



## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Simon Green, Executive Director of Place

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**Date:** 10<sup>th</sup> April 2012

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**Subject:** An Economic Growth Strategy for Sheffield

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**Author of Report:** Diana Buckley (0114 2232378)

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**Summary:**

Sheffield is a creative, inventive and energetic city. It is one of the UK's major city economies and the core city at the heart of the Sheffield City Region.

Since the Sheffield Economic Masterplan was published in 2008, the UK has experienced significant economic and political change. The last few years have been about making progress in tough economic conditions, which remain challenging today – with low growth forecast nationally, less public and private money available and higher unemployment.

Yet major opportunities exist and the city must position itself to take full advantage of them. This strategy sets out to do exactly that. It will refresh the 2008 Masterplan, keeping its ambition yet refocus its strategy towards economic interventions which will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

The strategy sets out the 2020 vision for Sheffield's economy:  
*'Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.'*

The strategy provides a framework for meeting this vision and making the right investment decisions to deliver our economic objectives; distinctive and high performing sectors; a dynamic private sector; a skilled and productive workforce; future proof infrastructure; an inclusive economy; and a high profile city brand.

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**Reasons for Recommendations:**

By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long term economic success to the benefit of Sheffield residents and businesses.

**Recommendations:**

That Cabinet endorses the Economic Growth Strategy as a statement of the city's economic priorities.

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**Background Papers:**

**Bigger Economy, Better Business, Faster Growth  
Sheffield's Economic Strategy**

**Equality Impact Assessment**

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**Category of Report:**      OPEN

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\* Delete as appropriate

## Statutory and Council Policy Checklist

<b>Financial Implications</b>
NO Cleared by: Janinne Scarborough
<b>Legal Implications</b>
YES Cleared by: Andrew Bullock
<b>Equality of Opportunity Implications</b>
YES Cleared by: Ian Oldershow
<b>Tackling Health Inequalities Implications</b>
YES
<b>Human rights Implications</b>
NO
<b>Environmental and Sustainability implications</b>
YES
<b>Economic impact</b>
YES
<b>Community safety implications</b>
NO
<b>Human resources implications</b>
NO
<b>Property implications</b>
NO
<b>Area(s) affected</b>
All areas of Sheffield
<b>Relevant Cabinet Portfolio</b>
Cllr Leigh Bramall
<b>Relevant Scrutiny Committee if decision called in</b>
Economic and Environmental Wellbeing
<b>Is the item a matter which is reserved for approval by the City Council?</b>
YES
<b>Press release</b>
YES

## **An Economic Growth Strategy for Sheffield**

### **1.0 SUMMARY**

- 1.1 Sheffield is a creative, inventive and energetic city. Since the Sheffield Economic Masterplan was published in 2008, the UK has experienced significant economic and political changes. The new strategy is set against a background of reduced availability of both public and private sector finance and a challenging economic climate, yet major opportunities exist and the city must position itself to take full advantage of them. This strategy sets out to do exactly that.
- 1.2 The strategy sets out the 2020 vision for Sheffield's economy: *'Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.'*
- 1.3 The strategy provides a framework for meeting this vision by making the right investment decisions to deliver distinctive and high performing sectors; a dynamic private sector; a skilled and productive workforce; future proof infrastructure; an inclusive economy; and a high profile city brand.

### **2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long term economic success to the benefit of Sheffield residents and local businesses.
- 2.2 The strategy supports the delivery of the Corporate plan, detailing key actions which contribute to the Council's four aims; being a business friendly city, focusing on jobs, supporting and protecting communities and standing up for Sheffield.

### **3.0 OUTCOME AND SUSTAINABILITY**

- 3.3 This strategy is focused on developing and delivering economic interventions that will drive growth in the short to medium term and improve Sheffield's economic foundations to secure its long term competitiveness and economic prosperity. Delivering the key actions in the strategy will deliver the following outcomes for the city:
- Improved city competitiveness
  - Increased gross value added (GVA) per head
  - More private sector knowledge jobs
  - Higher gross annual wages
  - Improved employment rate

## **4.0 AN ECONOMIC GROWTH STRATEGY FOR SHEFFIELD**

### **4.1 Background and Introduction**

Sheffield's economy has significantly transformed over the last 20 years. Much of this change has come from the diversification of the business base, moving from a declining post-industrial city to a growing knowledge-based economy with a wide range of business sectors. Over the last 20 years substantial improvement has been made across a range of economic indicators: gross value added (GVA) has increased; employment and skills levels have improved; and the city has developed some sector strengths. The look and feel of the city, and its quality of life and place has never been stronger.

However, Sheffield is not yet fulfilling its economic potential. The strength and productivity of our sectors and businesses are below national average and, whilst the city experienced a period of strong private sector expansion from 2000-2005, job growth has been too heavily reliant on the public sector pre recession. Sheffield's 'prosperity gap', first calculated in 2008, identifies the shortfall between what Sheffield does produce and what it could produce. In the latest available data this gap stands at £1.63 billion.

To close this gap the city needs to:

- Attract and start up more businesses and support our indigenous businesses to growth
- Improve the productivity of our sectors and businesses
- Support the growth of 'knowledge' and 'GVA driving' sectors which create economic value and increase our competitiveness.
- Harness skills to support private sector growth and ensure that our skilled people are fully utilised by Sheffield businesses
- Ensure local people have the opportunity to connect to economic growth and see the benefits in more jobs and improved incomes.
- Ensure Sheffield is a place where businesses can grow by identifying and delivering critical infrastructure projects to facilitate growth.
- Build Sheffield's profile to secure economic benefits.

### **4.2 Development and Consultation**

Extensive consultation has been carried out on the priorities set out in the strategy. As well as being discussed with the Sheffield Executive Board, Sheffield's Business Advisor Panel, Sheffield Hallam University, The University of Sheffield, Sheffield City Region Local Enterprise Partnership and the department for Business, Innovation and Skills, the strategy went out to public consultation between September 2012 to October 2012. Over 40 responses were received from a variety of stakeholders including key businesses, stakeholder groups and members of the public.

The consultation responses have been used to reshape the strategy, making it a stronger document which the city's partners are committed to delivering.

### 4.3 Priorities

The strategy is structured around six economic objectives which will help us to achieve Sheffield's 2020 vision. To summarise, the objectives and strategic approach are outlined below:

**Objective 1: Distinctive and high performing sectors** built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness.

**Strategic Approach:**

- Realising the growth potential of GVA driving sectors
- Promoting our USPs and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing sector initiatives

**Objective 2: A dynamic private sector** with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses

**Strategic Approach:**

- Making Sheffield an enterprising and business friendly city
- Harnessing the energy and potential of our SMEs
- Accelerating the growth potential of our high performing businesses
- Supporting the city's large employers
- Attracting businesses to locate and grow in the city

**Objective 3: A skilled and productive workforce** that sets Sheffield apart from other cities, underpinned by a business focused skills system that provides the skills that the economy needs to grow.

**Strategic Approach:**

- Improving educational attainment
- Up-skilling the current workforce
- Developing a business focused skills system
- Cultivating and utilising high level skills

**Objective 4: Future proof infrastructure** that delivers critical connectivity, development and sustainability to support economic growth, enabling businesses to grow and attracting people to live and work here.

**Strategic Approach:**

- Delivering a fit for purpose 21st century city centre
- Unlocking the investment potential of the Sheffield – Rotherham Don Valley
- Ensuring that Sheffield is well-connected
- Building a sustainable, low carbon city
- Facilitating development - housing, employment sites and premises

**Objective 5: An inclusive economy** that supports people to achieve their full potential and take part in the economic and social life of the city.

**Strategic Approach**

- Promoting fairness and equality
- Connecting people to training and jobs
- Tackling the root causes of poverty
- Building a resilient local economy

**Objective 6: A high profile city brand**, that showcases the city's vibrant culture, creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit.

**Strategic Approach:**

- Maximising the impact of the Sheffield Brand
- Unlocking the economic value of culture
- Growing the city's Major Events programme
- Enhancing the city's reputation for doing business

To underpin our objectives and strategic approach, we have also identified key actions to 2015 for each economic objective. These key actions represent the city wide initiatives which will be delivered or progressed to 2015. They are not to be seen as a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects in line with the economic objectives and strategic approach set out in the document to respond to the ever changing economic context and new opportunities which arise.

The priority actions will be refreshed in 2015 to form a second phase economic programme 2015-2020.

#### **4.4 Measuring Progress**

The strategy identifies a set of economic measures to enable effective monitoring of the city's economic performance. The performance framework identifies the core economic outcomes and associated

targets against the economic vision. These are underpinned by a set of progress measures which relate to the economic objectives we want to achieve in the city.

#### **4.5 Partnerships**

Highly effective partnerships have been central to the production of this strategy and will be critical to its implementation. By working together, the potential of organisations across Sheffield to deliver change and achieve the economic vision is strengthened.

While Creative Sheffield will take overall responsibility for implementation and monitoring of the strategy, responsibility for delivery of the priority actions sits across a number of partners in the city including the private sector, the Sheffield Executive Board, the Sheffield City Region Local Enterprise Partnership, Sheffield Hallam University, the University Of Sheffield, The Sheffield College, government departments, other public sector agencies, and voluntary and community sector representatives.

#### **4.6 Financial Implications**

There are no direct financial implications for Cabinet to consider in approving this strategy. However, the strategy does set the framework for where we will invest our resources and how we prioritise our activity in economic development to 2020.

Any direct financial implications in relation to the projects highlighted within this strategy will be considered outside of this Cabinet report through appropriate financial approvals on an individual basis as and when required.

#### **4.7 Legal Implications**

This report seeks Cabinet's endorsement of the Economic Growth Strategy as a statement of the city's economic priorities. Where the Council itself takes steps in the future to implement this strategy, the legal implications arising from specific proposals will have to be addressed when these are worked up in detail, in consultation with officers in Legal Services.

However, it is likely that in implementing the strategy reliance will be placed on the 'general power of competence' (the 'GPC') conferred on the Council by Section 1(1), Localism Act 2011. Section 1(1) came into force on 18<sup>th</sup> February 2012 and has replaced the Council's previous statutory power to promote economic, environmental and social well-being. It provides that, "*A local authority has power to do anything that individuals generally may do.*" This is clearly a very broad power. It is not, however, carte blanche for the Council to act in any way it pleases. As one example of this, Section 2(1) provides that, "*If exercise of a pre-commencement power of a local authority is subject to restrictions, those*



*restrictions apply also to exercise of the general power so far as it is overlapped by the pre-commencement power.”*

The Council's Sustainable Community Strategy ('The City Strategy') prepared pursuant to Section 4 of the Local Government Act 2000 forms part of the Council's 'policy framework'. Accordingly, the Council's Executive is required to discharge its functions in a manner consistent with the City Strategy. It is believed that endorsing the Economic Growth Strategy would be consistent with the City Strategy which has as one of its aims promoting a successful local economy in furtherance of the City Strategy's central vision that by 2020 "*Sheffield is a city of global significance, distinctive, successful, inclusive, vibrant and sustainable. A great city where people from across the world want to live, learn, work, invest and visit*".

Whenever measures to support business are proposed, it is necessary to be mindful of the rules regarding 'State Aid'. The potential for State Aid implications of any initiatives taking forward the Economic Growth Strategy will be assessed on a case by case basis as and when required.

Whenever it exercises its discretion, the Council needs to be mindful of the Public Sector Equality Duty ('PSED') contained in Section 149 of the Equality Act 2010. This is the duty to have due regard to the need to:-

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This includes having due regard to the need to:-

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low;
- (d) tackle prejudice; and
- (e) promote understanding.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race; religion or belief, sex and sexual orientation.

The PSED needs to be considered by Cabinet in deciding whether to endorse the Economic Growth Strategy, and in subsequent decisions regarding its implementation. (See paragraph 4.8 below.)

#### **4.8 Equal Opportunities Implications**

By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long terms economic success to the benefit of Sheffield residents and businesses. No negative equality impacts have been identified in the EIA, a copy of which is attached.

#### **4.9 Tackling Health Inequalities Implications**

The links between health and the economy are well recognised, with relative poverty being shown as a major health determinant. In his review of health inequalities in 2010, Sir Michael Marmot concluded that reducing health inequalities would require action on six policy objectives, one of which was to 'create fair employment and good work for all'.

This strategy contains priority actions to achieve an inclusive economy which supports people to take part in the economic and social life of the city. The strategy links into other activity taking place in this area, such as the Employment Strategy, Health and Well Being Strategy and the Fairness Commission.

#### **4.10 Environmental Sustainability Implications**

The strategy recognises both the impact the environment and climate change can have on the economy and the impact the economy can have on the environment.

The strategy considers climate change issues throughout the document under three broad areas: encouraging businesses to improve their green efficiency (energy, waste and emissions), investing in sustainable and low carbon infrastructure; supporting the growth of low carbon industries. The strategy identifies key actions, to; ensure that the Sheffield economy is resilient to climate change and ensure that Sheffield businesses can exploit new opportunities arising from the move to a low carbon economy.

#### **4.11 Economic Implications**

The strategy's framework is designed to achieve Sheffield's 2020 vision for the economy. It focuses on delivering economic interventions that will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity. By taking this approach, the economic implications arising from this strategy will be substantial and will be felt across the city in different sectors and communities.

## **5.0 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The difficult economic climate has many social, environmental and economic impacts and economic growth is essential to addressing these impacts on the city's wellbeing, both in the present and future. In the face of reduced availability of both public and private sector finance the city must have a clear economic strategy to enable partners to prioritise activities. Without an economic strategy, partners could not combine their collective strength to effectively address the right issues to drive growth – causing delivery to be uncoordinated and for the city to miss new opportunities.

## **6.0 REASONS FOR RECOMMENDATIONS**

- 6.1 By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long term economic success to the benefit of Sheffield residents and businesses.

## **8.0 RECOMMENDATIONS**

- 8.1 That Cabinet endorses the Economic Growth Strategy as a statement of the city's economic priorities.

# Bigger Economy Better Business Faster Growth

Sheffield  
Economic  
Strategy



# Bigger Economy Better Business Faster Growth

## Executive Summary

### Introduction

Sheffield is a creative, inventive and energetic city. It is one of the UK's major city economies with internationally recognised, leading edge talents in manufacturing, engineering and design. The city's authentic and independent character is reflected in an aptitude for generating bright ideas, an inquisitive and innovative spirit, and a deserved reputation for getting things done.

Sheffield is the core city at the heart of the Sheffield City Region and is committed to being a driving force for growth across the wider economic area. The city's economic geography stretches across Barnsley, Bassetlaw, Bolsover, Chesterfield, Doncaster, Derbyshire Dales, North East Derbyshire and Rotherham, through its workforce and supply chains. The economic prosperity of Sheffield and the wider city region is of critical importance to secure long term competitiveness and sustainable economic growth.

### A Refreshed Strategy

This economic growth strategy for Sheffield is a refresh of the 2008 Masterplan, retaining its ambition yet refocusing its strategy towards economic interventions that will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

### The City's Economic Challenge

Sheffield is not fulfilling its economic potential. A prosperity gap of £1.6billion persists in comparison to the national average. This represents the difference between what the Sheffield economy does produce and what it could produce. To close this prosperity gap we need to:

- Strengthen the city's private sector and rebalance growth so that both Sheffield's public and private sector are productive, strong and growing.
- Increase the pipeline of new businesses and increase the number of high performing – high value businesses. Harness the growth potential of our Small and Medium Sized Enterprises (SMEs).
- Improve the overall competitiveness and productivity of the existing business base, and secure higher growth in knowledge intensive sectors.
- Continue to improve the city's skills base to make skills a future differentiator for the city's economy. Connect our highly skilled people into the business base to stimulate innovation and growth.
- Support job creation and ensure that the benefits of economic growth are shared across the city, with local people seeing the benefits in more jobs and improved incomes.

# Executive Summary

## The Economic Strategy

This strategy prioritises support for the factors that drive growth in our economy and create the right conditions in the city for long-term economic success. It sets out the city's economic priorities to 2020 and provides a framework to guide activity, resources and investment over that period.

### A new framework

We have set a new vision, and have identified six economic objectives for the city. Achieving these objectives will deliver growth in the short and medium term and will strengthen the city's economic foundations, improving Sheffield's long term economic competitiveness (see page5).

For each of our economic objectives the strategy highlights the key challenges, strategic approach and a number of actions to be delivered (summarised in the following table on page 6).

### Strategic Approach

We have identified a planned approach to achieving each economic objective, responding to the evidence and challenges highlighted. This sets out the direction and scope for our actions over the long term. It highlights the critical success factors we need to consider to meet our economic vision.

### Deliverables

Under each economic objective we have identified a number of key actions that will be developed, progressed or delivered by 2015. We will co-ordinate these actions into an economic programme of activity for the city.

The actions set out are not to be seen as a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects as the economy develops and new opportunities arise.

### Progress towards Sheffield's economic vision

The strategy identifies a set of economic measures to enable effective monitoring of the city's economic performance and progress towards the 2020 economic vision. The performance framework identifies the core economic outcomes and associated targets against the economic vision (see table below).

These are underpinned by progress measures that relate to our six economic objectives. The measures enable us to compare performance against national averages and the core cities, and to identify if we are effecting the changes we want to see in the economy. (See Appendix A1).

## The 2020 vision for Sheffield's Economy is:

Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.

### Our six economic objectives

Distinctive and High Performing Sectors	built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness
A Dynamic Private Sector	with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses
A Skilled and Productive Workforce	that sets Sheffield apart from other cities, underpinned by a business focused skills system that provides the skills that the economy needs to grow
Future Proof Infrastructure	that delivers critical connectivity, development and sustainability to support economic growth
An Inclusive Economy	that supports people to achieve their full potential and take part in the economic and cultural life of the city
A High Profile City Brand	that showcases the city's vibrant culture, creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit

2020 Economic Vision	Core economic outcomes	Current Performance	2020 Target
Sheffield will be a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city will be known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.	Improved overall City Competitiveness	241 / 379 <sup>2</sup>	Top 175
	Increased GVA per head	£17,752	£20,200
	More private sector knowledge jobs	20%	23.5%
	Higher gross annual wages	£24,328	£27,600
	Improved employment rate	64.1%	67.9%

<sup>2</sup> Taken from Professor Huggins, UK City Competitiveness Index



# Executive Summary

## Strategy Overview. Six economic objectives, strategic approach and key actions.

### Our six Economic Objectives

### Strategic Approach

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#### Distinctive and High Performing Sectors

- Realising the growth potential of GVA driving sectors
- Promoting our USP's and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing initiatives

#### A Dynamic Private Sector

- Making Sheffield an enterprising and business friendly city
- Harnessing the energy and potential of our SMEs
- Accelerating the growth potential of our high performing businesses
- Supporting the city's large employers
- Attracting businesses to locate and grow in the city

#### A Skilled and Productive Workforce

- Improving educational attainment
- Upskilling the current workforce
- Developing a business focused skills system
- Cultivating and utilising high level skills

#### Future Proof Infrastructure

- Delivering a fit for purpose 21st century city centre
- Unlocking the investment potential of the Sheffield-Rotherham Don Valley
- Ensuring Sheffield is well connected
- Building a sustainable, low carbon city
- Facilitating development

#### An Inclusive Economy

- Promoting fairness and equality
- Connecting people to training and jobs
- Tackling the route causes of poverty
- Building a resilient local economy

#### A High Profile City Brand

- Maximising the impact of the Sheffield Brand
- Unlocking the economic value of culture
- Growing the city's major events programme
- Enhancing the city's reputation for doing business

#### Develop and implement sector growth strategies

- The Sheffield City Region Enterprise Zone
- Innovation Centre for Healthcare Technologies
- Academic Health Science Network
- National Centre for Sport and Exercise Medicine
- Digital Innovation
- NAMRC Centre for Procurement
- Green Automotive Technologies

#### Key Actions to 2015

- Business Friendly City
- Encouraging Enterprise
- Sheffield Business Growth Programme
- Develop an open-innovation culture
- Digital technologies for business growth
- Strengthening leadership and management skills
- International trade
- Green efficient businesses
- Access to finance
- Championing the next generation of leading businesses
- Attracting businesses to locate and grow

- Extend the Made in Sheffield Curriculum
- Introduce University Technical College education
- Launch the AMRC Training Centre
- Develop Skills Made Easy
- Establish the SCR Partnership
- RISE, improving graduate utilisation in our SMEs
- University and business collaboration

- Sheffield's Local Plan
- City Centre Masterplan (NRQ, Moor Markets, St Pauls Place)
- Sheffield-Rotherham Don Valley Masterplan
- Fast, efficient and sustainable public transport
- Streets Ahead PFI
- Maximising the benefits of HS2
- City wide flood management
- Local energy generation and distribution networks
- Digital Region
- Green Deal

- Deliver Sheffield's Employment Strategy
- Sheffield City Council's employability programme
- Sheffield 100 apprenticeship programme
- Improving financial capability
- Early years development and educational attainment
- The living wage
- Supporting social enterprise
- Connecting local businesses to procurement opportunities

- 2015 Marketing Plan
- Tourism Business Improvement District - Early Adopter
- Destination Management Plan
- Major Events Programme
- Conference Ambassador Programme
- Unlocking the economic value of culture

**Our vision is forward looking and ambitious, just like our city. The 20 things below are all happening in Sheffield now (and there are plenty more). Imagine where we will be in 2020.**

- 1. Unrivalled quality of place**  
Sheffield offers an exceptional quality of life, vibrant culture, outstanding open spaces, relatively low cost living. The city is home to energetic and inventive businesses and universities, innovative thinking and a skilled workforce and economic infrastructure that supports success.
- 2. Cultural assets that bring vibrancy to the city region**  
Sheffield is home to the largest theatre complex outside London, large performance venues (City Hall and Sheffield Arena) and high quality sport and leisure assets including international competition standard swimming and driving facilities at Ponds Forge and the English Institute of Sport. The city boasts a diverse range of museums and galleries and the Showroom Workstation complex which includes one of the largest independent cinemas in Europe. These assets attracted over 200,000 visitors last year which generated circa £100million for the local economy.

