Sheffield City Story

CASEreport 103: May 2016

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About LSE Housing and Communities

LSE Housing and Communities is a research unit within the Centre for Analysis of Social Exclusion (CASE) at the London School of Economics led by Professor Anne Power. CASE is a multi-disciplinary research centre which focuses on the exploration of different dimensions of social disadvantage, particularly from longitudinal and neighbourhood perspectives, examining the impact of public policy. We aim to understand the social dynamics of disadvantaged neighbourhoods; promote models of housing and neighbourhood management; develop ways to support community and resident self-help action, especially in social housing areas; and shape government policy.

Foreword and acknowledgements

La Fabrique de la Cité, a French foundation sponsored by Vinci, funded LSE Housing and Communities to produce seven updated city reports on Sheffield and six other European cities, following our initial reports in 2007. The financial crisis, Eurozone troubles and six-year recession have changed the fortunes of these hard-hit, former industrial cities yet again. These seven stories are up-to-the-minute, grounded evidence of the capacity of cities to recreate themselves as the Phoenix. Each city story is unusual in focussing on a single city and looking in depth at how it survives and thrives, or struggles.

The reports draw on the earlier work of Jörg Plöger and Astrid Winkler who wrote the original city reports published in 2007, and we owe a deep debt of gratitude to them for their outstanding research, their meticulous evidence and their direct accounts of visits to the sites. We revisited all the cities several times since 2008, and this report is based on visits to Sheffield and interviews with city stakeholders. It also draws on previous research, city reports and wider evidence. We want to thank all those we met and interviewed, the projects we spent time in, all the residents, officials and programme leaders who shared their insights. In particular we thank Diana Buckley, Edward Highfield, Ben Morely, John Mothersole. Without their input, the reports would not reflect the dynamic reality of changing cities.

The majority of images in this report have been taken by the authors. Where other images have been used, copyright permission is being sourced. We fully accept responsibility for errors and omissions and welcome feedback on any of the evidence that needs expanding, updating or correcting.
Sheffield About

Sheffield is England’s 4th largest city and the largest metropolitan borough in South Yorkshire with a population of 551,756 in 2011, an increase of 7.6% since 2001. Latest population estimates for the city suggest that the population is steadily increasing, with a population of 563,700 in 2014. Much of the increase is explained by immigration and a high birth rate among immigrant communities. Sheffield’s ethnic minority communities doubled in population between 2001 and 2011. Sheffield has two major universities with a total student population of over 63,000.

Sheffield is part of the wider Sheffield City Region which has a population of around 1.8 million people, almost 700,000 employees and 44,700 businesses. The Sheffield City Region is within the heart of the UK covering an area spanned by nine local authorities in South Yorkshire and the northern part of the East Midlands region: Sheffield, Barnsley, Doncaster, Rotherham (South Yorkshire) Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire (East Midlands).

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1 2011 Census.
3 Sheffield First Partnership, 2014.
4 Oxford Economics, 2015; Sheffield First Partnership, 2014.
Figure 1: Map of England showing Sheffield's location

![Map of England showing Sheffield's location](image1)

Source: University of Sheffield

Figure 2: Maps of Sheffield Local Authority and the South Yorkshire sub-region

![Maps of Sheffield Local Authority and the South Yorkshire sub-region](image2)

Source: ONS

Source: Watts, 2004
1. Geography and History

Sheffield is located in a natural basin covering seven hills, at the confluence of two major rivers: the River Don and the River Sheaf, from which Sheffield gets its name. The Peak District National Park to the West of the city covers around a third of the city’s land. The first settlement in the area can be traced back to the 7th Century. Sheffield’s early fame came from the rivalry between Queen Elizabeth I and her half-sister Mary Queen of Scots, who was imprisoned for 14 years in Sheffield’s castle. The local production of metal began in pre-industrial times because of a combination of natural resources: namely iron ore for smelting, oak woods for charcoal and fast flowing streams for water power. Sheffield became a celebrated producer of high quality knives and expanded as a result of craft guilds and the associated trade activities\textsuperscript{5}.

