommunications, Special Purpose Machinery, and an automotive subsector.

Beyond manufacturing specialisms include a range of sectors from Higher Education, Insurance, and Legal Activities to Call Centres, and public sector employment (including Social Security, and Administration of the State).

The role of Employment Agencies is important, highlighting the relative importance of the temporary employment sector. Anecdotal evidence from one local agency that works in Sheffield and UK wide suggests the following sectors are busy in Sheffield: construction and manufacturing including food and drink. It was reported that the UK's Exit from the EU has meant there are more vacancy postings than job seekers currently though it was noted salaries were higher in Manchester and Leeds than Sheffield.

Table 1: Sheffield Sector Specialisms

Sector	Employment	LQ
241: Manufacture of basic iron and steel and of ferro-alloys	2,250	16.3
255: Forging, pressing, stamping, and roll-forming of metal; powder metallurgy	1,750	12.3
613: Satellite telecommunications activities	500	10.2
257: Manufacture of cutlery, tools, and general hardware	1,125	6.2
245: Casting of metals	550	5.6
743: Translation and interpretation activities	275	5.1
325: Manufacture of medical and dental instruments and supplies	1,500	4.9
822: Activities of call centres	3,000	4.6
612: Wireless telecommunications activities	1,250	4.4
284: Manufacture of metal forming machinery and machine tools	325	4.1
854: Higher education	14,000	3.3
259: Manufacture of other fabricated metal products	1,125	2.7
843: Compulsory social security activities	800	2.7
651: Insurance	1,750	1.9
619: Other telecommunications activities	2,500	1.9
289: Manufacture of other special-purpose machinery	475	1.9
861: Hospital activities	25,000	1.8
531: Postal activities under universal service obligation	2,250	1.8
431: Demolition and site preparation	325	1.8
841: Administration of the State and the economic and social policy of the community	11,500	1.8
476: Retail sale of cultural and recreation goods in specialised stores	1,625	1.7
691: Legal activities	5,000	1.6
292: Manufacture of bodies (coachwork) for motor vehicles; trailer/semitrailers	300	1.6
781: Activities of employment placement agencies	2,250	1.5

Source: BRES 2022

#### NATIONAL AND INTERNATIONAL COMPARATORS

KPMG's 2014 Magnet Cities report cited nine global 'turnaround cities' that have successfully reversed a long pattern of social and economic decline undertaking transformative projects to become fast growing

economically strong cities. KPMG used a wide-ranging qualitative method to try to unpick the factors that lay behind the transformative process that saw these cities become hotbeds for dynamism, population growth, new jobs, and investment.

Attracting a specific cohort of young dynamic wealth creators that build a new jobs base (i.e. green innovators) was quoted as a very significant factor with the number of patents per 10,000 residents seen as a good measure of success.

KPMG's research highlighted the importance of sustainability and environmental factors in attracting and retaining young talent. Physical fitness facilities, access to outdoor pursuits, artisan food and drink, strong civic networks and world class digital connectivity were all mentioned as key elements of a magnet city.

Continued physical renewal, a clear definable city identity, excellent connectivity, cultural & academic assets, multiculturalism, a culture of fundraising and capital attraction and strong civic leadership were the other factors cited.

Case studies of Bilbao, Malmo, and Pittsburgh are all particularly pertinent to Sheffield as they all share a history of rapid industrial growth, success, and late Nineteenth Century decline.

In Malmo regeneration was overseen by one civic leader, the mayor, over a twenty-year period. New high speed transport connections were established with Copenhagen and Hamburg. The city was physically overhauled with the old industrial docks decontaminated and developed into cutting edge sustainable housing with direct subway links to the city centre. A new university was created with a clear focus upon cleantech and life science R&D and start up support.

Bilbao placed a cultural asset, the Guggenheim Museum, improved transport infrastructure, land purchase and environmental improvements at the centre of a regeneration. The city has a long history of heavy industry and mining with 49% of Bilbao's workers still employed in the iron and steel industry within the 1980s. Deindustrialisation in the late 1980s saw unemployment rates reach almost 30% and the city's most famous asset, its river, declared environmentally dead. This cultural and environmentally led regeneration programme, accompanied by local budgetary focus upon supporting R&D heavy technology businesses<sup>3</sup>, has largely been credited with inspiring an economic and social renaissance within the city that has saw Bilbao's economy grow by 14% between 2004 and 2014<sup>4</sup>.

Sheffield's twin city Pittsburgh was long characterised as the home of the US Steel Industry. Following a period of deindustrialisation, the city was perceived in the 1980s to be in terminal decline characterised by a falling population and unemployment rates of up to 18%. Yet an economic recovery centred upon the city's two major universities, technical and medical educational assets<sup>5</sup> and city partnership team with a clear shared focus on downtown regeneration and research and technology, has seen it become home to large numbers of dynamic young talent forming new businesses and jobs in fields such as robotics, AI, 3D printing and data analytics. The University of Pittsburgh's Medical school has developed an international reputation for excellence with a non-profit health conglomerate that employs over 62,000 turnover US\$10 billion annually. More people now work within Pittsburgh's medical sector than worked

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<sup>3</sup> The Basque Government allocated 2.08% of its annual budget towards supporting the development on new technologies, businesses, and industrial ideas.

<sup>4</sup> KPMG (2014), [Magnet Cities](#). Page 34. Available at.

<sup>5</sup> CMU University's Robotic Institute has over 500 scientists and researchers focused on the commercial and clinical application of robotics.

in the steel industry at its peak<sup>6</sup>. A downtown renaissance plan saw new arts performance centres, galleries, theatres, convention centres, hotels, a new baseball stadium and an American Football stadium built. CMU's Collaborative Innovation Centre, with tenants such as Disney, Intel, Microsoft, and Apple, has supported large numbers of university spinouts and a R&D focus has seen some of Pittsburgh's core industries diversify into nuclear energy production, water purification and shale gas extraction.

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#### GLOBAL JUST TRANSITION

In 2021 the C40 Cities Group published their case for a Green and Just Recovery. Citing extensive research and economic modelling based upon Canadian cities, they argued that an international stimulus programme focused upon inclusive environmental measures could reduce air pollution by up to 29% between 2020 and 2030 whilst creating over 50 million good sustainable jobs. This report argues for investment in the following areas:<sup>7</sup>

- Efficient and resilient buildings
- Clean energy sources
- Sustainable transportation
- Urban nature-based solutions

C40 called for a focus upon a collective shared vision across cities that prioritises new good, green jobs underpinned by an expanded and refocused skills programme; resilient and equitable public services; and health and wellbeing programmes that support nature, reclaim the streets, and clean the air.

Promisingly, the key drivers of economic renewal highlighted above reflect a number of priorities identified in the State of Sheffield 2020 report. Written at the peak of Covid and reflecting on how the city should position itself for recovery, including for residents and businesses most adversely affected by Covid, the report highlights the need to consider a range of issues, including:

- How best to build on the strong foundations of the community response to Covid
- Thinking creatively about the role of the city centre
- How to tackle digital exclusion and support the city's schools and education providers
- How to support active travel
- How to best support arts and culture
- How to enhance democratic engagement in the city.

#### LOCAL AREA COMMITTEE PROFILES

In this evidence base LSOA data has been aggregated and analysed to report by the seven Local Area Committees (LACs), which are bespoke sub-geographical areas used by Sheffield City Council (Figure 3). The following section provides a profile of key socio-demographic statistics.

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<sup>6</sup> [Ibid.](#)

<sup>7</sup> C40 Cities (2021). [Canada: The Case for an Urban Green and Just Recovery](#). Available here.

## Sheffield Local Area Committees

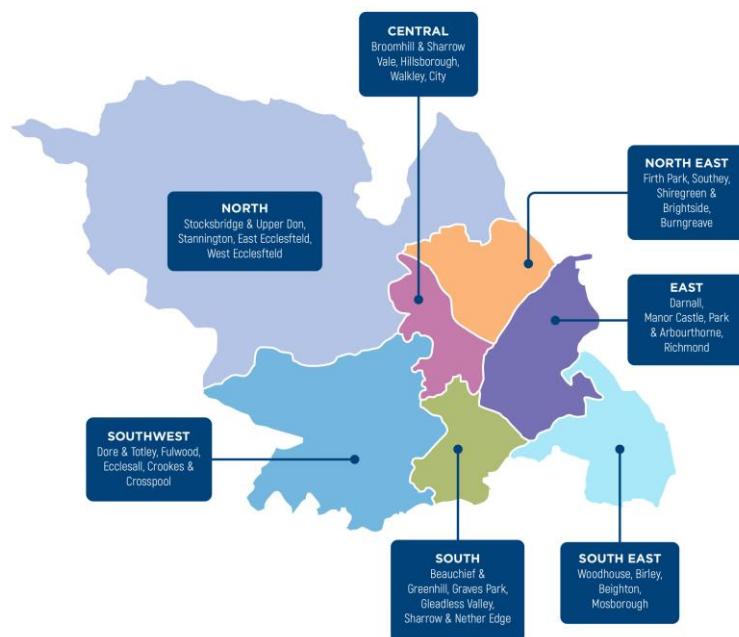


Figure 3: Sheffield's Local Area Committees

### LAC PROFILES

#### Central

Indicator	Figure	Indicator	Figure
Population	13,0413	Employment per 1,000 population	842
Population: Under 16	14,389	Claimant Count (Rate %)	2.7%
Population: 16-64 (%)	105,002	Business Count (density)	32.72
Population: 65+ (%)	11,022	Healthy Life expectancy	61

#### East

Indicator	Figure	Indicator	Figure
Population	96,320	Employment per 1,000 population	659
Population: Under 16	21,010	Claimant Count (Rate %)	7.6%
Population: 16-64 (%)	60,891	Business Count (density)	24.79
Population: 65+ (%)	14,419	Healthy Life expectancy	56.5

#### North East

Indicator	Figure	Indicator	Figure
Population	88,407	Employment per 1,000 population	265
Population: Under 16	17,283	Claimant Count (Rate %)	8.4%
Population: 16-64 (%)	5,4021	Business Count (density)	26.19
Population: 65+ (%)	17,103	Healthy Life expectancy	55.5



**South East**

Indicator	Figure	Indicator	Figure
Population	74,595	Employment per 1,000 population	266
Population: Under 16	16,610	Claimant Count (Rate %)	3.8%
Population: 16-64 (%)	46,052	Business Count (density)	22.24
Population: 65+ (%)	11,933	Healthy Life expectancy	61.5

**North**

Indicator	Figure	Indicator	Figure
Population	70,573	Employment per 1,000 population	250
Population: Under 16	11,708	Claimant Count (Rate %)	3.1%
Population: 16-64 (%)	41,762	Business Count (density)	26.67
Population: 65+ (%)	17,103	Healthy Life expectancy	64

**South**

Indicator	Figure	Indicator	Figure
Population	69,400	Employment per 1,000 population	221
Population: Under 16	13,551	Claimant Count (Rate %)	4.9%
Population: 16-64 (%)	4,3916	Business Count (density)	30.09
Population: 65+ (%)	11,933	Healthy Life expectancy	61.5

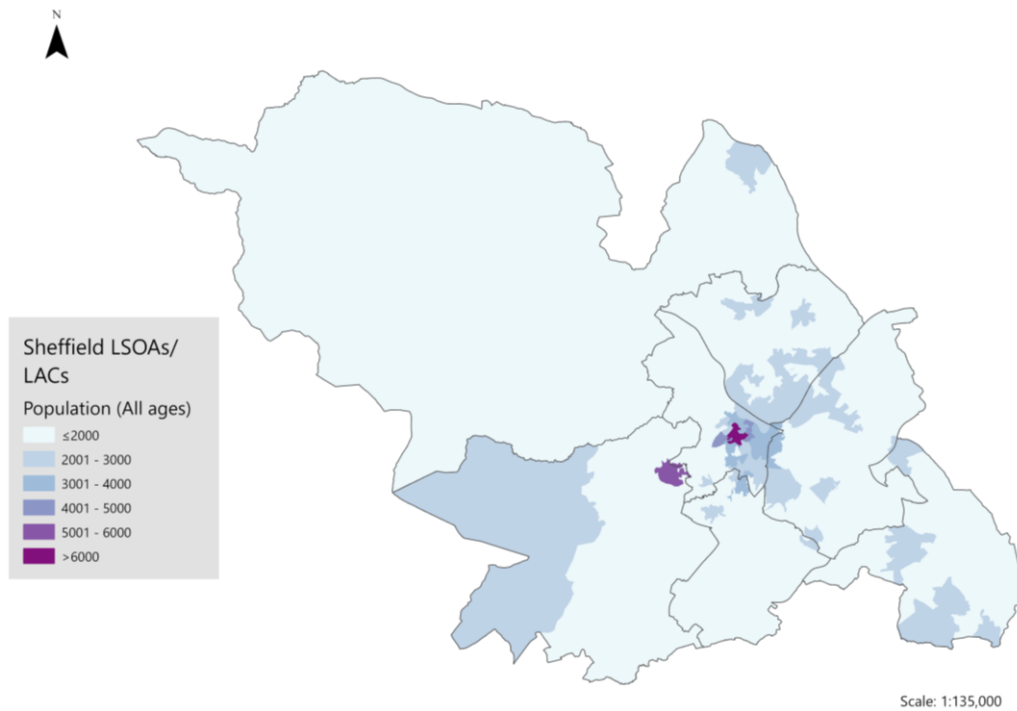
**South West**

Indicator	Figure	Indicator	Figure
Population	59,506	Employment per 1,000 population	190
Population: Under 16	9,819	Claimant Count (Rate %)	1.3%
Population: 16-64 (%)	36,740	Business Count (density)	22.24
Population: 65+ (%)	12,947	Healthy Life expectancy	70

**MAPPING THE SHEFFIELD ECONOMY AND POPULATION**

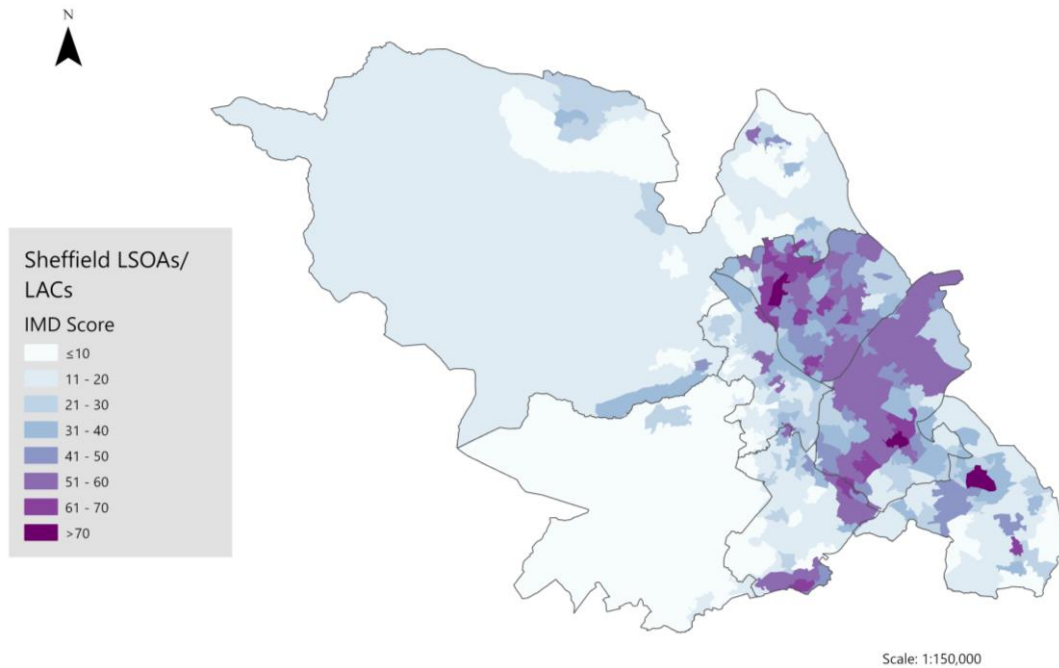
The following GIS maps display economic and population figures for Sheffield at lower super output area (LSOA) and middle super output area (MSOA) levels within their respective Local Area Committees (LAC) displaying the relative differences between different parts of the city.

The next map illustrates population estimates for Sheffield by LSOA and LAC for 2020. The highest population figures are within the Central LAC in and around the city centre with some LSOAs in excess of 6000 people. Population figures drop off progressively with distance from the city centre with most areas sub-3000 residents.



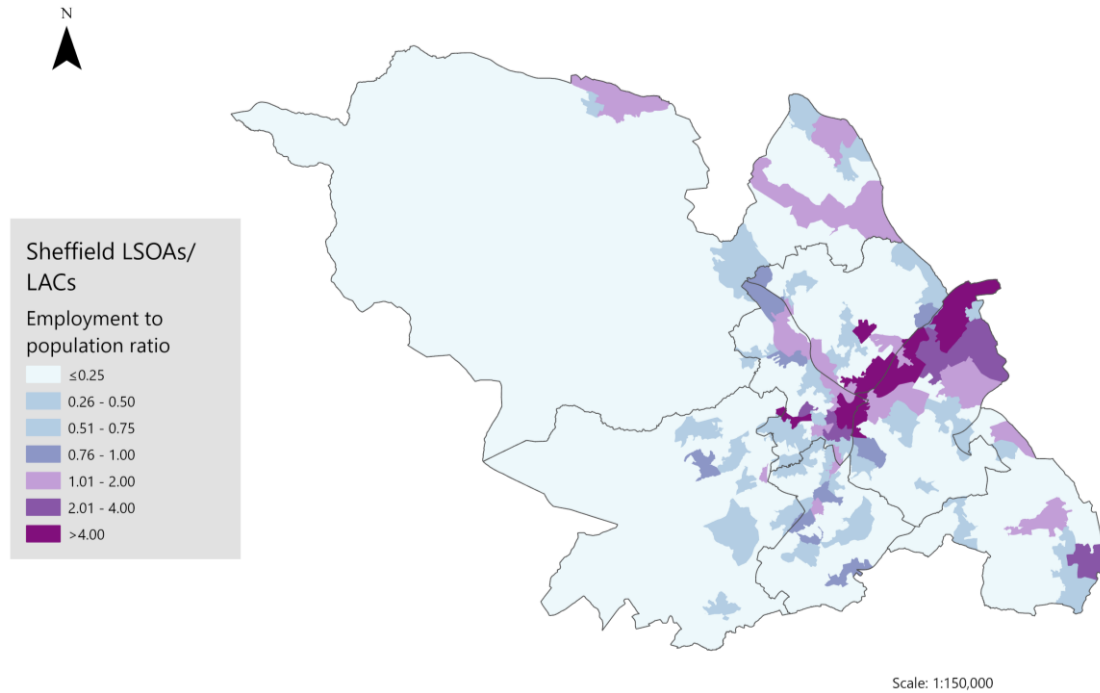
Population (All ages) for Sheffield by LSOA and LAC (2020). Source: [ONS Lower layer Super Output Area population estimates](#). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown copyright and database right 2022.

This map displays the Index of Multiple Deprivation scores (2019) for Sheffield’s LSOAs. IMD scores ranged from 1.69 to 74.8 with the highest levels of relative deprivation in the east of Sheffield, specifically in the North East, East, and South East LACs. On average, the South West LAC scored lowest in regard to the index score (i.e. indicating a much lower prevalence of deprivation).



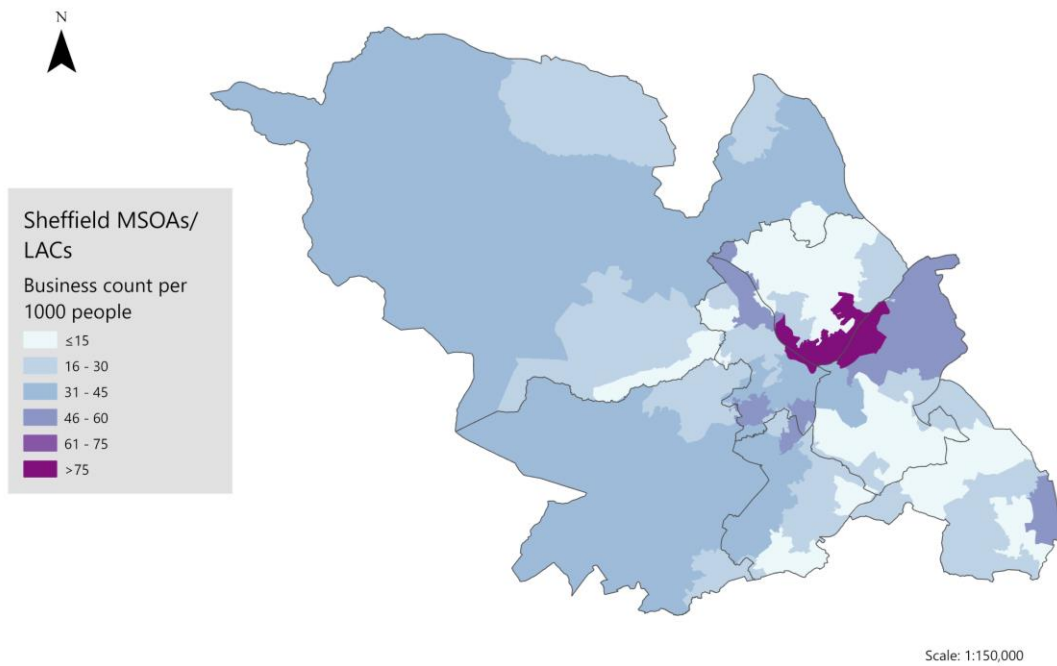
Index of Multiple Deprivation Score by LSOA and LAC. Source: Gov.Uk [English indices of deprivation 2019](#) (File 7). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

The below map compares employment figures against population estimates for Sheffield LSOAs (2020). The higher ratios indicate more jobs per people for the lower-level output area. Figures varied significantly from 0.007 to 6.905. The highest employment to population ratios were in the central and eastern parts of the district along the intersection between the North East, East and Central LACs, a reoccurring theme for these contextual data sets. Large swathes of the North and East recorded very low ratios likely due to lower levels of urban and industrial density.



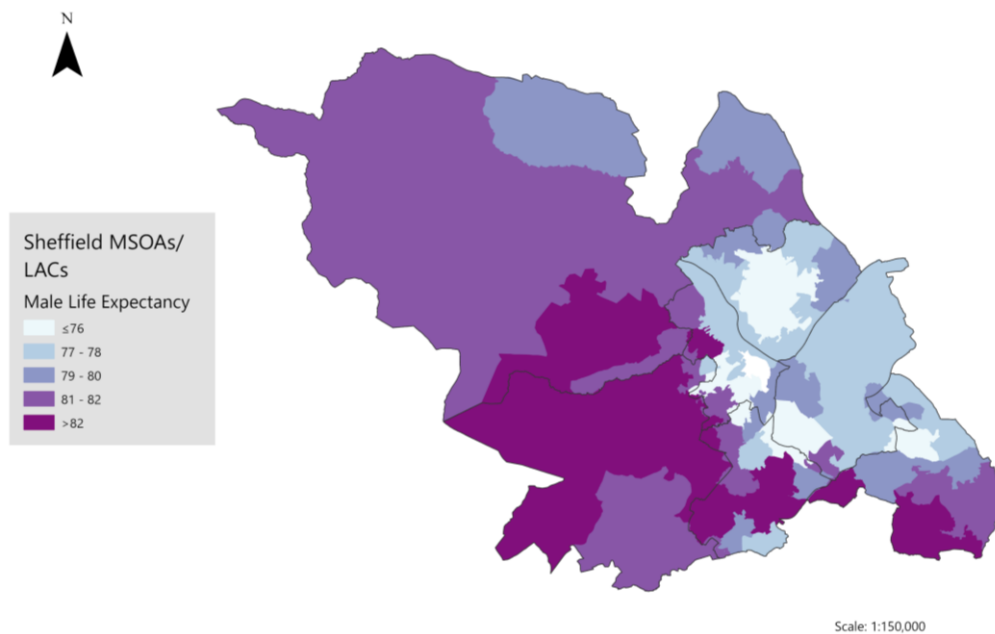
*Employment to population ratio. Source: [ONS Lower layer Super Output Area population estimates \(2020\)](#) and [ONS Business Register and Employment Survey \(2020\)](#). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.*

The next map displays business numbers per 1000 people at MSOA level for Sheffield. Count per 1000 varied from 7 to 87 businesses with the highest ratios in the centre of Sheffield in and around the Central, North East and East local area committees. Lower business figures are clustered towards the South.



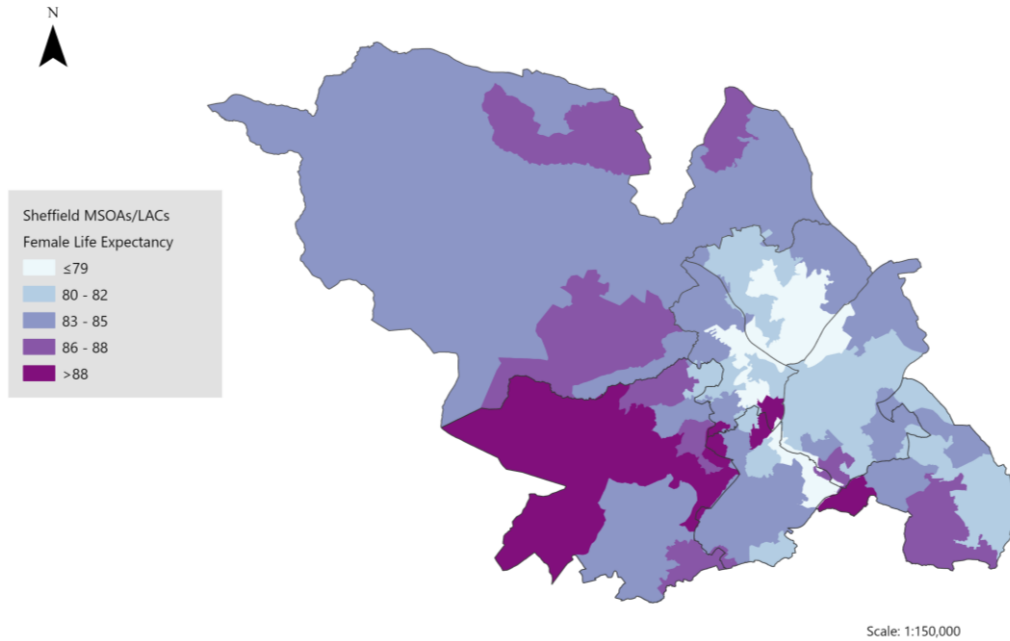
Business count per 1000 people by MSOA/LAC. Source: [ONS Middle Super Output Area population estimates \(2020\)](#) and [ONS UK Business Counts \(2020\)](#) . Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

Male life expectancies by birth in Sheffield range from 74.0 years to 84.2. As depicted the highest are primarily in the West and the South East. Lowest expectancies are towards the centre of Sheffield in the Central and North East local area committees. This gap of 10.2 years is the second lowest of all the Core Cities and lower than the with a Core City average of 12.07.



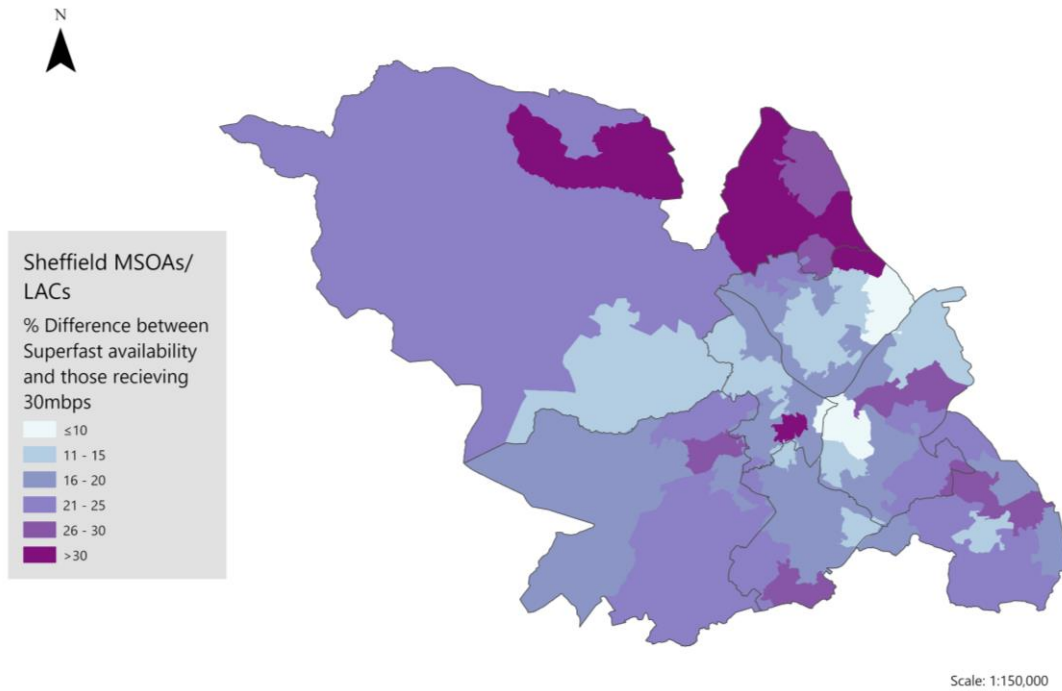
Male life expectancy by birth (upper age band 90+) by MSOA/LAC. Source: [Office for Health improvement and disparities \(2019\)](#). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

In comparison, female life expectancies are higher ranging between 76.0 and 90.9 years of age. The distribution across Sheffield is comparable to that of Male Life Expectancy with the highest expectancies to the West and lower life expectancies towards the centre in the Central and North East LACs. This gap of 14.9 years is the second highest of all Core Cities (Manchester is highest at 16.6 years) and higher than the Core City average of 12.76 years.



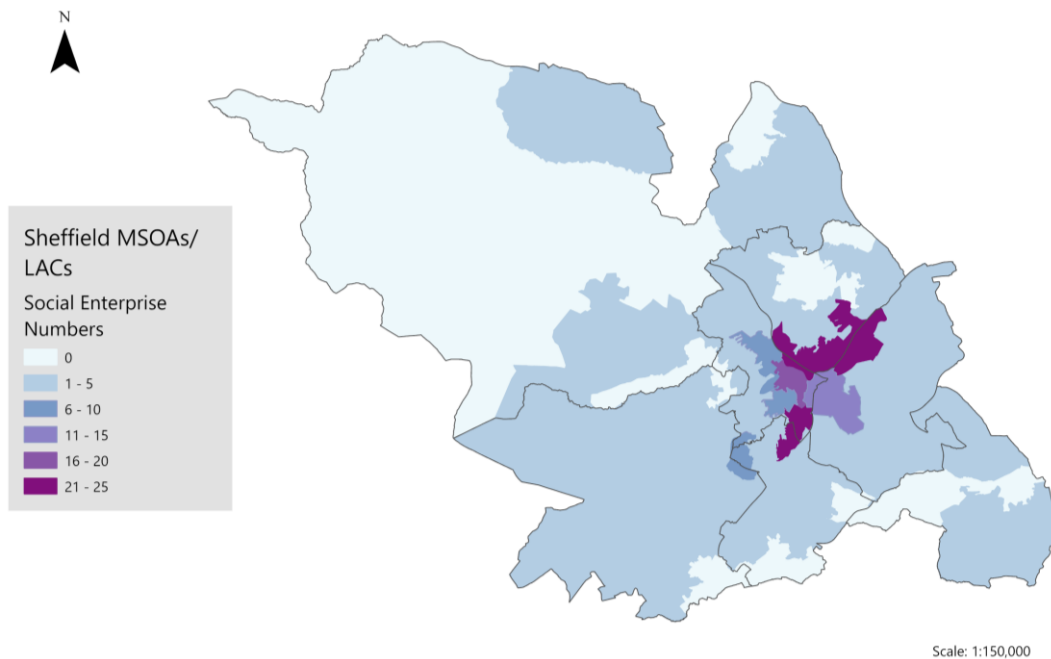
Female life expectancy by birth (upper age band 90+) by MSOA/LAC. Source: [Office for Health improvement and disparities \(2019\)](#). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

Ofcom Connected Nations data for Sheffield comparing the difference between superfast broadband availability and those receiving speeds of over 30mbps is shown above. The biggest differences between reception and availability are in the north with a gap of up to 39.4 percentage points between premises with superfast availability and premises currently receiving those speeds. Only two of the 70 MSOAs in Sheffield have a gap of less than 10 percentage points between those with superfast availability and those receiving over 30mbps. To compare, in the wider Yorkshire and Humber region the average gap is 18.5 percentage points and in London, 14.9.



Variation between Superfast availability and lines receiving over 30mbps by MSOA/LAC. Source: [Ofcom Connected Nations 2021, House of Commons Library](#). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

Social Enterprise Network statistics for Sheffield are shown below. Predictably the highest density of social enterprises is in close proximity to the city centre spanning the Central, North East and East LACs with between 21-25 social enterprise in some LSOAs. The distribution and concentration of social enterprises shows a similar pattern to the business base in general.



Social Enterprise numbers by MSOA/LAC. Source: [Sheffield Social Enterprise Network](#). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

## COVID IMPACTS

Sheffield, as with towns and cities across the UK has been significantly impacted by Covid, and while we are in the process of recovering from the pandemic, there will remain a lasting and long-term legacy impacting on the city's residents and businesses.

Data from CoPeri illustrates that between March and December 2020 there was a 14% reduction in hours worked within Sheffield (13% for Sheffield residents) compared to 2019, partly reflecting that only 35% of residents and employees had jobs where they could work from home. This was also associated with a substantial increase in Universal Credit claims of 4.5 people per 100 residents<sup>8</sup>. Government data also indicates that by November 2021 85,900 jobs<sup>9</sup> in Sheffield had been supported by the Furlough scheme at some point through the pandemic. In June 2021, the most significantly affected sectors were Wholesale and Retail (with 1,900 jobs on furlough in that month), Manufacturing (2,100), and Accommodation and Food Services (2,500).

The CoPeri data also notes that between 2019 and 2020, there was a 36% increase in loans to SMEs, with typical loans per business standing at £42,600.

Both the CoPeri data and the State of Sheffield Report 2020 highlight the disparity across areas and groups within the city. The report notes that those living in the more deprived areas are twice as likely to die of Covid compared to those living in the least deprived areas, regardless of gender; the risk of dying is higher in those in Black, Asian and Minority Ethnic (BAME) groups than in White ethnic groups; males are twice as likely to die as females; and beyond the immediate impact of Covid, BAME people were found to be significantly more likely to be affected by an increased risk of unemployment and associated, poverty or financial hardship, to lower educational attainment than expected due to a lack of IT equipment or overcrowded housing<sup>10</sup>.