- 3. Low Carbon Industries**  
Across Sheffield City Region, this sector comprises over 300 companies, employing approximately 10,000 people, and contributing £570 million in GVA. Our potential in this area is enhanced by our expertise in advanced manufacturing where there are specific opportunities to develop new products that form part of the supply chains for sub-sectors like nuclear, wind and tidal power and geothermal.
- 4. Streets Ahead**  
Over the next five years Sheffield's roads will be transformed into some of the best roads in the UK, through a £2billion programme of investment.

- 5. Two world class Universities**  
The University of Sheffield and Sheffield Hallam University - are a source of competitive advantage for Sheffield City Region's knowledge economy and are an integral part of the city's economic infrastructure. They contribute to the growth and competitiveness of the city through the creation and transfer of knowledge – producing world class research that attracts investment, leading edge scientific and technological development to drive innovation and quality graduates to bring fresh talent to the city's businesses.

- 6. Advanced Manufacturing**  
Businesses in this sector serve many international markets. They have specialist and multi-disciplinary expertise in areas including advanced casting, forging, machining, joining, coating and fabrication of special steel, nickel and titanium alloy products - providing unique engineered solutions where high levels of precision, quality and reliability are paramount, and supply demanding international markets such as aerospace and defence, power generation and supply, automotive, medical and oil and gas. The manufacturing industry in Sheffield City Region employs over 82,000 people and contributes £3.5 billion to GVA.

- 7. Major Events**  
We have developed high profile, high content events and festivals such as MADE, Global Manufacturing Festival, Doc/Fest, Off the Shelf, Tramlines, the Food Festival and Galvanize. All command audiences in the thousands and attract visitors from across the UK and internationally.

- 8. University Technical College (UTC)**  
2013 will see the doors open to the city's new UTC. Focusing on Advanced Engineering and Manufacturing and Creative, Digital and Media industries the college represents an innovative new step for education in Sheffield.

- 9. Creative and Digital Industries**  
Sheffield has a developing cluster of creative and digital companies, characterised by an abundance of high performing home-grown businesses, micro start-ups and freelancers, combined with key inward investment from international market leaders. A vibrant CDI sector is crucial to the creativity and cultural diversity of the city. It has a positive impact on the city's image and boosts related industries in culture, tourism and leisure. Our CDI industry is one of the highest value sectors in Sheffield (measured by GVA per job of £53,000 GVA) and is set to grow significantly by 2020 in both GVA and employment.

- 10. Sheffield City Region Combined Authority**  
The Sheffield City Region Local Enterprise Partnership (LEP) is known as one of the strongest LEPs in the country. We are working to establish a SCR Combined Authority to enable the city region to take advantage of more devolution and shape its economic future locally.

- 11. National Centre for Sports and Exercise Medicine**  
Sheffield has been highlighted as one of three network hubs that will form the National Centre for Sports and Exercise Medicine - an Olympic Legacy Project. This project will invest £10million to develop revolutionary exercise/medical facilities and support an ongoing £5million programme to improve health through exercise.



## 12. Enterprise Zone

We negotiated with Government to secure Enterprise Zone status for key sites across the city region, including at the Advanced Manufacturing Park, Sheffield Business Park and Outokumpu, all strategically important business employment sites for Sheffield. We are one of only a few cities to have Enhanced Capital Allowances, which act as a significant incentive for investment in the area.

## 13. Export led growth

Exports to growing markets like the Middle East, Asia and South America have been expanding by 10% year on year. This shows the international nature of our business and is a future source of growth and resilience.

## 14. Healthcare Technologies

Sheffield City Region is at the forefront of developments in user-centred healthcare solutions. Our strengths in research and development, human-centred design, rapid prototyping, precision manufacturing and assistive technologies, and our businesses' ability to produce, quality assure and distribute new products, make Sheffield City Region one of the premier locations for healthcare technology.

## 15. 100 years of Stainless Steel

Sheffield's Harry Brearley is credited with the invention of stainless steel in 1913, transforming the manufacturing industry. The city is celebrating the centenary with a year long programme of events, including two exhibitions; Rustless and Designed to Shine.

## 16. Growing knowledge services

Sheffield has seen an expansion in its knowledge economy, particularly the business, professional and financial services sector. For example, Sheffield is currently home to blue chip companies (Aviva, Capita Group, Virgin Media, BT, DSGI, PWC, HSBC, Sky, HBSOS and Carillion) and a growing number of national and local companies with international reach (Bond Bryan, Lambert Smith & Hampton, Barber Harrison Platt, BDO, Grant Thornton). These companies have shared service centres, contact centres and business process outsourcing centres, across a range of specialisms in Sheffield including sales and customer services, pensions and life administration, accountancy and finance and IT development and service support. There is also a strong legal sector within the city, with many firms operating at an international level including DLA Piper, Irwin Mitchell, Hill Dickinson, HLW Keeble Hawson, Taylor & Emmet LLP, Nabarro and Kennedys.

## 17. Regional Growth Fund

In partnership with Sheffield City Region we have recently secured £25million to invest in our local businesses. Our first call for investment proposals identified 150 great projects, showing the calibre of the city's SMEs.

## 18. City Deal on Skills

Sheffield's City Deal secured the biggest devolution in skills funding of any other city (over £25million), to support the creation of 'Skills Made Easy' a new skills initiative that will support businesses to take on apprentices and up-skill their workforce. By 2015 we will deliver 4000 apprenticeships and 2000 up-skilling opportunities.

## 19. Sheffield City Region Investment Fund

We are leading work with the Sheffield City Region to establish the Sheffield City Region Investment Fund. This will create a single investment pot – made up of a variety of local and nationally sourced funds to enable strategic economic investments that will unlock future growth.

## 20. Talent

Our city is full of interesting businesses going interesting places, and bright new talent – entrepreneurs, apprentices and graduates. As we continue to improve our skills base, the city's talent will become a key differentiator for the city, drawing people and businesses into Sheffield from across the world.

# Our vision is forward looking and ambitious, just like our city.

# Bigger Economy Better Business Faster Growth

## Sheffield's Economic Strategy

- 1 2020 Economic Vision**
  - 1.1 Introduction
  - 1.2 Economic Vision
- 2 The Case for Refreshing Sheffield's Economic Priorities**
- 3 The Scale of the Challenge**
  - 3.1 Key Challenges for Growing Sheffield's Economy
- 4 A Strategy for Economic Growth**
  - 4.1 Framework for the Strategy
  - 4.2 Strong Economic Leadership and Governance
  - 4.3 New Financial Tools for Growth
  - 4.4 Effective Partnerships
- 5 Delivering Sheffield's Economic Objectives**
  - 5.1 Distinctive and High Performing Sectors
  - 5.2 A Dynamic Private Sector
  - 5.3 A Skilled and Productive Workforce
  - 5.4 Future Proof Infrastructure
  - 5.5 An Inclusive Economy
  - 5.6 A High Profile City Brand
- 6 Delivering the strategy**
  - 6.1 Sheffield's Economic Programme
  - 6.2 Progress measures

**Appendix A**

- A1 Performance Framework
- A2 Sheffield's Prosperity Gap
- A3 Key Economic Challenges
- A4 Future Trends

# 2020 Economic Vision

## 1.1 Introduction

## 1.2 Economic Vision

### 1.1 Introduction

Sheffield is a creative, inventive and energetic city. It is one of the UK's major city economies with internationally recognised, leading edge talents in manufacturing, engineering and design. The city's authentic and independent character is reflected in an aptitude for generating bright ideas, an inquisitive and innovative spirit, and a deserved reputation for getting things done.

Sheffield is the core city at the heart of the Sheffield City Region and is committed to being a driving force of growth across the wider economic area. The city's economic geography stretches across Barnsley, Bassetlaw, Bolsover, Chesterfield, Doncaster, Derbyshire Dales, North East Derbyshire and Rotherham, through its workforce and supply chains.

## 2020 Economic Vision

### 1.2 The 2020 vision for Sheffield's Economy

**Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.**





# 2 The case for refreshing Sheffield's economic priorities

- 2.1 Refresh
- 2.2 Recession
- 2.3 Refocus

## The case for refreshing Sheffield's economic priorities

### 2.1 Refresh

The first Sheffield Economic Masterplan was published in 2008 and set out an ambitious programme of change for the city. It was predicated on over 10 years of unbroken growth, which had seen Sheffield's economy make the transition from a struggling post industrial city to a modern, diversified and growing economy. The period 2000-2005 saw transformational growth in the city with the expansion of private sector knowledge services particularly the business, professional and financial service sector.

Based on this economic trajectory the 2008 Masterplan majored on making the changes in the economy which would enable this growth to continue – focusing on removing potential breaks on growth such as congestion, lack of office space, insufficient energy supplies and lack of executive housing.

The strategy was less focused on economic interventions that would drive growth, as economic forecasts and expectations were that the powerful growth trajectory the city and indeed the UK was experiencing would continue.

### 2.2 Recession

It was less than a year after the Masterplan's publication that the financial crisis halted UK growth, pushing the economy into a deep recession. The economic, political and financial landscape has now changed significantly and the national economy is unlikely to return to pre recession levels of growth for some time. The last few years have been about withstanding recession and making progress in tough economic conditions, which remain challenging today – a struggling global economy, less public and private money available and higher unemployment.

### 2.3 Refocus

Yet major opportunities exist and the city must position itself to take full advantage of them. This strategy sets out to do exactly that; it will refresh the 2008 Masterplan, keeping its ambition yet refocuses its strategy towards economic interventions that will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

# Refocus to drive growth

# 3 The scale of the challenge

## 3.1 A Stronger Economy

### 3.2 Key Challenges for Growing Sheffield's Economy

#### 3.1 A Strong Economy

Over the last 20 years substantial improvement has been made across a range of economic indicators: gross value added (GVA) has increased; employment and skills levels have improved; and the city has expanded into knowledge and high value sectors. Over the course of the recession Sheffield has tracked the UK trend on output and unemployment, showing that Sheffield's economy has improved in resilience and strength. The look and feel of the city, and its quality of life and place has never been stronger. However, Sheffield is not yet fulfilling its economic potential.

#### 3.2 Key challenges for growing Sheffield's economy

A prosperity gap of £1.6 billion<sup>2</sup> persists in comparison to the national average. This represents the difference between what the Sheffield economy *does* produce and what it *could* produce. Economic analysis (see appendix A2) points to a clear set of evidence-based priorities for closing this prosperity gap and improving the long term competitiveness of the economy:

- The city experienced a period of strong private sector expansion from 2000-2005. However, since 2005 job growth has been too heavily reliant on the public sector. Sheffield needs to strengthen its private sector and rebalance growth so that both Sheffield's public and private sector are productive, strong and growing.

## The scale of the challenge

- Strengthening the private sector economy will require a pipeline of new businesses and more high performing and high value businesses. The overall competitiveness and productivity of the existing business base will also need to improve. This is at the heart of the city's economic challenge for 2020. A final push to further commercialise the economy and anchor it in the dynamism and energy that a strong private sector can bring will see Sheffield's economic potential unlocked.
- The strength and productivity of our sectors is below national average, therefore we need to improve the productivity of the sectoral base and secure growth in knowledge and high value sectors.
- Sheffield's skills base is improving, however continuous improvement is needed if skills are to be a future differentiator for the city's economy. Continuous improvement in skills is needed if Sheffield is to compete with the best UK and European cities. Furthermore the power of this talent must be integrated into the business base to stimulate growth in knowledge based sectors and deliver long term competitiveness.
- A significant number of economically inactive people remain outside of the labour market in Sheffield. To improve prosperity and equality in the city, local people must have the opportunity to connect with economic growth and see the benefits in more jobs and improved incomes.

<sup>2</sup> latest analysis available (2009) and shows that Sheffield's GVA stands at £9,578 billion against its 'potential prosperity', GVA of £11,212 billion, giving a prosperity gap of £1.63 billion.

# 4 A strategy for economic growth

- 4.1 Framework for the Strategy
- 4.2 Strong Economic Leadership and Governance
- 4.3 New Financial Tools for Growth
- 4.4 Effective Partnerships

## A strategy for economic growth

### 4.1 Framework for the strategy

This strategy is focused on securing a bigger economy, better businesses and faster private sector growth to achieve the city's vision and core economic outcomes:

- Improved city competitiveness
- Increased gross value added (GVA) per head
- More private sector knowledge jobs
- Higher gross annual wages
- Improved employment rate.

To deliver these outcomes we will need to tackle the city's economic challenges by focusing our efforts and actions on the six objectives below. These objectives form the framework for this strategy.

Achieving these objectives will not only deliver growth in the short and medium term it will also strengthen the city's economic foundations, improving Sheffield's long term economic competitiveness.

To meet our economic objectives we will harness strong economic leadership and governance, new financial tools for growth and effective partnerships.

These core economic outcomes represent the impact we want to see in Sheffield's economy and for our business and people.

Fig.1 Six economic objectives

Distinctive and High Performing Sectors	built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness
A Dynamic Private Sector	with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses
A Skilled and Productive Workforce	that sets Sheffield apart from other cities, underpinned by a business focused skills system that provides the skills that the economy needs to grow
Future Proof Infrastructure	that delivers critical connectivity, development and sustainability to support economic growth
An Inclusive Economy	that supports people to achieve their full potential and take part in the economic and cultural life of the city
A High Profile City Brand	showcases the city's vibrant culture, creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit



# A strategy for economic growth

## 4.2 Strong Economic Leadership and Governance

To meet our ambitious economic vision and objectives, Sheffield and the wider city region needs fit-for-purpose governance arrangements that are ready to meet the challenge of devolution. Over recent months Sheffield and the wider city region have demonstrated to Government, through the Sheffield City Deal and the Enterprise Zone negotiations that we are an ambitious, forward thinking and capable city region. The SCR LEP is known as one of the strongest LEPs in the country and the speed at which local authority leaders are working towards Combined Authority status is a clear sign that Sheffield City Region is serious about shaping its economic future locally.

In developing this strategy we have worked closely with Sheffield City Region (SCR) partners, to prioritise a range of actions that will be delivered through partnership working at SCR, as well as things that we will progress as a city.

Sheffield is the core city at the heart of the Sheffield City Region and is committed to being a driving force for growth across of the wider economic area. As the city's economic geography stretches across Barnsley, Bassetlaw, Bolsover, Chesterfield, Doncaster, Derbyshire Dales, North East Derbyshire and Rotherham, through its workforce and supply chains. The economic prosperity of Sheffield and the wider city region is of critical importance to secure long term competitiveness and sustainable economic growth.

**Lower Don Valley and Waverley Advanced Manufacturing Park:** an important employment area, focused on advanced manufacturing, with sports and leisure complexes (including Meadowhall). The area includes Enterprise Zone sites.

**Sheffield:** the 4th largest city in England, and a major centre of engineering, creative and digital industries, with a wide variety of culture and retail facilities.

**Chesterfield:** One of the region's key market towns and the sub-regional economic centre for northern Derbyshire, with a high quality urban core and opportunities for further growth in the A61 and Staveley corridors.

**North East Derbyshire:** a rural area, with the population concentrated in the four towns, with the potential for growth along the A61.

**Peak District National Park:** an important tourist attraction with more than 10 million visitors a year, contributing to a significant visitor offer, within the SCR.

**Derbyshire Dales:** includes much of the Peak District National Park, providing the area with a high quality of life, thriving small businesses and attractive market towns with opportunities for growth.

**Barnsley:** Growing economy, creating an M1 economic corridor, thriving town centre and outstanding cultural heritage

**Deerne Valley:** has undergone recent major transformation, providing jobs, training and education through its environmental vision. The area includes Enterprise Zone sites.

**Doncaster:** a high-quality urban centre, attractive retail opportunities and excellent rail links, that contribute to its multimodal logistics offer.

**Rotherham:** developing strengths in new economic sectors, as part of SCR's wider regeneration agenda, with a specialism in advanced manufacturing.

**Robin Hood Airport Doncaster Sheffield:** provides an international gateway and attracts aero related employment and training

**Retford:** benefits from access to the national railway network and strong economic links to Nottingham, Lincoln and Newark.

**Workshop:** a town developing a diverse economic base, with a number of key visitor attractions such as Clumber Park and Sherwood Forest.

**Markham Vale:** an area recently developed with plans to establish itself as a major employment hub, supporting activity elsewhere in the City Region. The area includes Enterprise Zone Sites.

**Bolsover:** a rural area with the need and ability to accommodate significant economic growth in key settlements taking advantage of access to the M1

**When it makes economic sense to do so, where there are shared interests, more effective delivery and more successful economic outcomes we will not hesitate to lead work on behalf of and in partnership with the SCR.**

## 4.3 New financial tools for growth

The challenging economic conditions and tighter public sector finance demands the ability to make critical investment decisions based on a clear set of economic priorities (outlined in this strategy) to achieve our vision and deliver the outcomes we want for the city's businesses and residents.

Whilst real financial pressures exist, the Government is beginning to devolve more powers and finance for delivery and greater flexibilities at city and city region level. The European Regional Development Funds and transport investment funds continue to provide opportunities for investment. In addition, a number of new funding opportunities to support growth in the economy have been introduced, including Regional Growth Fund and Growing Places, along with new financial instruments such as New Development Deal and Community Infrastructure Levy.

To maximise the impact of these new funding streams and lever in further devolved funds, we are working at Sheffield City Region level to establish the Sheffield City Region Investment Fund. This will create a single investment pot to fund strategic economic investments that will unlock future growth.

## 4.4 Effective partnerships

Highly effective partnerships have been central to the production of this strategy and will be critical to its implementation. By working together, the potential of organisations across Sheffield to deliver change and achieve the economic vision is strengthened.

Whilst Creative Sheffield will take overall responsibility for implementation and monitoring of the strategy, responsibility for delivery of the priority actions sits across a number of partners in the city including the private sector, the Sheffield Executive Board, the Sheffield City Region Local Enterprise Partnership, Sheffield Hallam University, the University Of Sheffield, Sheffield Chamber of Commerce, The Sheffield College, Sheffield Culture Consortium, government departments, other public sector agencies, and voluntary and community sector representatives.

# 5 Six economic objectives

- 5.1 Distinctive and High Performing Sectors
- 5.2 A Dynamic Private Sector
- 5.3 A Skilled and Productive Workforce
- 5.4 Future Proof Infrastructure
- 5.5 An Inclusive Economy
- 5.6 A High Profile City Brand

## A strategy for economic growth

### How the strategy is set out

For each of our identified economic objectives we have articulated our key challenges, our strategic approach to tackling these issues and a number of actions to be delivered.

Priority Actions - The actions set out in the strategy highlight the city wide initiatives which will be delivered or progressed to 2015. We will co-ordinate these actions into an economic programme of activity for the city.

The Challenge - For each objective we give an overview of the key challenges and evidence. We highlight areas for improvement and the main barriers to success.

The actions set out are not a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects in line with the economic objectives and strategic approach set out in this document to respond to the ever changing economic context and new opportunities that arise.

Strategic Approach - In this section we develop a planned approach to achieving each economic objective, responding to the evidence and challenges highlighted. It sets out the direction and scope for our actions over the long term. It highlights the critical success factors we need to consider to meet our economic vision.

The priority actions will be refreshed in 2015 to form a second phase economic programme 2015-2020.

Fig. 2 Six economic objectives

Distinctive and High Performing Sectors	built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness
A Dynamic Private Sector	with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses
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# 5.1 Distinctive and High Performing Sectors

## Economic Objective:

**Distinctive and high performing sectors built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness.**

## The Challenge<sup>3</sup>

Pre-recession Sheffield's job growth benefitted from the expansion of the public sector and a significant amount of jobs were created (over half) in the health, education or public administration sector. Looking to 2020 the city needs to improve its economic resilience, diversifying and rebalancing growth across a broader range of sectors.

Within this diversification we need to maximise the potential of the knowledge economy in Sheffield. Currently Sheffield has fewer businesses in higher value, higher skilled sectors than other major UK cities, which will suppress the level of GVA being produced in Sheffield.

Fig.3 Identifying GVA drivers - GVA per job

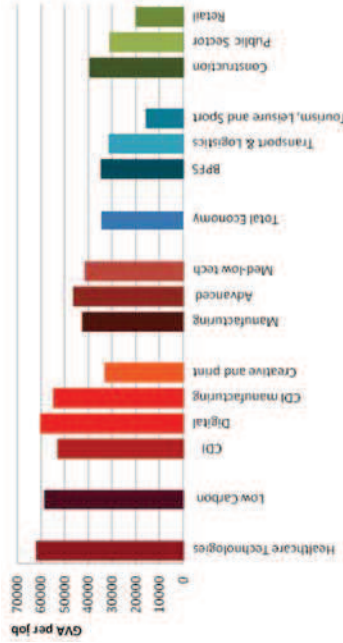
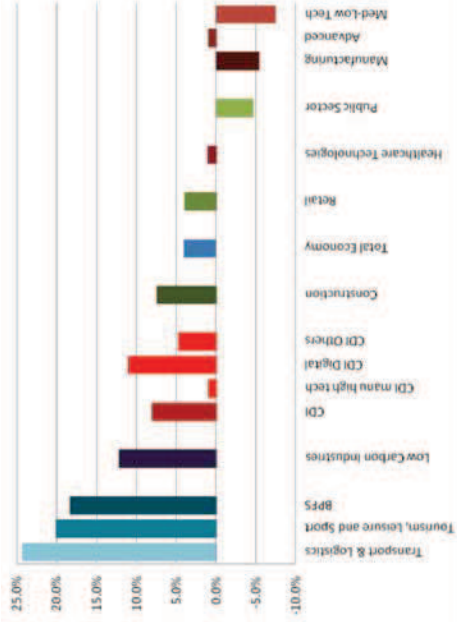


Fig.4 Identifying Job drivers - Employment forecasts to 2020



<sup>3</sup> Please note that all data is based on SCR geography reflecting the natural economic geography of our sectors.

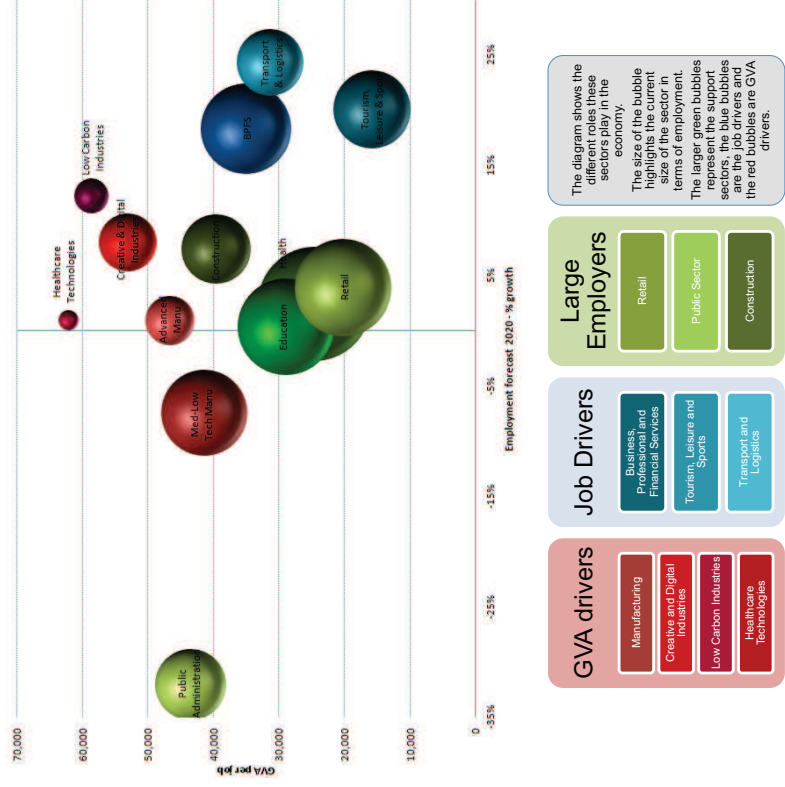
# The Challenge

We also recognise that there are other sectors that will drive job growth in the economy. The graph below charts employment growth forecasts in key sectors across the economy to 2020. It highlights that 'GVA drivers' are not large job generators and so we must also seek to maximise the growth potential of the business, professional and financial and services, tourism, leisure and sport, transport and logistics sectors as drivers of future jobs – all these sectors are forecast to grow in employment terms by more than 18% by 2020.

The city has an opportunity to increase productivity and economic value by realising the growth potential of GVA driving sectors such as manufacturing, creative and digital industries, healthcare technologies and low carbon industries. These are also sectors where Sheffield and the wider city region has distinctive capabilities and key assets which we need to harness. Promoting and supporting growth in these sectors will help to improve the productivity of our economy and boost demand for other knowledge intensive sectors in the supply chain.

There are also underpinning 'support' sectors that have a critical role in the economy. These tend to be the largest employment sectors and do generate significant GVA - they are retail, construction, other services (wholesale and real estate) and the public sector. They provide the infrastructure, support services and supply chains that the economy needs to function. Whilst these sectors contribute to GVA and job growth at a lower rate, they remain a large and important part of the future economy.

Fig.5 Sector roles in the economy



**GVA drivers**

- Manufacturing
- Creative and Digital Industries
- Low Carbon Industries
- Healthcare Technologies

**Job Drivers**

- Business and Financial Services
- Tourism, Leisure and Sports
- Transport and Logistics

**Large Employers**

- Retail
- Public Sector
- Construction

The diagram shows the different roles these sectors play in the economy. The size of the bubble highlights the current size of the sector in terms of employment. The larger green bubbles represent the job drivers and the blue bubbles are the job drivers and the red bubbles are GVA drivers.

## 5.1 Distinctive and High Performing Sectors

### Strategic Approach

We recognise the different economic roles and functions different sectors fulfil and the interactions and supply chain linkages between them. We will focus on realising the growth potential of our GVA driving sectors. We will maximise the growth potential within our job driving sectors and put in place the wider economic conditions that will help our support sector to flourish.

We will work across the city region boundaries, recognising that businesses in these sectors are clustered across the wider city region. We will engage with existing networks and support the Local Enterprise Partnership sector groups. We will work collaboratively with businesses, universities and the public sector to identify the key strategic initiatives and underpinning support that will accelerate growth and deliver our core objectives for each sector.

Our approach focuses on:

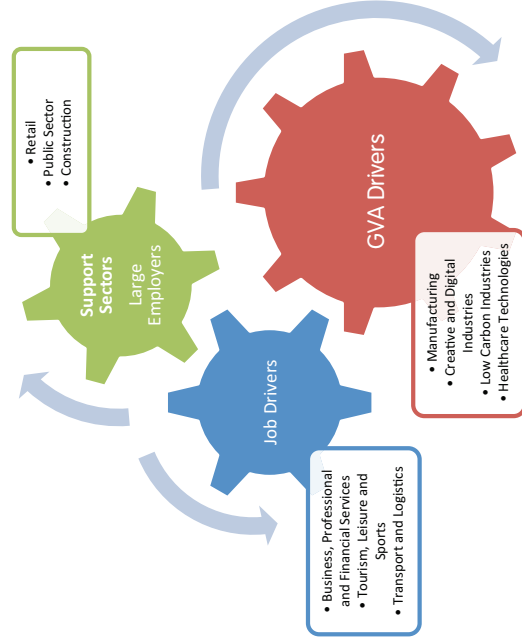
- Realising the growth potential of GVA driving sectors
- Promoting our USPs and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing sector initiatives

### Realising the growth potential of GVA driving sectors

We will seek to drive up productivity and improve our performance in the knowledge economy by supporting and promoting our distinctive GVA driving sectors. Although 'GVA drivers' are not mass direct job creators, the CDI sector and low carbon industries will generate significant jobs up to 2020, and by their nature these four high value sectors drive demand and stimulate supply chain linkages throughout the rest of the economy, particularly BPFs and transport and logistics.

**GVA driving sectors drive demand and stimulate supply chain linkages throughout the economy.**

Fig 6 GVA driving sectors stimulate growth



### Promoting our USPs and sector strengths

We know that most major cities are pursuing growth in key sectors and so our approach will focus on showcasing Sheffield's distinctive strengths that differentiate our offer from other cities and highlight where we have a competitive edge.

Our distinctiveness comes from our market leading sector shaping businesses, and strong supply chains and networks that reach across Sheffield City Region. The city also has key 'attractors' that act as a magnet to draw people into our city region, for example the Advanced Manufacturing Park, the city centre and its cultural and retail offer, Meadowhall and our two universities – The University of Sheffield and Sheffield Hallam University.

We will work with SCR LEP sector groups to develop sector profiles and key mechanisms that will promote our distinctive and high performing sector across the world. We will grow activities such as the Global Manufacturing Festival and MADE, Doc/Fest to showcase the city region's capabilities internationally. Working with the LEP we will develop a proactive inward investment sector strategy to leverage our sector strengths and bring in new investment.

### Driving innovation, collaboration and supply chain interactions

We believe that the synergy and collaboration between our distinctive and high performing sectors differentiates us from many other places. The city region's strength in innovation, design, digital technologies and precision manufacturing underpins all our sectors – and this cross fertilisation drives our competitive advantage.

The collaborative model at the heart of the Advanced Manufacturing Park and the University of Sheffield's Advanced Manufacturing Research Centre with Boeing is recognised as world class. The public sector, business and university expertise have worked in partnership to create an unrivalled asset for the Sheffield City Region and the UK, translating theoretical research and academic expertise into a competitive, commercial edge, a proposition which attracts global companies into Sheffield.

We will deepen our collaboration and identify key actions which will enable us to cross-fertilise the underpinning capabilities and technologies of our high value sectors. This will provide fertile ground, opening opportunities in new markets across key sectors, including nuclear technology, healthcare technology, creative and digital industries and renewable energy.

### Championing game-changing sector initiatives

We see 'game changing initiatives' as strategic investment opportunities that are of significant size and scale to accelerate growth locally, and improve Sheffield's global position and profile in our key sectors. Sheffield City Region has a great track record to developing and delivering initiatives of this scale; The Advanced Manufacturing Park is a world class example, which has attracted many world-leading manufacturing and engineering companies and enabled the city region to secure major investment in world leading research and development facilities.

More recently the Sheffield City Region has secured Enterprise Zone status, for key sites across Markham Vale, the Sheffield –Rotherham Don Valley and Barnsley Junction 36, to form a Modern Manufacturing and Technology growth area.

## Strategic Approach

## Innovation, design, digital technologies and precision engineering underpin our sector

## Distinctive and high performing sectors - Key action to 2015

### 1. Develop and implement sector growth strategies

We will work with the SCR LEP and the sector groups to develop and implement sector strategies, which will accelerate growth in our distinctive and high performing sectors and showcase our economic strengths and unique offer to the world.

### 2. National Centre for Sports and Exercise Medicine

Sheffield has been highlighted as one of three network hubs taking part in this major Olympic Legacy initiative - The National Sports and Exercise Medicine Centre of Excellence. This centre brings together leading universities, hospitals and high profile partners to tackle some of the country's most serious health issues, including chronic long-term conditions, obesity and musculoskeletal disorders.

Sheffield is to receive £10m

in funding to develop its own centre of excellence and to build facilities to bring together research, education and NHS services. The centre will aim to translate research into innovative and improved services that will help transform the country's health. The centre provides an excellent opportunity for the city's growing healthcare technologies sector to bring forward new innovations working in partnership with our universities, education and NHS services.

### 3. Innovation Centre for Healthcare Technologies

Led by the city's universities, key healthcare institutions and leading companies we will work to develop an Innovation Centre for Healthcare Technologies. Building on the success of the growing medical technologies companies in the Sheffield City Region and experience of the Advanced Manufacturing Research Centre (AMRC), this centre will enable companies to trial innovations. It will harness partnerships with expert institutions and NHS Trusts, helping them to develop innovative healthcare solutions and bring them to market quickly and efficiently.

### 4. Academic Health Science Network

The Academic Health Science Network(AHSN) for Yorkshire and the Humber will create and harness a strong, purposeful partnership between patients, health services, industry, and academia to achieve a significant measurable improvement in the health and wealth of the population. It aims to transform the quality and efficiency of health services in the network through supporting the development, testing and rapid adoption of effective service innovations whether developed internally or outside the NHS. This represents a new opportunity to generate growth by stimulating innovation in partnership with medical technology, digital health, pharmaceutical and other commercial enterprises.

### 5. The Sheffield City Region Enterprise Zone

The Enterprise Zone will accelerate the development of modern manufacturing and technology businesses in the Sheffield City Region, already one of the largest concentrations of advanced engineering and manufacturing in the UK. It will support growth in related technology based sectors, including energy, environmental and low carbon industries, creative and digital technologies.

The Sheffield Enterprise Zone is focused on the Lower Don Valley near J33/34 of the M1. It is the most central and largest site of a number of connected sites in the city region, together comprising approximately 145 hectares. It includes development sites at Tinsley Park, the Europa Link, the AMP/Waverley and Templeborough. All businesses will benefit from a simplified planning regime and superfast broadband, with key areas eligible for enhanced capital allowances and business rate relief. By 2020 the zone is expected to create over 7,000 additional jobs in areas of the Sheffield-Rotherham economic corridor eligible for business rate relief, and over 8,400 jobs in the city region in total.

### 6. Digital Innovation

Led by our leading private sector entrepreneurs, we are working to create 'Cloud City Sheffield', which has the potential to make a dramatic impact on the city region's economy. Cloud City Sheffield will make Sheffield City Region the laboratory in which new public sector solutions, developed collaboratively with private sector and academic expertise, are trialled to improve the effectiveness and efficiency of public services. We will capitalise on the existing superfast broadband infrastructure in the sub-region along with our land, power and green energy resources, and look to lever major private sector investment to develop the next generation of green data centres needed to deliver the Government's Cloud Strategy.

### 7. NAMRC Centre for Procurement

We are seeking to develop a National Centre for Procurement based around Sheffield City Region's Nuclear Advanced Manufacturing Research Centre. This will co-produce with Government a 'roadmap' for growing the nuclear advanced manufacturing supply chain. Our aim is to boost growth in the emergent nuclear advanced manufacturing market in the UK by linking demand for complex manufacturing products to innovators in the advanced manufacturing and nuclear supply chain. We will work with Government and industry from major multinationals like Rolls-Royce, Boeing, British Aerospace, Westinghouse and Areva, to city region based manufacturers such as Sheffield Forgemasters, and a wide network of local and national SMEs.

### 8. Green Automotive Technologies - The Proving Factory

The Proving Factory is a £22million manufacturing initiative between Tata and low-carbon vehicle engineering firm Productiv, to take low-carbon vehicle technologies designed by small high-tech British companies and university research departments and prove their viability in production to increase their chances of being adopted by major motor manufacturers. It will take new automotive technologies through the industrialisation process from prototype through to production, producing 10,000 to 20,000 units a year per product. The initiative gives small companies access to the resources and facilities needed to develop manufacturing processes without having to secure the large investments necessary to do this individually.





## 5.2 A Dynamic Private Sector

### Economic Objective

**A dynamic private sector with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses**

### The Challenge

Building a bigger and better business base is at the heart of the city's economic challenge for 2020. Sheffield's business density is low compared to other UK cities, as is the overall productivity of our sectors and businesses, meaning we lag behind other cities in terms of overall competitiveness. The sector profile of our business base is under-represented in 'knowledge' sectors, particularly high value business services.

Although the level of micro business start-ups (mainly sole traders) in Sheffield has improved in recent years, too few of these businesses are growing beyond the VAT threshold<sup>4</sup>. This is compounded by the recession which has seen start up numbers falter, and survival rates fall. Small and medium sized enterprises (SMEs) are the foundation of Sheffield's economy; they make up the majority of the business base (99%) and contribute around half of the employment and turnover produced in the local economy.

**Strategic Approach**  
A strong, vibrant business sector is vital to the economic growth of the city, generating wealth and prosperity for the people that live here. It brings money into the local economy through exports, drives innovation and enterprise, attracts new investment into Sheffield, creates new markets and acts as a stimulus for entrepreneurial ambition in young people.

Our approach focuses on:

- Making Sheffield an enterprising and business friendly city
- Accelerating the growth potential of our high performing businesses
- Supporting the city's large employers
- Harnessing the energy and potential of our SMEs
- Attracting businesses to locate and grow in the city

	Size	No. firms	% firms	% jobs*	%turnover*
Large	250 plus	125	1%	52%	49%
SME	Less 250	15,975	99%	48%	51%
(subset)	Less 50	15310	95%	34%	35%

\*based on regional averages

## Strategic Approach

### Making Sheffield an enterprising and business friendly city

Our strategy is to make Sheffield an enterprising and business friendly city for all our businesses, ensuring that businesses looking to locate here or start up here have all the help they need and that we put in place the things that they value; accessibility, high quality and accessible business support, excellent transport infrastructure, a skilled and productive workforce, unrivalled quality of place and a vibrant city offer.

The business support landscape has changed dramatically in recent years, and although there is still support available nationally, it is not comprehensive. We will take this opportunity to shape business support provision locally.

We will put in place a front door for any business looking for start up support, excellent advice, guidance and signposting and access to council business facing services. We believe that every business should have a clear first point of contact if they are looking to access support.

### Accelerating the growth potential of our high performing businesses

To maximise economic impact we will offer bespoke and flexible support to accelerate growth in our high performing businesses with the greatest growth potential. This will involve working intensively with a small number of businesses. Our aim is to increase the number of high growth businesses in Sheffield who can contribute significantly to economic growth and support and champion the next generation of leading businesses in Sheffield. Showcasing these businesses will help to inspire a new generation of entrepreneurs and encourage the business community at large to drive up standards, productivity and competitiveness so Sheffield businesses can succeed in global markets.

**Building a bigger and better business base is at the heart of the city's economic challenge for 2020.**

## 5.2 A Dynamic Private Sector

### Supporting the city's large employers

Sheffield is home to a number of internationally significant large employers, although they represent only a small part of the business base, they account for over half of the city's employment and are hugely significant to the Sheffield economy. We will work proactively with these businesses to ensure they remain committed to Sheffield, supporting them to grow and reinvest here and assisting them with their investment plans to ensure a maximum impact for Sheffield and the wide city region.

### Harnessing the energy and potential of our SMEs

We know that we have over 6,000 businesses in Sheffield which are of critical size where we estimate there is the potential to create sustainable growth, create jobs and strengthen the business base. These businesses can be in any sector and include vibrant social enterprise businesses that play a key part of the city's business base.

To realise this growth we will build the broader capacity and capabilities SMEs need to help them grow. Evidence highlights that there are common issues SMEs face which can prevent or slow a business's growth potential. We will develop and deliver a range of support packages for SMEs, focused on removing these barriers to SME growth, and giving businesses the tools they need to become more productive and competitive. (see diagram below)

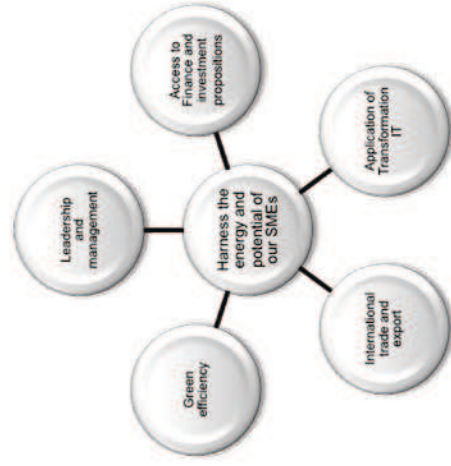
### Attracting businesses to locate and grow in Sheffield

We will execute proactive inward investment plans to attract businesses to locate and grow in the city. We will also promote the city's complete offer as an unrivalled quality of place - excellent transport links, skilled workforce, choice of homes, open spaces, leisure and cultural facilities and a vibrant culture.

Attracting businesses into Sheffield from elsewhere brings clear benefits in terms of jobs and adds to the pipeline of businesses in Sheffield. It can also enhance the city's profile and assets and create supply chain opportunities. To maximise these benefits we will adopt a targeted approach to attract inward investment projects that can act as a catalyst for local growth by unlocking sector opportunities or strengthening our leadership position and bringing in new businesses with a genuine fit with the city's supply chains, sectors and skills offer.