Looking beyond the impact on residents, the report notes that in Sheffield, the estimated in-year financial impact of Covid-19 on the City Council is around £80m in 2020/21 (July 2020), largely due to increased cost of service provision, income loss, and loss of Council Tax and Business Rate incomes.

Data from the University of Sheffield's Covid-19 Places Economic Recovery Index (CoPERI) shows the relative recovery risk for all businesses in each MSOA, based on the industry, the change in SME debt and whether jobs can be done remotely or have to be done on site (referred to as zoomshock).

The North East, Central and East Local Area Committees have the highest percentage of MSOAs with high levels of risk to business resilience (Figure 4).

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<sup>8</sup> <https://sites.google.com/sheffield.ac.uk/coperi/dashboard>

<sup>9</sup> Defined as 'employments'.

<sup>10</sup> State of Sheffield 2020

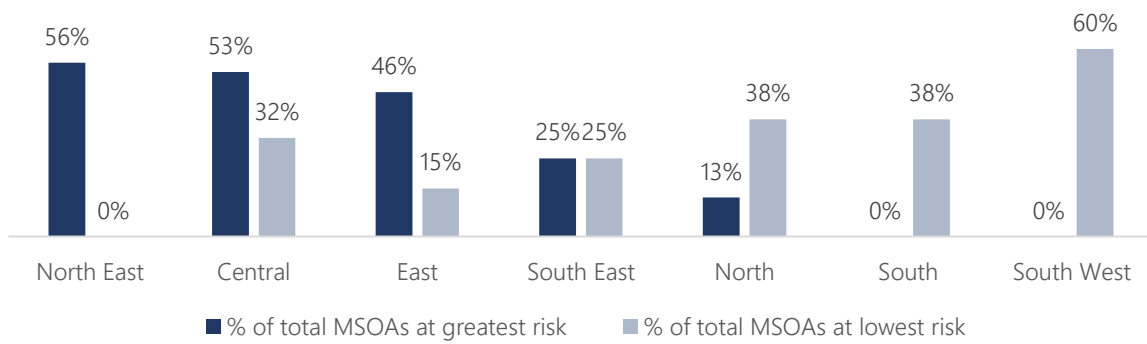


Figure 4: Risk to businesses resilience by LAC. Source: University of Sheffield CoPERI (2021)

In May 2021 8% of employees in the UK were enrolled on the furlough scheme. Across the Core Cities Sheffield had the second lowest rate, at 7% and compared to 10% in Manchester and Birmingham (Figure 5).

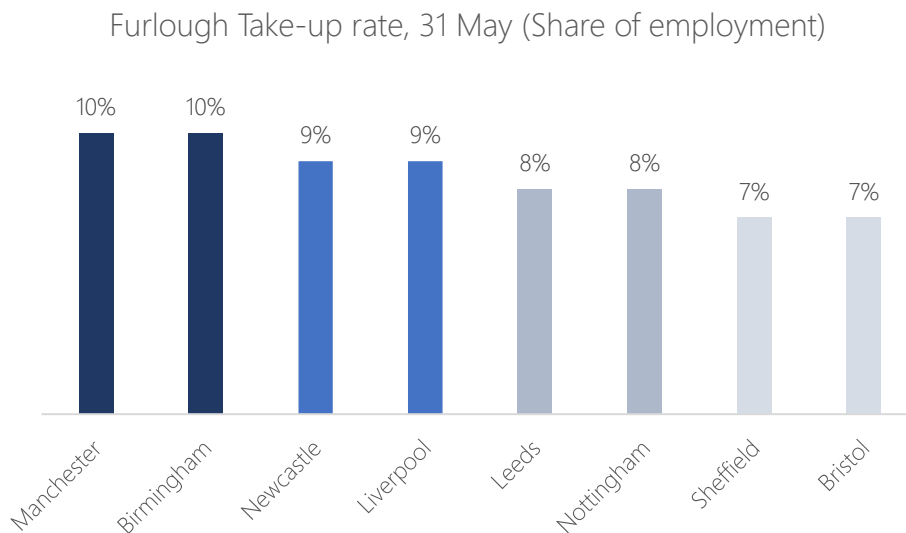


Figure 5: Furlough Take Up Rate (May 21)



### 3) PRODUCTIVITY CHALLENGE & OPPORTUNITIES

Sheffield has lower productivity than the other Core Cities and the gap is widening. Its economic structure and specialisation partially explain this as does the mix and type of firms, access to skills, propensity to export and innovate, and infrastructure. The city lacks the business density and start-up rates of its peers although survival rates are good, and it has a high proportion of highly qualified residents and specialist areas of innovation. Sheffield is home to some dynamic independent companies, household names and headquarters of homegrown, UK, international and foreign owned companies. It has some strong and well-known sectors and emerging growth sectors too, but less fast-growing firms or original equipment manufacturers than other cities. With concerted action to address some of these 'productivity inhibitors' the city has an opportunity to create more firms and better paying jobs and stimulate business and inward investment.

#### THE PRODUCTIVITY CHALLENGE

Sheffield makes a strong contribution to the UK and sub-regional economy, with economic output valued at £13 billion a year. However as noted above, despite pre-pandemic growth, there is growing evidence that Sheffield is not achieving its full potential, with its productivity performance slipping relative to the rest of the country, including the Core Cities.

Lower productivity means that Sheffield underperforms relative to the Core Cities and the current trend is for Sheffield to fall further behind. The economic output gap relative to the Core Cities is £1.4 billion, (up from £0.5 billion in 2015), and £3.7 relative to England (up from £2.3 million in 2015) (Figure 6).

Economic output ultimately represents value that can be shared between wages and profits or reinvested into businesses through higher capital investment and R&D. Therefore, the output gap is more than an abstract concept – it represents significant lost opportunity for the city and has the potential to reduce its long-term competitiveness further worsening its position.

Recent evidence from Sheffield Hallam University<sup>11</sup> suggests that poor and declining productivity may result, as mentioned, from a complex interplay of factors including the occupational profile of the city's workforce (with fewer professional and managerial roles), the sector mix (with fewer private sector jobs and a resulting dependence on public sector employment), and fewer firms operating in highly innovative and fast-growing sectors. While there is evidence that Sheffield firms are performing relatively well against a number of innovation metrics, further evidence suggests that these are not translating into commercial opportunities or business investment in R&D that are benefiting the city's businesses and residents.

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<sup>11</sup> Beatty, C. & Fothergill, S., 2020. *The Productivity of Industry and Places*. Sheffield: Sheffield Hallam University (CRSER).

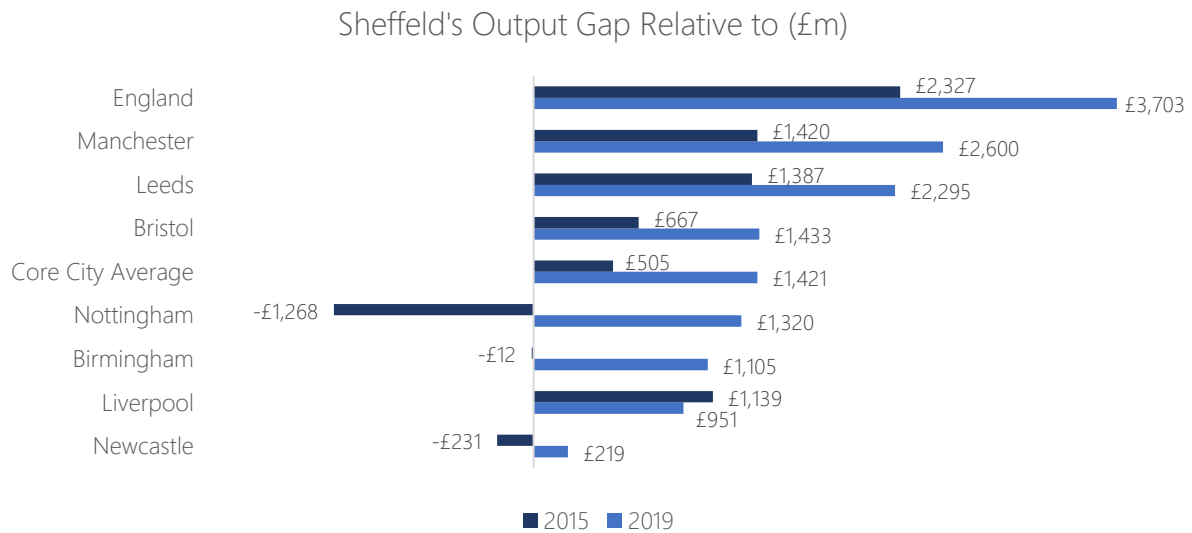


Figure 6: Sheffield output gap. Source: BRES and Regional Growth Value Added 2019

Sheffield is not well represented in some high productivity sectors and its employment base is more heavily concentrated in public sector jobs than other Core Cities. This reflects an under-representation of the non-public sector related sectors, rather than an over-representation of public sector jobs. However, this is not the main driver of lower productivity which appears to be prevalent across all sectors, even traditionally more productive ones.

In addition, while a greater concentration of employment in more productive sectors (including highly productive sub-sectors) will be critical to closing the productivity gap, the next graph illustrates the scale of the challenge with all but two of Sheffield’s broad sectors being less productive than the Core City average. Of particular relevance is the Professional, Scientific, and Technical services sector which is a fifth less productive (22%) in Sheffield than the other Core Cities (and 31% lower than the England average). Information and Communications (identified above as a specialist sector) is 19% less productive than the Core City average and 28% less productive than the England average (Figure 7).

While figures for England are to some extent skewed by London and the South East, Figure 6 above helps to demonstrate the scale of the challenge – particularly in priority growth sectors. Closing this gap will bring wide ranging improvement to Sheffield’s business base and labour markets – from driving up productivity within existing roles, increasing the share of employment in higher level occupations, and promoting growth in higher value subsectors.

It is also important to note that, while Real Estate is highly productive in Sheffield relative to the Core Cities, it is broadly in line with the national average (at 98%). It is not possible to delve below the broad sectors due to limitations in data availability, but it is reasonable to assume that the strong performance of education is linked to the presence of the two universities.

Lower productivity within sectors is at least in part due to the types of job roles hosted in the city. For example, in Sheffield’s financial sector, 34% of jobs are classed as managerial or professional occupations compared to a Core City average of 43%.

Across the workforce as a whole the share of jobs in Sheffield that are at manager and senior official level (occupation level 1)<sup>12</sup> is lower than the Core City average. If the occupational profile of jobs in Sheffield was in line with the Core City average, there would be 2,400 more manager and senior official roles in the city.

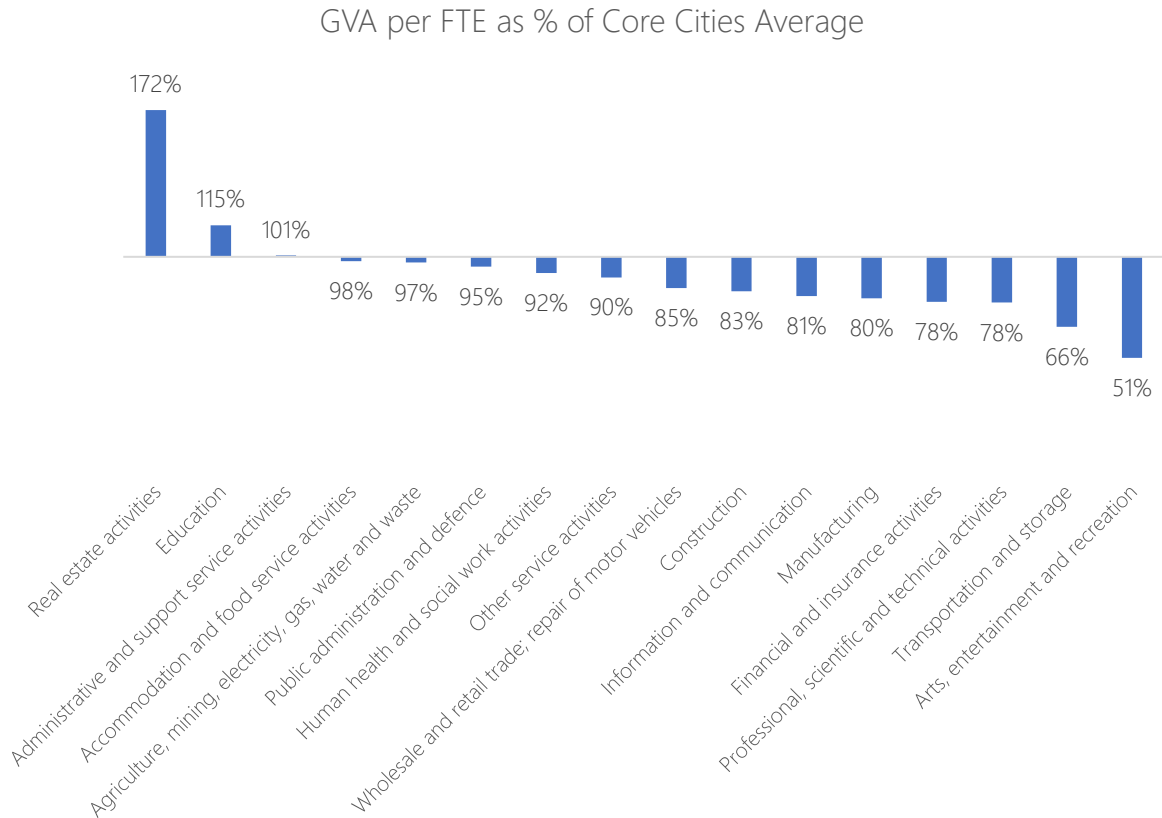


Figure 7: Sheffield GVA by sector against Core City benchmark. Source: BRES and Regional Growth Value Added 2019

Sheffield does have comparable levels of employment in occupation levels 1 to 3 as the Core City average (Figure 8), however there is a slightly higher proportion of employment in occupation levels 7 to 9 than the Core Cities (Figure 9).

The types of job roles in Sheffield could explain why the average pay of residents is £22 per week higher than average earnings than people who work in the city. Sheffield is the only Core City where the pay differential is this way round and the data suggests higher earning residents are travelling outside the city to work.

<sup>12</sup> Jobs are classified into groups according to the concept of 'skill level' and 'skill specialisation' (1=highest, 9=lowest). Skill specialisation is defined as the field of knowledge required for competent, thorough, and efficient conduct of the tasks. Skill levels are approximated by the length of time deemed necessary for a person to become fully competent in the performance of the tasks associated with a job

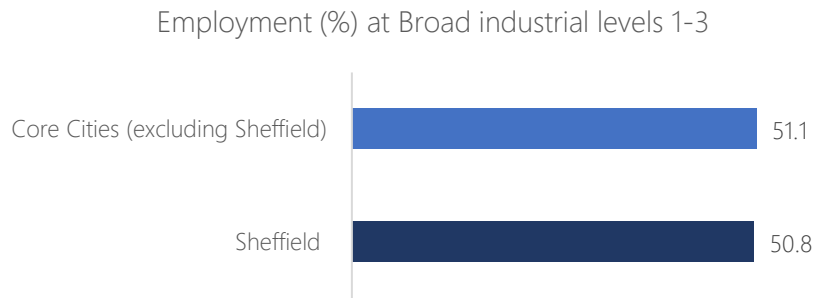


Figure 8: Employment in Standard Occupational Classifications levels 1-3. Source: Annual Population Survey (2021)

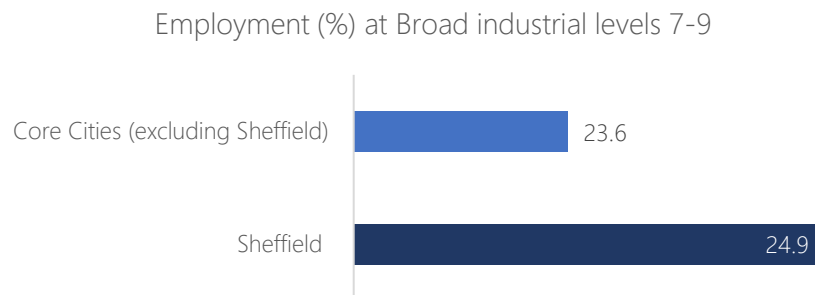


Figure 9: Employment in Standard Occupational Classifications levels 7-9. Source: Annual Population Survey (2021)

The lower level of productivity also reflects the historical reliance on large family businesses, the lack of Original Equipment Manufacturers (OEMs) and the position of many firms within their supply chains. The city has many branches and secondary functions and few unicorns<sup>13</sup>. It does have some well-known UK and foreign owned companies with a major presence in Sheffield in Finance and Law (Aviva, HSBC, DLA, Nabarro), IT (Sky Bet, BT), Green Industries (ITM Power, ARM Holdings and NXP Semiconductors) and Manufacturing (McLaren, Modelēz, Tata). Famous Sheffield companies and headquarters include a cluster of medical instrument manufacturers (B Braun), metal manufacturers (Forgemasters, Gripple, Outokumpu), technology companies (Fluent), digital tech (Sumo, Twinkl, WanDisco), construction and related professional and engineering services (Arnold Laver, ARUP, Henry Boot, Davey Markham, SIG) and legal services (Irwin Michelle).

Modern economies are increasingly dependent upon knowledge-intensive sectors. Sheffield has some strong sectors on which to build including well-known industries (advanced manufacturing and materials) and conventional sectors (creative and professional services). It also has emerging industries (digital tech) and areas of potential (health and well-being). It is well represented in foundation industries such as care and construction.

## BUSINESS BASE AND LABOUR MARKET

Sheffield's economy was the 6<sup>th</sup> largest of the eight England Core Cities in terms of economic output. The city accounts for 47% of economic activity in South Yorkshire. Employment in Sheffield was growing slightly before the pandemic; however, this growth was outstripped by other Core Cities and employment change varied widely across local areas within the city.

<sup>13</sup> Start-ups/private companies which have reached a valuation of at least \$1bn (currently about £812m).

Turning to businesses, Sheffield benefits from a stable employment base with high rates of business survival. However, the economic contribution of the city is also potentially constrained by the size of the local business base, with a business deficit and low rates of business start-ups likely to impact on the potential for the city to adapt to and benefit from the changing socio-economic, technological, and environmental context. Closing this gap will be essential if the city is to maintain and improve upon its competitive position.

Nationally, women and people from BAME communities are underrepresented as employers and within business leadership boards. Only 16% of SME's are led by women and only 6% were BAME led. There were significant variations within the BAME communities, with Indian led businesses at 28% compared to Pakistani at 8% and Black African at 4%. Female led businesses were most likely to be in the health and education sectors and BAME businesses in the hospitality and information and communication sectors<sup>14</sup>.

Finally, there is evidence that Sheffield residents are underemployed or seeking employment opportunities elsewhere. This is a lost opportunity for the city and there is more Sheffield can do to benefit from both the attractiveness of many parts of the city and the quality of life which encourage many people to live in Sheffield but work elsewhere.

SHEFFIELD HAS A RELATIVELY STABLE AND RESILIENT BUSINESS BASE BUT LESS DYNAMISM THAN OTHER CORE CITIES.

Sheffield is a city of makers with thriving and vibrant independent businesses and some evidence of 'survival resilience'. For instance, of businesses formed in 2015 (the most recent cohort with 5-year business survival data), the three, four and five-year business survival rates for Sheffield are better (or among the best) in comparison to other Core cities and the England average.

However, Sheffield has a lower rate of business start-ups, lower business density and fewer high growth businesses than stronger performing Core Cities.

A lower business density impacts on Sheffield's economic resilience and its ability to seize new growth opportunities. There are 40 businesses per 1,000 residents in Sheffield compared to a Core City average of 48 (Figure 10).

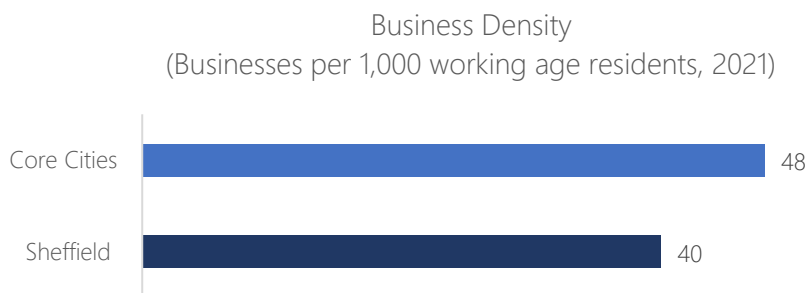


Figure 10: Sheffield business density. Source: LG Inform (2022)

Lower rates of business start-ups will result in Sheffield's business density falling further behind. In 2020 Sheffield saw 6 business starts per 1,000 residents compared to a Core City average of 9 (Figure 11).

<sup>14</sup> Hutton, G. and Ward, M. (2021). *Business statistics*. [Available here](#).

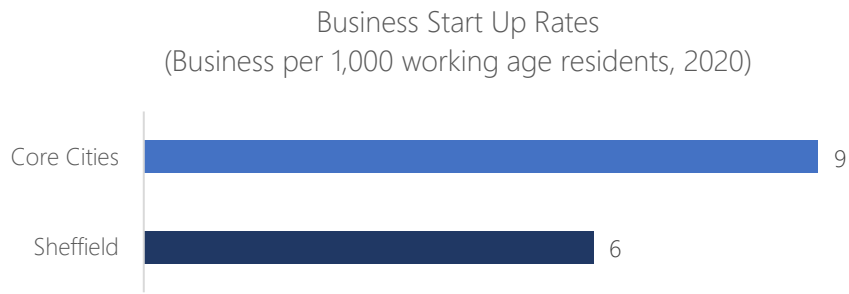


Figure 11: Sheffield start up rates. Source: LG Inform (2022)

Amongst the businesses which do start-up in Sheffield fewer go on to be high growth businesses, based on the ONS definition<sup>15</sup>, compounding the economic impact of lower business density and fewer start-ups. In 2020, Sheffield was home to 0.23 high growth businesses per 1,000 residents compared to a Core City average of 0.31 (Figure 12).

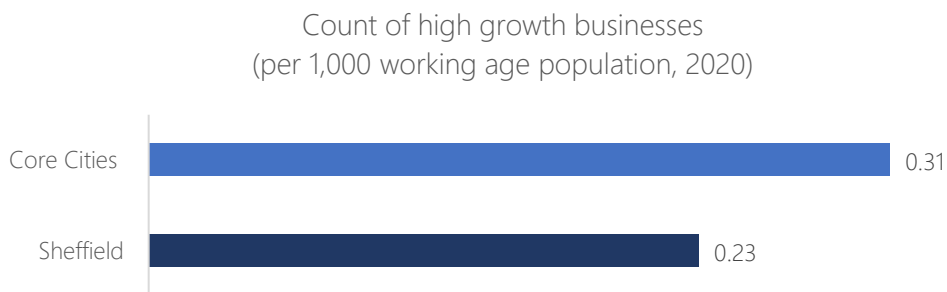


Figure 12: Sheffield high growth business density. Source: LG Inform (2022)

#### WORKFORCE DYNAMICS

Between January 2021 and February 2022 in Sheffield there were 80,004 unique job postings. Of these, 67% of the unique postings in this time period had advertised salary observations (53,300 of the 80,004) and the median advertised salary per hour was £13.69.

Figure 13 shows the rise and fall in unique vacancy postings between March 2021 and February 2022. The absolute change in the number of unique jobs was +1,344, however there was a significant spike between August 2021 and January 2022 where unique postings reached its highest point at 24,085 in November 2021.

<sup>15</sup> Defined as firms with at least 10 staff, firms that have grown at least 10% a year for three years. Note this is a 'high bar' as there are only 1730 businesses in England that meet this threshold.

Change in unique postings count - Sheffield (March 2021 - Feb 2022)

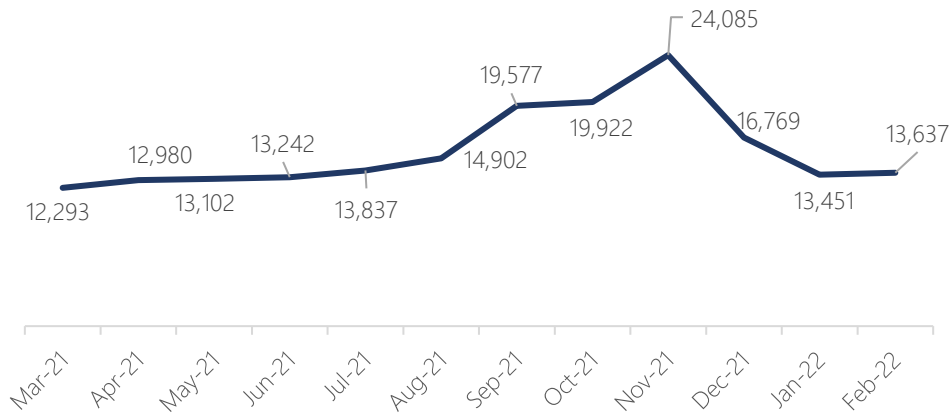


Figure 13: unique jobs postings trend. Source: Sheffield City Council/Esmi Burning Glass

The top posted occupations in Sheffield between January 2021 and February 2022 include nurses (14,682 total posts, 6.7%), care workers and home carers (7,675, 3.5%) and programmers and software development professionals (7,031, 3.2%).

Finance skills and warehousing skills were cited as the most sought after in postings between January 2021 and February 2022, both at 7% of total postings. Other sought-after skills included a range of requirements in professional services - accounting (5%), auditing (5%) and business development (4%). Foundation industries (health, retail, finance) featured most frequently in the postings.

**SHEFFIELD'S POPULATION IS MORE HIGHLY QUALIFIED THAN ITS WORKFORCE.**

A skilled workforce is a critical feature of competitive cities. The accumulation of skills and human capital are central to the process of urban economic growth<sup>16</sup>.

Looking at Sheffield's 16-64 years old population, 47% have an NVQ4+ level qualification compared to 44% in the Core Cities (Figure 14). This advantage combined with better housing affordability than many Core Cities provides an opportunity to attract new inward investment, business relocations or indigenous start-ups, to take advantage of new growth. The city is a highly desirable place to live, even if not all residents work in the city.

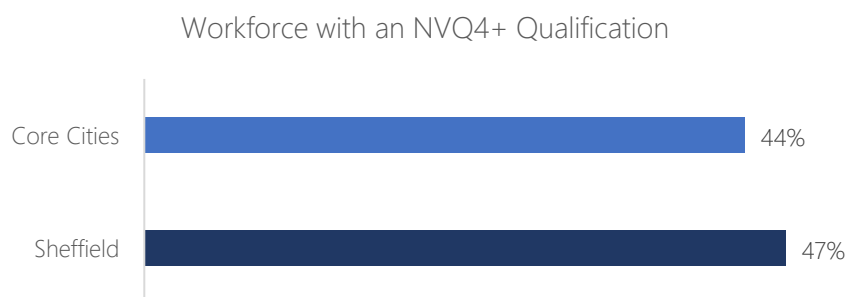


Figure 14: NVQ4+ level qualifications of 16-64 population. Source: Annual Population Survey (2021)

<sup>16</sup> Chinitz, B., 1961. *Contrasts in agglomeration: New York and Pittsburgh*. American Economic Review 51(2): 279-289.

There are 29,800 more residents with NVQ+ qualifications than employees (Figure 15). This suggests highly qualified people are working outside of the city, or in roles below their qualification level. This could also explain why average wages of people working in Sheffield are lower than those living in Sheffield but working elsewhere.

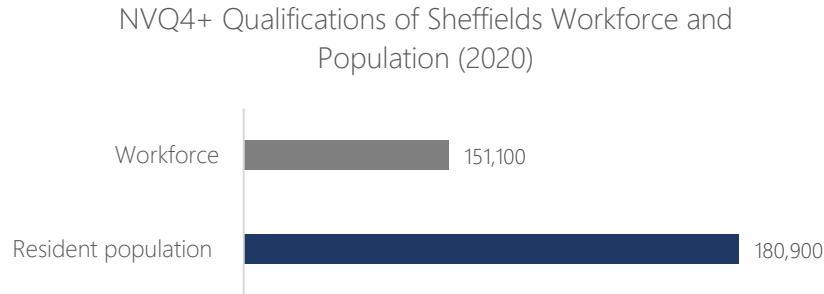


Figure 15: NVQ4+ level qualifications of Sheffield's workforce and population. Source: Annual Population Survey (2021)

### FOREIGN INVESTMENT, EXPORTING AND MAJOR EMPLOYERS

Inward investment can make a significant contribution to a local economy – beyond job creation and wages to productivity gains and fostering innovation, research, and development.

There is a substantial body of evidence showing that foreign-owned firms are more productive than domestically owned ones (see [Griffith et al. \(2004\)](#)) and that their presence can boost the spread of knowledge and productivity. For example, [Haskel et al. \(2007\)](#) document the existence of knowledge spill-overs from foreign companies located in the UK to domestic companies. [Griffith et al. \(2002\)](#) find that greater foreign presence within an industry increases the speed with which technology in that industry converges towards that of the world's most productive firms.

6.1% of Sheffield's business base are foreign owned companies, the third highest percentage of the eight core cities and 0.1% higher than the Core City average. Therefore, per 1,000 businesses, 61 are foreign owned in Sheffield.

Table 2: Foreign owned businesses as a percentage of all businesses

Area	% of business base foreign owned
Liverpool	7.0%
Leeds	6.3%
<b>Sheffield</b>	<b>6.1%</b>
Manchester	5.9%
Bristol	5.9%
Newcastle	5.8%
Nottingham	5.6%
Birmingham	5.6%
Core City Average	6.0%

Source: Databubble (Databroker)

The foreign owned businesses in Sheffield are in the manufacturing sector, leasing of medical equipment, computer systems and software as well as distribution services. Key examples are listed in Table 3.



Table 3: Selected major foreign owned businesses

Foreign Owned Company	Description
B Braun Medical	Develops effective solutions and guiding standards for the healthcare system in a construction dialog with customers and partners.
J R I Orthopaedics	Orthopaedic firm offering portfolio of implants and instrumentation providing a variety of solutions for primary arthroplasty through to complex revision surgery.
Alcoa	A metal finishing and polishing services company.
Liberty Speciality Steel	The third largest steel manufacturer in the country.

Of the eight core cities, Sheffield has the highest proportion of exporters as a total of their business base which is 1.2% higher than the Core City average. For every 1,000 businesses in Sheffield, 61 are exporters (Table 4), a selection of which are shown in Table 5.

Table 4: Exporting businesses as a percentage of all businesses

City	% of exporters in business base
<b>Sheffield</b>	<b>6.1%</b>
Leeds	5.3%
Manchester	5.0%
Nottingham	5.0%
Birmingham	5.0%
Bristol	4.5%
Liverpool	4.5%
Newcastle	3.9%
Core City average	4.9%

Source: Databubble (Databroker)

Table 5: Selected major foreign owned businesses.

Foreign Owned Company	Description
Sheffield Forgemasters International	A global steel production and engineering firm that designs, manufactures, and delivers world-class steel forgings and castings.
Sumo Digital	A video game developer based in Sheffield and principal subsidiary of Sumo Group.
Servelec Technologies/Servelec Controls	Integrating service areas into one digital pathway that encompasses modern technologies, channel shift and integration across social care, healthcare, and education/early years.
Welbilt	Development of touchscreen controls, smart systems and fully connected digital solutions to kitchen equipment
Insight	A computer systems and software company.
Cooper & Turner	Global manufacturer of bolts, studs, and industrial fasteners.
Advanced Engineering Techniques Ltd	Leading engineering providers, supplying product to a host of sectors (Road Transport, Coach & Bus, Construction Equipment and Rail).
Ovarro	A global IT consultancy company advancing productivity and environmental performance.

Source: Databubble (Databroker)

Looking at business size, 0.6% of the business base in the city made up of large employers with over 250 employees (Table 6), 4<sup>th</sup> out of the eight core cities in the UK. Key large employers in the

public sector in Sheffield include higher education establishments such as The University of Sheffield, Sheffield Hallam University and The Sheffield College, as well as hospitals including The Sheffield Teaching Hospital, the Sheffield Health & Social Care Trust, The Royal Hallamshire Hospital, and the Sheffield’s Children’s Hospital NHS Trust.

The NHS Clinical Commissioning Group is also a key larger employer, commissioning most of the hospitals and community NHS services in Sheffield. Key large service sector employers include PlusNet Technologies. Capita Employee Benefits – a pensions advisory and consultancy company, Energy Assets who provide innovative metering services as well as Irwin Mitchell Solicitors.

Table 6: Large businesses as a percentage of all businesses

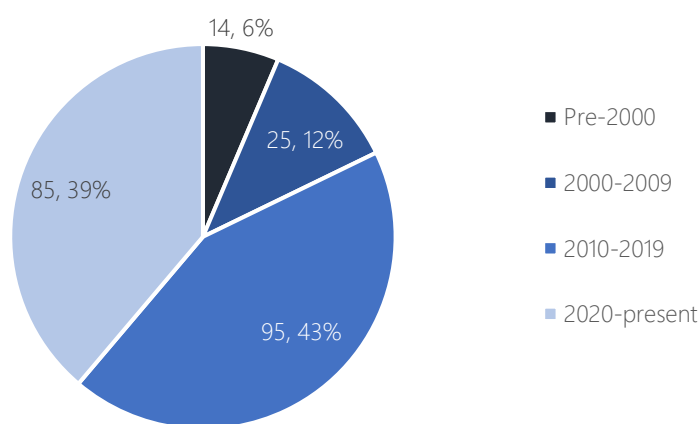
Core city	% of business base with 250+ employees
Leeds	1.1%
Newcastle	0.9%
Birmingham	0.7%
<b>Sheffield</b>	<b>0.6%</b>
Liverpool	0.6%
Manchester	0.6%
Nottingham	0.5%
Bristol	0.5%

Source: Databubble (Databroker), Note may differ from ONS data.

### THE THIRD SECTOR IN SHEFFIELD

Sheffield has a vibrant and growing social enterprise sector. There are 219 Social Enterprises active in Sheffield, including a small number who are part of the Sheffield Social Enterprise Network (SSEN) but based outside of the local authority area. Of these 219, 39% were established within the last two years (Figure 16).