**We will champion the next generation of leading businesses in Sheffield. We will provide support to accelerate growth in our ambitious and innovative businesses.**

Fig. 7 Harnessing the growth potential of SMEs



### A Dynamic Private Sector Key Actions to 2015

#### 1. Business Friendly City

We are setting out a clear commitment – we will demonstrate, through everything we do, that we want businesses to succeed in Sheffield.

We will continue to engage with the business community through the city's Business Advisory Panel and Business Summits to ensure that the city is listening and responding to the needs of the business community. We will do all we can to move the city's infrastructure forward to meet business needs, ensuring that transport improvements and appropriate office space is available. We will cultivate a highly competitive and enabling planning regime through a 'can do' approach to processing applications quickly and smoothly.

#### 2. Encouraging Enterprise

We will continue to work in partnership to transform enterprise education so that starting, running and growing a business is a compelling option for any young person from any background. We will translate this into improved start up performance by inspiring young people to look beyond self-employment, convincing them that they can turn their good ideas into innovative products and grow successful businesses.

We will invest in an Enterprise Gateway which all business can use to access all aspects of business support, including business-facing Council services such as licensing, health and safety and planning, signposting to nationally available provision and to local business advisors, mentoring support, access to accountants, lawyers and other professional and technical experts.

We will deliver a package of support to individuals looking to start a business including access to group coaching workshops, support with research and business information, events on key business topics, drop-in sessions with advisors and business experts and mentoring support.

#### 3. Sheffield Business Growth Programme

We will work with 1,000 SMEs with the potential to achieve sustainable growth by 2015 to build their capacity and capability to take advantage of future growth opportunities.

The programme will provide SMEs with experienced business account managers who will work with businesses to understand their ambitions, pressures, and the barriers they might be facing. It will draw in support from business mentors, and coordinate access to accountants, lawyers and other professional and technical experts, to provide support in finance, international trade, product development, innovation, leadership and management, human resources and skills.

#### 4. Develop an open – innovation culture

We will develop with the SCR LEP and key partners an 'open innovation' model to drive innovative capacity in our SMEs. This simply means innovating in partnership, involving and co-operating with people outside of the business – such as suppliers, customers, end users, universities, to co-develop and implement ideas. This model can work well for SMEs as it is not dependant on scale or large investments. Our approach will be to work with the LEP to establish a 'collaborative community' for our SMEs to access and use the developing open innovation model to foster a culture of continual improvement and invention in our business base.

#### 5. Digital Technologies for business growth

Digital technologies can be a powerful growth tool for any business, providing access to new markets, new customers and improving the efficiency of the business. In 2013 we will help 100 SMEs to utilise digital technologies to transform their business by investing in support that helps businesses identify and implement the optimal IT solutions for their businesses, delivering bottom line results.

From 2014 we will seek to secure further investment to support the application of digital technologies in SMEs through the new European funding programme.

## Key Actions 2015

## 6. Strengthening leadership and management skills

We will work proactively to encourage businesses to recognise leadership and management training as a critical tool in improving business performance, productivity and growth. We will make good use of the assets within our universities, particularly the city's business schools, and the newly developed Sheffield City Region Leadership Programme. In addition we will identify new ways to help SMEs improve their leadership and management capacity, and explore how networking and mentoring from high performing companies can support other local businesses with growth ambitions.

## 7. Coping with the next generation of leading businesses

In 2013 we will develop and launch a two year programme to support and champion the next generation of leading businesses in Sheffield. It will work with 25 of our highest potential businesses aspiring to rapid and sustainable growth in turnover and jobs. These companies are driven by the entrepreneurs behind them, and as a city we want to invest in these leading businesses to support and accelerate their success and secure their long term commitment to Sheffield. We will develop this initiative with business and will aim to provide bespoke interventions including top level mentoring, access to funding opportunities, international master classes and innovation and collaboration focused networking.

## 8. International trade

A new international trade strategy will be developed in 2013 to refocus our international relationships at city level to deliver economic benefit. Our aims will be to help more businesses to start trading internationally and to encourage those businesses who do export to look to expanding markets for new business opportunities. We will build on our current relationships within Europe and China, and explore new trade opportunities which support the growth of our distinctive and high performing sectors and where that businesses tell us are important to them.

We will create an International Trade Partnership to focus on increasing the number of exporters across Sheffield and the wider city region. comprising of Sheffield Chamber of Commerce, UK Trade and Industry, HMRC, Creative Sheffield and South Yorkshire International Trade Forum to deliver a stronger, cohesive and complementary offer to businesses. Working in this way will enable us to deliver a powerful combination of support; from events and awareness raising, advice and training, trade delegations and grant funding.

2013 will also see a new export pilot to deliver bespoke export support to 30 businesses. If successful we will seek to expand and integrate this into a wider offer for export support.

## 9. Access to finance

We will work to ensure that a range of finance options are available for businesses with start up or investment plans, working with banks and local intermediaries, Finance Yorkshire, South Yorkshire Investment Fund and Yorkshire Association of Business Angels.

Sheffield City Council has supported the SCR LEP to secure £25million in RGF funding and identify over 150 businesses with investment projects. In 2013 we will work with these businesses on their investment propositions and will invest the full £25million in the Sheffield City Region economy to boost jobs and growth locally. We will also secure further funding from Regional Growth Fund round 4 to ensure we can support the full range of businesses coming forward with investment propositions.

In 2013 we will develop and launch an innovative Micro Business Loan Fund of up to half a million pounds, aimed at providing flexible finance to Sheffield's micro businesses looking for between £10,000 - £20,000 in growth finance.

We will seek to deliver over 100 start-up loans for young people through a Government Pilot we have secured for Sheffield. Following this pilot we will pursue further finance to integrate this funding as a longer term start up finance option in the city.

## 10. Green efficient businesses

We want to support Sheffield businesses to manage their energy and waste so that they have the lowest cost, streamlined operations possible and stay ahead of regulators. We want Sheffield businesses to be resilient to increasing energy and raw materials costs and be as productive and efficient as possible.

Through our Enterprise Gateway we will signpost businesses to key initiatives and resources such as WRAP, a Government funded scheme providing information on waste reduction and CO2 Sense, a not for profit organisation who work with businesses to cut energy, waste and other resources. We will also support and encourage businesses to access the Government's Green Deal initiative for businesses when available.

We will look for new opportunities, like the upcoming European programme, to enable us to develop a more ambitious approach that will help hundreds of businesses to develop and execute a low carbon plan for their business, covering energy, water, waste, product design and procurement.

## 11. Attracting businesses to locate and grow

In partnership with the Local Enterprise Partnership (LEP), Sheffield is investing in an inward investment team to proactively target inward investment in high value sectors important in the city region. This proactive resource is tasked with lead generation and works with investment teams in local authority areas to ensure that these leads and enquiries are converted into new businesses and jobs for the Sheffield City Region.

We will also continue to promote Sheffield and identify investment opportunities through our well developed networks of intermediaries such as location consultants, property agents, lawyers, accountants and professional service providers.

We will work with the SCR LEP to maximise the inward investment potential of the Modern Manufacturing and Technology Enterprise Zone to deliver a step change in the number of businesses moving into the city. This is a major initiative with significant benefits for manufacturing and technology based business, including capital allowance for investment in plant and machinery or business rate relief.





## 5.3 A Skilled and Productive Workforce

# Strategic Approach

### Economic Objective

**A skilled and productive workforce that sets Sheffield apart from other cities, underpinned by a business-focused skills system that provides the skills that the economy needs to grow.**

### The challenge

The strengthening of Sheffield's economy and its increasing diversification into knowledge industries is driven and supported by improving skills levels. Knowledge sectors create demand for higher level skills and 'knowledge occupations' such as managers and professionals and technical occupations. An impressive 43.2% of workers in Sheffield are classed as 'knowledge workers'. Furthermore, Sheffield's skills profile has improved significantly since 2005 and compares well with the national average and other core cities.

Our challenge is to turn this good performance into our differentiator, improving the skills and productivity of our workforce and stimulating our employers to invest more in workforce training until we are among the best in the world.

Meeting the skills challenge means continuing the drive to improve the learning outcomes of those leaving school and college, where we still under-perform in comparison with statistical neighbours. In so doing we will ensure that our young people have the opportunity to secure well paid jobs and businesses have the opportunity to benefit from a new generation entering employment with the skills, aptitude and job-readiness that employers need for success.

We cannot stop there: 70% of the city's 2020 workforce is already of working age and, as the average skills levels required in all types of employment continues to rise, the need to focus on adult training will be at least as important as the focus on the educational achievement of our young people.

With public funding for training set to fall by a quarter over the lifetime of the Coalition, the expectation of government is that employers must contribute much more to the costs of workforce development. For them to do so, businesses will need to be confident that they will be investing in high quality training tailored to meet business need. In preparation for this, Sheffield needs more employers to be persuaded of the value of investing in more apprenticeships and more workforce training, but it also requires the city's training provider network to continue to improve its offer of responsive and flexible training that meets the highest standards.

Analysis also shows that although Sheffield, by national comparison, has a well skilled workforce, the private sector does not always benefit from this to the extent that will be required if the economy is to be rebalanced. Sheffield benefits from two highly reputable universities that together produce approximately 20,000 graduates annually in a wide range of disciplines. However, too few of these graduates are employed in the city's SME's (only 18%). We need to better connect two of the city's greatest economic assets, our businesses and our highly skilled people, to ensure that our improving skills profile is exploited to full effect in our economy.

Our approach focuses on:

- Improving educational attainment
- Up-skilling the current workforce
- Cultivating and utilising high level skills
- Developing a business focused skills system

### Strategic Approach

Skills are a vital component of delivering the city's economic vision and are an essential building block for growth, driving both productivity and participation. We want the talent in our workforce to be our differentiator, so we need to continue to produce, attract, retain and utilise skilled people in our economy.

Our approach focuses on:

- Improving educational attainment
- Up-skilling the current workforce
- Cultivating and utilising high level skills
- Developing a business focused skills system

### Improving educational attainment

Education, skills and the economy are inextricably linked. Just as many of Sheffield's current workforce was educated in the city, those young people in Sheffield's schools, colleges and universities today will form the basis of its future workforce. To ensure that this prospective workforce is capable of meeting the rising skills levels required by the economy, we need to improve educational attainment in Sheffield more rapidly.

To achieve this we will ensure that the education system is producing young people with the knowledge, skills and work readiness that the economy requires and which our employers value. To do this we will work both with our schools, academies and colleges and the city's employers to strengthen education –business links and in so doing to shape a curriculum that delivers the essential skills for work that new entrants to the labour market will need. By working together, we want our teachers and our employers to design and deliver a curriculum from primary, through secondary and into tertiary education that continues to improve teaching and learning, that delivers better outcomes for our students and which properly prepares our young people for working life.

### Up-skilling the current workforce

It is essential that businesses have a sufficient supply of employees equipped with the technician-level skills that we know will be needed to facilitate growth. This will mean more employers taking on apprentices, others focusing on up-skilling the existing workforce and many doing both. We need to support employers to replace talent as people retire and to maximise the skills and knowledge of the older workforce as people work longer by providing re-skilling opportunities and flexible working arrangements. We believe this is best achieved by giving employers real choice and purchasing power within the skills system. To this end the city, its Region and the Local Enterprise Partnership that represents it, made a proposal to Government that resulted in the City Deal for skills. This deal means that Sheffield City Region is the only part of the country to date where mainstream skills funding has been transferred from central government to the LEP so that employers can properly drive our strategy for skills, recruit more apprentices and invest more in adult training.

In support of this, employers will be able to call upon skills brokers who will help them navigate the complexities of the skills system, reduce the burden of bureaucracy and help them to choose the provider and the training package that is right for them.

## We need to harness the city's skills to transform Sheffield's long term competitiveness and secure economic growth

## 5.3 A Skilled and Productive Workforce

### Cultivating and utilising high level skills

The city's two universities - The University of Sheffield and Sheffield Hallam University - are a source of competitive advantage for Sheffield city region's knowledge economy and are an integral part of the city's economic infrastructure.

They contribute to the growth and competitiveness of the city through the creation and transfer of knowledge - producing world class research that attracts investment, leading edge scientific and technological development to drive innovation and quality graduates to bring fresh talent to the city's businesses.

The city needs to continue to harness the economic power that connecting these assets into businesses can bring to the economy. Over the last few years Sheffield's universities have worked well with the city to help define, develop and deliver the mechanisms needed to cultivate University - Business collaboration. However, we now need to scale up our joint projects and attain to more and better collaboration.

We will develop city wide collaborative programmes, building on successes like Innovation Futures to better connect businesses with the innovation and knowledge within our universities. We will also seek to improve graduate utilisation within the local business base, particular SMEs where graduate employment is low (only 18%).

### Developing a business focused skills system

The education and skills system is an integral part of the city's infrastructure and involves a complex matrix of schools, academies, colleges, training providers and public agencies. Learner choice is important if young people are to maintain their motivation and aspiration and if adults are to continue to value and see the relevance of lifelong learning but this needs to be better balanced by learning provision that also meets the needs of the economy. Without this balance, skills gaps and shortages can occur impeding growth and blunting competitiveness.

To make sure the balance is redressed we need to:

- Establish a strategic partnership between the city's businesses and its education community so that provision is of the type, level and volumes needed in key sectors of the economy
- Simplify the skills system and make it more responsive so that businesses, particularly SMEs, get training of the type, in the place and at the time that they need it.



### A Skilled and Productive Workforce - Key Actions to 2015

#### 1. Extend the *Made in Sheffield* curriculum

The *Made in Sheffield* initiative brings teachers and businesses in key sectors together to co-design a curriculum for the primary and secondary phases, as well as Further Education, that can reshape learning, drive up attainment and equip young people with broad range of knowledge, skills and attitudes that they will need for life and work in the twenty-first century. The programme equips children and young people with the numeracy, literacy, employability and transferable skills that employers tell us they need.

The programme had its origins in a partnership of the Cutlers Company, schools, academies and the City Council established to strengthen the teaching of science, technology, engineering and maths. It does this through cross-curricular, project-based learning focused on real world problems set by local businesses, led by talented 'young ambassadors', supported by business mentors and endorsed in a skills passport where every participating learner records those experiences, achievements and skills that employers value. Subsequently, this curriculum model has been embraced enthusiastically by the Sheffield Teaching Hospitals Trust and another set of schools that are now working in the wide range of sectors that support the health service.

Our aim is to extend this curriculum development and these new ways of learning to encompass other key sectors of the economy and even more schools with a view to harnessing the talent of our strongest teachers, the opportunities of work-related learning and the experience of the strong role models from the city's businesses to create a distinctive Sheffield learning system better able to develop the talented and well-qualified workforce of the future.

#### 2. Introduce University Technical College education

The city's new University Technical College (UTC), opening in September 2013, adds to the range of choice available to 14-19 year olds by offering those with aspiration to pursue careers in manufacturing or the creative and digital industries with an opportunity to pair a rigorous academic curriculum with technical training in two of the city's most distinctive and high performing sectors.

Sponsored by the Sheffield College and supported by Sheffield Hallam University, the Chamber of Commerce and the City Council, this new learning institution will take an innovative approach to learning with industry standard equipment and a work environment and opening hours that reflect the adult working day. The city's employers have regularly called for the learning system to better prepare young people for working life in the new economy.

The introduction of the UTC approach, along with that of the schools forging the *Made in Sheffield* curriculum, represent two important elements in the city's response to this challenge and ones that will be extended in future years. These initiatives are helping to create the foundations on which the city is striving to build both a learning system where students, parents, carers and employers can expect to benefit from educational excellence and a distinctive curriculum that combines academic rigour and the broader skills set that our employers tell us they value.

#### 3. Careers Guidance

The city already has ambitious plans to ensure that young people and the adults who influence their choices have access to thorough and independent on-line labour market information. Every school and academy has been supplied with U-xplore - an on-line tool designed to help teenagers and their teachers to learn about different jobs and learning pathways and then to make the right career choices. Our ambition will be to work with the education community and employers from key sectors in the local economy to ensure that these promising developments are fashioned into a single, attractive and effective programme that allows young people to make the right choices and to benefit from the opportunities in growth sectors of the local.



## 4. Launch the Advanced Manufacturing Research Centre (AMRC-TC)

The AMRC Training Centre will provide advanced apprenticeship and higher-level skills for high-value manufacturing. It will be based in a new 5,500 sq m building on a site next to the Advanced Manufacturing Park and will open in autumn 2013.

The Training Centre will provide the practical and academic skills that manufacturing companies need to compete globally, from apprenticeship through to doctorate and MBA level, plus continuing professional development.

The partnership will be

closely connected to the LEP, the provider network and key agencies including the Education Funding Agency, the Skills Funding Agency, Jobcentre Plus and the National Apprenticeship Service. The partnership will work with and through them to develop a long term action plan for employment and skills that supports LEP priorities for growth, reshapes the education and training system and seeks to ensure that all of the city's residents have the opportunity to benefit from the good quality jobs and sustainable employment that is the aspiration of the city and its region.

The vision for RISE is that:

- Sheffield businesses value and employ graduate talent to support future growth
- Employing a graduate becomes the norm not the exception
- Our universities are leaders in producing the most employable, enterprising and work-ready graduates



The Centre will link with both Sheffield universities for higher-level education and with the new ITC, providing a full progression in engineering training for the first time in the region.

## 5. Establish the SCR Skills and Employment Partnership

We will create new a partnership in the city, where skills providers and businesses can work together to build high quality, business responsive training programmes. This new partnership will seek to shape the local learning and skills system such that it better prepares young people for the jobs of the future, gives businesses the confidence to invest more in workforce training and supports those facing barriers to work with the training and pathways to sustainable employment that they need.

## 6. RISE - Improving graduate utilisation in our SMEs

RISE is an ambitious new project that celebrates the talented, energetic and driven individuals behind Sheffield's SMEs and seeks to connect them with new talent – the city's highly skilled graduates.

RISE is a citywide project, co-created by Sheffield City Council, Sheffield Hallam University and University of Sheffield, with support from the private sector and key stakeholder organisations such as Graduates Yorkshire. It is supported by a four year framework between city partners, which is designed to embed new collaborative approaches to support business growth through the development and utilisation of graduate talent in the city's business base.

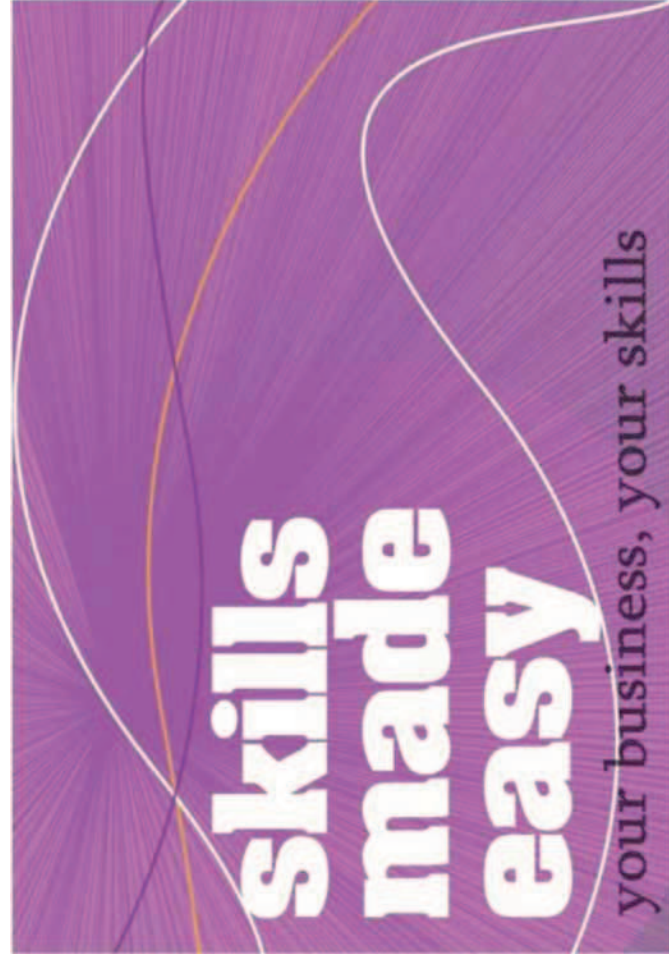
## 7. University & Business Collaboration

We will develop city wide collaborative programmes, building on our current successes to better connect businesses with the innovation and knowledge within our universities. In partnership with the SCR LEP we will identify new opportunities to scale up our joint working and successful projects, as well as developing new initiatives. We will look to take advantage of the European programme as an opportunity to deliver programmes of scale across the city region.

## 8. Develop Skills Made Easy

Skills Made Easy is a £28 million programme designed to test the proposition that the city and its region will be better able to create a more responsive skills system if purchasing power, and therefore choice, is placed firmly in the hands of employers, particularly those small and medium size companies that make up the majority of our businesses. Skills Made Easy will operate through a range of brokers tasked with working with companies to ensure that they get the type of high quality, timely training they need with maximum choice and the minimum of bureaucracy.

Over three years, the programme seeks to work with employers to create 4,000 additional apprenticeships and 2,000 opportunities for the adult workforce to further develop the skills that their employers need. When proof of concept is established the intention will be to seek a more extensive devolution of the skills system with more choice and decision making placed in the hands of local employers under the auspices of the LEP.



## 5.4 Future Proof Infrastructure

### Economic Objective:

**Future proof infrastructure that delivers critical connectivity, development and sustainability to support economic growth.**

### The challenge

The quality of Sheffield's infrastructure has a direct impact on the city and wider city region's economic growth potential by creating routes to market and employment, ensuring businesses and people have affordable, sustainable utilities, enhancing the environment, quality of life and place and encouraging new investment across the SCR economy.

Over the past 5 years the financial challenge and associated austerity has restrained the normal financial mechanism to support medium and large-scale infrastructure projects. However, a pause in this type of investment now could put future economic growth and the city's overall competitiveness at risk.

Our challenge is to continue to drive priority infrastructure and development projects forward, working together to understand and prioritise existing and future infrastructure needs, co-ordinate activities to make the most of new funding mechanisms (NDD, Jessica, SCRIF) and ensure that projects provide return on investment.

### Strategic Approach

The City's Local Plan<sup>5</sup> (previously called the Local Development Framework), outlines these key challenges and provides the spatial narrative that will shape the city's continuing evolution over the period to 2020 and beyond. It highlights two themes that will be at the heart of the city's infrastructure investment; transformation and sustainability. These are integral to delivering the economic vision set out in this strategy.

We will lead on an Infrastructure Development Plan to transform the city's transport networks, utilities, housing, buildings, land and digital infrastructure to create the conditions for development.

Our approach will focus on:

- Delivering a fit for purpose 21st century city centre
- Unlocking the investment potential of the Sheffield Rotherham Don Valley
- Ensuring that Sheffield is well-connected
- Building a sustainable, low carbon city
- Facilitating development - housing, employment sites and premises

### Delivering a fit for purpose 21st century city centre

Sheffield's city centre is vital to the future success of the city region, providing high quality retail, a strong cultural offer, a centre for knowledge based, professional services, creative and digital industries and an effective transport interchange.

Over the past 15 years Sheffield has pursued a consistent set of masterplans to bring quality, vitality and new investment to the city centre, which has created new confidence and a strong identity. The Heart of the City, Digital Campus and the impressive new public spaces have collectively helped to put the city centre on track, however the task is not yet complete.

The recent recession has fundamentally changed financial markets, putting a sharp halt to the speculative development that has supported the city centre pre recession.

Reflecting this change, we will refresh our City Centre Masterplan, retaining the spatial principles identified in 2008 (shown below) but reassessing the pace, prioritisation and delivery approach around the following themes;

- Retail – Securing the New Retail Quarter remains the highest priority, to expand the scale and quality of our mainstream retail offer as well as providing mixed-use space to grow a new generation of independent retailers and support other creative activities.

- Grade A offices - We need to bring forward the delivery of the Central Business District to support the expansion of knowledge and business services in the city. There is currently no Grade A space available in the Central Business District. We will also enhance provision in the Riverside Business District as well as key sites around Sheffield station.

- Castlegate – We will create a vision for the transformation of the Castlegate quarter and attractions.

- City centre living - We will look to widen the type of housing available around the city centre, to encourage new city centre neighbourhoods.
- Transport – We need to improve the attractiveness of public transport to further encourage modal shift to public transport, walking and cycling.
- Cultural offer - The Surrey Street building containing the Central Library, Library Theatre and the Graves Gallery is the next priority for cultural capital investment, alongside the refresh of the Cultural Industries Quarter. We need to support the visitor economy, by providing events and animation, entertainment, retail choice and accommodation. We will strengthen the 'Steel Route' from The Moor to Victoria Quays and Wicker to better connect our cultural assets and city centre offer.

**Fig.8 City Centre Masterplan**



<sup>5</sup> <https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/sdf.html>



## 5.4 Future Proof Infrastructure

### Unlocking the investment potential of the Sheffield Rotherham Don Valley

The Sheffield-Rotherham Don Valley remains the home of world class engineering companies and the Advanced Manufacturing Park. It is a large employment area and has a significant number of sites for investment as well as a growing number of sports, retail (Meadowhall) and cultural assets. The future economic success of the area will provide an economic engine of growth for the whole of the Sheffield City Region. However, in the past 10 years momentum has slowed and development is now severely constrained by the lack of appropriate infrastructure in areas such as transport, flood management, energy and green space.

In order to unlock the investment potential within the Sheffield-Rotherham Don Valley (SRDV), a partnership between Sheffield and Rotherham local authorities and the SCR LEP is developing a new SRDV masterplan, which will take an integrated approach to regeneration and priority setting.

We will focus on improving capacity on the highway network in the S-RDV by developing additional routes to re-direct local traffic away from congested locations, as well as strengthening the range of travel and public transport options available. This will release the current constraints on development sites enabling them to be brought forward for new employment and residential uses.

The Sheffield-Rotherham Don Valley also forms a key part of the Sheffield City Region Enterprise Zone, identified as a Modern Manufacturing and Technology Growth Area. We will work with the LEP and relevant landowners to accelerate the development of key sites within the Enterprise Zone.

The SRDV will also see the city's first Business Improvement District (BID). Run in conjunction with Sheffield Chamber of Commerce, this will install and maintain flood defences along the valley.

### Ensuring that Sheffield is well-connected

Investment in transport and highways supports economic growth through the creation of commuter and business linkages between key places in an efficient and cost effective way. Connectivity essentially allows the economy to function, enabling people to access employment and leisure opportunities and providing businesses with bigger markets for labour, supply chains and customers.

To future proof the city's infrastructure we will adopt a complementary strategy that improves both inter-city connections and intra-city (and city region) linkages in a sustainable way.

We will improve inter-city connections with other cities and key transport exchanges like motorways, rail stations, airports and ports to remain competitive internationally as a place to do business. However this must be coupled with strong and efficient intra-city (and city region) linkages that ensure places within the city region are well connected, particularly key business and employment areas like the city centre and the Sheffield Rotherham Don Valley.

Ensuring that the city's infrastructure is sustainable is an integral part of the city's transport strategy. We will encourage a much greater proportion of travel via walking, cycling and public transport, to reduce carbon emissions and air pollution, release road space and provide for those without access to a car.

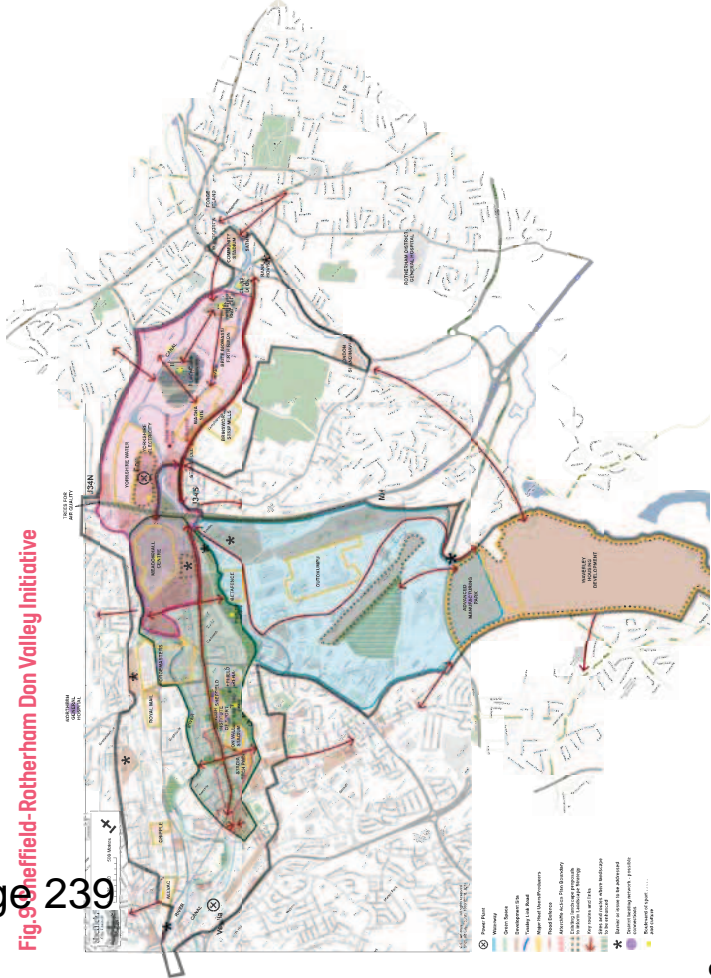
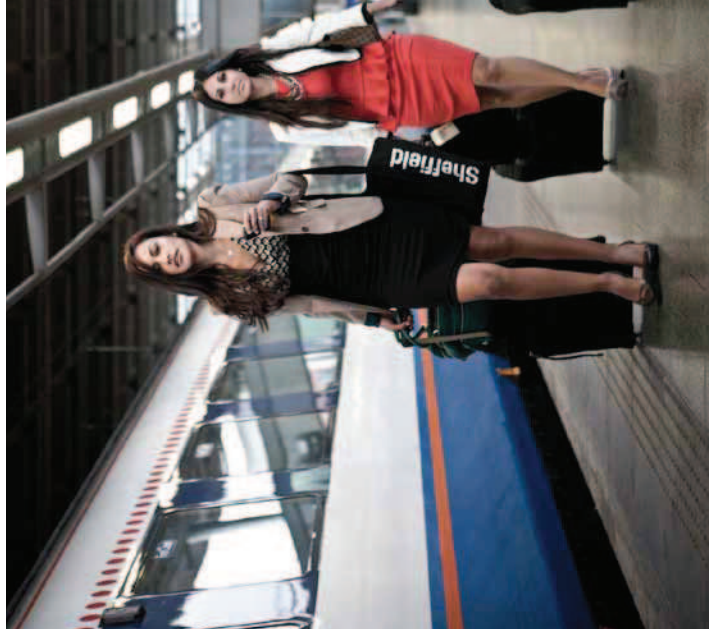


Fig.9: Sheffield-Rotherham Don Valley Initiative

## Strategic Approach

To deliver these improvements the Sheffield City Deal saw SCR successfully negotiate with Government to devolve major scheme transport funding to SCR level. This will guarantee 10 years of transport funding, enabling longer-term planning and allowing more flexibility in how the money is used. This arrangement forms the basis of the Sheffield City Region Investment Fund (SCRIF) and allows SCR local authorities with the SYPTE and private sector led LEP to develop a single infrastructure fund to take forward critical infrastructure interventions linked to SCR economic priorities.

Over the long term, Sheffield has been named as a station location for the preferred route on High Speed 2 network, illustrating the importance of Sheffield as a key northern city, alongside Leeds and Manchester. HS2 will reduce journey times from Sheffield to London to 75 minutes and provide faster rail journeys to other city centres in the UK, for example, 25 minutes to Leeds. This opens up access to wider markets and support growth of businesses across Sheffield City Region as well as creating regeneration and job opportunities.



## 5.4 Future Proof Infrastructure

### Building a sustainable, low carbon city

We will ensure that Sheffield's growth is sustainable by investing in the city's energy supply, water, waste, telecommunications and flood management systems to ensure they are resilient to the impacts of climate change and provide low carbon solutions and local energy generation. Improving and strengthening the city's supporting infrastructure in this way will deliver a stronger, more sustainable and balanced local economy.

Sheffield City Council's Climate Change Adaptation Strategy will set out a framework to ensure that Sheffield is more resilient to the impacts of climate change, both in the present and the future. In the last ten years Sheffield has experienced major flooding events, heat waves, strong winds and snow and ice events, all of which caused disruption to the city and brought with them an economic cost. At the same time, climate change can bring opportunities and if Sheffield is on the forefront of managing the risks associated with climate change, this will prove attractive to inward investment. The Council will work with Sheffield's businesses and organisations to help businesses identify and respond to the risks and opportunities presented by climate change and extreme weather, particularly flooding, over-heating and drought.

### Facilitating development - housing, employment sites and premises

Enhancing Sheffield's quality of life offer, so that it remains attractive to businesses and people as a location of choice, means ensuring that we have the right mix of development sites, business premises, green spaces and quality and stock of housing.

Sheffield has a portfolio of fit-for-purpose sites and premises that provide opportunities for businesses to expand and grow. This includes small scale 'incubator' provision for new businesses to large scale developments sites, many of them in and around the new Sheffield City Region Enterprise Zone. Vacancy rates and relatively low costs suggest that there is not a general lack of commercial property in the city<sup>6</sup>. However, some small and medium sized firms report difficulties in finding the right workspace. We are currently reviewing the stock and quality of the city's managed workspace to ensure we have a pipeline of quality, affordable space for young or start up businesses.

The Local Plan identifies the Upper Don Valley (UDV) as a key employment area. We will look to facilitate development in the UDV by pursuing investment to improve access and infrastructure to open up dormant sites for commercial use. Parkwood springs offers a future opportunity for mixed use development, providing recreational, residential and commercial use.

In terms of housing provision, our short-term priorities will be stimulating housing development and ensuring the quality, affordability and suitability of the city's housing stock. We have a major opportunity through the new Local Housing Company that will build 2,300 homes over 15 years as well as providing long-term business opportunities and additional jobs. The city's new housing strategy<sup>7</sup> also highlights the need to help younger, older and vulnerable people to live independently through the type and location of housing we build and the quality of our neighbourhoods. We want to ensure that people live in attractive neighbourhoods that are safe, clean and sustainable, and have well-managed and maintained green spaces.

## Investing in the city's infrastructure will deliver stronger, more sustainable growth

## Key Actions 2015

### Future proof infrastructure - Key Actions 2015

#### 1. Sheffield's Local Plan

Sheffield's Local Plan plays a key role in allocating employment sites and identifying the infrastructure needed to support growth. It is made up of two parts; the Core Strategy which provides the spatial strategy for Sheffield, and the City Policies and sites document which sets out specific sites for particular land uses and details policies about landuse, design, environment and transport. These documents will be submitted to Government by September 2013 for public examination and adoption in 2014.

#### 2. City Centre Masterplan

We will develop, consult on and launch a new city centre masterplan in 2013 which will identify the key actions city partners need to take in the short term to 2015 and beyond to 2020, to deliver our ambition for a fit for purpose 21st century city centre.

Our priorities to 2015 will include:

- New Retail Quarter (NRQ)
- We need to deliver a competitive retail offer, securing and delivering the NRQ. We have successfully secured new innovative tools to help drive forward this investment - the New Development Deal - which allows upfront investment in the City Centre's infrastructure to be repaid using the uplift in future business rates.
- Moor Markets - We will complete the Moor Market developments and see it open for trading in 2013.
- No.3 St Paul's Place - This is the final site of the Heart of the City project and delivers much needed grade A office supply for the city centre. The site is cleared for development and we will investigate the use of new funds like JESSICA, or the SCRIF in partnership with a developer to bring this investment forward in 2013.

#### 3. Sheffield - Rotherham Don Valley Masterplan

We will continue to work with partners to develop and launch the Sheffield-Rotherham Don Valley Masterplan in 2013. This will establish a framework for integrating, coordinating and prioritising future activity in order to remove obstacles to business growth and inward investment in the Sheffield-Rotherham Don Valley area. Priorities will include key transport infrastructure - namely Bus Rapid Transit schemes in the North and South on the Don Valley, accelerating development at Sheffield Business Park and Outokumpu Enterprise Zone sites and developing Attercliffe as a 'growth zone' through housing market renewal. In conjunction with Sheffield Chamber of Commerce we will run the city's first Business Improvement District (BID) to install and maintain flood defenses along the valley.



<sup>6</sup> Advancing Ambitions: Creating a sustainable economic future for Sheffield, Centre for Cities, 2011  
<sup>7</sup> The housing strategy was approved by Cabinet on 15 Feb and can be downloaded from the following hyperlink: <http://meetings.sheffield.gov.uk/council-meetings/cabinet/agendas-2013/agenda-13th-february-2013>



## 4. Protecting business through effective city wide flood management

A partnership between Sheffield City Council, Rotherham MBC, SCR LEP, the Environment Agency, DEFRA, Yorkshire Water, Sheffield Chamber and key businesses will work together to secure funding for and deliver comprehensive flood defences across the city's key economic areas - through the Sheaf and Porter Valleys in the city centre, and through the Sheffield-Rotherham Don Valley (including the Upper Don Valley).

This will give existing companies confidence to grow and expand and give potential investors the confidence to come to base themselves in the area instead of in other locations. Protection from flooding gives the local economy a strong and secure foundation.

## 5. Digital Region

Ensuring that our businesses and household have access to high quality and high speed internet access is critical in today's e-economy. The Digital Region project has delivered superfast broadband connectivity to 80% of South Yorkshire. To 2015 we will seek to further this infrastructure connecting more homes and businesses into the network. This high level of coverage also makes Sheffield an ideal test-bed for new models of delivering services such as tele-medicine and e-government.

## 6. Local energy generation and distribution networks

We will develop plans and identify key funding to extend the existing city centre district heating network and develop new heat networks in the Sheffield - Rotherham Don Valley (including the Upper Don Valley) to create one of the largest combined heat and power networks in Europe. This will provide sustainable, low carbon, reduced cost energy for Sheffield businesses.

## 7. Green Deal

Government have launched the Green Deal, which enables people to make energy-saving improvements to their homes (the business scheme will come later in 2013) without having to pay all the costs up front. Households can make real energy saving improvements including insulation, eg loft or cavity wall insulation, heating, draught-proofing, double glazing and renewable energy technologies, eg solar panels or wind turbines. Once the improvements are made, it is paid off via instalments through energy billing.

We will ensure that Sheffield residents have information and access to the Green Deal, and support Sheffield companies to become Green Deal assessor and providers, and form part of the local supply chain to ensure that the city maximises the local benefits of the scheme.

## 8. Maximising the economic benefits of HS2

Government has announced that Sheffield is on the HS2 preferred network, securing future economic benefits and competitiveness for Sheffield over the long term, connecting us to Europe as well as London is a much faster, efficient way. It is important to the future success of the economy that we do all we can now to secure maximum economic benefits from this future investment. We will ensure that the high speed rail station is located where it has the maximum growth potential for the Sheffield City Region economy, that connectivity to the station into the wider Sheffield City Region is prioritised as part of our future investment plans; and that Sheffield's business, professional and financial service sector can take advantage of the business benefits HS2 can deliver.

## 9. Streets Ahead

Sheffield City Council has invested in what is the largest highways Private Finance Initiative (PFI) programme in the UK, in a £2bn deal with private sector contractor Amey, who will bring Sheffield's highways network up to a significantly high standard within the first five years and then maintain that standard for the remaining 20 years. The Streets Ahead PFI will see the condition of Sheffield's roads move to the top of the league tables, helping to transform the look and feel of the city.

## 10. Fast, efficient and sustainable public transport

Partners across the Sheffield City Region are working to realise a series of strategic integrated transport projects that deliver fast, efficient and sustainable public transport links for the SCR. These schemes are at different stages of funding / delivery cycle and we will work together to see the benefits if these schemes secured and delivered for the SCR. Major schemes include:

- Improved access and journey times between Sheffield and Doncaster-Sheffield Airport through the Farningley and Rossington Regeneration Route Scheme (FARRS).

## • Bus Rapid Transit (BRT) scheme

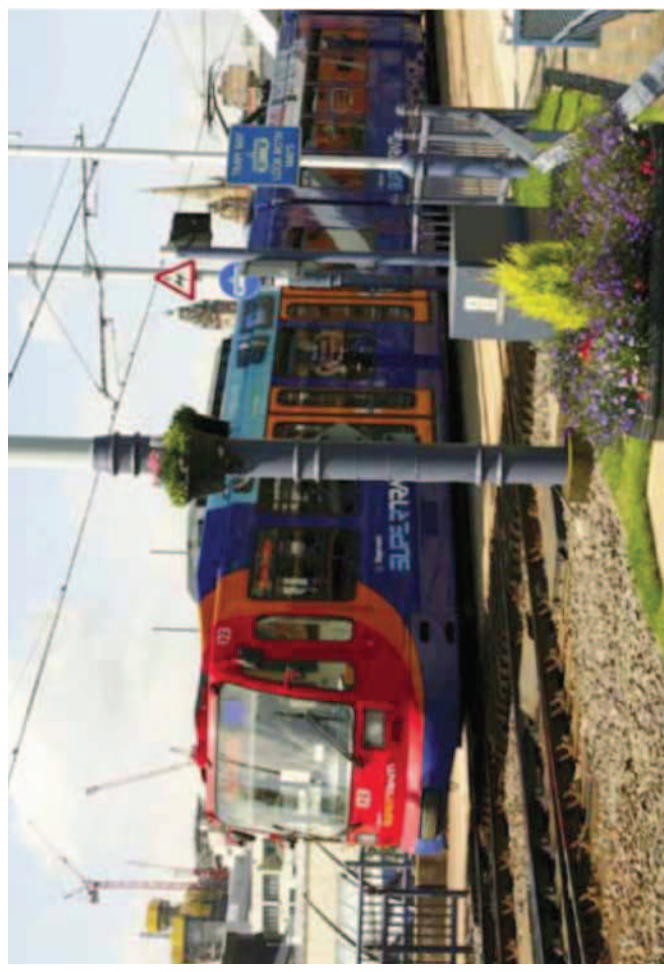
improving links between Sheffield and Rotherham and access to important regeneration and employment sites. The BRT North route will enable development opportunities that bring in over £200m of investment into the local economy.