Sheffield Social Enterprises- Date Established\*



\*Known by Sheffield Social Enterprise Network

Figure 16: Age of Sheffield’s social enterprises

In terms of the type of activity undertaken by social enterprises the largest three sectors are Creative and Cultural, Education and Training, and Health and Wellbeing (Figure 17) which account for just over 40% of social enterprise activity. A number of social enterprises operate in more than one sector.

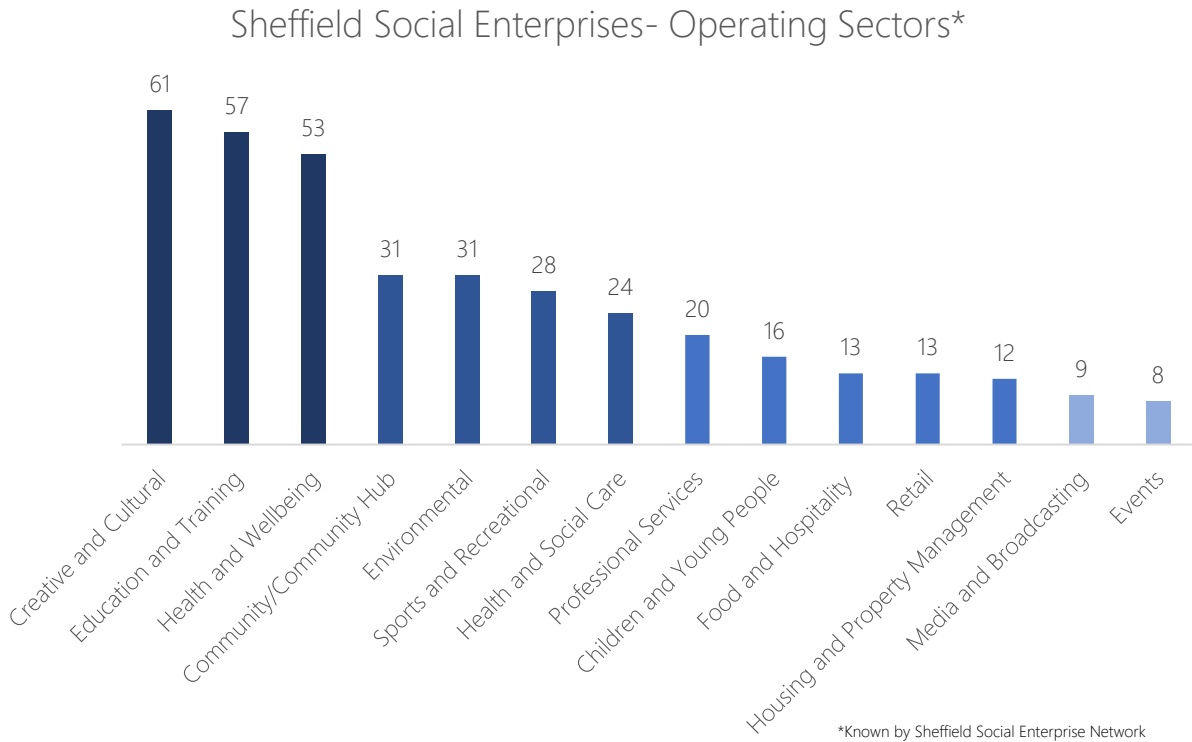


Figure 17: Sector of Sheffield’s social enterprises. Note 25 sectors excluded from this figure as all had 4 or fewer citations.

## INNOVATION

### SHEFFIELD COMPETES WELL WITH CORE CITIES ON TECHNOLOGY INNOVATION AND INNOVATE UK FUNDED INNOVATION PROJECTS

The UK Tech Innovation Index measures both current activity and potential for innovation in seven technology sectors across UK cities. Sheffield is ranked 5<sup>th</sup> out of the Core Cities for innovation across all technology areas. Sheffield’s strength is in Virtual Reality, ranking 2<sup>nd</sup> of all Core Cities, followed by Artificial Intelligence where the city is ranked 3<sup>rd</sup>.

Further evidence from BEIS provides data on innovation activities of UK businesses for Local Enterprise Partnership Areas. Data is available for the period 2016-18 for South Yorkshire and demonstrates that the sub-region has performed extremely well (and outperformed other ‘core city’ LEP areas) in terms of the proportion of businesses who are ‘innovation active’ (Rank 2 out of 38) and who are undertaking product innovation activities (Rank 1). More generally, South Yorkshire is ranked within the top 50% of LEP areas on all other metrics (and performs well relative to other Core City LEP areas) except for the proportion of turnover on new to market goods and services (Rank 30).

This suggests that South Yorkshire businesses have been good at engaging with and implementing innovative practices but are potentially weaker at translating these into viable commercial propositions to take to market.

Since 2004, Sheffield has received an average InnovateUK funding allocation of £280,000 per collaborative academic and business research projects. This outperforms the Core City average of £261,000, and second only to Bristol (£615,000 per project). Since the start of 2017, 78 businesses have

received a total of £48.1m funding across 169 innovation projects. This shows that there have been some successes in applied research reflecting strengths within the City's flagship research centres and institutes.

## COMMERCIAL PROPERTY

OFFICE TAKE-UP RATES ACROSS SHEFFIELD WERE 11% UP ON THE 10-YEAR AVERAGE COMPARED TO 3% ACROSS THE CORE CITIES

Between 2017 and 2021, total commercial property stock in Sheffield increased by 4% to 18,960 units but notably over the same time period, total floorspace (m<sup>2</sup>) decreased by 2% to 5,831,000m<sup>2</sup> (see Figure 18). This is slower growth than the national trend, where total commercial stock has increased by 6%, and floorspace by 1%, over the same period. Average floorspace per unit has fallen in both Sheffield (by 5%) and England (6%) during the 2017 to 2021 period.

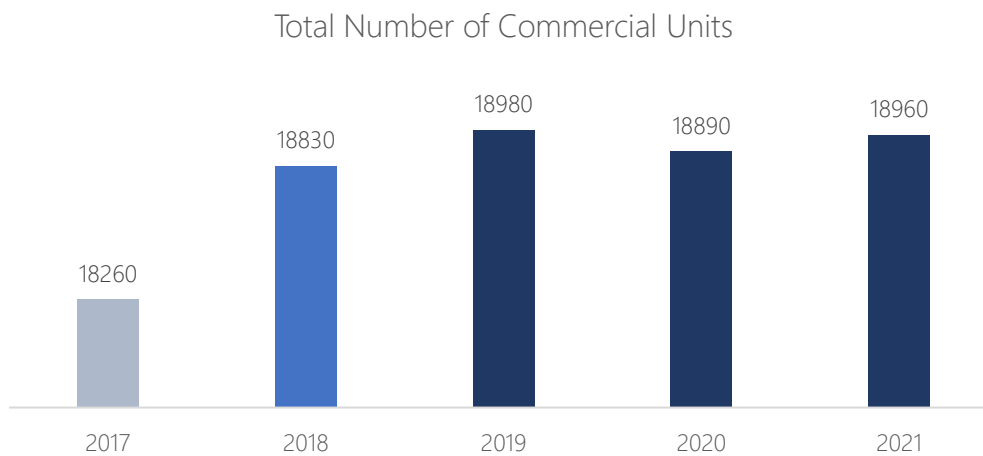


Figure 18: Total Number of Commercial Units (2017-2021). Source: Gov.uk (NDR) and SCC (2021)

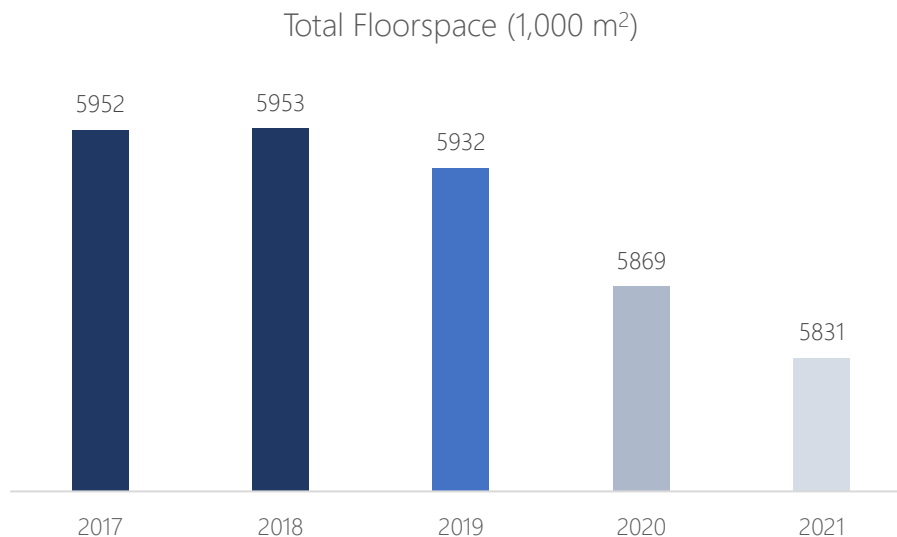


Figure 19: Total Commercial Floorspace (2017-2021) Source: Gov.uk (NDR) and SCC (2021)

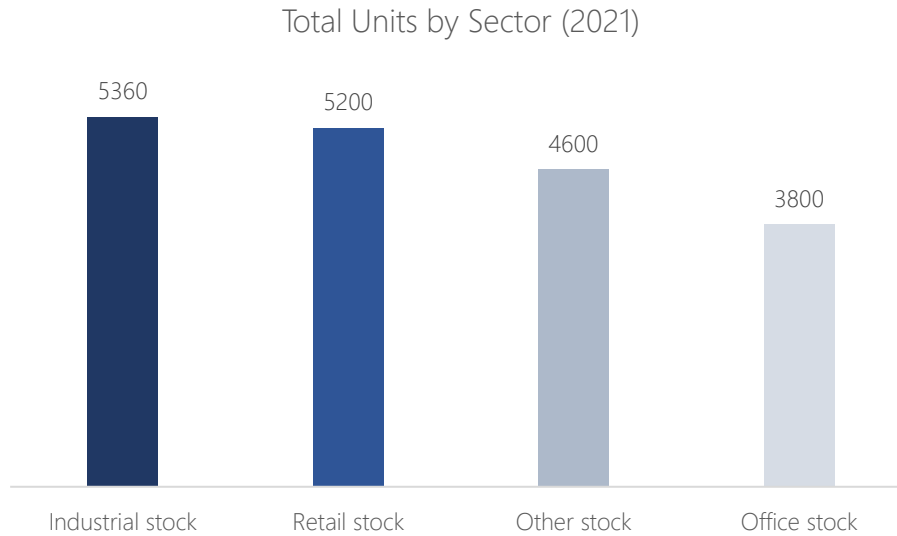


Figure 20: Total Commercial Units by Sector (2021). Source: Gov.uk (NDR) and SCC (2021)

Sheffield’s share of Grade A office space (12%) is the lowest of all the Core Cities (17% below the average) (Figure 21). The Sheffield Property Association noted that low proportion of Grade A office space could be part explained by a viability gap where the cost of site preparation and commercial property development is greater than the end property values realised. The implication is that any major occupiers will have to either wait for a pipeline building or compromise by taking a lower standard of accommodation<sup>17</sup>.

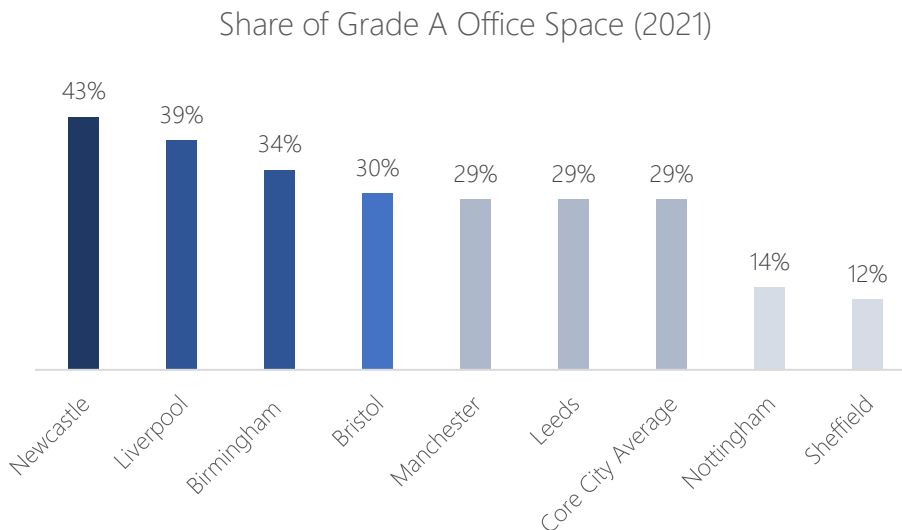


Figure 21: Share of Grade A Office Space by Core City. Source: LSH (2022)

In 2021, 2,684 commercial properties were vacant in Sheffield, a vacancy rate of 14%. Vacancy rates were 15% for retail (the highest for all the Core Cities), 22% for office and 10% for industry, all higher than the respective Core City averages of 10%, 19% and 9%. The vacancy rate for Grade A office space is 6%, 1 percentage point below the Core City average.

<sup>17</sup> <https://www.business-live.co.uk/commercial-property/sheffield-development-aims-tackle-citys-20077568>

Table 7: Vacancy Rate by Sector (2022). Source: Value Office Agency Data and Local Insights

Core City	Office	Industrial	Retail
Birmingham	13%	8%	6%
Manchester	28%	17%	14%
Leeds	24%	9%	11%
Bristol	17%	7%	7%
Liverpool	22%	11%	14%
Newcastle	19%	6%	6%
Nottingham	9%	5%	5%
Sheffield	22%	10%	15%
Core City Average	19%	9%	10%

Reflecting upon these figures the Sheffield Property Association identified growing demand for leisure space as an opportunity for future growth, particularly within the context of a nationwide decrease in demand for retail space. Sheffield's relative lack of Grade A office space was also seen as an area that required addressing to attract large employers, though they acknowledged that both residential and commercial development is currently constrained by increased construction costs and land prices. Developments at West Bar, the Heart of the City and Sheffield Digital Campus (Endeavour House) were welcomed but the 401,322 ft<sup>2</sup> of new office space currently under construction does still fall below the Core City average of 558,223 ft<sup>2</sup>.<sup>18</sup> It was also acknowledged that the move towards increased levels of hybrid working was having shifting the types of commercial demand.

## PRODUCTIVITY SUMMARY AND POLICY IMPLICATIONS

To summarise:

- The city has some dynamic independent companies, household names and headquarters of homegrown, UK and international and foreign owned companies but few OEMs or 'unicorns' (companies valued at \$1bn or more). It has strong medical and advanced manufacturing capabilities and well-known technology and digital firms as well as established construction and related professional, legal, and engineering services.
- If business density and start up rates were at the Core City average, Sheffield would be home to 3,400 more businesses, and every year there would be 950 more business starts.
- Sheffield has a highly qualified population, but the city is not making as much of this as it could and there is an occupational divergence for some important sectors such as professional services between Sheffield and the Core Cities.
- The most recent detailed innovation data shows the sub-region has a high proportion of innovation active businesses, some good examples of applied research and a high propensity for product innovation.
- There is a shortage of high-quality office space in part caused by a viability gap meaning potential occupiers either have to compromise or choose to locate elsewhere which could have a very detrimental impact on the future growth of the economy. There are currently high retail vacancy rates suggesting the city has struggled to recover from the effects of Covid-19.

The review of productivity data raises some [potential policy implications](#):

- The skills profile and city's innovation assets offer a potent proposition for inward investment.

<sup>18</sup> Knight Frank (2022). *UK Cities Sheffield – Q4 2021*. [Available here](#).

- Investment in the next generation of leaders and managers and greater employee ownership would improve the city's occupational profile, employee prospects and stimulate higher performing working practices within organisations.
- Sheffield has some strong sectors on which to build including well-known (advanced manufacturing and materials) and conventional (creative and professional services) sectors as well as emerging industries (digital tech) and areas of potential (health and well-being). It is well represented in foundation industries (care and construction for example).
- Sheffield could be positioned as a northern start-up hub - a place where people (including residents) want to do business and where there are good business survival rates. A focus on tech start-ups (with key verticals like health and wellbeing, educational technology, industrial automation, and green tech) could help to reduce the city's productivity gap.
- Potential commercial development sites need to be stimulated and brought forward and city centre resilience bolstered. Sheffield Future High Street Fund is re-purposing obsolete buildings including converting the upper floors of retail premises to inner city living.
- There is scope to boost the innovation and enterprise ecosystem, sub-regional innovation support and to build on the success of accelerators, world-class translational research facilities, and existing measures such as the Sheffield Innovation Programme. There is potential for new technology adoption programmes and business incubators and strategic collaboration on innovation across the sub-region. The Advanced Manufacturing Innovation District for instance can act as a lever to attract new inward investment and world class research infrastructure.

## 4) UNEQUAL CITY

Sheffield thrives on its diversity and the strength of its communities, supported by a dedicated voluntary sector and a growing number of social enterprises. However, as this chapter shows there are economic and social inequalities in our city, some of which have been exacerbated by Covid-19. Sheffield is overall a healthy city compared to other Core Cities, but with wide disparities seen between the different LAC areas in relation to healthy life expectancy (HLE) levels and levels of deprivation. HLE and deprivation are interlinked as people residing in the most deprived areas of the city experiencing the lowest healthy life expectancy. (“the poorer the area the worse the health” Marmot Review 2020). Health and wellbeing challenges can prevent people from working as much as they would like to and from fulfilling their potential resulting in years of potential life lost, (and in some cases working years lost) for some individuals and communities. This is a missed opportunity for our city. Similarly, unequal education outcomes mean the city is not maximising its potential skills base and can limit future opportunities for young people.

There are wide disparities in Sheffield across a broad range of socio-economic indicators. These reflect differences between neighbourhoods and communities, but also across different demographic groups.

There is also evidence that some groups have been impacted harder by recent economic shocks. For example, there is evidence that the pandemic has more greatly impacted on female employment in the city, both overall and for specific groups, including those with work-limiting disabilities.

When considering the health of Sheffield’s residents, across many areas the city performs in line with or better than the Core Cities. For example, it has the highest rate of healthy life expectancy and has bucked the recent trend of marginal decline in life expectancy experienced nationally. However, this masks significant variation within the city, which also has a high rate of inequality in life expectancy and pockets of severe health deprivation.

In addition to poor life expectancy in parts of the city, there are also a range of wider health and wellbeing challenges that will directly contribute to the economic challenges outlined previously. Examples include high rates of mental health problems, including depression, and severe concentrations of poverty. Evidence suggests that child poverty is worsening within the city, and this will be further compounded by the cost-of-living crisis. This presents a major threat to the future wellbeing of the city’s residents and impacts on long term health and educational attainment of younger residents. It is likely to have a tangible long-term impact on the city if it is not adequately addressed over the coming months and years.



## PEOPLE – THE EXPERIENCES OF KEY GROUPS

This section considers the experiences of women, Black, Asian and minority ethnic groups, and people living with disabilities who all face significant challenges in Sheffield. Although these groups are discussed separately, they are not homogenous, and this section cannot capture the variety of experiences within these groups. It is also important to recognise the intersectionality of experiences and the cumulative impacts of inequalities.

Gender inequality in Sheffield means less women are employed and those who are receive lower salaries compared to men. A Fawcett Society<sup>19</sup> report found over 42,000 women in Sheffield were missing from the labour market and average earnings were £10k less a year than men. Sheffield has an average gender pay gap of 12.6%, which is slightly lower than the national average<sup>20</sup>. The Fawcett Society explain the gender inequalities are caused by caring responsibilities (adult and child) and high costs of childcare which impact Sheffield women's career progression and financial security.

Nationally, the gender pay gap has reduced by a quarter over the last 25 years, yet most of this improvement is due to increasing female educational attainment. There are variations within the gender pay gap, with women in the highest paying jobs receiving only 77% of a male salary compared to 90% of the lowest paid jobs<sup>21</sup>.

The Covid-19 pandemic and subsequent restrictions negatively impacted gender inequalities. Women are disproportionately represented in industries such as health and social care which were on the frontline of the pandemic. Women were also more likely to work in sectors which closed during the lockdowns for example retail, and therefore at an increased risk of job loss. Additionally, as women are more likely to be in insecure employment (i.e. zero hours) they were less likely than men to receive a discretionary employer top up on furloughed earnings or be entitled to Statutory Sick Pay. During the pandemic, the childcare gender gap increased with women spending increased hours on caring responsibilities as many families juggled working from home with childcare. Women were more likely to be furloughed compared to men and reported more difficulties with working productively at home<sup>22</sup>.

Women account for 90% of single parents and this group were more likely to be impacted by job loss, reduced hours or furlough during the pandemic compared to coupled parents. Single parents earn half the weekly wage of coupled mothers and were less likely to work from home. During the pandemic, single parents reported an 'impossible balancing act' between paid employment and caring responsibilities<sup>23</sup>.

Sheffield is an ethnically diverse city yet, Black, Asian, and Minority Ethnic (BAME) groups face deep rooted inequalities which the forthcoming Sheffield Race Equality Commission has investigated. The employment rate in Sheffield for ethnic minorities is 61.2% compared to the city average of 74.6%<sup>24</sup>. This ethnic minority employment rate is lower than the national average. Emerging findings from the Sheffield

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<sup>19</sup> The Fawcett Society. (2019). *Making Devolution Work for Women*. [Available here](#).

<sup>20</sup> Office for National Statistics. (2021). *Annual Survey of Hours and Earnings*. [Available here](#).

<sup>21</sup> Andrew, A., Bandiera, O., Costa-Dias, M. and Landais, C. (2021). 'Women and men at work', *IFS Deaton Review of Inequalities*. [Available here](#).

<sup>22</sup> Women and Equalities Committee. (2021). *Unequal impact? Coronavirus and the gendered economic impact*. [Available here](#).

<sup>23</sup> Gingerbread. (2020). *Caring without sharing: Single parents' journeys through the Covid-19 Crisis – Interim Report*. [Available here](#).

<sup>24</sup> Office for National Statistics. (2021). *Annual Survey of Hours and Earnings*. [Available here](#).

Race Equality Commission<sup>25</sup> have highlighted racial inequality and the widespread racism experienced by BAME communities, workforce pipeline issues and a lack of diversity at senior/board level across the city. The lack of representation at this level means the lived experiences of BAME are not heard in the spaces where strategic decisions are made.

During the Covid-19 pandemic, BAME groups have been disproportionately impacted due to entrenched inequalities and structural racism<sup>26</sup>. The Runnymede Trust<sup>27</sup> found “*Indian households have 90–95p for every £1 of White British wealth, Pakistani households have around 50p, Black Caribbean around 20p, and Black African and Bangladeshi approximately 10p*”. BAME people experience inequalities in employment, education, housing, accessing social security including Universal Credit, and health – for example Black ethnic groups have significantly higher Covid-19 mortality rates than White ethnic groups. BAME are over-represented in ‘key worker’ sectors and low-skilled roles for example Black African men are seven times more likely to be care workers than White British men. People from ethnic minorities are also more likely to be working in sectors closed during Covid-19 lockdowns in jobs which are low-paid and insecure<sup>28</sup>. BAME women are twice as likely to be in insecure work compared to white workers and experience low-pay and underemployment<sup>29</sup>.

The 2010 Equality Act<sup>30</sup> defines disability as “if you have a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on your ability to do normal daily activities” and these characteristics are protected against discrimination. In Sheffield, 48% of people aged 16-64 living with disabilities are employed compared to 75.7% of the non-disabled population – a disability employment gap of 27.7%<sup>31</sup>. National statistics demonstrate the variations of the employment gap from different conditions for example people with learning disabilities, autism, or mental illness most greatly affected by the employment gap. Concerningly, almost half of people experiencing poverty in the UK are disabled or live with a disabled person<sup>32</sup>. Disabled people were more likely to struggle to pay household bills and buy food during Covid-19 than non-disabled people<sup>33</sup>. Furthermore, disabled workers in Yorkshire and the Humber earn £11.45 per hour compared to £12.82 for non-disabled employees<sup>34</sup>.

27% of people living with disabilities faced redundancy during Covid-19 compared to 17% of non-disabled people, this risk increased to 48% for those who are extremely clinically vulnerable<sup>35</sup>. Turn2Us found people with disabilities were more likely to make a Universal Credit claim due to the pandemic including people in work<sup>36</sup>. Those with disabilities are also a greater risk of Covid-19 mortality, for

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<sup>25</sup> Hylton, K. (2021). *Interim update*. [Available here](#).

<sup>26</sup> Marmot, M. et al. (2020). *Build back fairer: The Covid-19 Marmot Review*. [Available here](#).

<sup>27</sup> Runnymede Trust. (2020). *The colour of money*. [Available here](#).

<sup>28</sup> Women and Equalities Committee. (2021). *Unequal impact? Coronavirus and BAME people*. [Available here](#).

<sup>29</sup> TUC. (2020). *BME Women and Work*. [Available here](#).

<sup>30</sup> The 2010 Equality Act is [available here](#).

<sup>31</sup> Office for National Statistics. (2021). *Annual population survey*. [Available here](#).

<sup>32</sup> Oakley, M. (2021). *Time to think again*. [Available here](#).

<sup>33</sup> Joseph Rountree Foundation. (2020). *The financial impact of Covid-19 on disabled people and carers*. [Available here](#).

<sup>34</sup> Office for National Statistics. (2021). *Annual population survey*. [Available here](#).

<sup>35</sup> Citizen’s Advice. (2020). *An unequal crisis*. [Available here](#).

<sup>36</sup> Turn2Us. (2020). *Coronavirus and the impact on people with protected characteristics*. [Available here](#).

example people with learning disabilities are six times more likely to die from Covid-19 than the general population and this increases to thirty times for adults aged 18-24<sup>37</sup>.

## EDUCATION INEQUALITY AND DEPIVATION AND IMPACTS OF PEOPLE POTENTIAL

### CHILD AND FOOD POVERTY HAVE INCREASED FASTER THAN THE NATIONAL AVERAGE IN DEPRIVED AREAS OF SHEFFIELD

In the UK, there are 3.9 million children living in poverty which is 27% of all children. Children in single parent families, from BAME communities and in larger families were all at greater risk of experiencing poverty. Importantly, 75% of children living in poverty are from a household with at least one person in work demonstrating that paid employment does not safeguard against experiencing poverty<sup>38</sup>. Child poverty harms the health of the child at the time and for the rest of their life. Children living in the most deprived communities are nearly twice as likely to die compared to the most advantaged children, and children in deprived communities are more likely to have a serious childhood illness or long-term disability<sup>39</sup>. During the Covid-19 pandemic, the impacts of child poverty were intensified due to school and nursery closures. The attainment gap between the most and least disadvantaged pupils grew during the pandemic, with the most deprived students less likely to have access to digital devices, the internet, and a quiet place to work at home. This gap in education attainment will serve to maintain existing inequalities and potentially limit future social mobility<sup>40</sup>.

There are also disparities within free early education with lower levels in the most deprived areas compared to the least deprived. Evidence has clearly shown the importance of high-quality early education for the development and outcomes of children. In Sheffield, the average take-up for 15 hours per week free childcare for disadvantaged households was 64% in 2019. Yet, there were variations across the city with deprived areas such as Darnall (48%) and Burngreave (43%) having lower levels of take-up<sup>41</sup>.

Based on the Index of Multiple Deprivation (IMD), Sheffield is the third least deprived of the Core Cities. However, compared to England as a whole rates of deprivation are double the national average. Important when considering inclusive growth is the relative levels of deprivation within Sheffield. Income deprivation (the proportion of the population experiencing deprivation relating to low income) varies significantly across the city and Sheffield has some of the most deprived communities in the country. Nearly 25% of LSOAs in Sheffield are within the 10% most deprived nationally, concentrated in the North East and East LACs. That said, all LACs have areas that have at least two LSOAs which fall into the most income deprived 10% across England.

The North East LAC is the most income deprived LAC in Sheffield with almost 70% of the LSOAs falling in the most deprived 10% nationally. This is followed by the East LAC where close to 50% of LSOAs are in the most deprived 10% (Figure 22).

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<sup>37</sup> Mencap. (2021). Eight in 10 deaths of people with a learning disability are COVID related as inequality soars. [Available here](#).

<sup>38</sup> Child Poverty Action Group. (2021). *Child poverty facts and figures*. [Available here](#).

<sup>39</sup> Marmot, M. (2020). *Health Equity in England: The Marmot Review ten years on*. [Available here](#).

<sup>40</sup> Ofqual. (2021). *Learning during the pandemic: review of research from England*. [Available here](#).

<sup>41</sup> National Audit Office. (2020). *Supporting disadvantaged families through free early education and childcare entitlements in England*. [Available here](#).

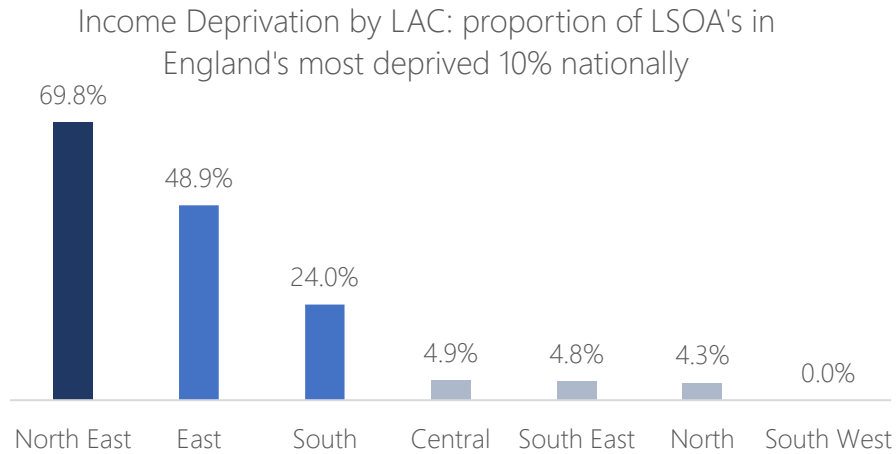


Figure 22: Income deprivation by LAC. Source: Index of Multiple Deprivation (2019)

Child poverty has increased by 22.4% since 2014/15, with an additional 6,865 children living in poverty. Sheffield performs relatively poorly in the Income Deprivation Affecting Children Index, with 21.7% of the population in the most deprived 10% nationally for this domain. As of 2019/20, there were 37,578 children (35.5%) living in poverty within the city. This is above the national average of 30.4% but below the Core City average of 37.4% (Figure 23).

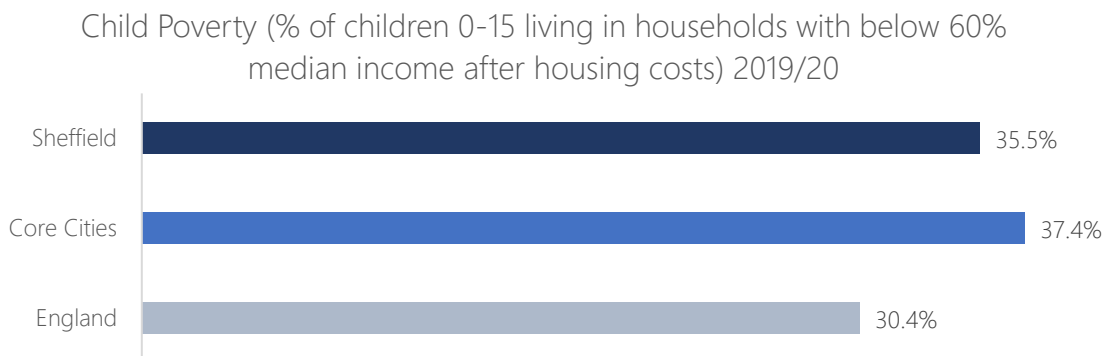


Figure 23: Child poverty rates in Sheffield, Core Cities and England. Source: DWP/HMRC (2020)

Between April 2021 – March 2022, the Trussell Trust distributed over 2.1 million emergency food parcels, 832,000 of these parcels were for children which is a 15% increase from the year before. The Trussell Trust’s own research found 94% of food-bank users were experiencing destitution meaning their income did not cover the essentials needed to live<sup>42</sup>. The Trussell Trust is just one food bank network in the UK, the true extent of food poverty is far greater. It is estimated there are over 6,000 food aid providers in the UK with the Trussell Trust representing around 40% of this<sup>43</sup>.

Looking more widely than the Trussell Trust, and over a longer timeframe, food bank usage in Sheffield has almost doubled between 2019/20 and 2020/21, a 91% increase, compared to 41% nationally. This includes a 117% increase in the number of parcels distributed to children in Sheffield compared to 43% nationally.

<sup>42</sup> Trussell Trust. (2022). [Available here](#).

<sup>43</sup> Independent Food Aid Network. (2022). *Mapping the UK's Independent Food network*. [Available here](#).

HOUSING AFFORDABILITY AND QUALITY

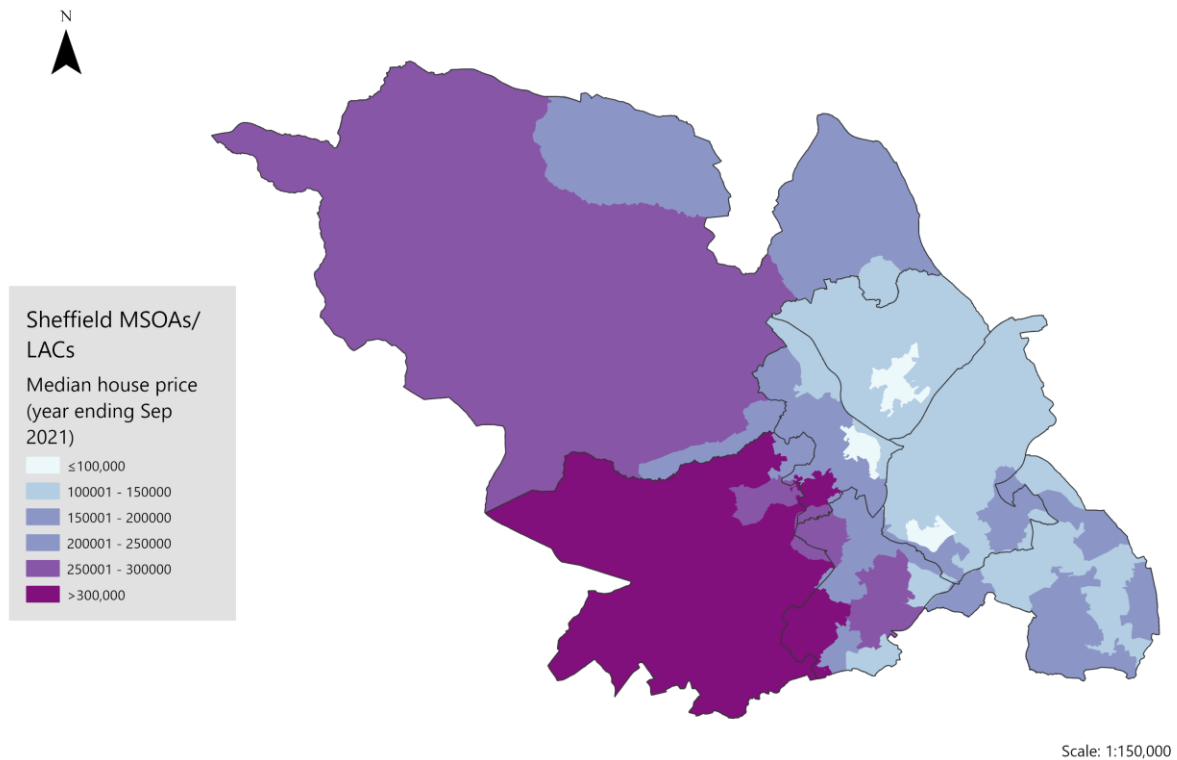
Poor quality housing contributes to poor health and wellbeing, for example through lack of heating or damp. Poor quality houses are often more energy inefficient (see Just Transition section) which can in turn exacerbate fuel poverty. There is a circular relationship between poverty, housing, and health.