- Investment in the completion of the 'Northern Hub' cluster of rail enhancements and capacity upgrades which will see faster journey times between Sheffield and Manchester as well as to Hull, Newcastle and the North East.

## • A revolutionary 'Tram Train'

on the rail and tram networks between Sheffield and Rotherham centres and a ground-breaking Sheffield Bus Agreement with bus operators that will see many passengers paying lower fares for journeys as well as a more flexible and convenient network supported by investment of £8 million from Government over the next five years.

- Electrification of the Midland Mainline from Sheffield through to London by 2019.



# 5.5 An Inclusive Economy

# The Challenge

## Economic Objective:

An inclusive economy that supports people to achieve their full potential and take part in the economic and social life of the city.

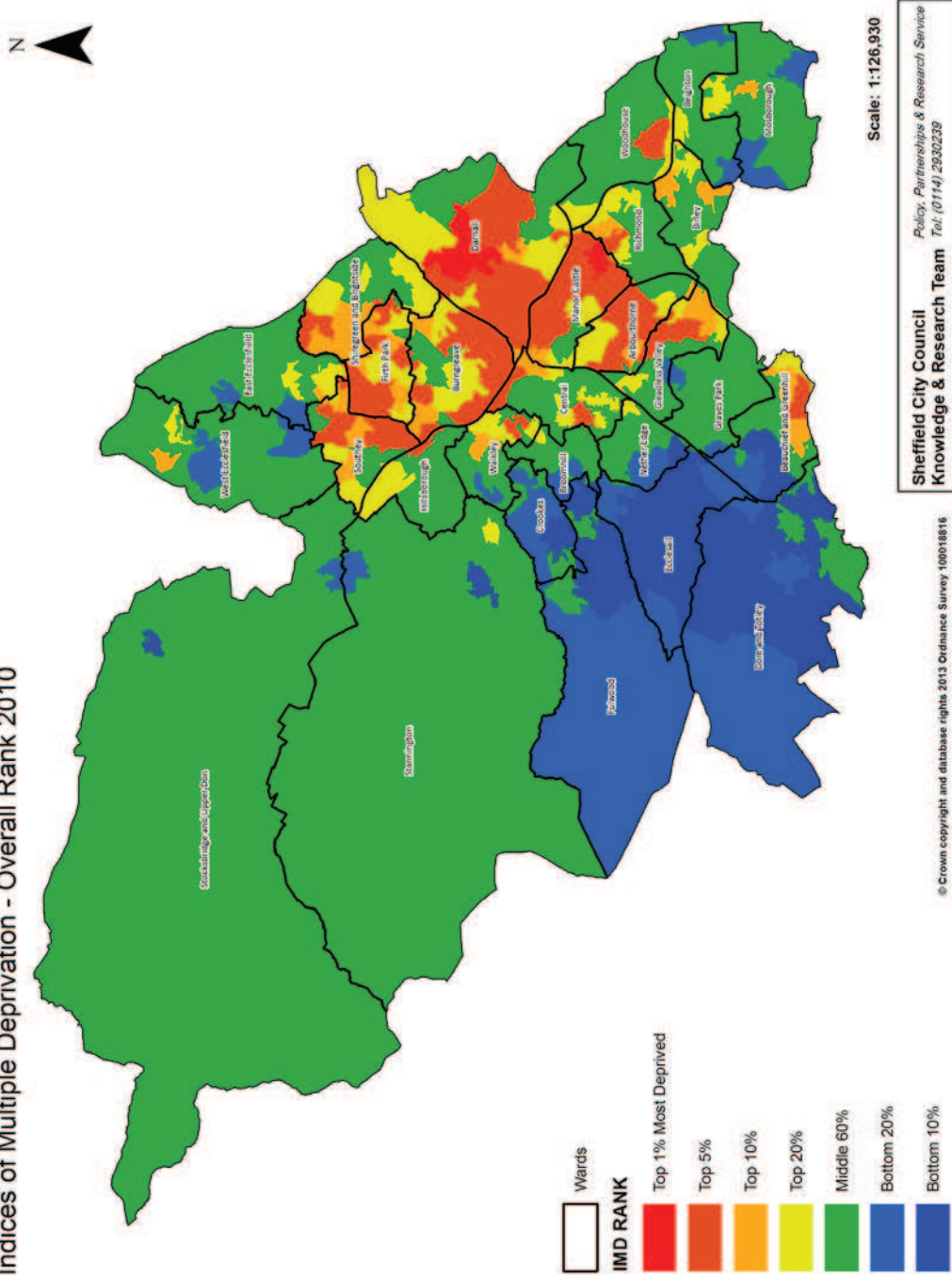
## The challenge

Overall deprivation levels in Sheffield compare favourably to other cities, with around 34% of Sheffield's population living in areas of high deprivation, compared to over 50% of the populations of Manchester, Liverpool, Birmingham and Nottingham. However, this still equates to almost one quarter of households – approximately 58,500 households - living in poverty. Furthermore, the gap between the richest and poorest across Sheffield has increased over the course of the recession. This perhaps reflects the large increases in unemployment which every city across the UK has experienced.

In Sheffield Job Seeker Allowance (JSA) claimants have increased from around 8,000 pre – recession to over 17,000 currently, with young people aged 16-24 being particularly affected. Although this is generally in line with the national trend and compares well to other cities, it represents a significant issue for the city, especially when coupled with the significant number of people who are long term unemployed.

Approximately 48,000 are claiming out of work benefits such as incapacity benefits / employment support allowance or lone parent income support. Current labour market conditions mean that many more of these 65,000 unemployed people may be out of work for longer periods or have to take lower income jobs, this can lead to long term increases in poverty and inequality, and so act as a potential break on future economic growth.

Indices of Multiple Deprivation - Overall Rank 2010



## 5.5 An Inclusive Economy

### Strategic Approach

The focus of this strategy is to create and support opportunities for economic growth in the short and medium term and to continue to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

To ensure the city's long term competitiveness we have to act now to mitigate against the impacts of the recession, to connect local people into economic growth and to close the gap between the richest and poorest in the city by supporting people out of poverty.

Our approach focuses on:

- Promoting fairness and equality
- Connecting people to training and jobs
- Tackling the root causes of poverty
- Building a resilient local economy

### Promoting fairness and equality

We know that there are groups of people who are more likely to be unemployed and in poverty, and have more barriers to overcome to enable them to reach their potential. For example, people with low skill levels, lone parents, individuals who have suffered from domestic abuse or substance misuse, people from ethnic minorities, migrants, ex-offenders, homeless individuals, people with physical disabilities or sensory impairments and those with learning disabilities or mental health conditions. These groups often have multiple and more complex needs, which without the targeted support they need can become excluded, unable to participate fully in the social and economic life of the city.

For these reasons, the city has established a Fairness Commission to consider the nature, extent and impact of major inequalities on the City of Sheffield, making recommendations for tackling them. The Commission has recently published its report<sup>8</sup>, detailing the evidence it has reviewed and its recommendations. We will support the Fairness Commission in its recommendations, as they will inform the long term measures that are required to reduce economic and environmental inequalities in Sheffield.

### Connecting people to training and jobs

Providing opportunities for unemployed and workless people to work, fundamentally demands more jobs, however jobs alone will not be enough. Individuals who have been out of the labour market for a significant amount of time will have complex barriers to work and often need support that equips them with the skills and confidence they need to reengage with the labour market.

Even when basic factors (CVs, careers advice, job search) are in place to support unemployed people into work, barriers to work like the lack of recent or relevant work experience, physical or mental health issues, low skill levels, the cost or lack of realistic travel and childcare options can significantly affect their chances of employment.

The city's employment strategy highlights these problems and identifies six priority areas for delivery. To deliver against these priorities we need to utilise our local partnerships working on this agenda, to stimulate more collaboration and action, and ensure that Government initiatives like the Work Programme or National Apprenticeship Service are working well for Sheffield people - and where they don't, we will propose new and innovative ways of securing the outcomes we need for the city.

### Tackling the root causes of poverty

Connecting people to work is one of the most powerful ways to increase people's incomes and life chances. However, poverty is not just about unemployment. It is also about education and skills, financial capability and health. We need to ensure that people's life chances are not determined by poor education, debt or ill health. We also need to equip people with skills for life, which build resilience, helping people to cope if their circumstances, income, health or family life change.

Evidence<sup>9</sup> has demonstrated the crucial importance of early years development and education attainment in improving child poverty and outcomes for children and young people, particularly those from disadvantaged backgrounds. In education terms, we know that by the age of 7 the life chances of children are beginning to diverge and they continue to widen as children progress through school and college. For the city's young people and the future success of the Sheffield economy, we need to make significant improvements in education.

National changes to the benefits system will impact on the financial position of individuals. Incremental changes to key benefits leading up to the introduction of Universal Credit will impact on people's ability to meet their rent liabilities, affect their choice of and access to affordable housing and could increase indebtedness amongst a cohort of residents who are already financially vulnerable.

## Strategic Approach

We want Sheffield to be a city that has successful places and sustainable communities with access to high quality housing, local services, shops, and jobs, as well as having excellent

parks, streets and other physical infrastructure. The decisions that are made on a range of issues in the city have the potential to affect spatial and community based inequalities and to help to connect people to work. For example, how neighbourhoods are planned and regenerated, the strength of the voluntary and community sector, the location of economic investment and initiatives to connect people to it will all have an impact on the local economy.

We will seek to deliver the right number of desirable homes in the right places to cater for people's needs, ensuring that there is a mix of housing that reflects the needs and aspirations of the local community. We want local communities to thrive, and will support local businesses in our communities and social enterprises as they are a key part of our fabric of city and an important source of jobs and wider economic benefit for the district and local centres around Sheffield.

We will work in partnership across Sheffield City Council, Jobcentre Plus and the local third sector advice network to provide timely benefits advice and support.

We will focus on removing the barriers which trap people in poverty, like financial exclusion, distress and debt as well as tackling the wider route cause of poverty, such as child poverty, early years development and educational attainment.

We will support the Fairness Commission recommendation that "the city continues to support and strengthen the provision of general and specialist advice across a number of themes including debt, housing, threats of violence, immigration, and benefits."

### Building a resilient local economy

To be a resilient and inclusive city, we need to go further than supporting individuals, and take responsibility for shaping the conditions and environment in the wider economy and in our communities to ensure that everyone in Sheffield can have a good quality of life. Communities with high concentrations of deprivation often have multiple and interconnected barriers that can make it more difficult for people to succeed in education and employment, and participate in the social and economic life of the city.

# To secure the city's long term competitiveness we need to ensure local people are connected into growth

<sup>8</sup> <http://www.sheffield.gov.uk/fairnesscommission>

<sup>9</sup> <http://webarchive.nationalarchives.gov.uk/20110120090128/http://povertyreview.independent.gov.uk/media/20254/poverty-report.pdf>



## An inclusive city - Key actions 2015

### 1. Deliver Sheffield's

#### Employment Strategy

The city's employment strategy, and the Employment and Skills Task Force set up to deliver it, will guide actions to address barriers to employment. It focuses on six priority areas for action:

- Improving employer involvement in developing initiatives to tackle worklessness and to dispel myths about recruiting people who are not in work.
- Harnessing economic development and business growth initiatives, connecting people to opportunities that arise from major developments, inward investments and large scale public sector contracts.
- Removing and managing health barriers to work<sup>10</sup>, tackling the main health conditions which are causing worklessness and sickness in Sheffield and preventing newly unemployed people becoming long term unemployed due to developing health conditions.
- Providing skills for work and progression through an integrated approach to employment and skills and tackling the low skills levels of many benefits claimants.
- Supporting vulnerable groups and workless families, improving their work opportunities and life chances and tackling labour market disadvantage.
- Increasing work and progression opportunities for young people, through creating more apprenticeship, training, work experience and job opportunities.

### 2. Improving financial capability

We will work to improve people's financial capability and ensure that everyone is able to access appropriate financial services (banking, affordable and responsible credit), and that there is citywide access to advice and debt services. We will work with organisations such as the Credit Union, Financial Inclusion South Yorkshire, Citizens Advice Bureau and other third sector organisations.

### 3. Early years development and educational attainment

We will support the recommendations outlined by the Fairness Commission to enable all Sheffield children to have a good early years experience.

The Fairness Commission recommendations are:

- Sheffield should prioritise proven Early Years interventions which support parenting and provide a high quality Early Years experience for all children.
- The city should provide access to affordable, high quality, culturally sensitive childcare from a range of providers in the maintained, community and private sectors which places the child at the heart of the service
- Sheffield should focus especially on understanding the causal factors and needs of the bottom 20% of children at Foundation stage and use this information to inform interventions to improve their attainment
- Sheffield should increase the focus on the communication and personal, social and emotional development skills of children and families.

### 4. The Living Wage

In response to the Fairness Commission recommendation, Sheffield City Council has implemented the Living Wage for all council employees in the city. The Living Wage (currently £7.45) represents an acceptable minimum standard of living, required to be able to pay for physical needs like food, heating and clothes, as well as to participate in a minimum level of social activity. The Fairness Commission's aspiration is that the public sector (including the employees of contractors) should look to do this as soon as possible and show substantial progress by 2015, with all employees in the whole of the city included by 2023.

### 5. Connecting local businesses to procurement opportunities

Public sector partners have been working together to improve access to public sector contracts; ensuring that our larger contracts have local subcontracting opportunities, encouraging consortia bids, simplifying our procurement process, running 'meet the buyer' summits and providing guidance on public sector tender processes. Whilst this is important work, with which we will continue, we want local businesses, particularly SMEs to have the procurement and tendering skills that allow them to win business across any sector and in any place – bringing business into Sheffield. As such we will identify and support 30 SMEs in a 'growth through procurement' project, which will increase tendering capacity, helping the businesses to increase their tendering activity and the amount of business they win.

### 6. Sheffield City Council's Employability Programme

Sheffield City Council invests over one million pounds annually through its employability programme which directly supports people who are out of work. It is commissioned in line with the city's employment strategy and focuses on providing support to those furthest away from the labour market and/ or those who have significant barriers to work. This complements other national programmes that will focus on those closer to the labour market. The employability programme is commissioned in a way which encourages local third sector organisations to bid for delivery, acknowledging their skills and links into the local community, which are an integral part of the success of the employability programme.

### 7. Sheffield 100 Apprenticeship programme

Sheffield's 100 apprenticeship programme is in its second year of delivery and by the end of 2013 will have supported 200 young people into apprenticeships in local businesses. The innovative programme focuses on young people who are not in education, employment and training (NEETS), supporting them through pre-apprenticeship training to secure the skills employers are looking for. The Council provides a wage subsidy of 50% to businesses who provide additional support to the apprentices whilst on placements. The 100 apprenticeship programme sits alongside national provision through the National Apprenticeship Service and the city's new apprentice hub – Skills Made Easy (pg 43).

### 8. Supporting social enterprise

Sheffield's third sector and social enterprises are an integral part of the city's economy and an important source of jobs and wider economic benefit. We want to encourage innovation within our social enterprises, enabling these key organisations to develop and build longer term, sustainable business models. In 2013 we will deliver a Social Enterprise Accelerator project, designed to work with 40 existing or start up social enterprises. The project will provide tailored growth support, working with social enterprises to put in place 3 year growth and investment plans. We will also provide enabling finance to help to implement innovation and new projects with the social enterprises.



<sup>10</sup> <http://www.sheffield.gov.uk/caresupport/contactus/health-wellbeing-board/joint-health-and-wellbeing-strategy.html>



## 5.6 A High Profile City Brand

### Economic Objective:

**A high profile city brand, showcasing the city's creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit.**

### The challenge

Sheffield is competing on a global scale to capture a bigger share of external markets, increase its level of investment and business relocations, attract and retain talented people, encourage business and leisure visitors to the city, and host major events, conferences and conventions. As one of the UK's major cities, we will enhance Sheffield's reputation, challenging out-dated perceptions of Sheffield and ensuring that the world understands of what the city has to offer the UK and international economy.

The development of the 'Sheffield' brand has played a vital role in doing exactly this in recent years. Its distinctive visual look and 'authentic and independent' values reflect the city's creative and inventive spirit and reputation for getting things done. We have developed and promoted the city's impressive cultural credentials, our theatres, museums, galleries, sport and music venues, creative workspaces, networks of artists and creative entrepreneurs and our major events programme.

These assets and activities have attracted millions of visitors to the city each year, feeding our growing Tourism, Leisure and Sport sector – which accounts for over 50,000 jobs across the SCR (over 16,000 Sheffield).

Our challenge is to take the Sheffield Brand, underpinned by the city's cultural assets and amazing events, and combine them cohesively to make Sheffield and the wider city region a high profile destination to do business, to visit, to live and work.

### Strategic Approach

We have always celebrated the culture, creativity and inventiveness at the heart of Sheffield, but in order to harness the economic potential of the city's reputation and culture sector we need to reposition it as a serious and sustainable source of economic growth.

City partners, with the wider city region need to work together to align marketing resources around a coherent brand platform and a clear set of 'sales' messages, as well as seeking out new opportunities and mechanisms, to deliver a step change in cultural development and investment.

This will ensure that the city has both the cultural content and the strategic mechanisms to deliver on its ambition.

Our approach focuses on:

- Maximising the impact of the Sheffield Brand
- Unlocking the economic value of culture
- Growing the city's Major Events programme
- Enhancing the city's reputation for doing business

## Strategic Approach

### Maximising the impact of the Sheffield Brand

The city's marketing strategy determines how and where we sell Sheffield, it is the main mechanism for telling the world about the type of city Sheffield is and aspires to be.

A priority in the 2008 Economic Masterplan was to develop a coherent brand identity for the city. Marketing Sheffield led this activity on behalf of the city and we now have a strong 'Sheffield' brand that is distinctive, and underpinned by values that reflect the city's character - 'authentic' and independent.

Under the Sheffield brand, we have identified Trade, Talent and Tourism as the main audiences for the way we sell the city:

- **Trade** – To establish Sheffield as a leading UK business destination, enhancing the city's reputation in our distinctive and high performing sectors and as a location for inward investment.
- **Talent** – To raise Sheffield's profile as a city of talent, drawing in talented individuals and entrepreneurs by showcasing the diverse, inventive and energetic nature of the city and its businesses.
- **Tourism** – To build on our strong cultural, sporting and events offer and our distinctive urban-rural location to attract more UK and international visitors into Sheffield to boost the city's visitor economy.

This has provided a solid framework for establishing the brand. We will need to go further and use it to build a coherent and co-ordinated approach across city partners to establish a strong, memorable and consistent story about Sheffield and the wider city region.

We need to come together to identify the key messages, 'attack' brands, products/assets and events which we can promote under each of these audiences, but more importantly we need to identify the new things we want to bring to or develop in Sheffield to help propel the city's reputation for Trade, Talent and Tourism internationally to 2020.



## 5.6 A High Profile City Brand

### Unlocking the economic value of culture

Culture and the creative economy are providers of jobs, drivers for the visitor economy and are vital in shaping the city's identity and positioning it alongside other competitor cities across Europe.

We want to capitalise on our distinctive urban/rural location and range of quality assets, by building on our relationships with national bodies such as Visit Britain and Visit England and with regional tourism bodies such as Visit Peak District and Welcome to Yorkshire. The tourism, leisure and sport sector and Cultural Consumption are key partners to ensure that Sheffield successfully competes with other major cities as a hub for culture and creativity and has a growing visitor economy.

We will continually develop our cultural offer - investing in the city's cultural assets and delivering fresh content, events and ideas. This includes investing in the physical infrastructure that underpins our cultural offer. For example, the Surrey Street building containing the Central Library, Library Theatre and the Graves Gallery is the next priority for cultural capital investment, alongside the refresh of the Cultural Industries Quarter. These assets will be the focus of both creative production and consumption in the city. We need to ensure that we strengthen the 'Steel Route' from the Moor to Victoria Quays and Wicker to better connect our cultural assets and city centre offer.

Positioning the city as a major cultural player demands the city to work and invest together to develop a strategic approach to sustain and grow the city's cultural infrastructure and organisations - developing the systems, partnerships, financial mechanisms and infrastructure to unlock the economic value of culture.

We will support the sector to explore commercial models that harnesses the economic benefits of a strong culture sector and sees them reinvested to do more and better things in the city to further propel the cultural offer and Sheffield's profile. We will work with the sector to find the right mechanisms for Sheffield, such as Business Improvement Districts and Tourism Business Improvement Districts, which will put the city's marketing and culture offer on a new trajectory for 2020.



Sheffield is home to Doc/Fest, the UK's largest documentary event. Last year the festival attracted audience numbers of over 20,000, and over 2,700 UK and international industry delegates from over 65 countries each year.

Sheffield Doc/Fest brings the international documentary family together to celebrate the art and business of documentary making for five intense days every June. Sheffield is fast becoming known as one of the top places in the world for people from the documentary and digital industries to get together - to meet, to screen their work, share knowledge, do business, make new contacts and discuss innovations and challenges they are facing in the ever changing media landscape.

The festival includes showing of 120 films from dozens of countries, 300 speakers from the digital and docs sector and over 150 buyers and decision makers from 20 countries participate in the marketplace. Over £25 million worth in film and television deals have been struck in the Sheffield Doc/Fest marketplace since the festival started.

### Growing the city's Major Events programme

Sheffield has a well established events programme that epitomises the city's independent and authentic identity - born out of and showcasing the creative, entrepreneurial, innovative and energetic spirit that runs through the city.

Major events and festivals such as MADE, Global Manufacturing Festival, Doc/Fest, Off the Shelf, Tramlines, the Food Festival and Galvanize all command audiences in the thousands and attract visitors from across the UK and internationally.

The city is host to major international events - last year Sheffield was a host city for the London 2012 Olympic Torch relay, we are the long term home for the World Snooker Championships and we hold a number of other high profile national sport events each year. In 2014 will host the globally significant Tour De France.

To meet our 2020 vision we need to continue to sustain and grow our events programme, building the stature and profile of our strongest events and festivals and working to identify, develop and attract new major events which will support the marketing and profile of the Sheffield brand. The city will work together to identify new models of financial support, including sponsorship opportunities, income generation that is driven by return on businesses' commitment to corporate social responsibility.

### Enhancing the city's reputation for doing business

Sheffield and the wider city region has a strong offer for businesses looking to locate and grow. The internationally recognised 'Made In Sheffield' mark on the city's manufactured products acts as a symbol of the city's ongoing commitment to quality and excellence and support Sheffield's reputation as a city that makes things.

We have developed two major trade events which now form part of the city's annual events, attracting key target audiences to the city. The Global Manufacturing Festival and MADE. These events are an important element of promoting Sheffield as a good place to do business as well as having a direct impact on the city's economy in terms of attracting decision-makers and visitors into the city.

### Global Manufacturing Festival: Sheffield

The Global Manufacturing Festival showcases Sheffield City Region's position at the heart of the UK supply chain in advanced manufacturing and materials and is designed to connect SMEs in the UK's materials based engineering supply chains with major international customers and high value markets like aerospace, renewable energy, medical and nuclear.

## Strategic Approach

# MADE

### The Entrepreneur Festival: Sheffield

MADE: The Entrepreneur Festival is the UK's premier festival for enterprise and entrepreneurship. Supported by partners including Business, Innovation and Skills and UK Trade & Investment (UKTI), the festival provides an opportunity for the exchange of ideas to inspire the next generation of business leaders as well as putting Sheffield on the map as a place that is creative, innovative and forward-thinking.

We will establish Sheffield's reputation as a leading UK business location. We will do more to attract UK and international investors to the city and support our indigenous firms to access new opportunities in emerging markets. We will work with partners to raise the city's profile among key decision-makers in target markets, sectors and firms, build confidence in the city as a place where businesses can succeed, thrive and grow and enhance Sheffield's reputation as a good place to do business.

## 5.6 A High Profile City Brand

## Key Actions 2015

### A high profile city brand - Key Actions 2015

The TBID would enable the local tourism, leisure and sport and culture sectors to take responsibility for the development and marketing of culture in Sheffield and the wider city region. It gives the partnership at the heart of the TBID the control to determine locally the city's sales and marketing campaigns, visitor services, festivals and events, information guides and ultimately capital investment to fund infrastructure projects.

#### 1. Building on the Sheffield Brand – 2015 Marketing Plan

The city needs to unite behind a coherent marketing plan that delivers the right messages to the right audiences, and promotes the expertise and USP's of the city and the city region.

We will develop a 2015 marketing plan to deliver an over-arching city branding, marketing and communications campaign to promote Sheffield at a global level to our three target audiences, led by Marketing Sheffield in collaboration with key partners across the city including

businesses, universities, the Cultural Consortium and the City of Sheffield, Leisure and Sport sector. We will identify the key messages, 'attack' brands, products/assets and events that we have or want to get to help propel Sheffield's reputation for Trade, Talent and Tourism internationally.

#### 2. Tourism Business Improvement District – Early Adopter

Sheffield will pursue the options of being an early adopter city for the pioneering financial mechanism TBIDs. Working in partnership and undertaking in-depth consultation with the businesses and operators which would be part of the TBID's binding partnership.

#### 3. Major Events Programme

We will continue to develop the city's major events programme, working in partnership with the private sector to harness new opportunities and develop new events.

We will look to identify new major events that will bring in significant investment in the local economy. In 2013 we will celebrate 100 years of Stainless Steel through a programme of events over the course of the year and key exhibitions like Rustless and Designed to Shine.

In 2014, Sheffield will host part of the Tour De France route. We will start work now to ensure that we maximise the economic benefits of this catalyst event for the city, and use it as an opportunity to develop and test new funding and partnership models with the private sector.

#### 4. Destination Management Plan

There are opportunities for city region partners to work more closely together to attract greater numbers of UK and overseas visitors by promoting Sheffield as a destination for business and leisure tourism, conferences and major events.

To create a successful and sustainable visitor economy for Sheffield, all the components that make a successful destination need to be managed in an integrated and long-term way, with a clear focus on the needs of residents, businesses and visitors. Stakeholders in the city have a key role to play in contributing to a vibrant city experience.

Building on our current partnerships we will bring stakeholders together to develop a Destination Management Plan, to increase collaboration and coordination and to take strategic approach to destination management, working to the common purpose of making Sheffield a high profile city, known for its creativity and energy – and the talented people, businesses and cultural assets that make the city an amazing place to be.

#### 5. Conference Ambassador Programme

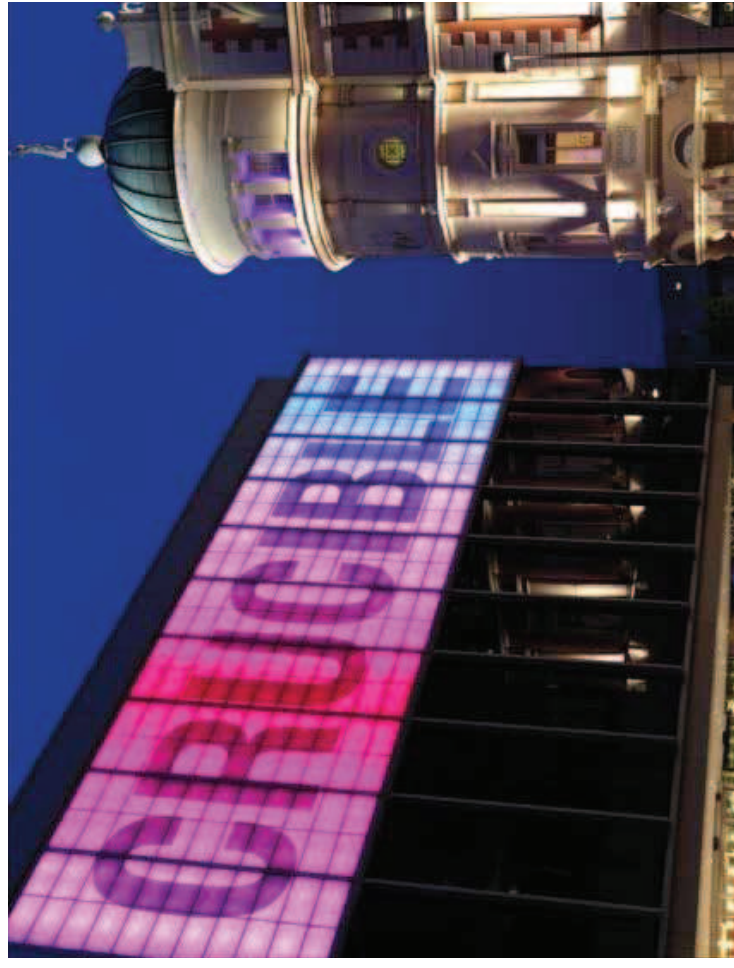
We will continue to grow our conference ambassadors' programme to bring major conferences and events into the region by harnessing our strong relationships with business and academia.

Sheffield Theatres Trust plan to refurbish the Lyceum to ensure that its facilities meet with 21st century audience expectation. Sheffield Theatres Trust is through to the second stage of a £1m Arts Council bid and if successful will deliver £2m of improvements by 2016.

The Surrey Street building, containing the Library, Library Theatre and Graves Gallery, is a priority for cultural capital investment. Surrey Street and the refresh of the CIQ are major contributors to city vibrancy and national profile.

We will support the cultural sector to secure investment in key development projects over the next decade. Sheffield Industrial Museums Trust will deliver a £1.5m project to develop Sheffield's industrial heritage sites by 2016 and position Sheffield as a national centre for heritage engineering expertise. Museums Sheffield plan to build on the success of the award winning Weston Park Museum with an extensive display refresh programme during 2014-15.

**6. Unlocking the economic value of culture**  
Working in partnership with the Cultural Consortium and the Tourism, leisure and sport LEP sector group we will develop a strategic approach and future vision for the cultural sector across the Sheffield City Region, developing the systems, partnerships, financial mechanisms and infrastructure to enable us to identify and drive forward new opportunities and unlock the economic value of culture.





# 6 Delivering the strategy

## Delivering the strategy

### 6.1. Sheffield Economic Programme to 2015

This strategy prioritises support for the factors that drive growth in our economy and create the right conditions in the city for long-term economic success. It sets out the city's economic priorities to 2020 and provides a framework to guide activity, resources and investment over that period.

The priority actions identified in the strategy represent the city wide initiatives which will be delivered or progressed to 2015. We will co-ordinate these actions into an economic programme of activity for the city, which will be used to guide critical investment decisions. The economic programme will include a more comprehensive action plan that sets out lead delivery partners, key milestones and specific outcomes for each priority action.

The actions set out are not to be seen as a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects in line with the economic objectives and strategic approach set out in this document to respond to the ever changing economic context and new opportunities which arise.

The priority actions will be refreshed in 2015 to form a second phase economic programme 2015-2020.

### 6.2. Progress towards Sheffield's economic vision

The strategy identifies a set of economic measures to enable effective monitoring of the city's economic performance and progress towards the 2020 economic vision.

The performance framework identifies the core economic outcomes and associated targets against the economic vision. These are underpinned by a set of progress measures which relate to our six economic objectives. These progress measures will enable us to compare performance against the national average. (See Appendix A1)

# Economic Programme of Activity



# Appendix A

- A1 Performance Framework
- A2 Sheffield's Prosperity Gap
- A3 Key Economic Challenges
- A4 Future Trends

## A1 Performance Framework

Fig.11 Core Economic outcomes and targets

2020 Economic Vision	Core economic outcomes	Current Performance	2020 Target
Sheffield will be a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city will be known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.	Improved overall City Competitiveness	2411 / 379 <sup>11</sup>	Top 175
	Increased GVA per head	£17,752	£20,200
	More private sector knowledge jobs	20%	23.5%
	Higher gross annual wages	£24,328	£27,600
	Improved employment rate	64.1%	67.9%

Fig.12 Progress measures

Economic Objective	Progress measures
<b>Distinctive and high performing sectors</b>	No. of people employed in 'GVA driving' sectors
	GVA produced in 'GVA driving' sector
	Increase in employment in 'Job driving' sectors
<b>A Dynamic Private Sector</b>	No. of additional businesses (No of closures)
	No. of start ups
	Productivity – GVA per job across economy
<b>A Skilled and Productive Workforce</b>	No. of people with level 3 and 4 skills
	No. Apprenticeships
	No. people with level 2 skills
<b>Future Proof Infrastructure</b>	Carbon emissions (tonnes per capita)
	Hectares of land developed (office, non-office business, industrial)
	Rental values (manufacturing, grade A office, retail)
	Rail journey times
<b>An Inclusive Economy</b>	Index of multiple deprivation
	Unemployment, including youth unemployment
	Reduce the number of people with no skills
<b>A High Profile City Brand</b>	No. visits to cultural venues
	Volume and Value of tourism
	Hotel Occupancy

<sup>11</sup> Taken from Professor Huggins UK City Competitiveness Index

# A2 Sheffield's Prosperity Gap

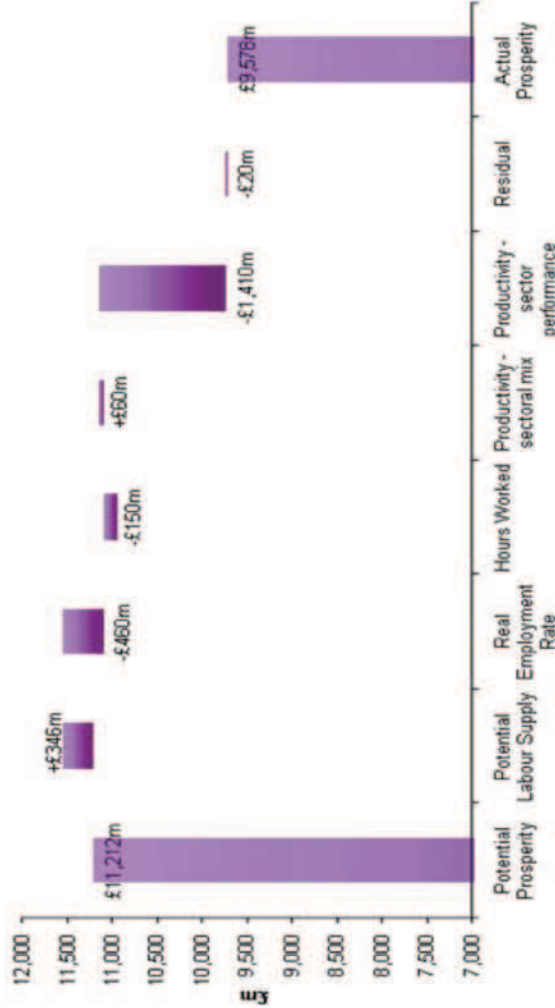
## A2. Sheffield's prosperity gap

The 'prosperity gap' was first calculated in the 2008 Economic Masterplan based on 2004 data. It was used to identify the shortfall between what Sheffield does produce and what it could produce. The analysis showed a 'prosperity gap' of over £1.1 billion and pointed to the combination of economic inactivity, unemployment, low productivity and a poor sector mix as the areas where change was required.

A recalculation of the 'prosperity gap' shows that the GVA gap between Sheffield and the national average persists. This indicates that although the city's economic trajectory has improved, other places have grown as strongly meaning that although Sheffield is keeping up, the city has not yet started to close the prosperity gap and meet its economic potential.

Figure 13 is based on the latest analysis available (2009) and shows that Sheffield's GVA stands at £9.578 billion against its 'potential prosperity', GVA of £11.212 billion<sup>12</sup>, giving a prosperity gap of £1.63 billion. The 'potential prosperity' highlights the level Sheffield's GVA would be at if GVA per head in Sheffield (£17,510) were equal GVA per head nationally (£20,498).

Fig.13 Components of Sheffield's Prosperity Gap



The graph also highlights how Sheffield's performance on key economic indicators like the potential labour supply, the employment rate, the sector mix of sectors and businesses are contributing to the prosperity gap. For example, a large negative number on an indicator means that Sheffield's performance is lagging the national average and so is contributing to the prosperity gap.

Based on this analysis we know that to start to close the prosperity gap, we need to improve our performance relative to the national average on the following indicators, which are currently the largest contributors to the prosperity gap:

- Productivity sector performance – The strength and productivity of our sectors and businesses is below the national average.
- Real employment rate – There are not enough jobs available for local people to work and the number of people unemployed and workless in Sheffield is significant.

A further way to close the prosperity gap is to out-perform the national average on key indicators (indicated by a positive number). For example, in the original prosperity gap analysis (2004 data) the productivity-sector mix indicator was negative, contributing -£146 million to the prosperity gap. In 2009 this is now positive, reducing the gap by +£60million. This notable change reflects the city's improved sector make up, with a broader range of growing sectors. However as one of England's largest cities, we would expect Sheffield to perform better than the national average on this indicator, reflecting the comparative strength of the knowledge economy in cities. As such we can conclude that there is further potential to close the prosperity gap through strengthening Sheffield's sectoral mix (productivity sectoral mix).

There is further potential to close the prosperity gap through strengthening Sheffield's sectoral mix

<sup>12</sup> If GVA per head in Sheffield was equal to GVA per head nationally, Sheffield's GVA would equal £11,212 billion.

# A2 Key Economic Challenges

## A3. Key Economic Challenges

Building on the prosperity gap analysis presented above, we have drawn on more detailed data to identify where Sheffield should focus its economic efforts<sup>13</sup>.

### Private sector job growth

Pre-recession Sheffield's job growth has been strong with jobs in the city increasing by 22% between 1995 and 2008. The expansion of the public sector has been a key part of this growth with over half (52%) of the jobs created in the public sector. Although the public sector is an important part of most large cities growth stories, in Sheffield growth has been more dependent on the private sector. For example, although private sector growth was strong through 2000-2005 (led by strong growth in business and financial services as well as growth in retail, real estate and software consultancy services), private sector employment then fell by an average of 2% per year between 2006 and 2008 even before the recession hit. Given reducing public sector resources and the need to build economic resilience, we need to rebalance growth towards the private sector.

### More business and growing businesses

Sheffield has experienced growth in its business stock over the last ten years, particularly throughout the period 2000-2005 (corresponding to strong employment growth highlighted above). However, businesses density remains low at 289.83 per 10,000 population and compares poorly against the core cities nationally. This will limit the scope for growth and employment creation as there are not enough local businesses creating output and jobs. Furthermore, the level of start ups in Sheffield is comparatively low and too few of the businesses who are starting up are then growing to increase their turnover or create significant employment<sup>14</sup>.

As Sheffield is primarily a small and medium sized enterprise (SME) economy, ensuring that the city's start ups and small businesses grow is a clear future priority to create employment for local people.

### More productive businesses

The prosperity gap analysis highlights that the productivity of our sectors and businesses is the main area where we lag behind other cities in terms of competitiveness. Sheffield's productivity (measured by GVA per worker) is £39,330 compared with core cities and national averages of £41,440 and £46,840 respectively. Further analysis shows that we need to focus on the interventions that drive productivity and competitiveness such as innovation, international trade, investment and skills, and that these are all areas for improvement:

- Sheffield is 27th of 64 cities in registering patents. This is an indication of innovation and is low given the expertise in the city's universities
- More than half of Sheffield companies conduct at least 80% of their business in the city itself<sup>15</sup>.

### Moving to a knowledge based economy

Sheffield's sector profile illustrates that Sheffield has fewer businesses in higher value, higher skilled sectors in comparison to other cities<sup>16</sup>, which is likely to suppress the level of GVA being produced in Sheffield. It highlights that in comparison to other cities, Sheffield has a lower density of business, financial and professional services. Realising our potential in this sector could provide a key driver in closing the prosperity gap.

The report also recognises the importance and pre-eminence of advanced manufacturing in Sheffield City Region, and highlights that this strength underpins the development of our other high value sectors. Figure 15 illustrates the importance of high value sectors in adding value to the economy.

Sheffield also has strengths in other high value sectors, namely: advanced manufacturing, creative and digital industries, healthcare technologies and low carbon industries. A recent report by Centre for Cities<sup>17</sup> highlights that although these high value sectors may not be mass job creators, they are important in terms of their contribution to the city's productivity and add significant value to the economy.