Housing affordability is falling in Sheffield, but remains a relative strength compared to England and the Core Cities. Although this is a strength, if housing costs continue to rise without addressing poverty and economic disparities, there is a risk that relative poverty increases, and that these inequalities become more entrenched.

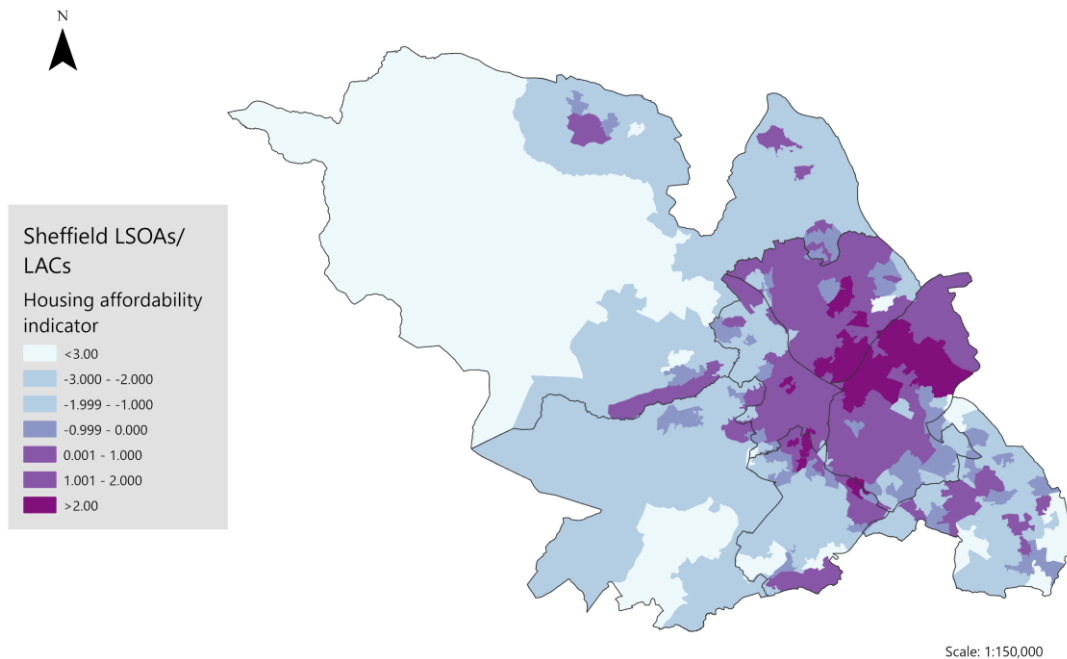
The subsequent two maps display median house pricing for the year ending September 2021 and the IMD housing affordability indicator for 2019 for Sheffield at MSOA and LSOA levels.

As visualised the highest house prices are located in the west of Sheffield particularly in the South West local area committee with median prices in excess of £300,000. The lowest house prices (as low as £83,000) are closer to the city centre in the Central, North East and East LACs.

This pattern is somewhat mirrored in the IMD housing affordability index which measures inability to afford to enter owner-occupation or the private rental market. Households less able to enter private property market are concentrated in the areas with lower median housing prices in the North East and East LACs.



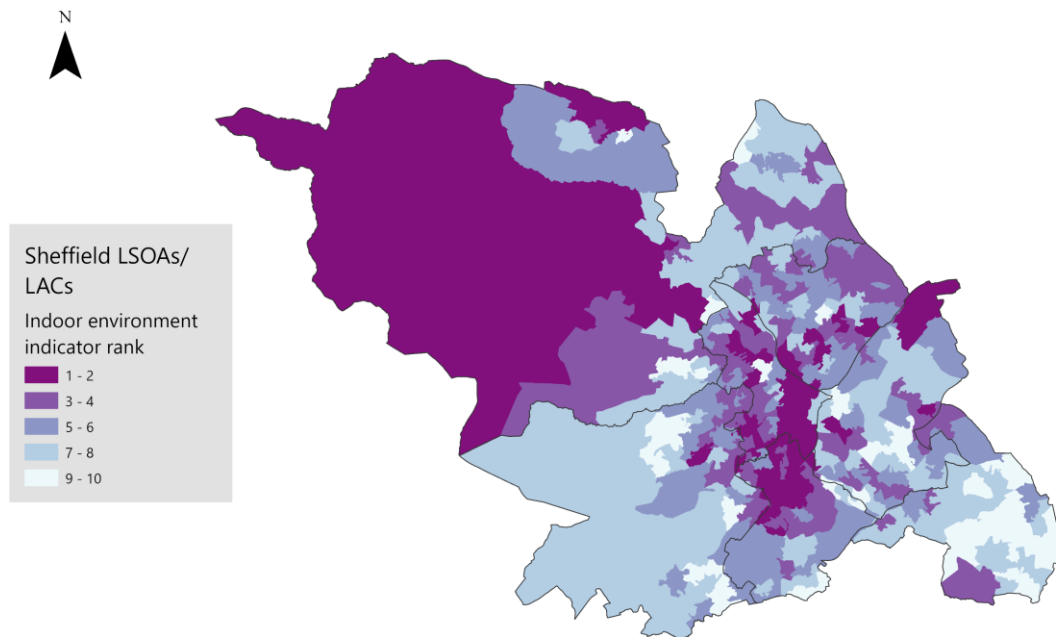
Median House Price by MSOA and LAC. Source: ONS House Price Statistics for Small Areas (HPSSAs). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.



Scale: 1:150,000

Housing Affordability indicator by LSOA and LAC. Source: Gov.Uk [English indices of deprivation 2019](#) .Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

The indoor environment indicator is a combined indicator measuring housing quality, measuring homes in poor condition and homes without central heating. The below map shows how Sheffield’s LSOAs rank nationally. A score of 1 means an LSOA is in the top 10% of most deprived LSOAs in the country, whilst a score of 10 means it is in the least deprived 10%. The most deprived areas are located around the city centre and in the North LAC, which may reflect the age and more rural nature of homes to the north of the city. Overall, 24 of Sheffield’s 345 LSOAs fell within the most deprived 10% of LSOAs in the country.



Scale: 1:150,000

Indoor Environment indicator rank by LSOA and LAC. Source: Gov.Uk [English indices of deprivation 2019](#) .Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

POORER SCHOOL PUPILS ARE FALLING FURTHER BEHIND AT KEY STAGE FOUR

Education can have life-long implications for young people and improving outcomes for groups with lower levels of attainment is a vital component of inclusive growth and tackling inequalities.

Sheffield’s pupils have performed relatively well at KS4 over the last three years of available data. Average Attainment 8<sup>44</sup> scores across the city have been higher than the Core City average in two of the last three years. In the last academic year Sheffield pupils achieved on average 0.6 more Attainment 8 points than their peers in other Core Cities (Figure 24).

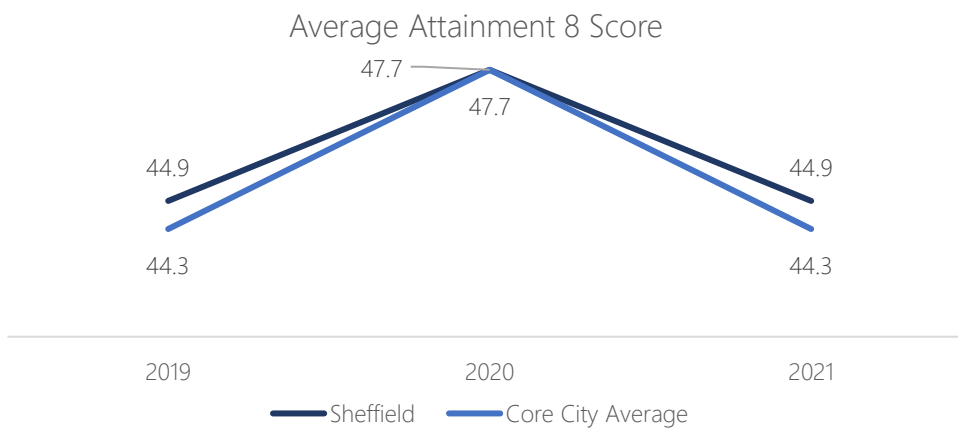


Figure 24: Average Attainment 8 core for Sheffield, Core Cities and England. Source: DfE (2021)

That said, Sheffield pupils eligible for free school meals (FSM) are falling behind in terms of GCSE / Key Stage Four (KS4) attainment. Between 2016/17 and 2020/21 average Attainment 8 scores have increased by 8.2 but only by 3.0 amongst FSM pupils. As a result the gap in average KS4 Attainment 8 scores between FSM pupils and their peers has grown to 17.2 points (Figure 25). This is the second largest gap of all the Core Cities (Figure 26).

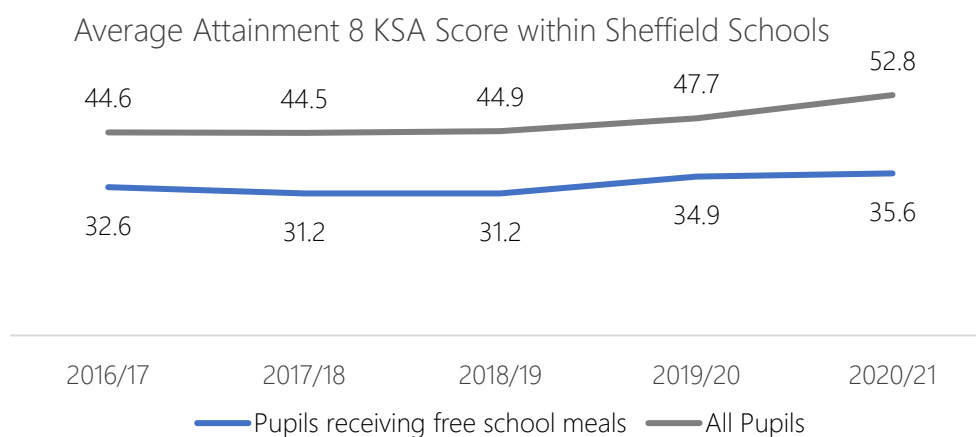


Figure 25: Average Attainment 8 score in Sheffield 2016/17 to 2020/21. Source: DfE (2021)

<sup>44</sup> A standard DofE measure that tracks GCSE attainment across six subjects (English and Maths are double weighted)

Average Gap in KS4 Attainment 8 Scores - FSM and non-FSM pupils (2021)

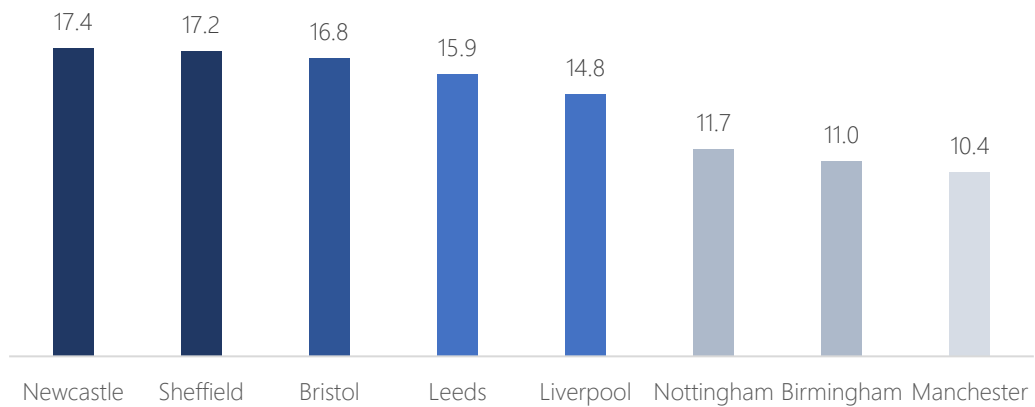


Figure 26: Attainment gap in Core Cities. Source: DfE (2021)

Key Stage Four attainment varies across the city with schools located within the Sheffield Hallam constituency consistently outperforming schools in other areas. Schools within the Brightside and Hillsborough constituency are consistently the worst performing. In 2021 there was a 15.9-point difference between the average Attainment 8 score in the two constituencies. This represents a 1.9 point widening of the gap since 2017 (Figure 27).

KS4 Performance by Parliamentary Constituency (2017-2021)

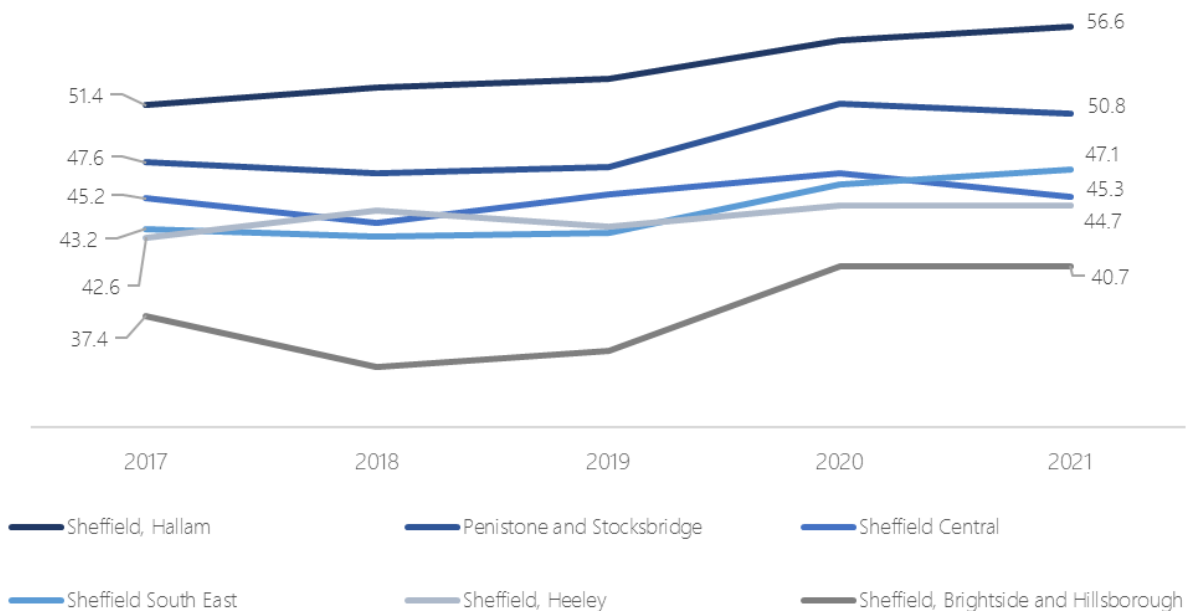


Figure 27: KSA4 Attainment 8 by constituency

KEY STAGE TWO PUPILS ACROSS SHEFFIELD PERFORMED WELL AGAINST OTHER CORE CITIES

According to the most recently available data, 64% of Sheffield’s pupils met the expected standard in reading, writing and maths by the end of KS2. This was the third highest proportion of pupils amongst all the Core Cities and above the Core City average of 63% (Figure 28).



Percentage of pupils meeting the expected standard in reading, writing and maths by end of KS2 (2019)

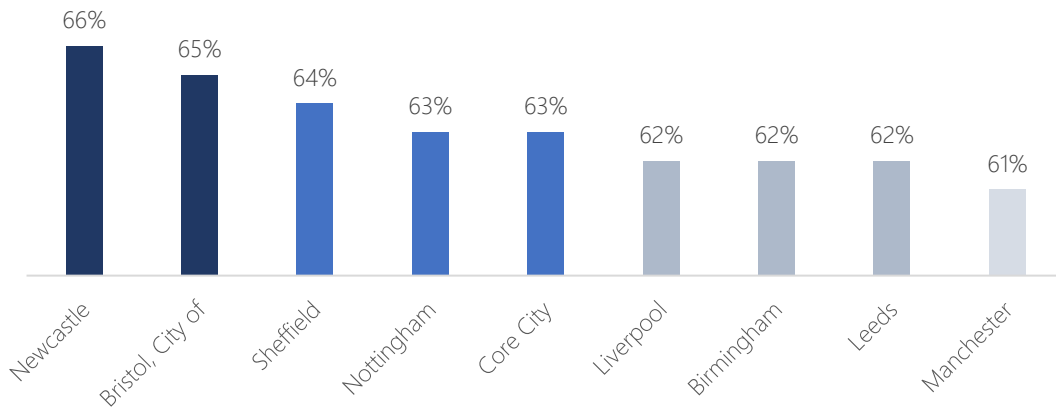


Figure 28: Percentage of pupils meeting expected standard in reading, writing and maths by end of KS2 in Core Cities. Source: DfE (2021)

KEY STAGE 1 PUPILS HAVE PERFORMED WELL OVER THE LAST THREE YEARS

At Key Stage 1 Sheffield schools have performed well over the last three years of available data. In 2019 76% of KS1 pupils reached the expected standard in Maths (Figure 29), 67% reached the expected standard in writing (Figure 30), and 72% in reading (Figure 31). The figures are for Maths and writing are above the Core City average whilst the figure for reading is in line with the Core City average.

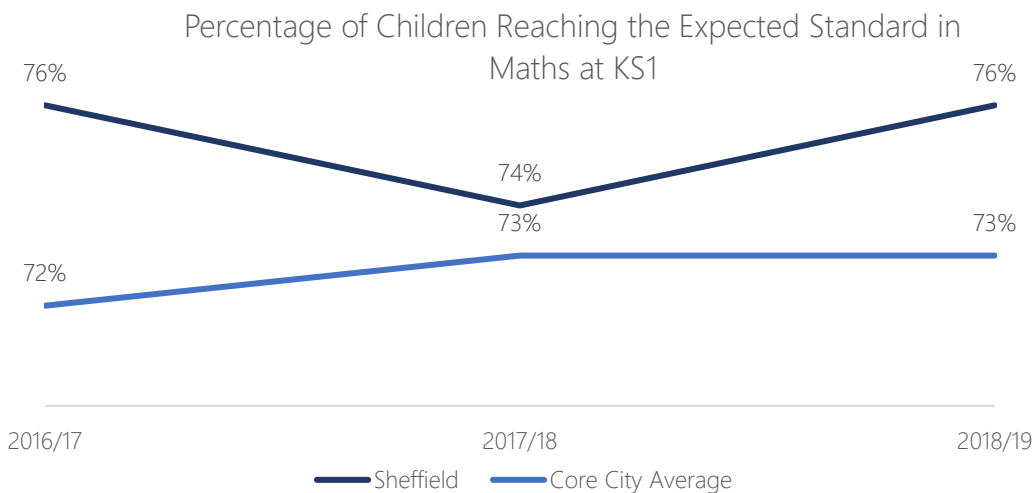


Figure 29: Percentage of pupils meeting expected standard in maths by end of KS1. Source: Department for Education

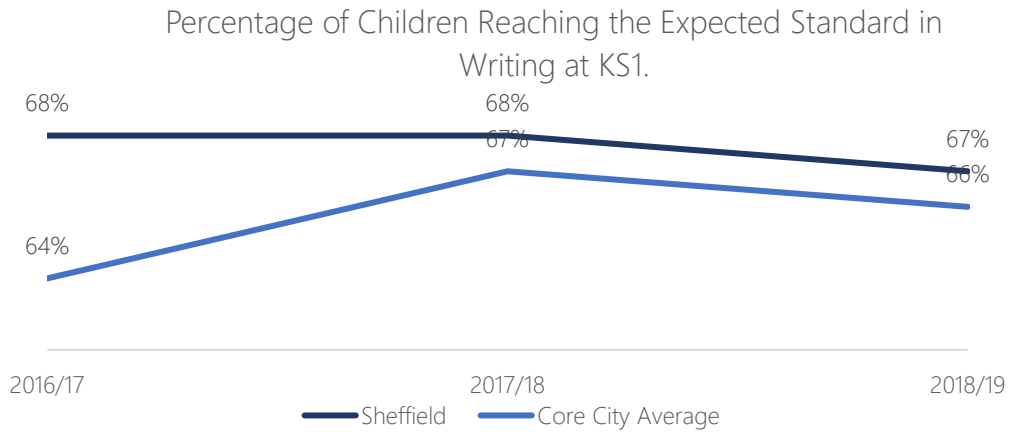


Figure 30: Percentage of pupils meeting expected standard in writing by end of KS1 Source: DfE (2021)

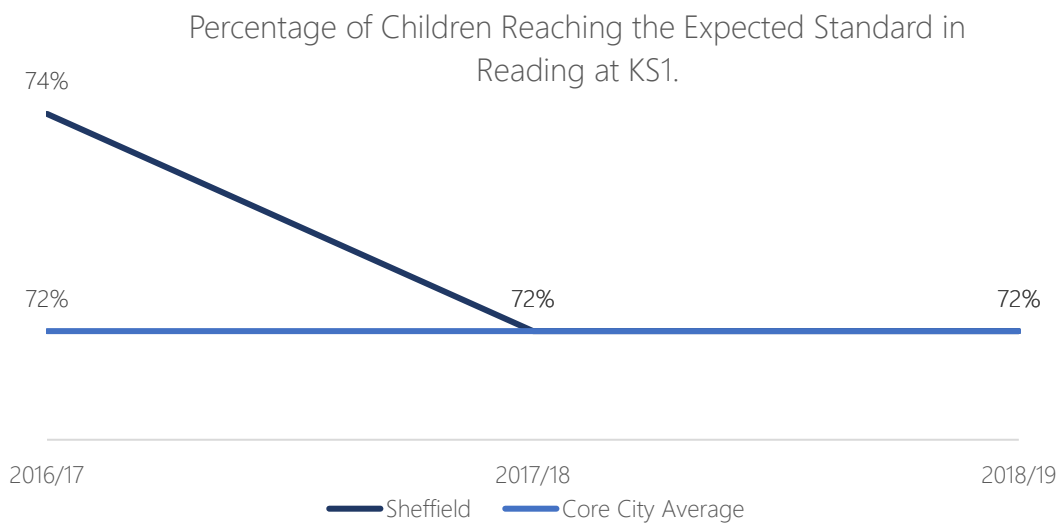


Figure 31: Percentage of pupils meeting expected standard in reading by end of KS1 in Sheffield. Source: DfE (2021)

Sheffield has a relatively high number of schools rated as Ofsted ‘Good’ or ‘Outstanding’ 86% of Sheffield’s schools are currently rated as either ‘Good’ or ‘Outstanding’ by the school regulator Ofsted This is compared to a Core City average of 85% (Figure 32). This is reflective of the inspector’s confidence in the school’s leadership, standards, curriculum, safeguarding procedures and the levels of progress their pupil’s make. To maintain this position Sheffield’s KS4 providers will have to introduce effective measures for reducing the FSM attainment gap.

Schools and nurseries rated good or outstanding by OFSTED (2021)

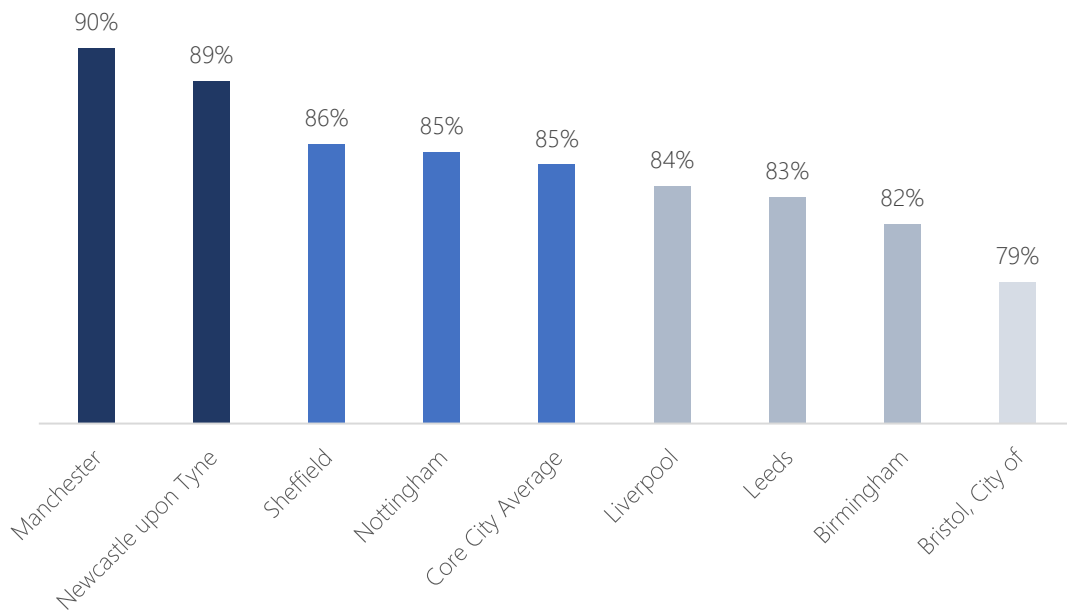


Figure 32: Percentage of schools and nurseries rated good or outstanding by OFSTED. Source: DfE (2021)

THE NUMBER OF 16-17-YEAR OLDS NOT IN EDUCATION OR TRAINING IS FALLING BUT IT IS HIGHER THAN THE CORE CITY AVERAGE

8.7% (1,028) of 16-17-year-olds in Sheffield are not in education or training, compared to the Core City average of 8.6%. Across Sheffield the rates are highest amongst males (10.7%) and amongst white (9.8%) and mixed-race young people (11%). As Table 8 shows, the number of 16-17-year-olds not in education or training has been falling (down 7% points in the last two years). The fall in the number of pupils in apprenticeships or work-based learning should be noted.

Table 8: Destination Data for 16-17-Year-Olds within Sheffield (2018-2021). Source: Gov.uk (2021)

Year	Full time education and training	Apprentice	Work based learning	Part time education	Employment combined with study	Other	Total	NEET
2021	83.4%	5.0%	2.4%	0.0%	0.3%	0.1%	91.3%	8.7% (1,028)
2020	80.9%	7.0%	2.4%	0.0%	0.7%	0.2%	91.1%	8.9% (1,017)
2019	79.9%	8.7%	2.7%	0.0%	0.5%	0.0%	91.8%	8.2% (913)
2018	78.9%	8.7%	3.4%	0.0%	0.6%	0.0%	91.6%	8.4% (954)

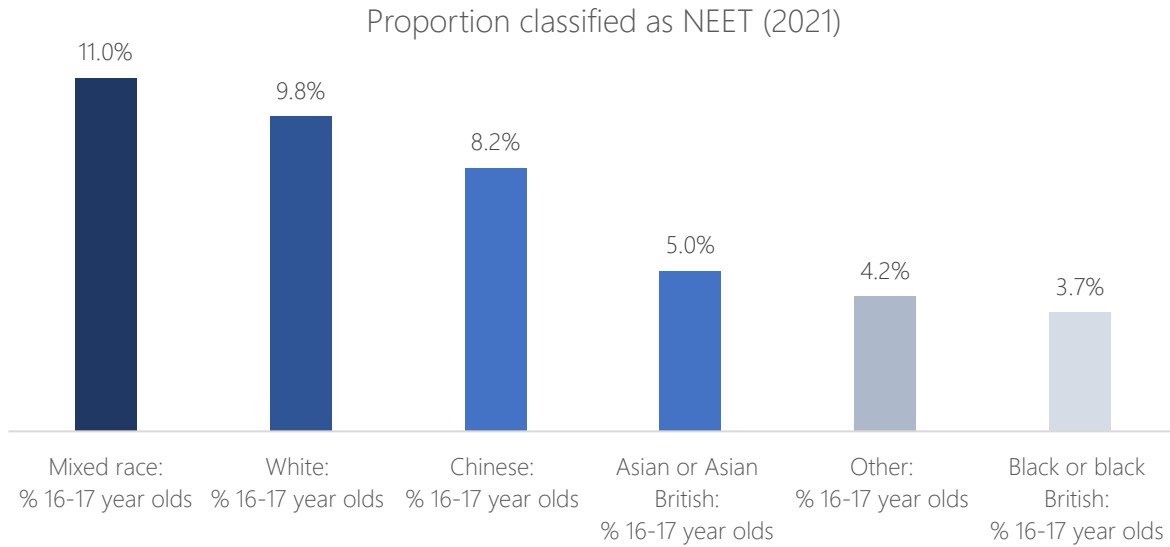


Figure 33: NEETs in Sheffield. Source: Gov.uk (2021)

## UNEMPLOYMENT

A recent Sheffield Hallam research paper, 'The Real Level of Unemployment 2022', argues that the official unemployment statistics distort the full scale of UK unemployment. The authors state that as official figures do not incorporate the 760,000 incapacity benefit claimants that could be expected to work in "a genuinely fully employed economy"<sup>45</sup> they only provide a partial picture of UK unemployment. Table 9 provides an overview of the number of 'hidden unemployed' the authors believe reside in each Core City.

Table 9: Hidden unemployment overview

Area	Unemployment benefit claimants	Hidden on incapacity benefits	Number
Newcastle Upon Tyne	9,740	3,600	13,300
Manchester	22,750	9,800	32,600
Liverpool	19,130	17,800	36,800
<b>Sheffield</b>	<b>15,880</b>	<b>7,900</b>	<b>23,800</b>
Leeds	22,490	6,700	29,200
Nottingham	12,000	6,000	18,000
Birmingham	60,110	17,500	77,600
Bristol	11,350	5,800	17,200

The 'real' unemployment figure for Sheffield is 6.1%. As Figure 34 below highlights this is the third lowest of all the Core Cities, but it still represents 1.5% increase from the official claimant count. As hidden unemployment is more prevalent within weaker labour markets this situation worsens the inequality gaps that exist between the richer and poor areas of the country. With LSOA hidden unemployment data unavailable LSOA health inequality indicators provide the best measure of the scale of the issues across the city.

<sup>45</sup> Beatty, C., Fothergill, S., Gore, T., & Leather, D. (2022). *The Real Level of Unemployment 2022*. Pg3. [Available here](#).

The authors state that this situation could be improved by increasing the number of 'good jobs' across the economy with the pay, conditions, and access needed to open up opportunities for many incapacity claimants.

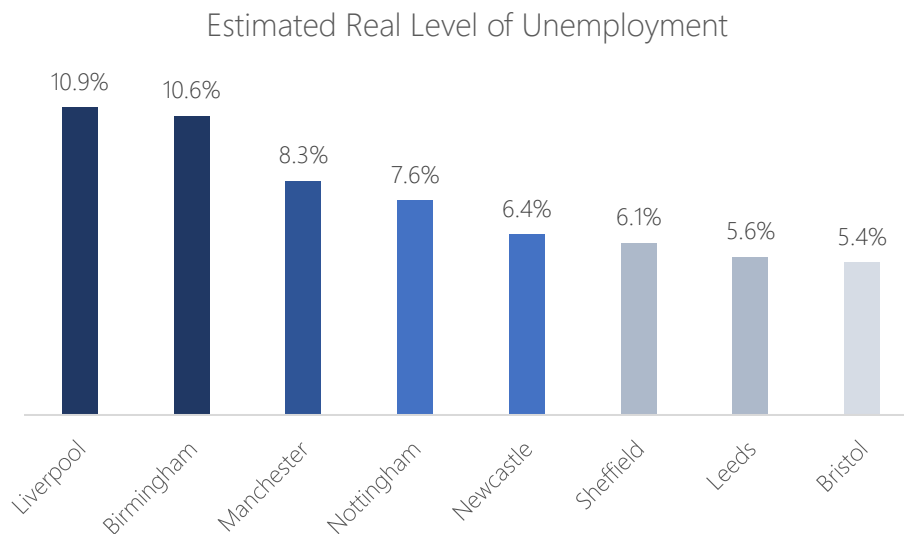


Figure 34: Estimated 'Hidden' and 'Real' Level of Unemployment by Core City. Source: Sheffield Hallam University (2022)

BENEFIT CLAIMANT RATES HAVE RISEN ACROSS THE CITY, BUT UNEQUALLY BETWEEN AREAS, WITH GREATER RISES FOR WOMEN THAN MEN SINCE THE START OF THE PANDEMIC.

The ONS claimant count data measures the number of individuals claiming Universal Credit and Job Seekers Allowance. The claimant count rate is the percentage of population aged 16-64 years old who receive the benefits and who are looking for work and defined as economically active.

In Sheffield the claimant count rate has increased from 2.9% in February 2020 to 4.6% February in 2022. This is below the Core City average (6.1%) and the second lowest of the Core Cities.

Across the city the female claimant count is 3.6%, an increase from 2.2% in February 2022. The male claimant count for Sheffield is 5.5%, an increase from 3.6% in February 2020. The female claimant count for Sheffield is below the Core City average of 4.7%, whilst the male claimant count is below the Core City average of 7.7%. This does not necessarily mean that women have higher levels of employment and will represent the fact that fewer women are engaged in the labour market and economically active, which is discussed shortly.

Although the claimant count rate in Sheffield is higher for men, the pandemic appears to have had a greater impact upon women. In fact, 63% more women were claiming benefits in February 2022 compared to February 2020, compared to a rise of 53% for men.

Figure 35 below shows the spatial disparity in claimant count rates across Sheffield. The highest claimant counts are largely concentrated within the East and North East LACs.

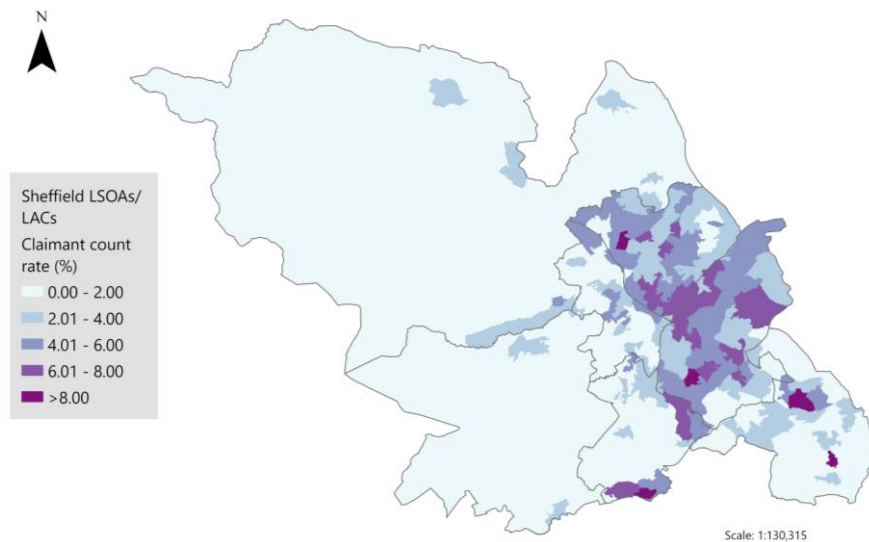


Figure 35: Claimant count rate by LSOA and LAC. Source: ONS/NOMIS Claimant Count and Mid-Year Population Estimates (2020-22). Contains National Statistics data licensed under the Open Government Licence v.3.0 © Crown copyright and database right 2022. Contains Ordnance Survey data © Crown Copyright and database right 2022.

HEALTH AND WELLBEING IS IMPACTING ON ECONOMIC ACTIVITY. THERE IS GENDER INEQUALITY WHEN IT COMES TO ECONOMIC INACTIVITY, WHICH IS STARKER BETWEEN ETHNIC GROUPS

*When a society is flourishing health tends to flourish. When a society has large social and economic inequalities there are large inequalities in health<sup>46</sup>.*

There are clear links between health and deprivation and these inequalities are widening, with citizens in the most deprived areas having shorter lives, fewer years in good health and higher rates of preventable mortality compared to the least deprived areas. Long-term unemployment negatively impacts people's mental and physical health, as does work which is insecure, low-paid, poor quality or stressful. People from marginalised groups are more likely to be unemployed or employed in 'bad' work therefore at greater risk of poor mental and physical health<sup>47</sup>. Thus, employment is an important tool where health inequalities are created and maintained. Reducing health inequalities brings economic benefits, for example it is estimated £30bn annually could be generated through increased productivity if the health in the north of England matched the rest of the country<sup>48</sup>.

In official statistics, economically inactive people are not in employment and are also not classified as unemployed due to not seeking work. The Annual Population Survey provides data on reasons why people are economically inactive. These reasons are categorised as: studying; looking after family/home; temporary sickness; long-term sickness (including disability); discouraged; and retired.

Within Sheffield's economically inactive population, 27% are inactive due to sickness and disability. This shows the impact poor health and disability has on people's work opportunities, which of course in turn widens economic inequalities. Tackling health inequalities and improving access to work and working with employers will not only benefit individuals, but also help the city's economy.

Inactivity varies between ethnic groups (the Pakistani/Bangladeshi community have the highest proportion of economically inactive residents at 27%) however the biggest gap remains between men

<sup>46</sup> Marmot, M. (2020). *Health Equity in England: The Marmot Review ten years on*. [Available here](#). Pg 5.

<sup>47</sup> Marmot, M. (2020). *Health Equity in England: The Marmot Review ten years on*. [Available here](#).

<sup>48</sup> Thomas, C. (2021). *The Disease of Disparity*. [Available here](#).

and women (17.2% and 22.8% respectively). Intersectional inequalities compound these disparities, with ethnic minority women having the highest levels of economic inactivity (26%) and white men having the lowest levels (16%).

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#### RATES OF WORK-LIMITING DISABILITIES ARE HIGHER IN SHEFFIELD AND IMPACTS WOMEN MORE

People living with disabilities are less likely to be in employment than non-disabled people and were at an increased risk of redundancy and financial insecurity during Covid-19. The disability employment gap has reduced over the past decade and since 2017 the Government has aimed to get a million more disabled people into employment by 2027 – which was achieved in 2022<sup>49</sup>. However, this aim has been criticised for not going far enough and the progress which has been made is in part due to increased reporting of disabilities and increasing employment levels more generally<sup>50</sup>. Citizen’s Advice research found nearly one and a half million disabled people are unemployed but want to work. Yet, they face challenges in the workplace with disabled people twice as likely to stop work in a year and three times less likely to return to employment<sup>51</sup>. Clearly, more support is required for people with disabilities to enter and stay in paid work as currently their potential is being missed, with the Business Disability Forum stating in May 2022 that “disabled people represent a huge and untapped talent pool. With skills shortages in many sectors, there has never been a greater imperative for business to access this available talent.”

Across Sheffield, 20,600, or 5.3% of working age residents claimed incapacity benefits, which is higher than the national rate of 4.4%.

Unequal patterns of employment show how those facing barriers to work are at risk of being economically left behind or excluded from the workplace. People with work-limiting disabilities (defined as Equality Act Core<sup>52</sup>) can be at greater risk if they experience more barriers.

In Sheffield, the unemployment rate amongst people with work-limiting disabilities is 8.6%, which is slightly above the national average of 8.1% nationally. There has however been a positive trend in Sheffield, with the unemployment falling from 13.4% five years ago. However, this positive trend has not been experienced by women with work-limiting disabilities, amongst whom unemployment has risen from 4.8% to 9.1% during the last five years. This is compared to 8.1% for men.

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#### PAY DISPARITIES WITHIN THE CITY ARE GROWING INCLUDING GENDER DISPARITIES

Increases in the minimum wage over recent years has reduced the prevalence of low hourly pay in the UK, but pockets of low pay persist. Self-employment has grown over the last two decades, yet these workers face significantly higher rates of low pay than employees as they do not gain from the increasing minimum wage. The young, women, people from BAME communities, and people with disabilities are all at greater risk of low pay. Low paid workers are also at a greater risk of job insecurity, pay volatility, and insufficient hours than higher paid workers. Hospitality, retail, caring and childcare, cleaners, and elementary factory workers all experience high levels of low pay and job insecurity<sup>53</sup>. Due to the cost-of-living crisis real household disposable income will reduce this year as increases in wages do not match

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<sup>49</sup><https://businessdisabilityforum.org.uk/media-centre/press-release/bdf-responds-government-announcement-1-million-disabled-people-in-work/>

<sup>50</sup> Work and Pensions Committee. (2021). *Disability employment gap*. [Available here](#).

<sup>51</sup> Citizen’s Advice. (2016). *Working with a health condition or disability*. [Available here](#).

<sup>52</sup> Those who have a long-term disability which substantially limits their day-to-day activities

<sup>53</sup> Cominetti, N. et al. (2022). *Low Pay Britain 2022*. [Available here](#).

inflation. The rising costs are impacting the poorest households the most for example after the energy price increase in April 2022 low-income households are spending 18% of their income after housing costs on energy bills<sup>54</sup>. Research<sup>55</sup> found the rise in inflation has impacted women more due to their low-paid roles, spending commitments and the gendered expectations surrounding household shopping. Women also spent more time on unpaid work (i.e. childcare) and less time on paid work during the pandemic compared to men and were at a greater risk of job loss or furlough.

The gap between the lowest and highest earners living in Sheffield has grown in absolute terms from 2017 to 2021. In Sheffield, the 10% of residents with the lowest earnings have gross weekly median pay of less than £167.20 per week according to the ONS Annual Survey of Hours and Earnings. This represents an increase of £22.10 since 2017. This compares to the 10% of residents with the highest pay who earn over £992.70 per week, an increase of £129.10 since 2017.

Table 10: Gross Weekly Earnings for Sheffield Residents of Working Age.

	2017	2018	2019	2020	2021
Median	£416.6	£426.8	£449.4	£439.4	£483.6
10th Percentile	£145.1	£140.9	£148.0	£135.0	£167.2
25th Percentile	£257.0	£277.2	£292.0	£231.7	£253.7
75th Percentile	£626.9	£640.8	£664.0	£649.7	£723.7
90th Percentile	£863.6	£849.5	£896.7	£906.9	£992.7

Source: Annual Survey of Hours and Earnings (2021)

The pay differential between the lowest and highest 10% of earners has grown from £718.50 in 2017 to £825.50 in 2021 (Figure 36).

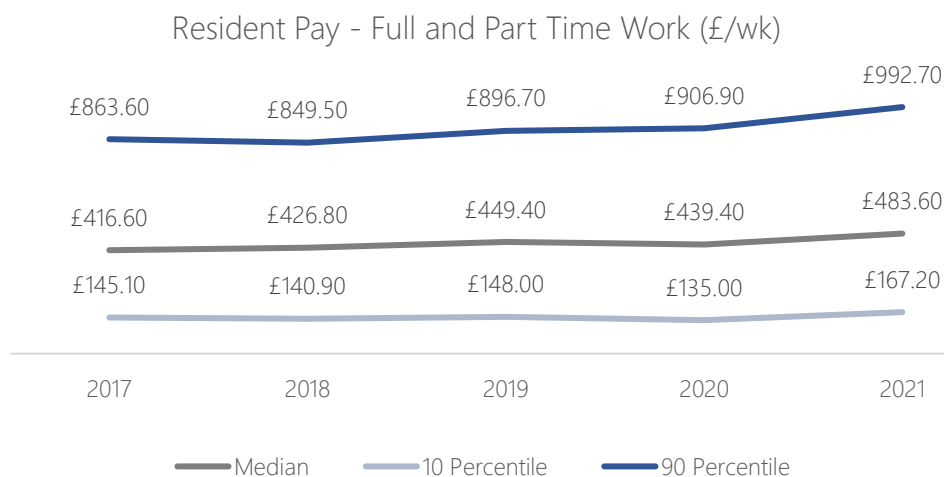


Figure 36: Gross Weekly Earnings for all Sheffield Residents of Working Age (2017-2021). Source: ONS Annual Survey of Hours and Earnings (2021)

Amongst Sheffield’s residents, there are disparities between men and women. Looking at full time and part time employment, median gross weekly incomes for men in 2021 were £573.20, a 16% increase from 2017. Women experienced a lower growth of 11% over the same period, to an average of £377.50 (Figure

<sup>54</sup> Joseph Rountree Foundation. (2022). *Rising energy bills to 'devastate' poorest families*. [Available here](#).

<sup>55</sup> Living Wage Foundation. (2022). *Low paid work and the cost-of-living crisis disproportionately affecting women*. [Available here](#).



37). The pay differential between men and women has grown from £155.10 per week in 2017 to £195.70 in 2021.

More women in Sheffield earn below the living wage than the national average with 35% of women working part time (31.7% nationally) and 17% of women working full time across the city earning less than the living wage (13.2% nationally).

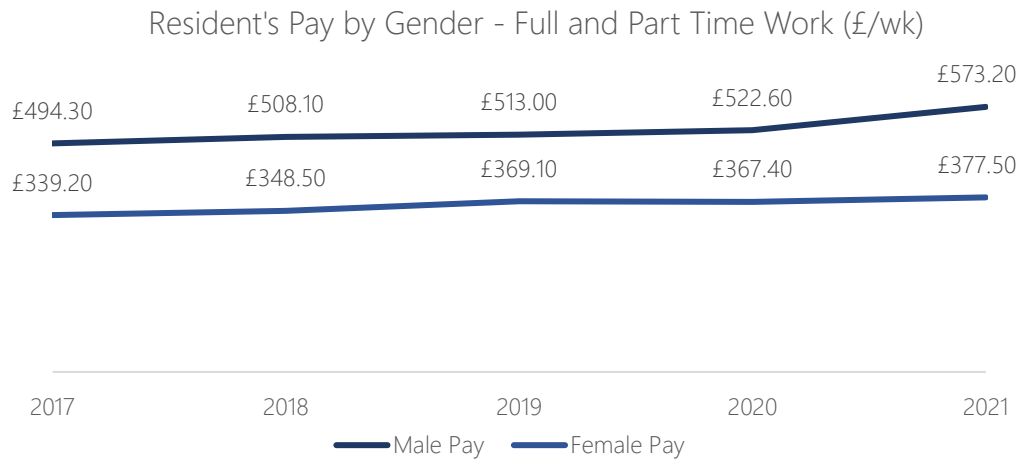


Figure 37: Median Gross Weekly Pay (Full and Part Time) by Gender. Source: Annual Survey of Hours and Earnings (2021)

Full time workplace earnings within Sheffield were £27.90 below the Core City average in 2021 at £568.50 (Figure 38). This disparity between Sheffield workplace earnings and the Core City average has grown from £5.20 in 2018.

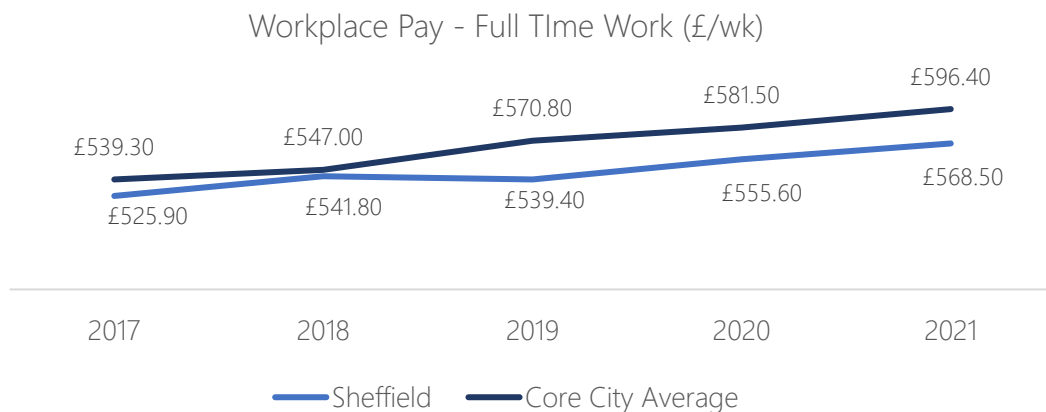


Figure 38: Median Gross Workplace Weekly Pay (Full Time) in Sheffield and Core Cities 2017-2021. Source: Annual Survey of Hours and Earnings (2021)

In 2021, earnings for Sheffield residents working full time were £27.10 above the Core City average, a large reversal from 2020 when they were £10.10 below the Core City average (Figure 39). This could be indicative of an increased number of higher earners moving to live within Sheffield during the Covid Pandemic and ensuing lockdown but not working within the city.

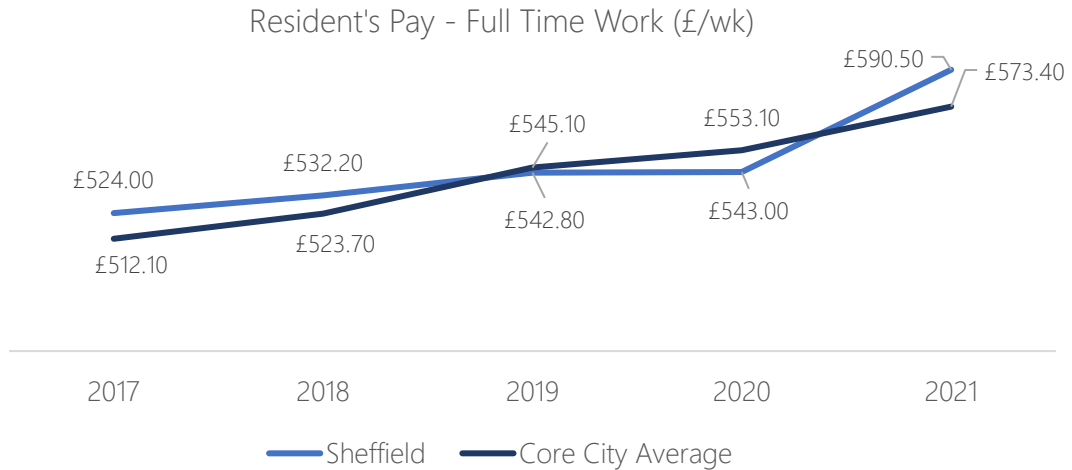


Figure 39: Median Gross Residence Weekly Pay (Full Time) in Sheffield and Core Cities 2017-2021. Source: Annual Survey of Hours and Earnings (2021)

## HEALTH AND WELLBEING

SHEFFIELD PERFORMS WELL RELATIVE TO THE CORE CITIES ON HEALTH MEASURES AND HEALTHY LIFE EXPECTANCY. HOWEVER, THERE ARE DEEP INEQUALITIES ACROSS THE CITY

The key ONS measures for physical health use data on respiratory disease, coronary heart disease, circulatory disease, strokes, and cancer as indicators of public health, which are conditions interrelated with deprivation. Looking at these, Sheffield has higher rates of deaths compared to the national average for coronary heart disease, circulatory disease, strokes, and cancer but lower rates for respiratory disease. These high rates result in many years of lost life (YLL) and productivity loss. On economic grounds alone this would justify prioritising health policies and interventions toward preventing sudden unexpected deaths.

Despite the analysis of specific health conditions according to the most recent ONS Health Index Sheffield has the highest score of all the Core Cities across the three main domains measured in the index, 'Healthy People', 'Healthy Lives', and 'Healthy Places' (Figure 40).<sup>56</sup> Sheffield performs better across most of these health measures than the Core Cities, demonstrating that Sheffield is healthy by English city standards.

<sup>56</sup> Higher values indicate better health. A score of 100+ indicated better health than the 2015 English average.

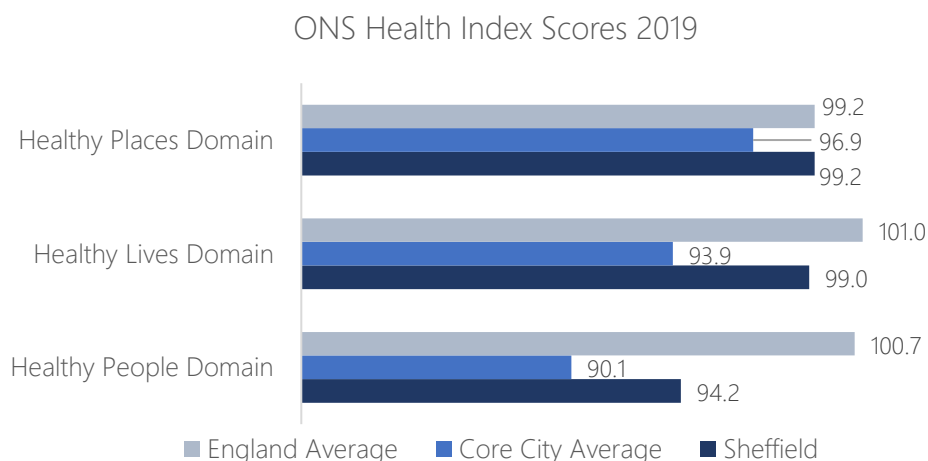


Figure 40: ONS Health Index for Sheffield, Core Cities and England. Source: ONS Health Index (2019)

Healthy life expectancy (HLE) in Sheffield is comparable to the national average and highest among the Core Cities. HLE at birth has also increased within Sheffield over the past five years, despite a marginal decline nationally. The latest data is published data for 2019/2020 is separated by men and women rather than providing a combined figure. HLE expectancy for women in Sheffield is 64.3, which is above the national average of 63.4 and is highest of all the core cities. HLE for men is 62.5 slightly below the national average of 63.1 but is again the highest of the core cities.

Within the city the picture is different. Data on HLE is not available at a small area level, so we have to look at the more traditional total life expectancy data which does not consider quality of life and healthy ageing. Total life expectancy ranges from 75.0 for men and 77.8 for women in Burngreave ward compared to 83.8 for men and 89.2 for women in the Ecclesall ward. Life expectancy for men is 13 years higher in the South West LAC (68) than in the North East LAC (55) and 15 years higher for women (71 and 56 respectively).

Closing this gap would reduce the number of years of lost life experienced in the more deprived local areas.

#### INEQUALITY IN MENTAL HEALTH IS CONTRIBUTING TO ECONOMIC INEQUALITY

A survey by Sheffield Flourish<sup>57</sup> found 60% reported their mental health had worsened during Covid-19, most of which had not pursued mental health support. The main concerns raised were around isolation and fear of the future. This snapshot from Sheffield is reflective of the national picture. The Covid-19 pandemic and subsequent restrictions have significantly impacted mental health with 75% of people reporting reduced mental health. The top reasons for this were feelings of separation, anxiety, and isolation<sup>58</sup>. For people with existing mental health conditions, the pandemic has further reduced their mental health with increased anxiety, isolation, and concern about the future.

Notably, those receiving social security were more likely to report worsening mental health during the pandemic and experience poor mental health prior, thus existing health inequalities have been

<sup>57</sup> Sheffield Flourish. (2020). *Impact of Covid-19 on Mental Health and Wellbeing: Survey Results*. [Available here](#).

<sup>58</sup> British Association for Counselling and Psychotherapy. (2021). *75% of people say their mental health has been impacted by the pandemic*. [Available here](#).

reinforced. Young people have also been disproportionately impacted with 88% reporting loneliness reducing their mental health<sup>59</sup>. Research<sup>60</sup> with people with long-term mental health difficulties found Covid-19 had removed vital support and destabilised people’s recovery. It noted how the pandemic could intensify existing inequalities surrounding employment, education, and housing for people with long-term mental health conditions. Thus, whilst Covid-19 has reduced mental health for many it has hit the most vulnerable the hardest which will likely cement pre-existing inequalities.

There is a clear link between mental health and productivity<sup>61</sup>. It is worrying therefore that Sheffield has a Mental Health Index score of 57.2<sup>62</sup> that is 14.6 points higher than the national score of 42.6. 52.7% of Sheffield residents with depression, learning difficulties, mental health problems or nervous disorders are economically inactive, compared to inactivity rate of 35.9% across Sheffield’s over-16 population.

In some parts of Sheffield, rates of depression are 40% higher than the national and city averages. The South East and North East LACs have the highest prevalence of depression (16.5% and 15.2% respectively). These figures are significantly above both the Sheffield average (12.0%) and the average across England (11.7%). Between 2012 and 2018 the number of ESA claimants for mental and behavioural disorders has more than doubled in Sheffield from 15.4 per 1,000 of the working age population to 34.8. Although this reflects the national picture the rate within Sheffield remains above the national average (27.3 per 1,000).

The ‘happiness’ score within a city provides a useful measure of resident well-being to supplement other measures (income and labour market outcomes for instance). In Sheffield, between 2019/20 and 2020/21, there has been a reduction in the number of residents with positive levels of life satisfaction and happiness and an increase in the number of residents experiencing anxiety, indicating the impact of Covid-19 on mental health and wellbeing. There was relatively significant drop in happiness levels in Sheffield during this time, greater than the fall nationally and across the Core Cities.

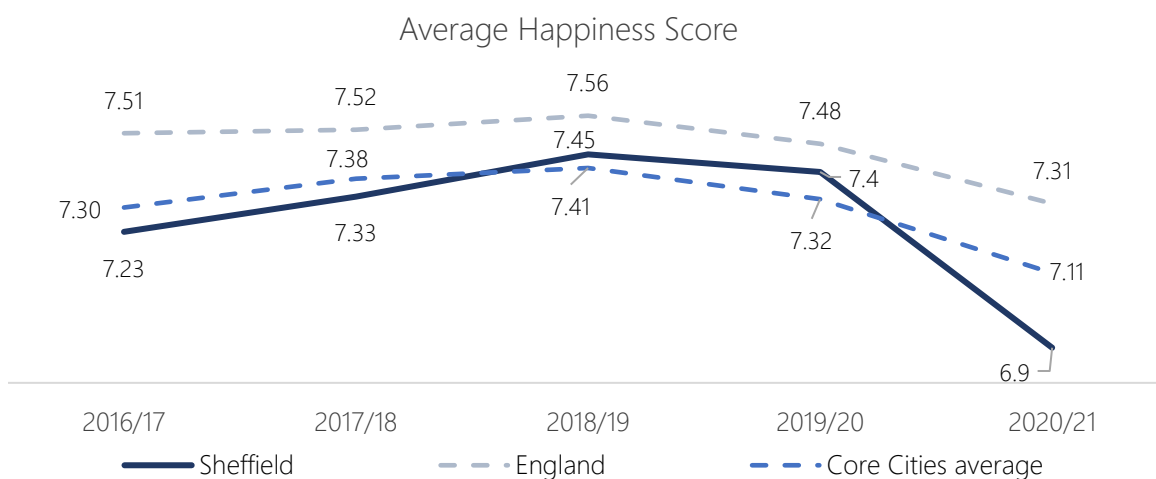


Figure 41: Average happiness score for Sheffield, Core Cities and England. Source: ONS Personal Wellbeing in the UK 2021)

<sup>59</sup> MIND. (2021). *Coronavirus: the consequences for mental health*. [Available here](#).

<sup>60</sup> Leeming, D. et al. (2022). *Report shows pandemic's effects on those with long-term mental health issues*. [Available here](#).

<sup>61</sup> <https://mhpp.me/employers/research/>

<sup>62</sup> This score is calculated using data from NHS Digital with a higher score indicating a greater prevalence.

The ONS measure provides a score out of 10 to indicate the average level of happiness across an area: 0 to 4 (low levels); 5 to 6 (medium levels); 7 to 8 (high levels); and 9 to 10 (very high levels). In Sheffield, average happiness levels fell from 7.4 in 2019/20 to 6.9 in 2020/21. This compares to a decline from 7.5 to 7.3 in England and from 7.3 to 7.1 in the Core Cities (Figure 41 above).

## SUMMARY AND POLICY IMPLICATIONS: ADDRESSING INEQUALITIES

To summarise:

- The pandemic has deepened pre-existing inequalities for key groups including women and some ethnic minority communities.
- Employers can do more to offer appropriate employment opportunities for people with disabilities and mental health challenges (with post-pandemic working practices creating many new opportunities across many sectors), better enabling individuals to seek such opportunities and thrive at work.
- It would appear that the city's happiness levels are worse than its peers and declining. This is important as 'happy people are more successful in multiple life domains, including marriage, friendship, income, work performance, and health'<sup>63</sup>.
- Children growing up in poorer families in Sheffield are emerging from school with lower levels of educational attainment. The 'long-standing results gap' is widening resulting in an increased unevenness in outcomes and reducing social mobility and evidence of increasing child poverty has the potential to further entrench this disparity.
- Sheffield is an affordable place to live compared to England and the Core Cities, but food bank usage is rising and there is a danger housing inequalities and affordability challenges could increase.

Looking at the data there are several potential [policy implications](#) to help address inequality:

- A range of measures is required to combat the disproportionate effect that Covid has had on key groups including women and ethnic minorities. For women better childcare, flexible working, equal pay, and menopausal awareness would help to ensure a more gender equal recovery<sup>64</sup>.
- Measures to support good mental health and take a proactive, holistic, and preventive approach towards building employee and organisational resilience in Sheffield workplaces will ultimately increase productivity.
- Existing and new measures will be required to ensure young people from all backgrounds can fulfil their potential in education. This is crucial to securing a more inclusive economy.
- Sheffield will need to implement the measures within the Sheffield Tackling Poverty Framework 2020-2030 to reduce the high incidence of deprivation in some local areas.
- Sheffield should continue to offer a sufficient supply of affordable housing for sale or rent, for those whose needs are not met by the market including for instance affordable housing for rent, starter homes and affordable routes to home ownership.
- Sheffield partners could support employers to become living wage employers to help mitigate the effects of the cost-of-living crisis.

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<sup>63</sup> Accessed from Positive Psychology [here](#) 11.5.22

<sup>64</sup> <https://www.kcl.ac.uk/giwl/research/essays-on-equality-covid-19-road-to-gender-equal-recovery-2021>

## 5) JUST TRANSITION

The challenge of achieving inclusive growth and reducing health inequalities is coinciding with the climate change challenge and the need to reduce emissions. The city has made progress in reducing emissions but there is still more to do to decarbonise business, homes, and transport to meet the 2030 net zero target. Reducing energy and fuel use, adopting new energy and fuel sources, and retrofitting buildings will be difficult but also provide considerable innovation and job opportunities. Air quality, active travel and access to green space also impact on health, with pockets of poor air quality overlapping with areas of deprivation.

A just transition to net zero carbon emissions means that economic benefits of a green economy support all residents. For example, Sheffield has a significant industrial base who are high energy users and have processes which are difficult to decarbonise. The city also has a considerable volume of old urban housing which have relatively poor energy efficiency levels and are difficult to retrofit, and in more peripheral suburbs sustainable transport options are limited compared to the city centre. These represents significant challenges to address. In a just transition, all residents will be brought along the journey to net zero with vulnerable/low-income residents protected from the associated costs. This means all residents who need it are supported to adopt cleaner transport and improve the efficiency and carbon footprint of their homes. Similarly, a just transition means that high energy consuming industries are supported to stay competitive.

Mirroring the disparity in health and wellbeing outlined in the previous section, emissions, air quality and fuel poverty are unevenly distributed in the city, partly driven by the spatial nature of Sheffield's industrial economy and trunk road network. Communities in the East LAC suffer most from poor air quality, which could further enhance the health inequalities and health-related worklessness. Fuel poverty is more prevalent in the North East and East LACs, primarily as a result of economic poverty although the East LAC also has the highest proportion of homes with poor energy efficiency.

However, whereas industrial emissions, poor air quality and fuel poverty are affecting the east of the city more, looking at household emissions, the carbon footprint per person is larger in more rural areas of Sheffield in the West and South West. This is primarily a result of higher car use and higher energy consumption. Climate change requires action on many fronts.

Sheffield's innovation and manufacturing business base are well placed to play a key role in producing the goods and services that Sheffield, the UK, and the world, needs to tackle climate change. The supply chain opportunities for businesses in the city will be significant, and further show the importance of enhancing Sheffield's business dynamism and capitalising on the highly qualified labour market and innovation ecosystem discussed earlier in this report.

CARBON EMISSIONS AND ENERGY EFFICIENCY

ONS data on total carbon emissions (CO<sub>2</sub>e) for Sheffield includes emissions judged to be outside and within the scope of the Council’s influence. Total emissions for the whole city economy in 2019 were 2,464.2 KtCO<sub>2</sub>e, compared to 2,317.2KtCO<sub>2</sub>e for emissions within the Council’s scope of influence.

Emissions within the Council’s scope of influence excludes emissions from ‘Large industrial installations’, ‘Land use, land-use change and forestry (LULUCF)’, ‘Motorways’, ‘Diesel Railways’. This is because, for example, the Council cannot control motorway use but can influence how people travel on local roads through policy interventions. Similarly, Councils can support the local generation of renewable energy and business energy efficiency but have less influence over the fuel sources large industrial installations (primarily power stations, steelworks, and similar plants). All emissions contribute to the city’s carbon footprint and affect air quality; however the focus of the City Strategy should be on the emissions the Council can more readily influence.

Carbon emissions within the Council’s scope of influence have been falling in Sheffield from 2015 to 2019, although transport emissions have slightly increased between 2017 and 2019 (Figure 42).

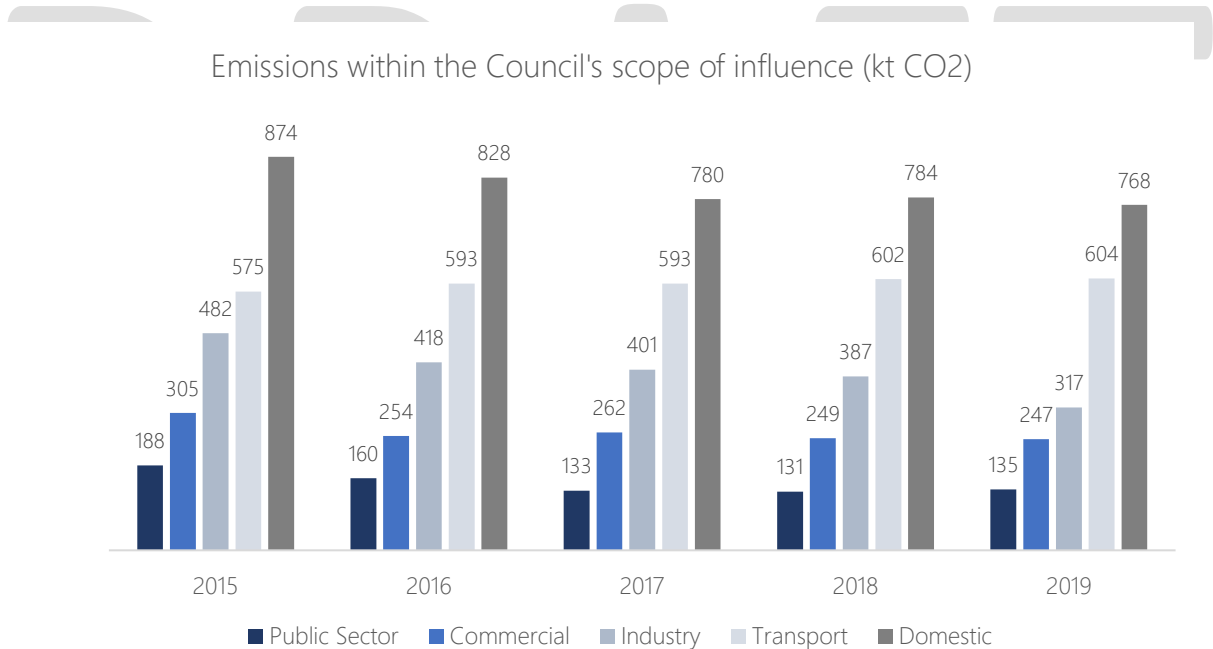


Figure 42: Carbon emissions within the Council’s scope of influence by source 2015-2019

In 2019 domestic carbon emissions – those from households – make up the biggest proportion of the city’s carbon footprint, contributing 37%. Transport contributes 29% and business (commercial plus industry) and public sector combined generate 34% (Figure 43). Domestic sources still emit over 760kt of CO<sub>2</sub>e across Sheffield every year. Transport emits over 600kt of CO<sub>2</sub>e annual with the 2019 figure (604.1 kt) an increase of 28.9 kt since 2015 (572.2 kt).