## Update 2021

Fig.15 Identifying GVA driving sectors - GVA per job

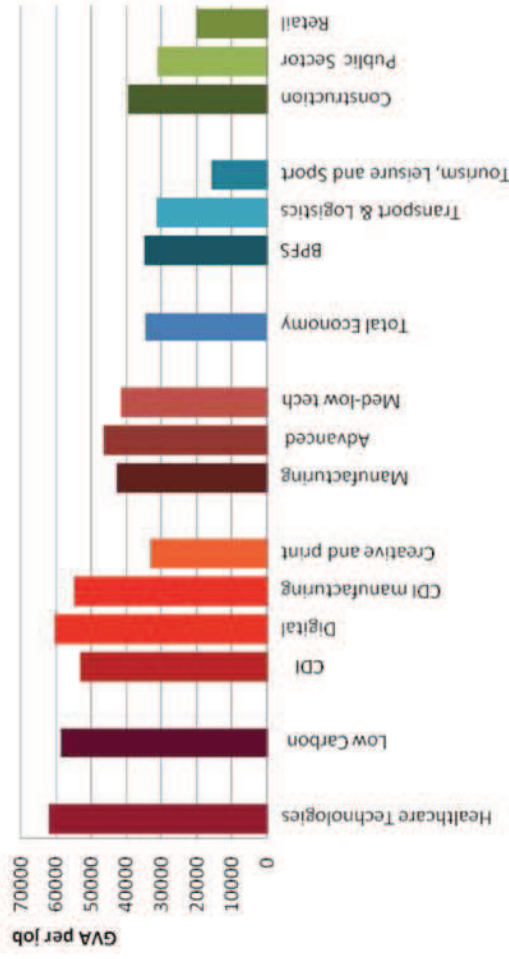
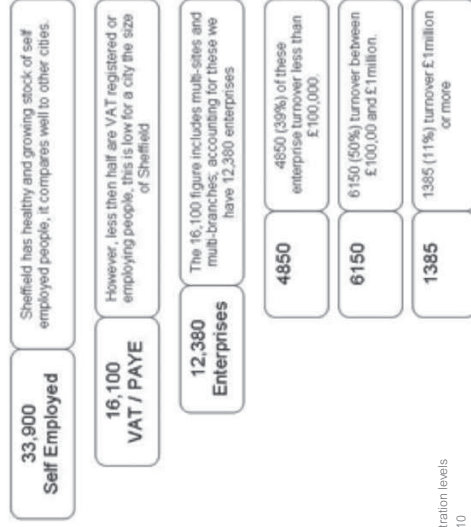


Fig.14 Business base analysis



<sup>13</sup> For further analysis please refer to State of Sheffield

<sup>14</sup> 2009 data - Based on start up analysis at sole trader, PAYE and VAT registration levels

<sup>15</sup> Sheffield - Future skills and employer demand research study, Ecotec, 2010

<sup>16</sup> Based on Business Register and Employment Survey, 2010

<sup>17</sup> Advancing Ambitions: Creating a sustainable economic future for Sheffield, Centre for Cities, 2011

# A3 Key Economic Challenges

## Utilising the city's skills

Sheffield's skills profile has improved significantly since 2005 and it rivals the national averages and compares well with other core cities at level 2, 3 and 4. For example, 33% of Sheffield's working age population is now qualified to NVQ level 4 or above and 67.8% at NVQ level 2 or above.

In spite of this progress a number of challenges remain which need to be addressed to ensure improvements in the skills profile continue and moreover that these improvements translate into long term competitiveness and economic growth.

Firstly, the number of pupils gaining 5+ GCSEs at grade A\*-C including English and maths is low (49%) compared to a national average (58%). As such, Sheffield has moved from being the 3rd best Core City on this indicator in 2006/7 to the 7th best (of 8) in 2010/11. At a time when the skills levels required for many occupations continues to rise, this could preclude many young people from well paid work, and if not addressed will ultimately undermine the strength of the future workforce.

Secondly, there is growing evidence that more intermediate and technical level 3 skills are needed in the labour market, and this is the section in the skills profile where improvements have been static. Workplace training is an important part of increasing skills at this level as well over 70% of the 2020 workforce is already in work. Skills providers need to be more responsive to business needs in delivering the right skills. We need more employers to invest in training to ensure that businesses have the skilled people they need to grow.

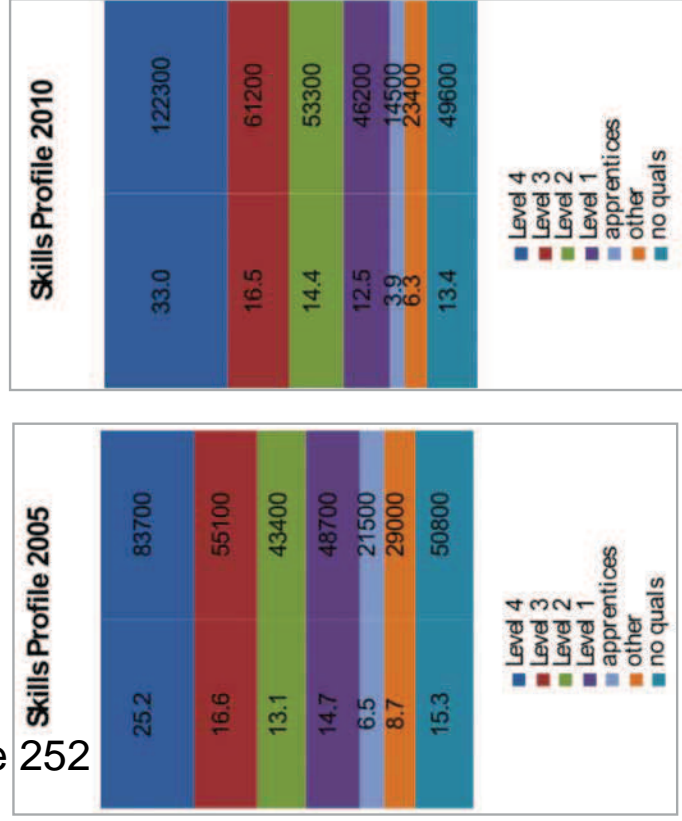
Thirdly, Sheffield also needs ensure that the progress in the skills profile translates into long term economic growth. As yet, the city is not seeing the higher levels of GVA, productivity and incomes which normally accompany such improvements in the skills profile. This could be due to time a lag – skills levels increased sharply between 2005 and 2011, and it may take some time for the economy to adapt and utilise these extra skills, especially during a period of economic downturn and recession. However, the major factor is likely to relate to differential take up of high level skills in the public and private sectors.

Sheffield's private sector has a lower density of jobs utilising high level skills than other cities and is more dependent on the public sector for high skill employment opportunities<sup>18</sup>. Sheffield benefits from two highly reputable universities that, together, produce 12,000 graduates annually in a wide range of disciplines but too few are to be utilised by the city's private sector. This is an indication that the added value of higher skills in terms of competitiveness and productivity is not being exploited to full effect in some parts of our economy.

Finally, the city needs to respond to the clear messages intensifying from business, they tell us that:

- Education does not produce young people with the full skills set needed for working life.
- It is getting harder to recruit people with the technical and vocational skills they need.
- The employability and transferable skills that breed success in the workplace are underdeveloped.
- The skills systems is a barrier, rather than a driver of business growth. The skills system can be bureaucratic and inflexible and a more integrated and business led skills system is needed.

Fig. 1 Improving skills profile



**Workplace training is an important part of increasing skill levels in the city, and ensuring businesses have the skilled people they need to support growth.**

<sup>18</sup> 46% of high skilled jobs in Sheffield are in the public sector, this is much higher than other cities and nationally where it is 36%. The ratio of high skilled jobs to low skilled jobs in the private sector is one of the lowest across the Core Cities at 1.06, compared to the national average 1.25



# A3 Key Economic Challenges

## Creating the conditions for growth

Businesses tell us that having the right city infrastructure and environment is integral to creating the conditions for economic growth. Sheffield's city infrastructure includes transport, housing, buildings, development land and digital infrastructure, and increasingly extends to factors such as energy supply and resilience to climate change, for example, risk of flooding. In challenging economic times, support for medium and large-scale infrastructure projects can be more difficult to justify but it is important that we find a balance between long-term investment to promote growth and focusing on short-term savings. A pause in this type of investment now could put future growth and the city's overall competitiveness at risk. The following evidence identifies critical areas for action that would provide the city with a resilient infrastructure that supports growth.

- Lack of office space in general is not a widespread barrier to business growth but there may be future shortages in particular areas, including grade A city centre office space which is key to underpinning expansion of Sheffield business, financial and professional services.
- Sheffield's carbon emissions fell from 7.3 to 5.7 tonnes per capita between 2005 and 2009. Reductions were lowest for road transport (7.5%) and steepest for industry and commerce (25%). The latter now accounts for 45% of all emissions which has potential future implications as we seek to build on our manufacturing strengths, particularly in the Lower Don Valley.
- The Sheffield Energy and Water Infrastructure Study highlights the importance of environmental assets and resilience (including 'green infrastructure') and identifies specific physical infrastructure challenges to long term development.
- New housing completions have fallen sharply from a peak of nearly 3,000 per year to just over 900 in 2010/11. House prices have remained fairly static in the last two years, but house sales have fallen significantly.

## The city's profile

Sheffield is competing on a global scale to increase its level of investment and business relocations, attract and retain skilled and talented people, encourage business and leisure visitors to the city, and host major cultural, sporting events, conferences and conventions. If the city is to achieve higher levels of economic growth, we need to capture a bigger share of external markets. To do this we need to develop, invest in and promote a strong set of city products including quality infrastructure and environment, a vibrant cultural, retail and city centre offer, and a skilled and talented workforce. These are all pivotal factors in creating a compelling offer for investors, businesses, talent and visitors, as well as supporting a good quality of life for the city's residents.

A priority in the first Economic Masterplan was to develop a coherent brand identity for the city and a co-ordinated marketing effort across all stakeholders. Marketing Sheffield has led this activity on behalf of the city, and we now have a strong 'Sheffield' brand that has a distinctive visual look, and is underpinned by values that reflect the city's character – 'authentic and independent'.

The challenge now is for partners across the city to work together to champion and utilise the brand, to promote messages nationally and internationally that make Sheffield distinct from competing cities, and boost the city's presence in target markets.

As one of the UK's major cities, we are also looking to enhance our reputation among key decision-makers and influencers, particularly within Government, and a number of our events are now attracting interest and support from Ministers and senior officials. This is critical to challenging out-dated perceptions of Sheffield and ensuring that there is an understanding of what the city has to offer the wider UK economy at the most senior level of decision-making.

## Connecting people to growth

The employment rate in Sheffield is 65.7%, the third highest of the eight Core Cities in England. However, it still lags significantly behind national average of 70.3%. In Sheffield there are 48,000 people claiming out of work benefits in Sheffield. Of these:

- Over 18,000 are claiming Job Seekers Allowance
- 24,600 are claiming Incapacity Benefit or Employment Support Allowance
- 5,600 lone parents are claiming work related income support.

Providing opportunities for unemployed and workless people to work, primarily demands more jobs, however jobs alone will not be enough. Individuals who have been out of the labour market for a significant amount of time will have complex barriers to work and as such we also need to equip them with the skills and confidence they need to access job opportunities.

We also need to ensure that those who face a labour market disadvantage, for example, low skilled people, lone parents, individuals who have suffered from domestic abuse or substance misuse, people from ethnic minorities, migrants, ex-offenders, homeless individuals, people with physical disabilities or sensory impairments and those with learning disabilities or mental health conditions have the targeted support they need to have equal access to job opportunities<sup>19</sup>.

Connecting local people to jobs is one of the main ways in which we can ensure that everyone in the city benefits from economic growth, as work can improve people's life chances, increase their incomes and help to lift people out of poverty. To illustrate how important this is to the economy, if we closed the gap in employment rates<sup>20</sup> and income between Sheffield and national average, we could close the prosperity gap of £1.63billion by £1billion.

# We need to create the conditions for growth, providing the right infrastructure, utilities, skilled people and city offer to underpin future growth

<sup>19</sup> Sheffield's Employment Strategy 2012

<sup>20</sup> Closing the gap to the national average employment rate would mean the creation of over 17,000 jobs

# A4 Future Trends

## A3. Future Trends

- Just as the financial and economic landscapes change rapidly, there are a number of future trends that will impact on cities for many years to come<sup>21</sup>. By planning for and reacting to these early, Sheffield will be better placed to defuse threats, exploit new opportunities, and build a more resilient economy. Key trends include:
  - An **ageing and more diverse population** meaning a changing workforce and increasing pressure on local services.
  - A **dramatically changing climate** with an increased chance of more extreme weather events means building environmental, structural and economic resilience for the city and its businesses.
  - An over-riding requirement to **reduce carbon emissions**. Carbon consumption cannot continue at current levels and Sheffield will need to play its part in radically reducing carbon emissions and exploiting new opportunities to stay competitive.
  - Diminishing natural resources and **changing energy markets** will lead to higher energy prices and an increasing uncertainty of energy supply. Potential opportunities are in areas such as renewable energy and heat generation.
  - Globalisation and **changing economic geography** will require new trade strategies in relation to large, rapidly growing economies.
  - Technological convergence and **rapid advances in new technologies** reinforcing the need for intelligence, innovation and creative approaches that span multiple sectors and specialisms.
  - **Rising demand for higher level and transferable skills** which will be vital to the success in the 'knowledge economy'.

<sup>21</sup> *The Future of Yorkshire and Humber: trends and scenarios to 2050*, Henley Centre and Yorkshire Futures, 2008; *Building the New Leader*, HayGroup, 2011



# Sheffield Economic Strategy



# Sheffield City Council Equality Impact Assessment



[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

**Name of policy/project/decision:** An Economic Growth Strategy for Sheffield

**Status of policy/project/decision:** New

**Name of person(s) writing EIA:** Jen Rickard

**Date:** 25/02/13

**Service:** Creative Sheffield

**Portfolio:** Place

**What are the brief aims of the policy/project/decision?** The strategy is focused on securing a bigger economy, better businesses and faster private sector growth locally, and strengthening Sheffield's economic base to achieve the city's core economic outcomes:

- Improved city competitiveness
- Increased gross value added (GVA) per head
- More private sector knowledge jobs
- Higher gross annual wages
- Improved employment rate.

It provides a framework for making the right investment decisions to deliver distinctive and high performing sectors; a dynamic private sector; a skilled and productive workforce; future proof infrastructure; an inclusive economy; and a high profile city brand.

This strategy creates an overarching framework for economic priorities in the city for the next 5 years. Activities informed by this strategy will require Equality Impact Assessments in their own right.

**Are there any potential Council staffing implications, include workforce diversity?**

Although there are no direct implications, one of the key aims of the strategy is to ensure local people are able to connect with economic growth. As a major employer in the city, the Council will be play a role in providing work opportunities to people, including those who face significant barriers to entering the labour market. This could potentially have a positive impact on workforce diversity.

Furthermore, another key objective for the strategy is to ensure Sheffield has a skilled and productive workforce. This includes ensuring young people have the skills required to successfully enter the labour market, but also a focus on up-skilling the current workforce. This requires engagement between employers and the skills system, and as an employer the Council will need to maintain its commitment to skills development.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
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Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
<b>Age</b>	Positive	Medium	<p>Sheffield's two universities produce around 12,000 graduates a year. Sheffield still has a higher number than the national average of 16-18 year olds not in education, employment or training (NEET).</p> <p>Youth unemployment has also increased in the city, with young people under the age of 24 are twice as likely to be unemployed as those over this age (Sheffield Employment Strategy, 2012)</p> <p>Sheffield also has an increasingly older population, and by 2020 it is predicted that the number of people over the age of 65 will have risen a further 13% (State of Sheffield, 2012)</p> <p>The strategy identifies these trends and highlights key work areas that will help to address issues related to them. For example, the Sheffield Employment Strategy referenced in the document aims to increase work and progression opportunities for young people, through creating more apprenticeship, training, work experience and job opportunities. The framework also highlights how better graduate utilisation in Sheffield SME's could help develop Sheffield's high level skills base and outlines a programme of activity to drive this forward.</p>
<b>Disability</b>	Positive	Medium	<p>There are around 30,700 people who are economically inactive or workless, including those who cannot work due to health problems or social circumstances.</p> <p>11,000 people in Sheffield claim ESA because of mental health conditions. It is likely that these problems are concentrated in neighbourhoods which are already experiencing employment and income deprivation.</p> <p>The links between disability, worklessness and poverty are well proven. Children living in families with at least one disabled member have a 29% chance of living in</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>poverty, compared to 20% of those living in families with no disabled member. Over half of disabled people are not in work (State of the Nation, DWP, 2010). One of the strategy's key priorities is to have an inclusive economy that supports people to achieve their full potential and this will include supporting actions that facilitate disabled people accessing employment opportunities where this is appropriate.</p> <p>Some of the future activity relating to this area will be drawn from Sheffield's Employment Strategy, which contains a specific priority to support vulnerable groups. Recommendations arising from Sheffield's Fairness Commission will inform other actions in this area.</p> <p>See also section on Financial Inclusion.</p>
<b>Pregnancy/maternity</b>	Positive	Low	See overall summary
<b>Race</b>	Positive	Medium	<p>Sheffield's BME communities have increased in the last 10 years with 17% of residents being from these communities in 2009.</p> <p>Research so far shows that the poverty and ethnicity are linked: the differences in poverty rates across different ethnic groups is one clear indicator of that: 17% for white British people, 23% for Indian people, 24% for black Caribbean people, 25% for people from Chinese or 'other' backgrounds and 52% for Pakistani and Bangladeshi people. The reasons for these differences are complex and can be related to education, work (both type of work and progression), caring responsibilities and social networks. (Joseph Rowntree Foundation, 2011).</p> <p>The strategy contains principles which will help to address these issues with priority actions on nurturing</p>



<b>Areas of possible impact</b>	<b>Impact</b>	<b>Impact level</b>	<b>Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)</b>
			<p>young talent to build a skills base for the future; upskilling the current workforce; connecting people to training and jobs; tackling the root causes of poverty and promoting fairness and equality. However, further Equality Impact Assessments must be conducted on projects stemming from these priorities to ensure they are able to address issues specific to ethnic minority groups.</p> <p>See also section on Financial Inclusion.</p>
<b>Religion/belief</b>	Positive	Low	See overall summary
<b>Sex</b>	Positive	Low	See overall summary
<b>Sexual orientation</b>	Positive	Low	See overall summary
<b>Transgender</b>	Positive	Low	See overall summary
<b>Carers</b>	Positive	Low	See overall summary
<b>Voluntary, community &amp; faith sector</b>	Positive	Medium	<p>The voluntary, community and faith sector are acknowledged within the strategy as having a key role to play in the delivery of it. This role will be particularly relevant to help meet the strategy's objectives relating to an unrivalled quality of place and an inclusive economy, where current practice and networks will help to inform future action.</p> <p>The importance of social enterprises is highlighted under the priority action 'Building a resilient local economy' and social enterprises will benefit from the actions underneath the 'Dynamic private sector' objective as well.</p>
<b>Financial inclusion, poverty, social justice:</b>	Positive	High	<p>Sheffield has a geographical pattern of communities that experience differing levels of deprivation and affluence. Generally, the most deprived communities are concentrated in the north and east of the city. This has implications for levels of poverty and financial exclusion in the city.</p> <p>There are around 30,700 people who are economically inactive or workless, including those who cannot work due to health problems or social circumstances.</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>Evidence shows that 60% of long term benefits claimants have no formal qualifications This impact is not spread equally across social groups and can particularly affect those with more complex needs and barriers to work, such as people with sensory disabilities or sensory impairments and those with mental health conditions or learning disabilities.</p> <p>Currently, Sheffield is not fulfilling its economic potential and part of the reason for this is that there are currently not enough jobs to allow local people to work. Some groups of people also face particular barriers to accessing employment. As well as developing a strong and dynamic private sector and more private sector employment, a key aim of the strategy is for the city to have an inclusive economy that supports people to achieve their full potential and take part in the economic and social life of the city.</p> <p>Recommendations arising from Sheffield's Fairness Commission will inform actions in this area.</p>
<b>Cohesion:</b>	Positive	Low	See overall summary
<b>Other/additional:</b>	-Select-	-Select-	

**Overall summary of possible impact (to be used on EMT, cabinet reports etc):** By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long terms economic success which all Sheffield residents can share in and reach their full potential. Therefore, this proposal will be of universal positive benefit to all local people . However, it should be particularly positive for young people, BME people, disabled people and those currently suffering financial exclusion. No negative equality impacts have been identified.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

Review date: 01/01/14    Q Tier Ref   /                      Reference number: /

Entered on Qtier: No    Action plan needed: Yes

Approved (Lead Manager): Jen Rickard              Date: 25/02/13

Approved (EIA Lead person for Portfolio): Ian Oldershaw    Date: 26/02/13

Does the proposal/ decision impact on or relate to specialist provision: no

Risk rating: Low

## Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
All groups	Lead officers for the projects stemming from the strategy to consider how best to monitor the impact on the different groups highlighted above and where relevant, develop ways of improving representation and accessibility. Separate Equality Impact Assessments will be conducted where appropriate.	Lead officers for projects stemming from the Growth Strategy
All groups	An annual review of the strategy will reflect on any necessary adjustments to the strategy in response to changes in the economy.	Creative Sheffield, monitored through the economic programme due to be developed and via Creative Sheffield Senior Management Team
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Approved (Lead Manager): Jen Rickard    Date: 25/02/13

Approved (EIA Lead Officer for Portfolio): Ian Oldershaw    Date: 26/02/13



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