Breakdown of emissions within the scope of influence of the Council (kt CO<sub>2</sub>) by source

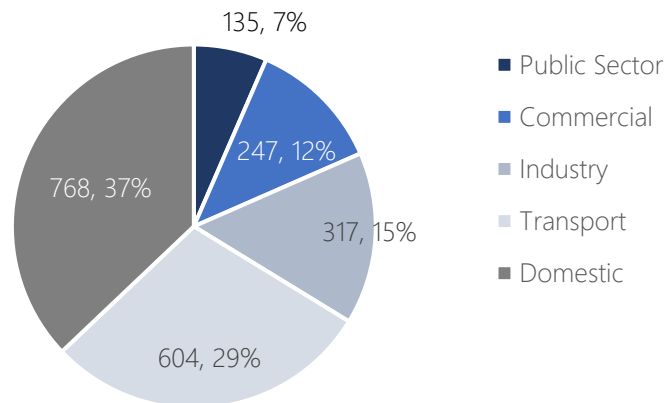


Figure 43: Carbon emissions by source 2019

BUSINESS AND PUBLIC SECTOR EMISSIONS HAVE BEEN DECREASING BUT STILL CONTRIBUTE CLOSE TO 35% OF THE CITY'S CARBON EMISSIONS.

Globally, industrial sectors that account for approximately 20 percent of world GDP are most directly exposed to a transition to net zero as they have high levels of emissions in their operations.<sup>65</sup>

Industry produces 61% of Sheffield's business emissions, with 21% coming from industrial gas consumption and 17% from industrial electricity use. Large industrial installations represent 12% of business emissions, and the use of other industrial fuels 11%. Given the role of industry in Sheffield's economy, the challenge of a just transition is to decarbonise without harming the productivity and competitiveness of these business.

Carbon emissions have been reducing across Sheffield, with an 14% fall from 2016 to 2019, and an 20% fall in business and public sector emissions over the same period. As well as benefitting from gradual decarbonisation of Sheffield's energy grid due to growth in renewable energy, emissions reductions are a result of efforts to reduce energy consumption and increase energy efficiency.

Energy reduction and efficiency improvements become harder and more expensive as so-called 'quick win' interventions are delivered. For example, switching to more efficient appliances and equipment will reduce an organisation's emissions to an extent but to substantially move to net zero would require more difficult and expensive changes to its heating systems, energy sources, or fleet vehicle fuel sources.

Non-industrial commercial businesses produce slightly more carbon from electricity consumption than gas. However, as prices continue to rise for both energy sources, both industrial and commercial businesses will be facing cost pressures. The impact this has on investment in decarbonisation has yet to be observed.

ENERGY EFFICIENCY IMPROVEMENTS REDUCE EMISSIONS AND HELP FUEL POVERTY

Three quarters of domestic emissions come from gas appliances, primarily used for heating. Electricity contributes 21%, and other fuels 3%.

<sup>65</sup> McKinsey (2022), The net-zero transition: What it would cost, what it could bring



The energy efficiency of the housing stock is not equal across the city, which combined with rising energy bills impact on poorer households more. Homes in the east, centre and south of Sheffield have the lowest prevalence of loft insulation and a higher proportion of homes with an EPC rating of E or lower. The least efficient homes are not only harder to decarbonise but leave lower earning residents more exposed to fuel poverty, as indicated in the maps earlier in this report showing how the spatial distribution of low-quality housing matches the pattern of deprivation across the city.

According to data from the Department for Business, Energy & Industrial Strategy between 2014 and 2019 fuel poverty in Sheffield increased faster than the national average, and whilst a smaller proportion of households are in fuel poverty than the Core City average it is some way above the national level. More than one in six households (17.3%) is in fuel poverty (nearly 43,000 households). Sheffield is performing better than the Core Cities where 18.2% of households experience fuel poverty, but worse than the England average of 13.4% (Figure 44). This picture is unequal across Sheffield, with 25% of households in the North East LAC facing the same challenge.

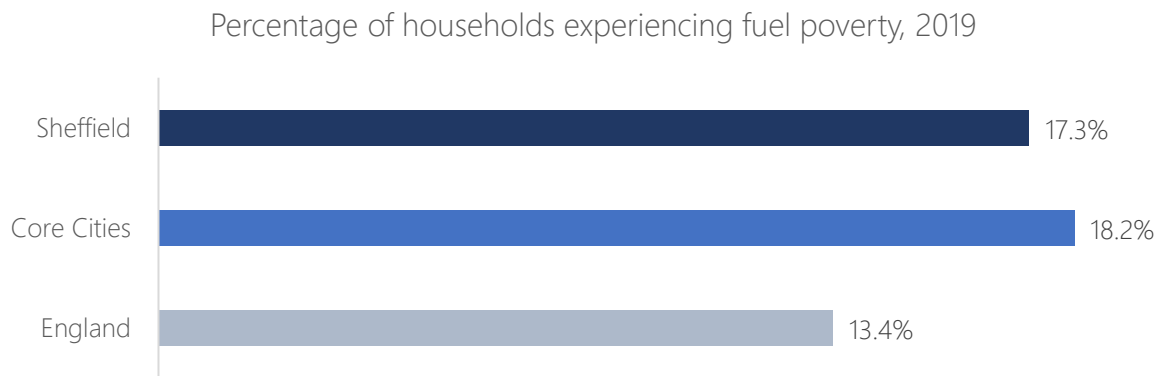


Figure 44: Fuel poverty rates in Sheffield, Core Cities and England. Source: BEIS (2019)

Coinciding with a lower rate of fuel poverty in Sheffield, the latest BEIS data suggests average energy use per domestic property per year is higher than other Core Cities. Figure 45 compares energy use per property during the first quarter of each of the last three years. Sheffield has seen average consumption grow to be higher than in the Core Cities. It is therefore no surprise that carbon emissions per property are also higher in Sheffield than the Core Cities (Figure 46).

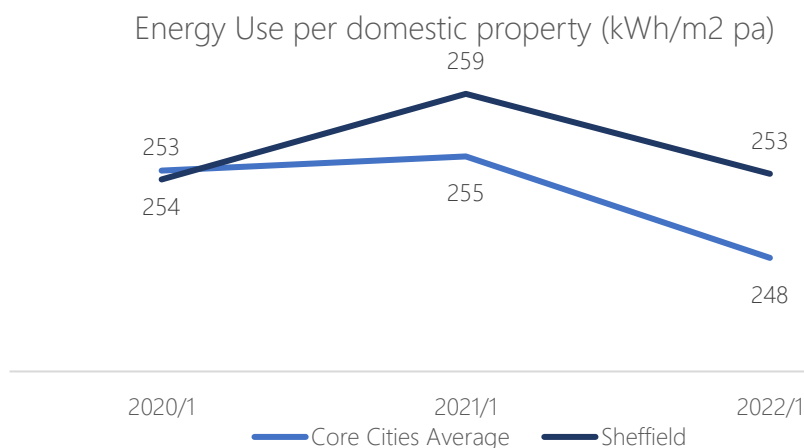


Figure 45: energy use per domestic property. Source: BEIS

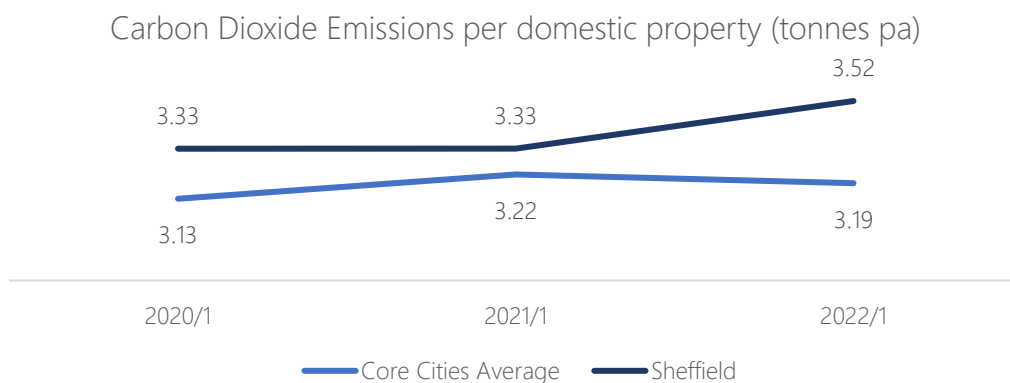


Figure 46: Carbon dioxide emissions per domestic property. Source: BEIS

Higher than average energy use in Sheffield can partly be explained by the nature of houses. All domestic properties in the country have an energy performance certificate (EPC) which gives a property an energy efficiency rating from A (most efficient) to G (least efficient).

The UK government is proposing new regulation that all rental properties will need a minimum EPC rating of 'C' or above by 2025. Currently, in the Core Cities as a whole 55.5% (Figure 47) of all domestic properties have an EPC rating of C or higher, which falls to 49% in Sheffield (Figure 48). The fact that the majority of homes in Sheffield have an EPC rating of D or lower shows the challenge of reducing domestic carbon emissions in an affordable way.

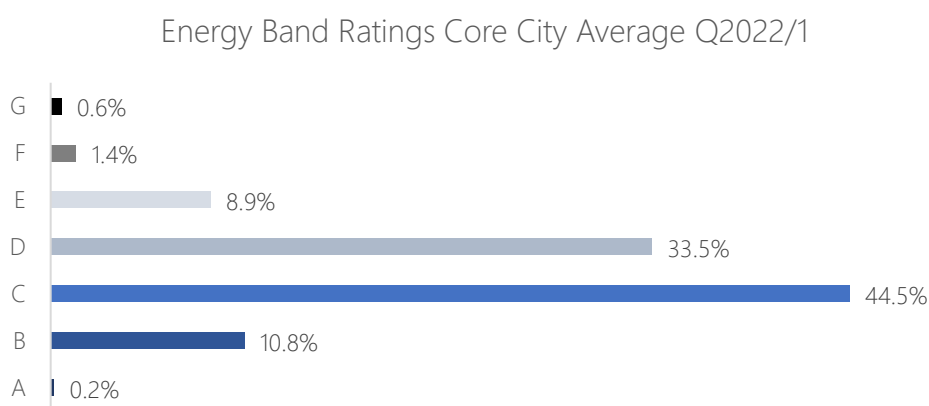


Figure 47: Proportion of Core City domestic property stock in each EPC category. Source: BEIS

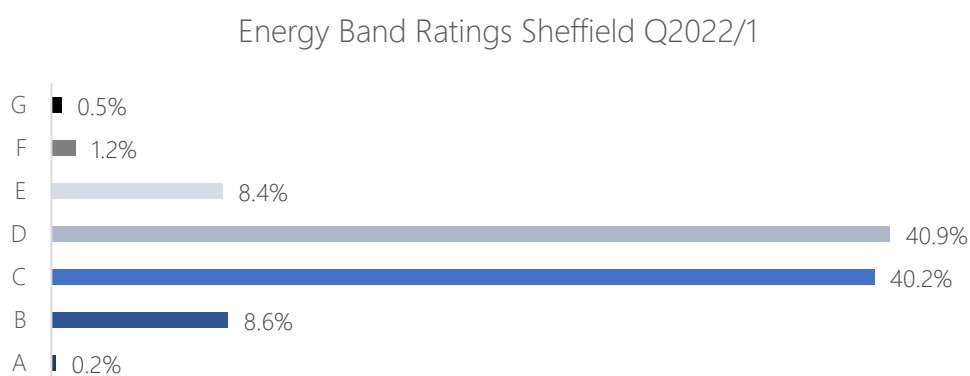


Figure 48: Proportion of Sheffield domestic property stock in each EPC category. Source: BEIS

SUSTAINABLE TRANSPORT AND AIR QUALITY

PERSONAL AND COMMERCIAL TRANSPORT EMISSIONS REFLECT THE SPATIAL NATURE OF SHEFFIELD’S ECONOMY. AIR QUALITY CAN EXACERBATE SPATIAL HEALTH INEQUALITIES

Just over 600 kt of Sheffield’s carbon emissions come from transport, rising to just over 700kt if motorways and diesel railways are included.

Road traffic volume has increased in some areas outside of the city centre during the pandemic as more people choose to drive rather than use public transport, although car journeys are still below 2019 levels. Transport Interchange data indicates that passenger numbers are still 20% down on pre Covid figures.

Cycling as a proportion of all trips made in Sheffield is estimated to be around 1%, with the proportion for commuting being slightly higher at closer to 2%, which is consistent with the national picture. This varies across LACs, with the 2011 census showing areas in the Central LAC and more central areas of the South and South West LACs having higher rates of cycle commuting than the national average whilst the South East, East and North East are below the national average.

There are six air quality monitoring sites across Sheffield, spread from the south west of the city through the city centre to the north east. Since the start of the pandemic, air pollution levels have risen in the non-central sites of King Egbert to the south west, Fir Vale to the north of the city centre and Tinsley to the north east. Tinsley has seen a 50% increase in average air pollution particulate matter (PM2.5) between 2020-21 and 2021-22. This could compound air quality inequality as show in the IMD’s air quality deprivation index which show that LSOAs in the east of the city have higher levels of air quality deprivation (Figure 49). Sheffield’s air quality regularly exceeds legal limits. The affects the young and old and those with pre-existing heart and lung conditions. It can reduce life expectancy by nine years and there are 500 premature deaths per year as a consequence of poor air quality.

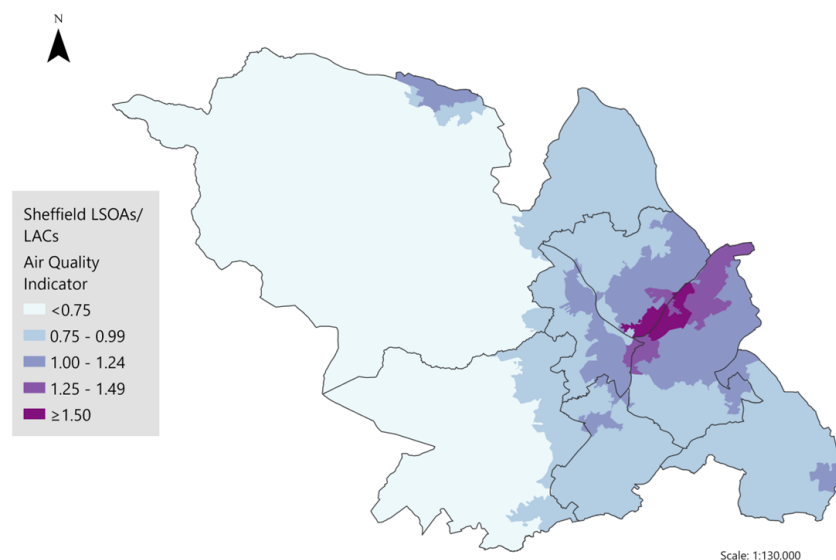


Figure 49: Air quality indicators by LAC. Source: Index of Multiple Deprivation (2019)

Credits: Contains National Statistics data licensed under the Open Government Licence v.3.0 Crown copyright and database right 2022. Contains Ordnance Survey data

DIFFERENT LEVELS OF ACCESS TO TRANSPORT WILL INFLUENCE HOW EASILY COMMUNITIES CAN SWITCH TO MORE SUSTAINABLE MODES.

The charts below outline the time it takes in minutes for people living in the Sheffield LAC areas to travel to the nearest employment site (with 500 to 4999 jobs), to the town centre, the nearest primary school, and the nearest food store.

Residents in the North LAC have a relatively higher travel time to employment sites than elsewhere in Sheffield: Average travel time by bike to employment sites is ten minutes or less in all LACs apart from the North (13 minutes), however latest data shows that only 2% of commuting journeys are made by bike (Figure 50).

Travel time in minutes to nearest employment site with 500 to 4999 jobs

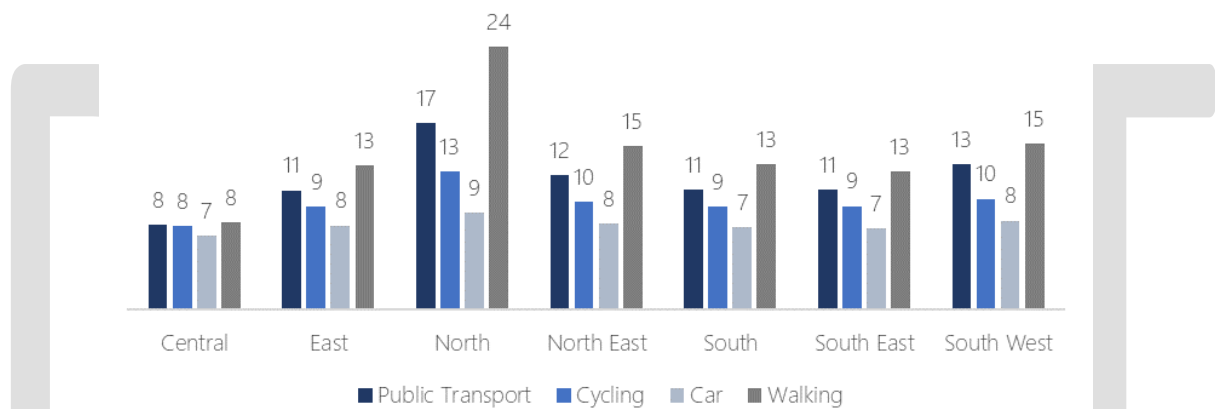


Figure 50: Travel time to employment sites

For travel to town centres, the North LAC again has the highest average travel time, especially for walking. The South East and South West also have average walking times of 40 minutes or more (Figure 51), making travel to town centres on foot unlikely. This highlights the importance of other modes.

Travel time in minutes to the nearest Town Centre by mode of transport

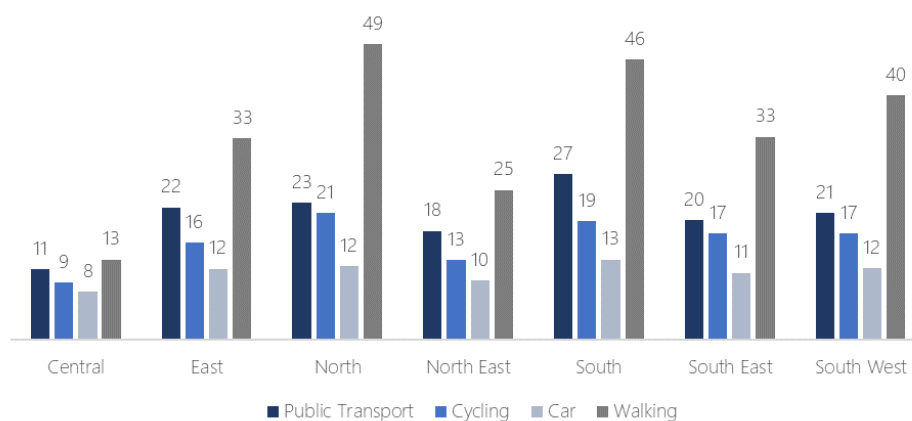


Figure 51: Travel time to town centres

There is little difference between travel time by each mode of transport and between each LAC to the nearest primary schools (Figure 52) and food stores (Figure 53), increasing the likelihood of people switching to other modes in the future if the right infrastructure is in place.

Travel time in minutes to the nearest primary school by mode of transport

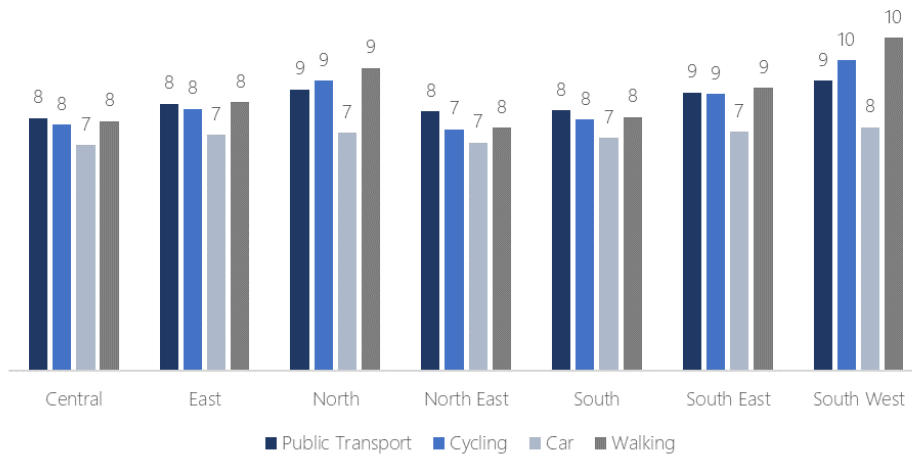


Figure 52: Travel time to nearest primary school

Travel time in minutes to nearest food store by mode of transport

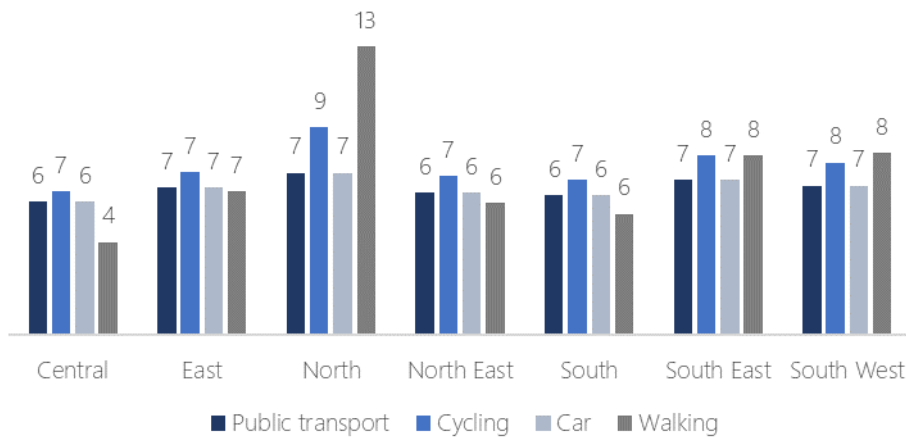


Figure 53: Travel time to nearest food store

Looking at public transport alternatives to car use, bus reliability for non-frequent services, as reported by operators has increased over the last ten years but has fallen below the national average (Figure 54). More exploration of the location of bus stops compared to the concentrations of population and deprivation will be undertaken to feature in the full evidence base.

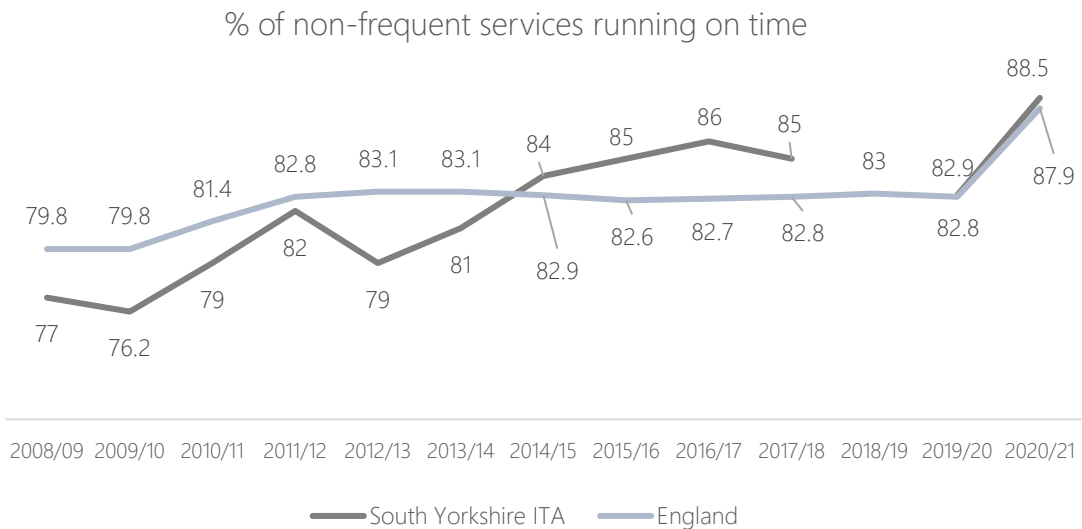


Figure 54: non-frequent bus reliability. Source: Department for Transport.

Car ownership and use will still be an important mode of transport for many people across the country and in Sheffield. In November 2020 the UK Government announced that the phase-out date for the sale of new petrol and diesel cars and vans will start in 2030 and all new cars and vans be fully zero emission at the tailpipe from 2035.

Although electric vehicles (EV) are currently more expensive than internal combustion engine (ICE) vehicles, the price is forecast to continue to fall and price parity between EV and ICE vehicles expected from 2027<sup>66</sup>. As well as price, availability of sufficient EV charging infrastructure is essential, especially for those people who do not have private off-street parking.

The proportion of vehicles classified as Ultra Low Emission Vehicles (ULEV) and the number of charging points are both increasing in Sheffield, but they are still below the core city average.

According to the last available data (2020), Sheffield’s proportion of vehicles classified as ultra-low emitting (ULEV) was 0.04% percentage points below the Core City average. This represents a significant improvement from 2019 where it was 0.3% percentage points below the Core City average (Figure 55).

The number of electric vehicle charging points across the city has increased from 8.6 per 100,000 residents in 2019 to 22.9 in 2022. Although this represents an increase of an additional 14.3 points per 100,000 residents Sheffield it is still 10 charging points lower than the Core City average (Figure 56).

<sup>66</sup> <https://www.transportenvironment.org/discover/evs-will-be-cheaper-than-petrol-cars-in-all-segments-by-2027-bnef-analysis-finds/>

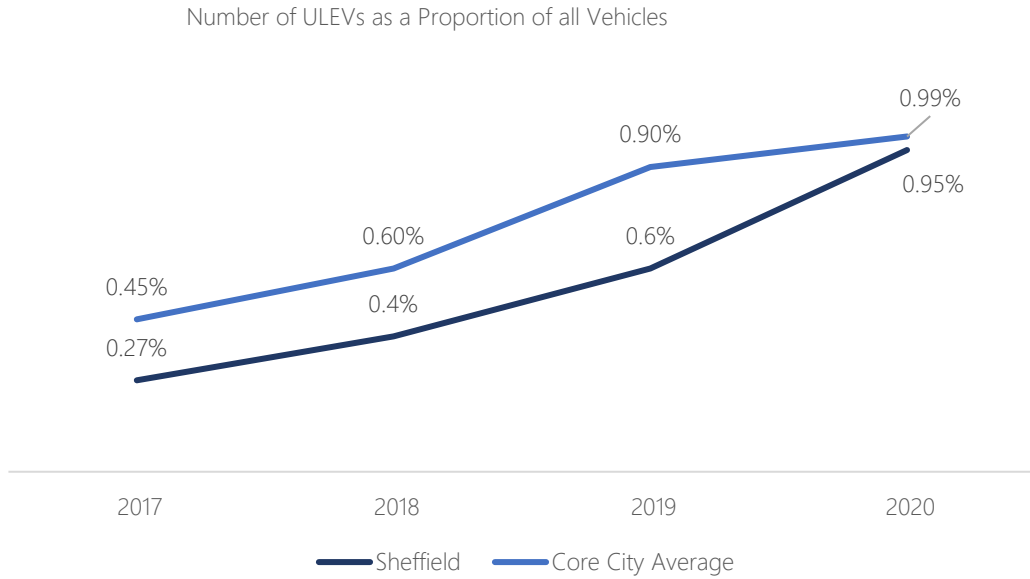


Figure 55: ULEVs as a proportion of all registered vehicles. Source: Department for Transport.

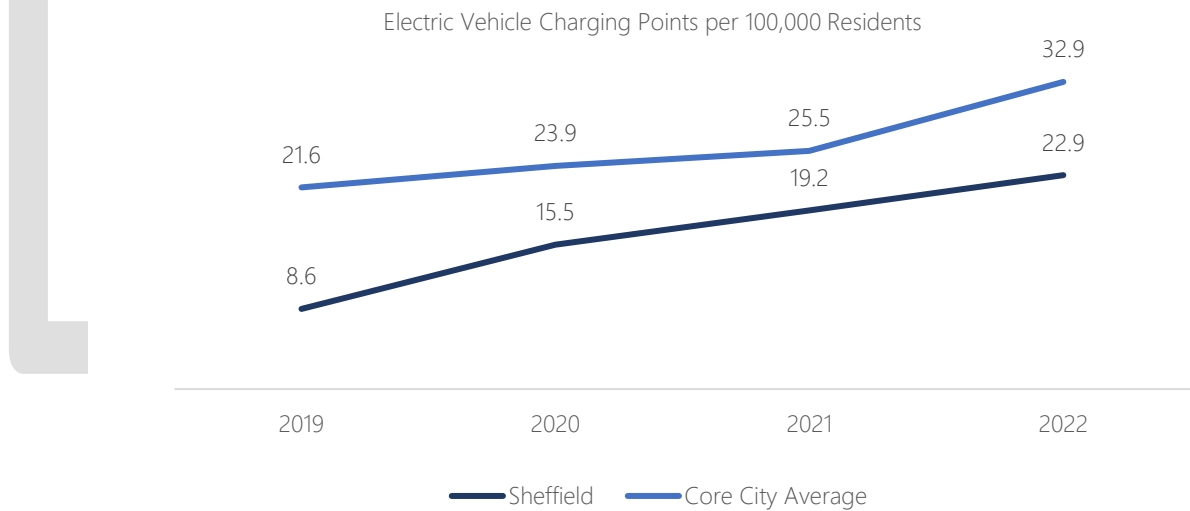


Figure 56: Electric vehicle charging points per 100,000 residents

COVID HAS CHANGED HOW AND WHY PEOPLE TRAVEL WHICH WILL AFFECT EFFORTS TO REDUCE CARBON EMISSIONS AND IMPROVE AIR QUALITY.

Around the world, government and public response to Covid-19 has changed the way people travel. From Auckland, to London, to New York people are travelling less. Patterns of transport have also changed, with weekend public transport usage recovering more than weekday usage, and more trips being made around and between local communities rather than traditional commuter routes into city centres. This global trend, which is beginning to look like a fundamental shift in work patterns, is as apparent in Sheffield as it is in cities around the world.

In South Yorkshire<sup>67</sup>, annual bus patronage was declining 6% per year from 2016/17 to 2019/20 compared with 3% nationally. The impact of Covid-19 and resulting restrictions and behaviour change saw

<sup>67</sup> South Yorkshire ITA

patronage decline by 64% from 2019/20 to 2020/21 in South Yorkshire (Figure 57) compared with 61% nationally.

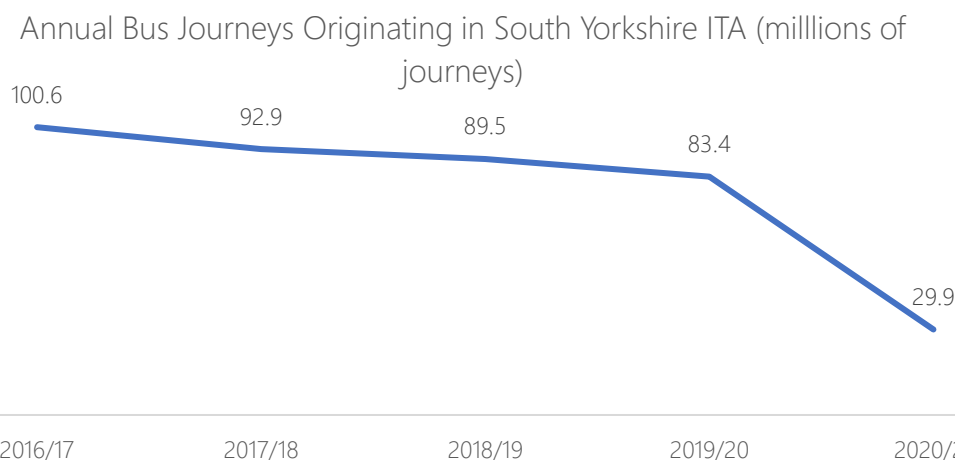


Figure 57: bus patronage in South Yorkshire ITA

Looking at bus passenger journeys per head of population, South Yorkshire has the second lowest rate out of the Core Cities and was experiencing the largest annual fall before Covid-19 (Table 11). During the first year of the pandemic, trips per head fell at similar levels across all core cities.

Table 11: Bus passenger journeys per head of population

Local Authority/ ITA	2020/21 Journeys per head of population	Average annual change 2016/17 to 2019/20	Change 2019/20-2020/21
Nottingham	46.3	-5%	-65%
Tyne and Wear ITA	36.0	-3%	-61%
West Midlands ITA	34.0	-3%	-60%
Bristol, City of	32.0	1%	-63%
Merseyside ITA	28.4	-2%	-59%
Greater Manchester ITA	24.0	-5%	-62%
<b>South Yorkshire ITA</b>	<b>20.9</b>	<b>-7%</b>	<b>-64%</b>
West Yorkshire ITA	18.4	-4%	-68%

Looking at SuperTram usage, Sheffield has seen a similar fall in the number of journeys to other transit systems in Core City regions, however the fall in passenger miles has been noticeably higher (Table 12).

Table 12: Light rail transit passenger journeys and miles

	Change in passenger journeys 2019/20 to 2020/21	Change in passenger miles 2019/20 to 2020/21
England (outside London)	-75%	-13%
Nottingham Trams	-82%	-7%
<b>Sheffield Supertram</b>	<b>-73%</b>	<b>-30%</b>
Tyne and Wear Metro	-72%	-10%
Manchester Metrolink	-77%	-6%



Similar declines in railway station entries and exits across Sheffield have been seen during the same time period (Table 13).

Table 13: Railway station entries and exits

Train station	2019-20 entries and exits	2020-21 entries and exits	Change %
Sheffield	10,094,758	1,906,820	-81%
Meadowhall	1,796,048	379,456	-79%
Chapelton (South Yorkshire)	307,430	74,514	-76%
Dore & Totley	219,336	29,118	-87%
Woodhouse	37,276	7,072	-81%
Darnall	13,450	4,954	-63%

## GREEN JOBS

### GREEN JOBS PROVIDE AN ECONOMIC OPPORTUNITY

Global action to reduce energy demand and create zero carbon energy is creating opportunities in the green economy. The UN Environment Programme defines the Green Economy:

*"As low carbon, resource efficient and socially inclusive. In a green economy, growth in employment and income are driven by public and private investment into such economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services."*

The Green Economy is therefore a combination of different systems, such as transport systems, energy systems, and land-use systems. Recent estimates suggest that global investment in energy systems and land-use systems will need to reach 3.5 trillion US Dollars to reach net zero by 2050, with 275 trillion US Dollars spent on infrastructure between now and 2050<sup>68</sup>.

The latest data suggests that the UK Low carbon and renewable energy economy (LCREE) was estimated to be worth £41.2 billion in 2020, employing 207,800 full-time equivalent (FTE) roles<sup>69</sup>. Businesses classified within the manufacturing, energy supply and construction industries accounted for 84% of all UK LCREE turnover in 2020, and 77% of all LCREE employment. However, so far, little growth has been observed in turnover or employment meaning there will need to be an acceleration if the UK is to grow its share of global investment to meet net zero targets. In fact, the Local Government Association (LGA) stated that in 2030 across England, there could be as many as 694,000 direct jobs employed in the LCREE, rising to over 1.18 million by 2050<sup>70</sup>.

In Sheffield, the forecast is for 8,000 green economy jobs by 2030 and over 13,100 by 2050. These jobs will be spread across all aspects of the green economy, and primarily in alternative fuels (33%), low carbon heat (20%), and energy efficiency (19%) (Figure 58).

<sup>68</sup> McKinsey (2022), The net-zero transition: What it would cost, what it could bring

<sup>69</sup> ONS (2022), Low carbon and renewable energy economy, UK: 2020

<sup>70</sup> Local Government Association: Local green jobs - accelerating a sustainable economic recovery

Estimated jobs in 2030 by market segment

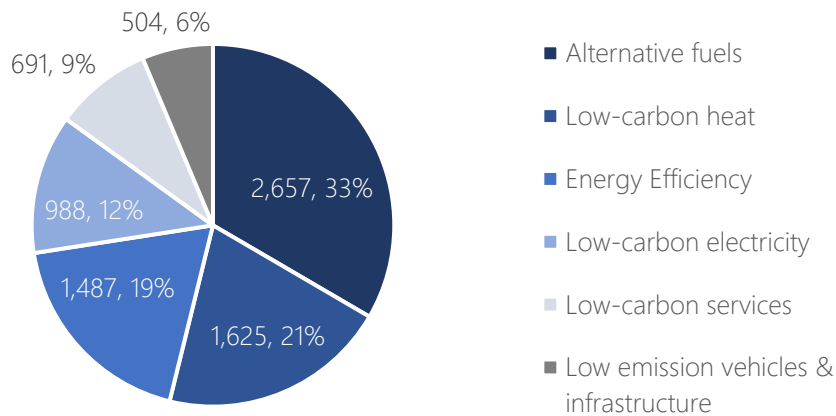


Figure 58: Breakdown of future green jobs by market segment. Source: Local Government Association (2019)

Sheffield’s expertise in these areas ranges from companies like hydrogen producers ITM to research and innovation assets such as the Sustainable Aviation Fuels Innovation Centre, Translational Energy Research Centre, and The South Yorkshire Sustainability Centre. The Bioenergy sub-market segment has the highest potential jobs forecast, both in 2030 and 2050. Some sub-market segments see more medium-term job growth such as insulation, which could need 1,086 jobs by 2030 with little job growth subsequently. For others, such as hydrogen boilers, job growth accelerates from 2030 to 2050. Table 14 shows the sub-market segments forecast to have more than 100 jobs in Sheffield by either 2030 or 2050.

Table 14: Forecast jobs by LCREE sub-market segments which will employ more than 100 by 2030 or 2050

Market segment	Jobs	
	By 2030	By 2050
Bioenergy	2,639	3,889
Heat pumps	1,504	1,914
Insulation	1,086	1,090
Offshore wind	738	1,630
ICE > EV transition	367	622
Lighting	229	277
Control & monitoring	172	201
Hydrogen boilers	54	449
Stationary fuel cells	16	149

Sheffield’s industrial, research and innovation expertise means it is ranked 4<sup>th</sup> out of the Core Cities in terms of forecast LCEE jobs by 2030. Looking at market segments, Sheffield ranks 3<sup>rd</sup> amongst Core Cities for Low Carbon Heat and Energy Efficiency jobs by 2030, and 2<sup>nd</sup> for alternative fuels.

Job opportunities exist not only to help deliver a just transition in Sheffield but also as part of the wider national supply chain. For example, the biggest area of forecast job creation within the low-carbon electricity market segment is in offshore wind, demonstrating how Sheffield’s manufacturing base can benefit from investment in new energy infrastructure around the UK.

Nearly 1,100 jobs are forecast to be needed for insulation, a key part of decarbonising Sheffield’s homes and business properties. Creation of these skilled jobs, whilst also helping to improve local housing energy efficiency and combat fuel poverty is prime example of a just transition employment opportunity.

Developing a strong capability in this industry will ensure Sheffield is well positioned to play a role in the UK supply chain.

Looking solely at housing retrofit as an example, in 2020 the New Economics Foundation estimated that retrofitting over 8.7 million homes by 2023/24 could create over 500,000 new jobs, whilst analysis for Greenpeace says delivering the heat pumps and EPC upgrades needed to deliver the Climate Change Committee's central pathway to net zero would create 138,600 jobs by 2030.

Capitalising on the job opportunities of a transition to net zero will require embedding the right skills in the workforce of tomorrow. If skills development is effective, then green jobs can be a driver of inclusive growth. However, this will need a concerted effort. Research by Policy Exchange suggests that only 3.5% of those who work in the environment sector identify as from a minority background, leading Friends of the Earth and Ashden to recommend that "councils should work with disadvantaged communities to increase opportunities in the green sector, ensuring a common language and pathways to exploring skills requirements<sup>71</sup>."

## GREEN SPACE

Sheffield is rightly proud of the fact that 61% of the city is greenspace, which has been said to be highest proportion of any city in the world. This green space is diverse, including 70 ancient woodlands, hundreds of green spaces and public parks, and the National Park (including peatland bog) which forms one third of the city. Across these settings, Sheffield's 4.5million trees mean there are more trees per person than any other city in Europe.

The multi-faceted nature of the city's greenspace provides health and wellbeing benefits<sup>72</sup> for people, delivers climate change mitigation and adaptation including reduced flood risk, helps support biodiversity, and provides opportunities for local sustainable food production and energy generation.

The Peak District's Moors for the Future Partnership is part of the Great North Bog initiative, and Sheffield sits in the heart of the Northern Forest, demonstrating the national importance of the city's green space to climate change mitigation and adaptation and habitat restoration, in addition to local benefits.

As well as benefits to people, green space will play an essential role in protecting the city from the economic impacts of climate change, especially flooding. The City's Flood Programme has invested more than £25m in flood risk reduction since the 2007 floods to protect over 500 businesses and 350 homes. There is a further £15m of schemes in delivery to protect a further 100 homes and over 150 businesses. Between now and 2027 more than £50m of further investment is planned across the Sheaf, Porter, and Blackburn Brook to protect 750 homes and over 500 businesses.

The Centre for Thriving Place's 2021 Thriving Cities Index scores Sheffield's 'Green Infrastructure' where Sheffield ranks second amongst the other core cities (Figure 59).

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<sup>71</sup> Road to zero carbon: council action on green jobs and skills, report by Shared Intelligence For Friends of the Earth and Ashden (2022).

<sup>72</sup> World Health Organisation, Urban Green Space and Health: Intervention Impacts and Effectiveness (2016)

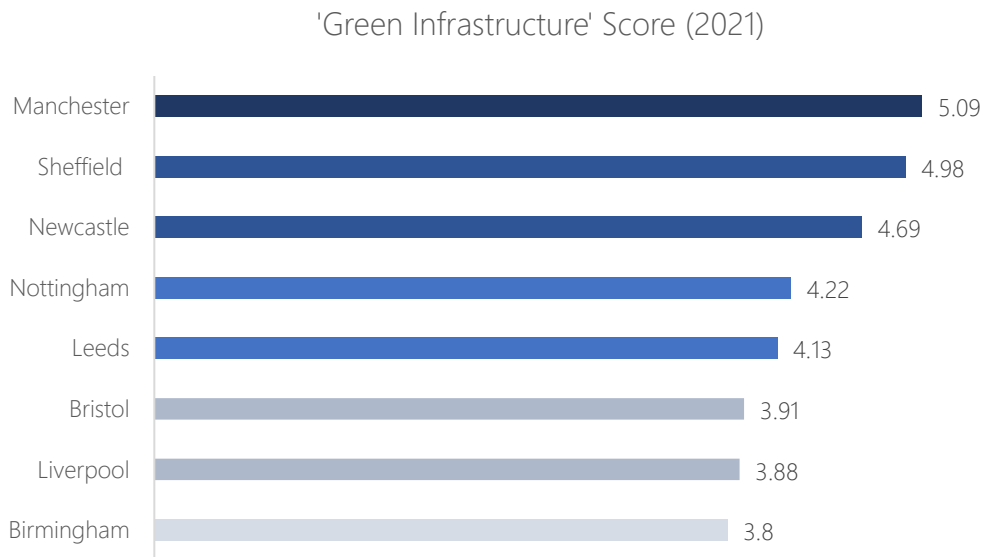


Figure 59: Thriving Cities Index 2021 'Green Infrastructure' Score.

GREEN SPACE AND PEOPLE

Sheffield's communities benefit from quality green space. The 15 Green Flag award winning spaces in the city make up nearly 20% of all Green Flag awards in the Yorkshire and the Humber region and the Centre for Thriving Place's 2021 Thriving Cities Index scores Sheffield's 'local environment' higher than any other core city (Figure 60). Access to this quality green space and environment can provide a resource for helping address wellbeing and mental health challenges described earlier in this report<sup>73</sup>.

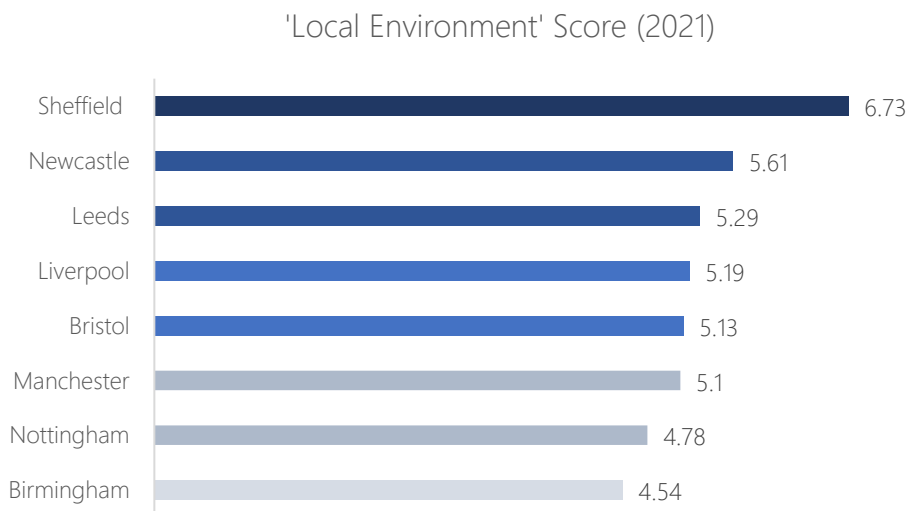


Figure 60: Thriving Cities Index 2021 'Local Environment' Score.

The extent of greenspace in Sheffield is why University of Southampton/NatWest's "Green Cities Report," named Sheffield as the UK's Greenest City and why the city was given "Tree City of the World" status by the Arbor Day Foundation and the United Nations Food and Agriculture Organisation in 2022.

<sup>73</sup> Birch J, Rishbeth C, Payne SR. Nature doesn't judge you - how urban nature supports young people's mental health and wellbeing in a diverse UK city. Health & Place. 2020

Looking at public green space, Sheffield has a much greater area of green space per person than the other Core Cities with 191m<sup>2</sup> per person compared to the core city average of 71m<sup>2</sup> (Figure 61).

Public Green Space: Area (m<sup>2</sup>) Per Person

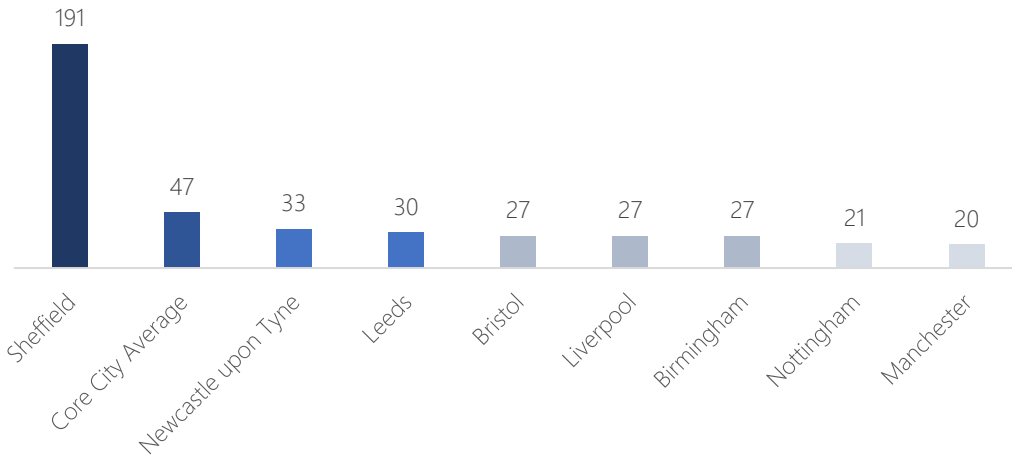


Figure 61: area (m<sup>2</sup>) of green space per person in Core Cities

However, when focussing more closely on the distance people live to a park, public garden, or playing field, people in Sheffield on average live 316m away, which is just above the average for core city average of 307m and the 5<sup>th</sup> furthest distance amongst the core cities (Figure 62).

Average distance to nearest Park, Public Garden, or Playing Field (m)



Figure 62: average distance to nearest park, public garden or playing field. Source: ONS Access to public greenspace

In terms of private outdoor space, just under 86% of Sheffield’s addresses have private outdoor space which is the second highest of the Core Cities. The average size of this private outdoor space is 216m<sup>2</sup>, the third highest amongst the core cities (Figure 63).

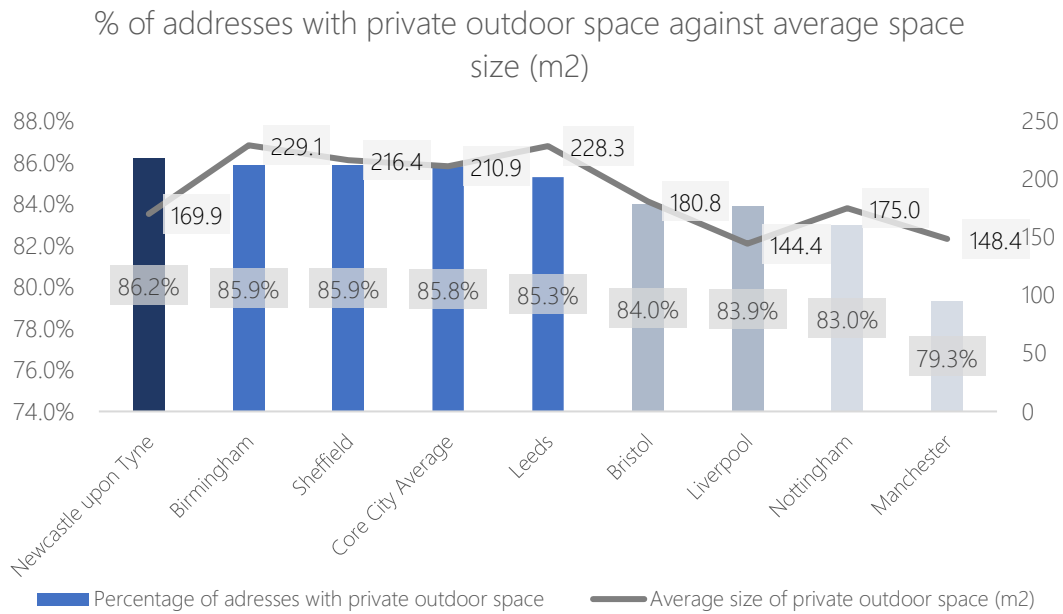


Figure 63: Proportion of addresses with private outdoor space and average size of outdoor space. Source: ONS Access to public greenspace

## SUMMARY AND POLICY IMPLICATIONS: A JUST TRANSITION

To summarise:

- Carbon emissions have been reducing but there is some way to go to reach the 2030 net zero target. The slower the progress now, the harder and more expensive meeting this deadline will become as bigger reductions will need to be made in a smaller amount of time.
- The health and economic costs of air pollution are substantial. Premature mortality is causing a persistent health risk and a drag on productivity.
- There are also more than one in six households (43,000 households) in fuel poverty.
- There is an opportunity for Sheffield and its partners to ensure residents and others benefit from new job green skills and opportunities including areas such as energy generation, carbon mitigation and retrofit, insulation and heating.

The potential [policy implications](#) are that emissions need to be cut even more deeply to meet the required zero carbon targets to 2030. This will require:

- Measures to continue to tackle air pollution including the proposed Clean Air Zone.
- There is a need for continued partnership working across the city and region.
- A clear roadmap setting out annual requirements to achieve:
  - The effective decarbonisation of domestic and commercial energy systems.
  - A cleaner and greener public transport system and investment in active travel measures.
  - A retrofitted built environment and climate resilient city with smart infrastructure.
  - Industrial and commercial decarbonisation including for instance measures for all and more intensive support for heavy emitters (steel decarbonisation for instance).
- Active travel should not just be seen as a means of reducing transport emissions. Instead, it should also be viewed as a public health benefit and interventions to enable and encourage active travel such as the Outdoor City will increase physical activity and improve health and wellbeing. Tools like the World Health Organisation's *Health economic assessment tool (HEAT) for cycling and walking* can be used quantify and value health and wellbeing benefits.

- A transition plan to shift towards a high-skill, low carbon economy identifying and supporting new jobs and skills across all stages of the green jobs' life cycle from pathways into green careers for people from all backgrounds to effective transitions for workers and communities dependent on the high carbon economy.

DRAFT

## 6) KEY MESSAGES

This chapter draws together key messages from this summary report. These interim observations raise important policy considerations for the forthcoming City Strategy and will be explored further with the Steering Group and Working Group when finalising the full evidence base report. The policy implications are the view of the report authors based on the evidence and are not necessarily endorsed or adopted by Sheffield Council.

- Economic growth is not a panacea to tackling many of the entrenched socio-economic problems that affect Sheffield, and improving participation and inclusion requires a broader consideration of the barriers affecting specific groups and communities.
- However, if the city is not effective in maintaining and improving upon its economic position relative to other areas, these issues will become more challenging to tackle as there are fewer opportunities for everyone.
- Equally, as well as having a direct impact on Sheffield's existing residents, inequalities in life expectancy and health inequality are a current threat to the future wellbeing of the city's residents and workforce and have the potential to entrench these gaps. This could impact on long term health and educational attainment of younger residents, which is likely to have a tangible long-term impact on the city.
- The opportunity for new devolved local powers from Whitehall combined with an emphasis on green economic growth offers a potentially powerful mix for change. This 'provides the impetus for a move away from business-as-usual models of economic growth'<sup>74</sup>.
- Occupational deficits in key sectors and the make-up and structure of the economy means Sheffield isn't creating enough businesses or the right jobs to match the qualifications and requirements of the workforce. The recent trend data shows Sheffield is losing ground with Core Cities in terms of economic growth and will need to build on its unique characteristics and relative strengths as well as promote social, health and environmental values.
- A longer-term and place-based approach to inclusive growth should increase focus on the key causes of inequality at earlier life stages. For example, investing in understanding and addressing the factors behind growing inequality in educational outcomes to prevent life-long disparities and to ensure Sheffield's future economic growth is inclusive.
- Unless the widening disparities are addressed, existing trends will be reinforced. Health and wellbeing disparities are constraining some of communities' access to suitable opportunities more than others. Similarly, economic inequality can have negative impacts on people's health.
- The city has made progress at reducing emissions created by the energy used by businesses and households in Sheffield. However, the pace of change needs to accelerate if the city is to meet its ambitious 2030 target for net zero in way that delivers a 'just transition' across Sheffield's economy and communities.

The headline policy implications are as follows (more detail appears in each of the previous sections).

### SUMMARY POLICY IMPLICATIONS

The potential [productivity policy implications](#) emerging from the data are that investment is needed in the next generation of leaders and managers and key sectors with growth prospects. The skills profile

<sup>74</sup> Urban Futures, Planning for City Foresight and City Visions, Dixon, and Tewdwr-Jones, 2022, p228



and city's innovation assets offer an attractive proposition for inward investment. A more concerted effort on start-ups (especially tech start-ups) or to make the city a place to start-up, would ensure Sheffield exploits its good business survival rates and helps to reduce the growing productivity gap with Core Cities. Potential commercial development sites need to be stimulated and brought forward with viability concerns addressed and city centre resilience bolstered. There is scope to boost the innovation and enterprise ecosystem, sub-regional innovation support and to build on the success of accelerators, world-class translational research facilities, and existing innovation adoption measures.

To [reduce city inequalities](#) a range of measures is required to combat the disproportionate effect that Covid has had on key groups including women and ethnic minorities as well as young people from all backgrounds in education. Measures to tackle poverty (including fuel poverty) and support good mental health are needed as well as action to help mitigate the effects of the cost-of-living crisis such as increasing the number of living wage employers and housing affordability actions.

There are some far reaching [carbon reduction policy implications](#) to ensure that emissions are cut to meet the required zero carbon targets to 2030. These range from tackling air pollution to decarbonisation in energy, transport, industry and businesses and the built environment (commercial and domestic). Active travel will reduce transport emissions and improve health and wellbeing. A transition plan to shift towards a high-skill, low carbon economy will support many new jobs and skills across all stages of the green jobs' life cycle.

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RESEARCH



# Equality Impact Assessment – Ref 1197

## PART A Introductory Information

Proposal name

City Strategy Development

### Brief aim(s) of the proposal and the outcome(s) you want to achieve

The aim of this work is to produce a new City Strategy for Sheffield, a coherent plan for the city which sets out a set of shared ambitions and missions for us to collectively work towards. This will be owned by the city, embedded within communities and with partners and reflect their priorities.

### Proposal type

Budget       Non Budget

### If Budget, is it Entered on Q Tier?

Yes       No

If yes what is the Q Tier reference

### Year of proposal (s)

<input type="radio"/> 21/22	<input checked="" type="radio"/> 22/23	<input type="radio"/> 23/24	<input type="radio"/> 24/25	<input type="radio"/> other
-----------------------------	--	-----------------------------	-----------------------------	-----------------------------

### Decision Type

- Coop Exec
- Committee (e.g., Health Committee) which committee
- Leader
- Individual Coop Exec Member
- Executive Director/Director
- Officer Decisions (Non-Key)
- Council (e.g., Budget and Housing Revenue Account)
- Regulatory Committees (e.g. Licensing Committee)

Lead Committee Member

Councillor Terry Fox

Lead Director for Proposal

Diana Buckley and James Henderson

Person filling in this EIA form

Jennifer Rickard

EIA start date

06/06/2022

### Equality Lead Officer

- |   |                                    |
|---|------------------------------------|
| <input type="radio"/> Adele Robinson                | <input type="radio"/> Ed Sexton    |
| <input checked="" type="radio"/> Annemarie Johnston | <input type="radio"/> Louise Nunn  |
| <input type="radio"/> Bashir Khan                   | <input type="radio"/> Beverley Law |

### Lead Equality Objective ([see for detail](#))

<input checked="" type="radio"/> Understanding Communities	<input type="radio"/> Workforce Diversity	<input checked="" type="radio"/> Leading the city in celebrating & promoting inclusion	<input checked="" type="radio"/> Break the cycle and improve life chances
--	---	--	---

## Portfolio, Service and Team

Is this Cross-Portfolio

- Yes  No

Portfolio/s

City Futures and PPC

Is the EIA joint with another organisation (e.g. NHS)?

- Yes  No Please specify

## Consultation

Is consultation required? (Read the guidance in relation to this area)

- Yes  No

If consultation is not required, please state why

If consultation has already been carried out, please provide details of the results with equalities analysis

This work is taking a broad approach to involving communities in strategy development, with formal consultation forming only one element of this. In order to achieve this, we are committed to developing a community engagement plan to ensure that we reach and listen to a wide range of people from across the city in a consistent and inclusive way.

This process will kick start with a targeted piece of engagement work with communities which is due to start in June through a workstream titled 'Community Voice and Insight'. A working group made up Sheffield City Council (SCC), Voluntary Community Sector (VCS), public sector and academic partners will oversee the delivery of this workstream and ensure that it is informed by existing work and best practice. Voluntary Action Sheffield (VAS) have been commissioned to co-ordinate the work which will be delivered through a group of community organisations, with support from our academic partner. The purpose of this workstream is to deliver conversations about the City Strategy in communities, using places, methods and approaches which work for them and reach a diverse range of people, targeting people who SCC have not engaged with before. The working group will work with VAS to ensure that a diverse range of organisations are commissioned as part of this process, supporting us to reach different geographical communities and communities of interest.

Alongside this targeted work we will use the community engagement plan to seek out further opportunities to engage more widely across the city, again ensuring that we include a wide variety of voices, reflecting our diversity as a city and including those with protected characteristics.

**Are Staff who may be affected by these proposals aware of them?**

Yes  No

**Are Customers who may be affected by these proposals aware of them?**

Yes  No

**If you have said no to either please say why**

This EIA covers the period of development of the City Strategy. Part of this development is engaging with communities and partners to talk to them about the strategy, and this work has not started yet.

## Initial Impact

Under the [Public Sector Equality Duty](#) we have to pay due regard to the need to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations

For a range of people who share protected characteristics, more information is available on the [Council website](#) including the [Community Knowledge Profiles](#).

## Identify Impacts

Identify which characteristic the proposal has an impact on tick all that apply

<input checked="" type="radio"/> Health	<input checked="" type="radio"/> Transgender
<input checked="" type="radio"/> Age	<input checked="" type="radio"/> Carers
<input checked="" type="radio"/> Disability	<input checked="" type="radio"/> Voluntary/Community & Faith Sectors
<input checked="" type="radio"/> Pregnancy/Maternity	<input checked="" type="radio"/> Cohesion
<input checked="" type="radio"/> Race	<input checked="" type="radio"/> Partners
<input checked="" type="radio"/> Religion/Belief	<input checked="" type="radio"/> Poverty & Financial Inclusion
<input checked="" type="radio"/> Sex	<input checked="" type="radio"/> Armed Forces
<input checked="" type="radio"/> Sexual Orientation	<input type="radio"/> Other
<input checked="" type="radio"/> Cumulative	

### Cumulative Impact

**Does the Proposal have a cumulative impact?**

- Yes       No

<input type="radio"/> Year on Year	<input type="radio"/> Across a Community of Identity/Interest
<input type="radio"/> Geographical Area	<input checked="" type="radio"/> Other

*If yes, details of impact*

This proposal has a cumulative impact because it links to other plans and strategies within SCC which have either been agreed/endorsed or are in development. These include the One Year Plan, the 10 Point Plan for Climate Action, the Business Recovery Plan, the Culture Collective Strategy, the forthcoming Corporate Plan, the forthcoming report of the Race Equality Commission and the Local Skills Improvement Plan. It will also link to the Levelling Up Regeneration Pilot and the development of the Place Based Plan which will help to unlock South Yorkshire Mayoral Combined Authority funding (South Yorkshire Renewal Fund) for critical projects.

**Local Area Committee Area(s) impacted**

- All       Specific

*If Specific, name of Local Committee Area(s) impacted*

## Initial Impact Overview

**Based on the information about the proposal what will the overall equality impact?**

The purpose of the strategy is to address key challenges and opportunities facing the city, including health, economic and social inequalities. We recognise that embedding the city strategy process within communities will be a key element of delivering a plan and set of actions which will be genuinely owned by our city and reflective of our diverse needs, priorities and ambitions. In considering these issues and ensuring community engagement runs through the development of the strategy, the impact of this proposal is considered to be positive.

**Is a Full impact Assessment required at this stage?** ● Yes      ○ No

**If the impact is more than minor, in that it will impact on a particular protected characteristic you must complete a full impact assessment below.**

## Part B - Full Impact Assessment

### Health

**Does the Proposal have a significant impact on health and well-being (including effects on the wider determinants of health)?**

● Yes      ○ No      *if Yes, complete section below*

#### Staff

○ Yes      ○ No

#### Customers

● Yes      ○ No

### Details of impact

Recent evidence from the Local Economic Assessment, which will be used to inform the City Strategy, suggests strong links between health and wellbeing and people's ability to participate in the economy. For example, 'The Marmot Review: Ten Years On' found that people from marginalised groups are more likely to be unemployed or employed in 'bad' work therefore at greater risk of poor mental and physical health.

The City Strategy aims to explore this relationship and set missions for the city to address. Its development will be informed by communities and professionals in the health sector.

One of the aims of the Community Voice and Insight work is to reach a diverse range of people, including those that SCC has not spoken to before. We are also working with public health and other health partners as part of the Working Group for this commission and will be calling on their expertise in terms of applying existing best practice and identifying overlaps and/or gaps in knowledge. As well as involving diverse communities in the engagement work, health partners will also be involved in stakeholder workshops.

**Comprehensive Health Impact Assessment being completed**

Yes      No

*Please attach health impact assessment as a supporting document below.*

**Public Health Leads has signed off the health impact(s) of this EIA**

Yes      No

**Name of Health Lead Officer**

**Age**

**Impact on Staff**

Yes      No

**Impact on Customers**

Yes      No

**Details of impact**

The Local Economic Assessment outlined a number of issues affecting younger people, particularly as a result of the COVID pandemic. 88% of young people reported loneliness during the pandemic (MIND. (2021). Children qualifying for free school meals are falling behind in terms of GCSE/Key Stage attainment. Educational attainment is one of the wider determinants of health and addressing this worrying trend is important if Sheffield is going to address inequalities.

We will seek to engage with all age groups, however as part of our community engagement plan, we will ensure that there is targeted work to involve young people, including inviting representatives (e.g. through the Youth Council) to stakeholder events and the reference group. We also aim to hold a dedicated event for young people, working with relevant experts and partners to ensure that this is tailored to their interests and needs.

**Disability**

**Impact on Staff**

Yes      No

**Impact on Customers**

Yes      No

**Details of impact**

The City Strategy will aim to address inequalities within Sheffield, including advancing opportunities for disabled people. The Local Economic Assessment found that in Sheffield, 48% of people aged 16-64 living with disabilities are employed compared to 75.7% of the non-disabled population, resulting in a disability employment gap of 27.7%.

We will work with our equalities partnership and relevant organisations to ensure that disabled peoples' voices are included as part of the community engagement workstream of this work.



## Pregnancy/Maternity

### Impact on Staff

Yes  No

### Impact on Customers

Yes  No

### Details of impact

We will work with our equalities partnership and relevant organisations to ensure that we are doing our best to give all people with protected characteristics an appropriate opportunity to engage.

Also see Sex characteristic below.

## Race

### Impact on Staff

Yes  No

### Impact on Customers

Yes  No

### Details of impact

The City Strategy will bring together city partners around a set of missions, or long-term goals. Central to these missions will be reducing inequalities, including deep-rooted inequalities experienced by BAME communities. For example, the Local Economic Assessment found that the employment rate in Sheffield for ethnic minorities is 61.2% compared to the city average of 74.6%. This employment rate is lower than the national average. Emerging findings from the Sheffield Race Equality Commission have highlighted the experiences of BAME communities, workforce pipeline issues and a lack of diversity at senior/board level across the city.

As part of the process to develop the City Strategy, the evidence coming out of the Local Economic Assessment and Community Voice and Insight workstream will be used. The Community Voice and Insight work is aiming to engage with people who do not normally engage with SCC by delivering the conversations in communities. We will ensure these communities represent the racial diversity of the city and that this is also considered in our wider community engagement plan.

## Religion/Belief

### Impact on Staff

Yes  No

### Impact on Customers

Yes  No

### Details of impact

We will work with our equalities partnership and relevant organisations to ensure that we are doing our best to give all people with protected characteristics an appropriate opportunity to engage.

We are working on ensuring faith representation on Sheffield City Partnership Board, so will also be engaging through that route.

## Sex

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

The Local Area Assessment found that as a group, women were particularly affected by the impact of the COVID pandemic, resulting in a widening gap in equality with men. Women account for 90% of single parents and this group were more likely to be impacted by job loss, reduced hours or furlough during the pandemic compared to coupled parents. Single parents earn half the weekly wage of coupled mothers and were less likely to work from home.

More generally, a Fawcett Society report (*Making Devolution Work for Women 2019*) found over 42,000 women in Sheffield were missing from the labour market and average earnings were £10k less a year than men. Sheffield has an average gender pay gap of 12.6%, which is slightly lower than the national average. The Fawcett Society explain the gender inequalities are caused by caring responsibilities (adult and child) and high costs of childcare which impact Sheffield women's career progression and financial security.

Addressing these inequalities will form part of the City Strategy, and the consultation and engagement to inform the strategy must involve both sexes. This will be considered as part of the Voice and Insight Commission (when the Working Group considers which community groups should be commissioned) as well as the wider engagement activity. For the latter, this may mean considering the timing of events and ensuring people without access to childcare are still able to take part.

Also see pregnancy/maternity characteristic above.

## Sexual Orientation

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

We will work with our equalities partnership and relevant organisations to ensure that we are doing our best to give all people with protected characteristics an appropriate opportunity to engage.

## Gender Reassignment (Transgender)

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

We will work with our equalities partnership and relevant organisations to ensure that we are doing our best to give all people with protected characteristics an appropriate opportunity to engage.

## Carers

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

We will work with relevant organisations to ensure that we are doing our best to give this group an appropriate opportunity to engage.

## Poverty & Financial Inclusion

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

The Local Economic Assessment found that child and food poverty have increased faster than the national average in deprived areas of Sheffield since the COVID-19 pandemic.

Given the rising cost of living and concerns about the impact it will have on household incomes, addressing poverty is likely to be at the forefront of considerations for the City Strategy along with the inequalities relating to household income in general.

Ensuring the engagement process includes people on low incomes is important in order to understand the experiences of poverty. These experiences can then help to inform the strategy. Again this will be considered by the Working Group as part of the Voice and Insight Commission. It is also worth noting that the Sheffield City Partnership Board has already established a Financial Cliff Edge Working Group which we will consult and engage as part of the wider community engagement plan and we will also link in with the ongoing partner work on the cost of living crisis to ensure that we are capturing those insights.

## Cohesion

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

As noted above, if we are to develop a city strategy which is truly owned by our residents and reflects our diverse communities and their needs, then the process of developing that strategy needs to be embedded through open and honest conversations with those communities. In doing so we will need to reflect on the wide variety (and sometimes contradictory) of different visions and ambitions for our city which our residents will hold. We will also need to reflect on how we can all come together as a city to deliver on those. It is therefore important that we understand the implications of these conversations

and processes on community cohesion both during the development phase and when we move to delivery.

With this in mind we will ensure that the work we do is consistent with our cohesion strategy (and that of our partners) and that we engage with Cohesion Sheffield, as well as other relevant partners including South Yorkshire Police/Police Crime Commissioner, our Local Area Committees and Community Safety Partnership.

## Partners

### Impact on Staff

Yes

No

### Impact on Customers

Yes  No

### Details of impact

The City Strategy will be a partner-owned document and the process for developing the strategy will reflect this. Moreover, the issues that the City Strategy is likely to address are cross-cutting and to address them will require a joined up approach across different city partners. This is reflected in the governance and engagement plans for the strategy.

The Sheffield City Partnership Board will oversee the delivery of the City Strategy and each of the partners, including SCC, will own the strategy and be accountable for the high-level commitments within it. A task and finish group made up of city partners will lead on the delivery of the strategy, and a reference group to facilitate wider engagement with organisations across the city.

Stakeholder workshops will also inform the content of the strategy and will involve a wide range of city partners.

## Armed Forces

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

### Details of impact

We will work with relevant partner organisations to ensure that this group has an opportunity to engage.

## Other

*Please specify*

### Impact on Staff

Yes

No

### Impact on Customers

Yes

No

## Details of impact

### Action Plan and Supporting Evidence

What actions will you take to mitigate any equality impacts identified? Please include an Action Plan with timescales

Action	Timescale
<b>Project Governance:</b> Ensure the task and finish group and reference group set up to oversee the work are diverse and representative of Sheffield communities.	June – September 2022
<b>Community engagement:</b> Ensure the 'Community Voice and Insight' workstream is engages with a wide variety of groups and communities. This will include a targeted commission and a wider engagement plan.	June 2022 onwards
<b>Stakeholder workshops:</b> Ensure these are inclusive (in terms of their accessibility) and representative (in terms of their attendance)	September - October 2022
<b>Wider public engagement:</b> Ensure this phase of work is accessible and continues the approach used by the Community Voice and Insight work by trying to engage with people using different approaches to gain a richer understanding of people's views.	November- December 2022.

**Supporting Evidence** (Please detail all your evidence used to support the EIA)

The Local Economic Assessment, otherwise known as the Economic Evidence Base, has been used to provide evidence of impact. The interim report of this work accompanies the report on the Local Economic Assessment and City Strategy going to the Economic Development and Skills Committee on the 23<sup>rd</sup> June.

### Detail any changes made as a result of the EIA

More detailed consideration needs to be given to how we will ensure engagement is inclusive – this will be addressed through an engagement plan.

Following mitigation is there still significant risk of impact on a protected characteristic.  Yes  No

**If yes, the EIA will need corporate escalation? Please explain below**

**Sign Off – Part B (EIA Lead to complete)**

**EIAs must be agreed and signed off by the Equality lead Officer in your Portfolio or corporately. Has this been signed off?**

Yes       No

Date agreed

Name of EIA lead officer

**Review Date**



## Report to Policy Committee

**Author/Lead Officer of Report:** Ben Morley, Head of Programmes and Accountable Body

**Tel:** 07909898754

**Report of:** *Kate Martin*

**Report to:** *Economic Development and Skills Policy Committee*

**Date of Decision:** *21<sup>st</sup> June 2022*

**Subject:** *UK Shared Prosperity Fund*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given?				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

### Purpose of Report:

This report provides the Economic Development and Skills Policy Committee with an update of the UK Shared Prosperity Fund (SPF) announced by Government in April 2022 and identifies several issues that are developing through the process to develop an SPF Investment Plan for South Yorkshire.

The report also identifies several projects currently funded by European Structural Investment Funds (ESIF) that will be coming to an end over the next twelve to eighteen months and how they might benefit from SPF funding in the future.

**Recommendations:**

That the Committee notes the report and supports:

- The Council promoting the engagement of key City organisations in the consultation process associated with the development of the Shared Prosperity Fund Investment Plan.
- The development of potential Shared Prosperity Fund projects and activity that might benefit support from Year 1 funding.
- The undertaking of internal evaluations of existing EU Funded projects to determine whether they would benefit from Shared Prosperity Fund support in the future, either continuing in their current form. being adapted to improve performance or ended.

**Background Papers:**

UKSPF Prospectus, April 2022

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Gill Brailsford
		Legal: David Hollis
		Equalities & Consultation: Annemarie Johnston
		Climate: Jessica Rick
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	<i>Kate Martin</i>
3	<b>Committee Chair consulted:</b>	<i>Cllr Martin Smith</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Ben Morley</i>	<b>Job Title:</b> <i>Head of Programmes and Accountable Body</i>
	<b>Date:</b> 31 <sup>st</sup> May 2022	



## 1. PROPOSAL

1.1.1 This report provides the Economic Development and Skills Committee with information in respect to the recently launched UK Shared Prosperity Fund (SPF) and sets out the process for its implementation in South Yorkshire.

1.1.2 The report also identifies several projects currently funded by European Structural Investment Funds (ESIF) that will be coming to an end over the next twelve to eighteen months and how they might benefit from SPF funding in the future.

### 1.2 UK Shared Prosperity Fund

1.2.1 The UK Shared Prosperity Fund (SPF) is the Government's major economic development fund, replacing EU Structural and Investment Funds (ESIF) and aims to contribute to 'Levelling Up' agenda by providing financial assistance (largely revenue) to boost productivity, tackle geographical inequalities and improve life chances, especially in deprived areas.

The four the Levelling Up objectives are:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency

Government's primary goal of the SPF is to build pride in place and increase life chances across the UK. This aligns with Levelling Up White Paper 'missions', particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'

1.2.2 The SPF has three Investment Priorities and will operate over the next three years. The Investment Priorities and their objectives are:

#### **Community and Place**

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment innovative approaches to crime prevention.

#### **Supporting Local Business**

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

### **People and Skills**

- Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers (Scotland, Wales and Northern Ireland only. In England, this is delivered through the Department for Education's Multiply programme).
- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.
- Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.
- Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g., by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based, and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

People and Skills funding only becomes available in the third year and Government has ringfenced a proportion of SPF for an Adult Numeracy programme known as 'Multiply'.

For each Investment Priority there are a set of 'Interventions' with associated outputs and outcomes. Investment Plans for SPF are required to select some or all the Interventions and this will become the basis for the future use of the funding. A full list of Interventions is provided in Appendix 1.

- 1.2.3 The South Yorkshire Mayoral Combined Authority (MCA) will administer SPF in South Yorkshire and the region has been allocated of £38m of 'Core SPF' plus Multiply. The South Yorkshire level of funding is determined by notional allocations to each Local Authority. As such the calculation for Sheffield as part of the SY allocation is £15.5m of which £13m is revenue. In addition, there is a further £7m to South Yorkshire for 'Multiply'. The profile of funding is provided in the table below:

SPF - SY	22-23	23-24	24-25	Total
Capital	£ 857,930	£ 1,501,378	£ 3,217,238	£ 5,576,545
Revenue	£ 5,127,628	£ 8,973,350	£ 19,228,607	£ 33,329,585
<b>Total</b>	<b>£ 5,985,558</b>	<b>£ 10,474,727</b>	<b>£ 22,445,844</b>	<b>£ 38,906,130</b>
<b>Multiply</b>	£2,203,768	£2,526,270	£2,526,270	<b>£7,256,309</b>

SPF - Sheffield	22-23	23-24	24-25	Total
Revenue	£ 2,156,423	£ 3,647,949	£ 7,188,077	£ 12,992,448
Capital	£ 239,603	£ 545,096	£ 1,797,019	£ 2,581,718
<b>Total</b>	<b>£ 2,396,026</b>	<b>£ 4,193,045</b>	<b>£ 8,985,096</b>	<b>£ 15,574,166</b>
<b>Multiply</b>	£446,878	£782,037	£1,675,793	<b>£2,904,708</b>

Importantly the guidance indicates that all funding must be spent 'in year' with any underspend returned to Government. It also worth noting the 'ramping up' of SPF over the three years as it starts to replace EU funding.

1.2.4 The final year SPF allocation in 24/25 is broadly in line with the level of current ESIF funding available in South Yorkshire. However analysis suggests that in 2021 South Yorkshire would have fallen from its current EU 'Transition Region' to 'Less Developed Region' which would have seen a significant increase in funding from the EU which has been estimated at £125m per annum.

1.2.5 As nominated Lead Body for SPF the MCA and has responsibility to:

- set out the Plan for the funds, in collaboration with partners and stakeholders (the SPF Investment Plan),
- manage the funding allocation,
- assess and approving applications,
- process payments,
- undertake day-to-day monitoring,
- report into central government, and
- evaluate the impact of the funding.

1.2.6 The Investment Plan

The MCA is required to submit an Investment Plan by 1<sup>st</sup> August 2022 with the Plan addressing three core issues:

1. Local context: This an opportunity for places to set out their local evidence of opportunities and challenges through the lens of the three investment priorities for SPF.
2. Selection of Outcomes and Interventions: This is where places will identify the outcomes they wish to target based on local context, and the interventions they wish to prioritise, under each investment priority, from the menu of options. These should be clearly linked to local opportunities and challenges.
3. Delivery: The Plan is also required to cover:
  - Approach to delivery and governance.

- Expenditure and deliverables (outputs and outcomes)
- Capacity and resource requirements.

The Investment Plan itself is not required to set out specific projects that will be supported by SPF funding but rather sets out a justification for investment against the Interventions selected from the pre-determined list in Appendix 1.

### 1.2.7 Engagement/Consultation

Government guidance suggests that there is no formal statutory consultation required, nor a requirement to establish a new formal “board”, but every effort must be made to engage meaningfully.

Time and capacity issues significantly constrain the ability to engage and consult. However, it is proposed that a South Yorkshire Partnership Board is established to oversee the SPF process and that every effort is made to undertake consultation with interested parties.

### 1.2.8 Accessing Funding

Whilst SPF guidance suggests that the funding can be provided via procurement or commissioning by the Lead Authority it is most likely that funds will be provided as grants to successful applicants following the publication of a ‘Call for Proposals’. ‘Calls’ will set out the need for projects to generate outputs and outcomes that address the issues and interventions raised in the Investment Plan. Any party will then be able to submit an application to deliver the activity that aligns with the Call. As such the Calls process will have an element of competition with the MCA assessing projects to determine which ones deliver the best outcomes for the funding available.

## 1.3 UKPSF Progress to Date

1.3.1 SYMCA must submit the Investment Plan to Government by 1<sup>st</sup> August 2022 and has started to work with the four SY LAs to consider the development of the Investment Plan. Key points to note following meetings with SYMCA to date are:

1. The SPF Interventions and Outcomes are expected to align with the South Yorkshire Strategic Economic Plan (SEP) as well as local strategies where applicable. For Sheffield this will include the One Year Plan, the (Covid) Business Recovery Plan and the emerging Local Economic Assessment and City Strategy.
2. Given the limited resources provided with SPF it is necessary to consider how other funding streams might align with the interventions.
3. As can be seen from Appendix 1 there are a broad range of SPF Interventions most of which have some form of alignment with the SEP. With limited funding available the Investment Plan will need to have focus on those Interventions that have a significant impact and/or cannot be funded from other sources.
4. There is an agreed need for meaningful engagement across a range of South Yorkshire organisations and to this effect the MCA are proposing webinars to

allow interested parties to have an opportunity to influence the final version of the Investment Plan.

5. There is expectation that some SPF will be used to fund Business Support and People and Skills activity at a regional level to minimise delivery costs, but the Community and Place activity might see some local devolvement.
6. An advisory Programme Board is likely to be established for looking at the design of calls and advising on proposals. The Programme Board will have representation from a range of organisations across South Yorkshire including the business community (eg Chamber of Commerce), higher education and the voluntary/community sector.
7. How SPF can be used to address the loss of European funding in Years Two and Three (see below) in particular the impact on the Voluntary and Community sector who may be required to deliver activity across all three SPF themes.

1.3.2 Whilst the process is being run by SYMCA, Sheffield City Council officers are supporting and influencing where it can. Some key points to date include:

1. Whether projects in Year One should, subject to eligibility, focus on the immediate issues of the Cost of Living crisis and the recovery of a post Covid economy. In doing so, this would suggest a requirement to engage and support the Vol-Com sector as they themselves recover from the impacts of Covid whilst helping their communities.
2. Highlighting the importance of progressing quickly to ensure Year One activity starts as soon as possible to avoid any underspend. This included the potential for SYMCA to progress at risk and look to seek project applications and award funding ahead of Government approval of the Investment Plan.
3. Whether Year One is, in effect, devolved (financially and/or administratively) to the Local Authorities so that they can co-ordinate activity quickly to ensure Year One expenditure. This may mean Year One budgets in line with the Government allocations and will potentially constrain the ability to construct South Yorkshire wide project activity, but the following two years would look to address this.
4. Ensuring that the consultation process is as inclusive as possible given the time and capacity constraints.

1.3.3 Without an Investment Plan drafted at this stage it is not possible to identify what projects might be appropriate for Year One activity however potential projects are starting to be considered that might be able to respond to Calls for Proposals once they are published.

1.3.4 SYMCA has now appointed a consultant to assist with the development of the Investment Plan to ensure it is submitted on time. It is expected that Government's approval of the Plan and confirmation of the funding will be made in October.

#### 1.4 EU Funded Projects

1.4.1 At the end of December 2020, the current European Programme of Structural Funds (ESIF) came to an end. The Programme allows both European Social Fund (ESF) and European Regional Development Funds (ERDF) to be defrayed for a further three years meaning of project activity and expenditure must be completed by the end of 2023.

1.4.2 Sheffield, the City Council, together with South Yorkshire partners, have benefitted significantly from ERDF and ESF funding for over 20 years and still have several 'live' projects providing economic and social benefits to businesses and communities. In addition, there are several national programmes that benefit the city. However, with the end of the EU funding projects will cease resulting in a loss of key support activity and will have other implications for groups and staff involved in project delivery.

1.4.3 A summary of existing EU revenue projects operating in Sheffield is provided below (excluding national programmes):

ERDF - Project Name	Brief Description	Accountable Body	Sheffield Only or SY	Total Sheffield Cost £	SHEFFIELD ERDF	Delivery End Date
Launchpad	Support for pre start and early stage businesses (up to 2 years) through workshop programme and 121.	BMBC	SY & Princes Trust	£1,002,289	£601,734	01/03/2023
Business Productivity	Support for Growth Business (at least one year trading) through 121 business support and a grant of £12,500	BMBC	SY	£462,064	£277,238	01/06/2023
RISE Enhancement	Support for SME's to recruit Graduates with a grant to subsidise the first 3 months salary costs	SCC	OLD SCR	£1,282,772	£769,663	01/06/2023
Low Carbon	Support for businesses to reduce carbon (tonnes) within their business with a grant of up to 12,500 to support implementation of carbon reducing measures	SCC	SY	£2,304,683	£1,382,810	01/06/2023
ESF - Project Name	Brief Description	Accountable Body	Sheffield Only or SY	Total Sheffield Cost £	Sheffield ESF £	Delivery End Date
Ambition (Pathways To Progression)	Furthest from the labour market into employment	SCC	SY	£4,647,360	£3,013,213	31/12/2023
Pathways to Success	Furthest from the labour market into employment	SCC	SY exc Doncaster	£5,804,730	£3,599,325	31/12/2023
Sector Routeways*	Sector specific employment scheme	SCC	SCC & BMBC	£2,521,213	£1,514,213	31/12/2023
Advance Digital*	Digital upskilling for SMEs and their employees	BMBC	SCC & BMBC	£1,274,164	£727,108	31/12/2023
Advance SCR*	Specialist employment and skills brokerage for SMEs	DMBC	DMBC, SCC & BMBC	£1,032,531	£619,519	31/12/2023

1.4.4 A number of these projects have been delivered at a South Yorkshire level reflecting the similar nature of the issues facing the business and resident communities across all four Local Authorities. Where appropriate the ESIF Programme has encouraged a single Lead partner to deliver the project with named partners who assist with the delivery of the activity within their areas. In these cases, partners are not just other LA's but can include the private or vol-com sectors. As such these organisations also face the prospect of funding coming to an end over the next two years with implications for the activity and staffing.

1.4.5 The UKSPF is seen as a potential source of funding to maintain these projects or enable them to adapt to a post-covid and cost of living crises environment. However given the expected demands on SPF from all sectors it is likely that these projects cannot simply continue without some prioritisation to determine whether they should continue, adapt or end. It is therefore proposed to undertake an appropriate level of evaluation to determine the approach to take. These choices will need to not only

consider the implications on the project outputs and outcomes but also other implications such as staffing requirements.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

2.1 The SPF Investment Plan will be designed to align with the South Yorkshire Strategic Economic Plan and the local economic priorities of the four SY Local Authorities. The Plan will identify interventions that will have three primary benefits to Sheffield:

- Investment in places and their communities.
- Investment in local businesses
- Investment in people and skills.

SYMCA's engagement with the Council and local partners should ensure the Investment Plan delivers support to a number of priority areas of the Sheffield economy and as such will contribute directly to parts of the One Year Plan, the Business Recovery Plan and the emerging City Strategy.

2.2 Existing and previous EU funding has enabled significant investment in Sheffield's physical environment, its people and businesses. An internal evaluation of existing and recent activity will determine whether SPF funding or alternative sources are best used in continuing this activity or being used to support new projects whose outcomes are better aligned with the City's needs and priorities.

## **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 There has been no consultation in respect to the contents of this report however the development of a SPF Investment Plan will require engagement with a number of key organisations in the city to ensure the Plan reflects local expertise across a number of sectors.

3.2 At the Council's request, SYMCA has agreed to run online consultation events to allow South Yorkshire organisations to contribute to the development of the Investment Plan. Officers will promote the event once details are available to relevant organisations active in Sheffield to ensure they are included and that the events are accessible.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

4.1.1 There are no equalities implications, positive or negative, from proposed implementation process of the UKSPF.

4.1.2 The UKSPF is designed to address many issues facing residents and communities across the City, in particular the Investment Priorities of Communities and Place and People and Skills will set out to address economic and social inequalities as part of the Levelling Up agenda. The Investment Plan consultation will inclusive and accessible to all relevant organisations to ensure the Investment Plan reflects the needs of the residents, businesses and communities. SYMCA will be expected to

design Calls for Proposals that align with these Investment Priorities and should help address these equality issues.

- 4.1.3 Should the Council develop any projects with UKSPF funding it will be expected that an EIA will be required as part of the approval process.

#### 4.2 Financial and Commercial Implications

- 4.2.1 There are no direct Financial and Commercial implications as a result of this report. However, the report does highlight two issues to note:

a) The opportunity to access SPF funding for future project activity in Sheffield and South Yorkshire.

b) That ERDF and ESF funding will be coming to an end in 2023 with implications for service delivery, staff retention and potential redundancies if alternative activity/funding is not secured.

#### 4.3 Legal Implications

- 4.3.1 There are no Legal Implications contained within this report.

#### 4.4 Other Implications

##### 4.4.1 HR Implications

The termination of a number of EU funded projects might have HR implications for permanent members of staff whose posts are in part, or in full, are funded by that project. Staff might face redundancy unless funding can be found for project continuation or alternative activity.

The evaluation of project activity and consideration of future activity will be an important part of determining what options are progressed in line with the strategic needs of the City.

##### 4.4.2 Climate Change

The contents of this report do not have any direct impact on the City's approach to Climate Change and is provided for information only.

The consultation events will give an opportunity to raise the need to develop an Investment Plan that takes account of Climate Change whilst focussing on the three Investment Priorities.

Future project activity, funded with SPF or otherwise will need to consider their impact on Climate Change. Furthermore, some SPF funded projects may have benefits directly associated to mitigating Climate Change.

## 5. **ALTERNATIVE OPTIONS CONSIDERED**



5.1 In respect to the SPF activity ultimately it will be the SYMCA that submits the Investment Plan based on the advice provided to it from local partners. There will be options to consider in respect to the contents of this Plan which SYMCA will need to determine.

5.2 As such the Council has two options:

Option 1: It can fully engage with the SPF development process being undertaken by SYMCA and use its influence to ensure the Investment Plan reflects the needs of the City.

Option 2: It can choose not to engage with the SPF development process which might mean the Investment Plan does not address the economic and social needs of the City.

Option 1 is considered the preferred option.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 The Committee is asked to note the report for information so that it can consider future recommendations with a better understanding of the strategic and external funding context.

6.2 The engagement of key organisations in the development of the SPF Investment Plan is considered essential to ensure there is full 'buy in' to a plan that has 'Place' as one of main categories of intervention.

6.3 That the Council is well placed to quickly respond to Year One Call for Proposals published by SYMCA to maximum SPF impact for the benefit of Sheffield residents and businesses.

6.4 An internal evaluation of current and recent EU funded projects will determine whether future funding bids should be developed for their continuation or whether alternative routes are required to deliver the same or alternative benefits. The outcome of the evaluation will also inform potential HR implications that will result from external funding ending.

## **APPENDIX 1: LIST OF INTERVENTIONS**

### **Communities and Place**

- E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
- E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.
- E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.
- E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.
- E5: Design and management of the built and landscaped environment to 'design out crime'.
- E6: Support for local arts, cultural, heritage and creative activities.
- E7: Support for active travel enhancements in the local area.
- E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
- E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
- E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.
- E11: Investment in capacity building and infrastructure support for local civil society and community groups.
- E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.
- E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
- E14: Funding to support relevant feasibility studies.
- E15: Investment and support for digital infrastructure for local community facilities.

### **Supporting Local Business**

- E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.
- E17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.
- E18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.
- E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.
- E20: Research and development grants supporting the development of innovative products and services.

- E21: Funding for the development and support of appropriate innovation infrastructure at the local level.
- E22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.
- E23: Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
- E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship, and access to workspace.
- E25: Grants to help places bid for and host international business events and conferences that support wider local growth sectors.
- E26: Support for growing the local social economy, including community businesses, cooperatives, and social enterprises.
- E27: Funding to develop angel investor networks nationwide.
- E28: Export Grants to support businesses to grow their overseas trading, supporting local employment.
- E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.
- E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.
- E31: Funding to support relevant feasibility studies.
- E32: Investment in resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.

## **People and Skills**

- E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths\* and ESOL) support where there are local provision gaps.
- E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills\*\* provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.
- E35: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.
- E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.
- E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.

- E38: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that is not being met through other provision.
- E39: Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.
- E40: Retraining support for those in high carbon sectors.
- E41: Funding to support local digital skills.



## Report to Policy Committee

**Author/Lead Officer of Report: Eleanor Churchward, Service Manager FACES**

**Tel: 07867 199853**

**Report of:** *Executive Director People Services*

**Report to:** Economic Development and Skills Committee

**Date of Decision:** *20 June 2022*

**Subject:** Approval of commissioning the Adult Education Budget Grant from South Yorkshire Mayoral Combined Authority.

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>925 (updated May 2022)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken? <small>Discussed with Jessica Rick – see narrative</small>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:  <i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i>				

### Purpose of Report:

This report sets out the proposal to use the Adult Education Budget grant from South Yorkshire Combined Mayoral Authority (SYCMA) to provide the skills and learning needed to be ready for work, further education, traineeship, voluntary work or apprenticeships for individuals aged 19+.

This report emphasises the need to empower and enable those potential adult learners who lack the very basic skills for education and work to access provision. It will include a scaffolded or step by step approach, for those without any qualifications or confidence, to enter a ‘learning journey’ through promotion of equality, diversity, and inclusion.

In order to achieve these aims, this report proposes the commissioning of a number of subcontracts up to a maximum value of £450,000 from the Adult Education Budget grant (AEB) to improve access to the education/employment pathway.

**Recommendations:**

It is recommended that the Economic Development and Skills Committee:

1) Notes the Council's future acceptance of the Adult Education Budget (AEB) from the South Yorkshire Combined Mayoral Authority.

2) Approves the proposal to commission a variety of subcontracts with service providers to a maximum combined value of £450,000 using the Council's existing Adult & Community Learning Framework 2019-2023 to provide services to improve access to the education/employment pathway.

**Background Papers:**

South Yorkshire Combined Mayoral Authority outline of the Adult Education

Budget: [Achieve your goals - South Yorkshire MCA \(southyorkshire-ca.gov.uk\)](https://www.southyorkshire-ca.gov.uk)



Schedule-3-Funding-  
and-Performance-Ma

Funding rules (refresh will be in August 2022) -

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Helen Damon</i>
		Legal: <i>Richard Marik</i>
		Equalities & Consultation: <i>Bashir Khan</i>
		Climate: <i>Jessica Rick</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>SLB member who approved submission:</b>	<i>John MacIlwraith</i>
3	<b>Committee Chair consulted:</b>	Cllr Martin Smith and Cllr Ben Miskill
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Kevin Straughan</i> <i>Ellie Churchward</i>	<b>Job Title:</b> <i>Head of Lifelong Learning, Skills and Employment</i> <i>Service Manager, Family, Adult and Community Education Service</i>
	<b>Date:</b> <i>10 June 2022</i>	

## 1. PROPOSAL

- 1.1 The City Council are due to receive the sum of £1,846,450.00 Adult Education Budget (AEB) from the South Yorkshire Combined Mayoral Authority.
- 1.2 AEB is Government funding for individuals aged 19+ to provide the skills and learning needed to be ready for work, further education, traineeship, voluntary work or an apprenticeship.
- 1.3 This funding empowers and enables those potential adult learners who lack the very basic skills for education and work to access provision. It offers a scaffolded or step by step approach, for those without any qualifications or confidence, to enter a 'learning journey' through promotion of equality, diversity, and inclusion.
- 1.4 South Yorkshire Combined Mayoral Authority ('SYMCA') will an update on the Performance Management and Funding Rules on the 1<sup>st</sup> August 2022 in line with the national guidance from the ESFA. This will detail their implementation of all the requirements for audit and monitoring of the service performance and delivery of the Adult Education Budget for the City of Sheffield.
- 1.5 Performance is monitored monthly through the Individual Learner Record ('ILR') which is returned through the national Government system linked to this funding.

The Council's Curriculum plan also entails the details of the service strategy as well as a list of agreed topics SYCMA have agreed are a priority subject area to meet the regional employment priorities in terms of what the Council deliver, why the Council have chosen those subjects and what impact the Council expect them to have.

- 1.6 The Service proposes to commission the subcontracting of a proportion of the AEB Grant in order to meet the following criteria as set out in the funding rules:
- help widen participation amongst niche groups that would otherwise be hard to reach, but only where this enriches the strategic curriculum intent learning offer
  - address high demand in a specific curriculum that the service does not have the capacity to meet learner need through our direct delivery
  - add diversity in the types of curricula we can offer to meet employment and skills priorities for the region
- Each provider will deliver learning activity set out in their contract agreement with the service.
- 1.7 The service intends to subcontract part of the AEB provision in order to meet the contractual obligations for widening participation and working with partners across the city who have the expertise and understanding

of the niche groups that would otherwise be hard to reach, and potentially not engage in this learning offer to improve access to education/employment pathway.

- 1.8 The contracting process will use the Council's existing framework agreement (Sheffield City Council's Adult & Community Learning Framework 2019-23). Using the existing framework will allow the Council to contract with providers who have the niche skills and connections to increase participation amongst niche groups of service users, address high demand and add diversity to the curriculum on offer to service users.

The Council does not currently have the financial resources to provide these services or to offer the range of services which will be delivered by the service providers.

- 1.9 The service proposes to commission the subcontracting to a range of providers across the city the sum of up to £450,000.00 of the funding where appropriate for the following areas of the curriculum plan submitted to 'SYMCA' to maximise this funding:

- ESOL – to meet high demands and diversity across Sheffield
- Health and well-being – to add diversity and expertise to the offer that the service would not be able to recruit to
- Employment and Skills – to meet diverse demands that will move adults towards the various options for employment based on skills sector shortages

- 1.10 Delivery partners will enable the service to maximise diversity in its offer, for example, where a specialist delivery skill is needed a partner may deliver this across several areas to maximise their cost outlay, for the service to deliver this the cost would extend beyond the return making niche delivery unviable therefore constraining the offer.

- 1.11 Delivery detail will be defined within the tender as a combination of non-regulated learning and regulated qualifications delivered in targeted areas of geographic and demographic need across the city, based on community and ward profiles, local intelligence, and skills sector specific shortages.

- 1.12 The combined value of the contracts to service providers is estimated to be no more than £450,000, each with a term of 1 year.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The service will align its offer so that the curriculum targets specific marginalised groups across Sheffield when working in partnership, such as:

- Unemployed adults and particularly those with qualification levels below level 2
- Care Leavers



- Adults with SEND whose EHCP has ended
- Young people moving into adulthood previously engaged with the crime justice system, particularly black and mixed heritage boys

- 2.2 This funding empowers and enables those potential adult learners who lack the very basic skills for education and work to access provision. It offers a scaffolded or step by step approach, for those without any qualifications or confidence, to enter a 'learning journey' through promotion of equality, diversity, and inclusion.
- 2.3 The Service will contribute to Council priorities that focusses on building community cohesion and working with the most marginalised groups across the city.
- 2.4 The service connects to and contributes to the work of Local Area Committees and has focussed much of its consultation working with LAC Managers. We have directly contributed to the East LAC exploration for setting its target priorities.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 Ongoing information and consultation is undertaken with our current community partners who are subcontracted as part of the Adult Education Budget funding, as well as the wider AEB provider network funded by SYMCA.
- 3.2 The Service has conducted several 'learner focus groups', learner voice throughout the academic year, and additionally a specifically designed learner consultation to assess needs and demand.
- 3.3 The Service conducted a provider and partner consultation via the Local Area Committee managers to understand the needs and gaps in provision in their specific areas.
- 3.4 There has been consultation with previous and current members of the Cabinet and Committee Representatives to ensure all parties are fully informed of the implications for this funding.
- 3.5 Once authority is agreed the service has an existing plan to directly market the offer to the potential viable subcontractors using existing Council platforms and scheduled events.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality Implications**

- 4.1.1 The proposal to make use of the funding to advance educational opportunities for adults who may otherwise suffer disadvantage is fully

consistent with the Council's general duties under the Equality Act 2010.

4.1.2 Specifically, it supports the Council, in the exercise of its functions, to have due regard to the need to:

- eliminate discrimination, harassment, and victimisation,
- advance equality of opportunity, and
- foster good relations

#### 4.2 Financial and Commercial Implications

4.2.1 Adult education and skills training have been devolved to South Yorkshire Combined Mayoral Authority ('SYMCA') since August 2022:

- This has been facilitated by a Memorandum of Understanding between DfE/ESFA and SCR.
- 'SYMCA' now has the statutory delegated functions for adult education and skills training.
- The amount of devolved AEB coming from 'SYMCA' to SCC (£1,846,450) is provided to enable SCC to provide adult education and skills.
- The service is empowered to subcontract a proportion of its grant to meet the demands that may be niche, have greater demand than the service can deliver, add specific areas of expertise.
- Up to £461,000 of the AEB budget will be earmarked for subcontracted provision.

#### 4.2.2 Commercial Implications

All public sector procurement is governed by and must be compliant with UK National Law and the grant funder requirements. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase /acquire services, goods or works must go via a competitive process.

The Grant Manager will need to develop a viable exit strategy for when the grant funding ends to ensure that there are no unfunded ongoing costs

#### 4.3 Legal Implications

4.3.1 The Secretary of State has a duty under the Apprenticeship, Skills, Children and Learning Act 2009 to secure the provision of such facilities considered appropriate for adults aged 19 or over (other than those with an EHC Plan). The Act contains a power for the Secretary of State to

secure the provision of financial resources to persons providing or proposing to provide education or training; goods or services in connection with education or training; and information, advice or guidance about education or training.

4.3.2 The AEB grant must be used in accordance with the terms and conditions of the grant agreement between the Council and SYCMA.

4.3.3 In particular, the Council must ensure that:

- the use of sub-contractors has been agreed in writing between the Council and SYCMA prior to delivery;
- the prior written consent of SYCMA is obtained before entering into any additional sub-contracting arrangements;
- that any sub-contractors are selected fairly and have enough capacity, capability and financial resources to deliver the services;
- only procure one level of sub-contracting and where the Council obtains the prior written consent of SYCMA to enter into any sub-contracting arrangements, it shall ensure that there is in place a legally binding sub-contract between the Council and its sub-contractors;
- where sub-contractors are appointed, the Council must ensure all sub-contracts contain a term to enable SYCMA to enforce the terms of the sub-contract should it need to;
- include a term in the sub-contract that payment will be made within 30 days of receiving a valid claim for payment. The value of any sub-contracts should be capped at the amount as set out in the agreed delivery plan;
- must publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000;
- ensure that the sub-contractor is able to meet any quality threshold required by the Authority or identified through an inspection by Ofsted and/or guidance from the ESFA;
- ensure that the sub-contractor complies in full with the obligations equal opportunities obligations in the grant agreement and ensure that it reserves all of the rights it requires in order to perform the grant agreement in any subcontract, including the right for SYCMA to audit any sub-contractor;
- it has undertaken its own independent assessment of the compatibility of the payment of the grant with subsidy control principles and that in the event of a finding of breach of the subsidy control rules by a court, the SYCMA reserves the right to require the Council to make immediate repayment of all or some of the Grant, together with interest.

4.3.4 The Council has the power under s15B Education Act 1996 to secure the provision for their area of full-time or part-time education suitable to the requirements of persons who have attained the age of 19, including provision for persons from other areas.

4.3.5 This includes the power to secure the provision of training, including vocational, social, physical and recreational training, and of organised leisure time occupation which is provided in connection with the provision of education or of training.

4.3.6 The proposed sub-contracting arrangements are permitted by the Local Government (Contracts) Act 1997.

#### 4.4 Climate Implications

4.4.1 The Service curriculum intent and planning considers sustainability and climate impact and fully embeds key themes of learning in every programme. There is a commitment to development of 'Carbon Literacy' with both families and adults across the provision. Working with wider provision enables local connection and lowers the requirement for borough wide travel by the direct delivery service

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The service is not legally required to subcontract but it is an option we wish to exploit in order to meet the demands and needs of Sheffield residents and continue to work in partnership with localised community learning organisations.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 To add diversity to the curriculum, offer that will enable the service to target the most marginalised groups, add capacity to high demand curriculum and meet the needs of Sheffield adults across every part of the city.