\textsuperscript{5} Power et al, 2007, p150.
During the Industrial Revolution, Sheffield went from a small production centre to an industrial hub, with an exploding population, intense overcrowding and deeply unsettling social conditions.
Throughout the 18th Century the concentration of iron workshops in the city resulted in several pioneering inventions and processes winning the city an international reputation. During the industrial revolution, powerful local steel making companies were the driving force behind the city’s economy. Sheffield also invented silver plating techniques, making its cutlery production world-famous. The invention of stainless steel in Sheffield in 1913 produced a cheaper and more durable material that quickly led to the mass production of goods and machinery, furthering Sheffield’s global reputation. The population of the city grew in line with its industrial success and by the 1920s reached over half a million people – almost its peak growth point.
Figure 5: Bessemer converter used for the mass-production of steel in Sheffield

Sheffield’s industrial prowess and manufacturing infrastructure proved invaluable in war-time. Sheffield became a major armaments producer during the First and Second World Wars. As a result, the city suffered heavy bombing during the Second World War, destroying large swathes of Victorian terraced housing around the iron and steel furnaces and factories near to the city centre. The destruction of the war, the long lasting war-time freeze on rents and building lead to an acute housing shortage. Planning and house-building began again in the 1950s and by the 1960s, Sheffield had built some of the largest, most imposing council estates in the country. Large areas of inner city housing were cleared and giant modern council estates such as Park Hill were built in their place. Under an ambitious slum clearance programme many more homes were destroyed and more people displaced than during the war due to bomb damage.

Figure 6: The inner city Park Hill Flats estate, nearly 1,000 units, built between 1956 and 1961

Source: Picture Sheffield / Sheffield Newspapers Ltd
Throughout most of the post-war era, until the 1970s, Sheffield boasted virtually full employment, with unemployment rates consistently below the national average. Meanwhile, corporate restructuring within the steel and heavy engineering sectors and nationalisation of coal and steel was greatly reducing local control of production, and the number of major headquarters in the city fell steadily6.

The global oil shock of 1973 and the increasing globalisation of trade and manufacture dealt a major blow to British industry as a whole and Sheffield was among the cities hardest hit. To compound the problem, many of Sheffield’s steel firms had failed to adapt to changes in the market or modernise their production. During the late 1970s as the country began to de-industrialise, their competitive disadvantage intensified. In spite of strong regional funding and state ownership of leading producer industries, Sheffield’s major employers, coal and steel, declined steeply. As an emergency measure, the government introduced shorter working weeks to save jobs. Due to industrial disputes in the declining coal industry, power cuts became common.

**Shock Industrial Collapse**

With the national economy in deep trouble, Margaret Thatcher’s radical Conservative government was elected in 1979. It privatised key national industries including the two driving Sheffield’s city and regional economies: coal and steel. Factory closures in Sheffield, which had begun in the 1970s, accelerated through the early 1980s. The local unemployment rate rose above the national average for the first time in 1981, representing a dramatic rise from 4% in 1978 to 11.3% in 19817. By 1984 unemployment stood at 16%, and the manufacturing industry which had employed almost 50% of the city’s workforce in 1971 employed just 24% of a much reduced workforce by 19848. The country was in deep recession, mainly as a result of massive de-industrialisation and Sheffield had become an industrial graveyard. Sheffield’s almost total loss of purpose was famously played out in the National Miners’ Strike. Films such as “The Full Monty” and “Brassed Off” both based in the Sheffield City Region brought to the national consciousness a graphic portrait of the social damage of economic restructuring.

Sheffield started the 1980s with the same rate of employment as the country, but as the 1980s progressed and throughout the 1990s, it lagged far behind. It finally almost caught up again in 2013 (see figures 9 and 10). Meanwhile, the volume of manufacturing employment was ahead of the average in 1980, then plummeted dramatically to 1990, followed by a fairly steady decline to 2010 when it picked up.

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6 Lawless, 1990.
7 Digaetano and Lawless, 1999.
8 Sheffield City Council, 1993.
Figure 7: Miners’ strike in Sheffield

Source: Picture Sheffield / Sheffield Newspapers Ltd.

Figure 8: Loss of manufacturing from 1980-2015

The following figure (Figure 11) shows the changing structure of Sheffield’s labour market. In 1971, there were 125,000 manufacturing jobs. By the early 1980s this had fallen to 80,000, and in 2010 had fallen even further to 25,000. The overall number of available jobs fell by 65,000, in spite of strong growth in the service sector.
Figure 11: Decline in manufacturing in Sheffield

Source: ONS census data; Vision of Britain, 2007.
As private companies deserted the city and unemployment rose, the city council stepped into the breach and attempted to address the deep economic problems facing Sheffield through generous public spending. The council’s investment and regeneration policies were at odds with the market-oriented, privatising policies of the Thatcher government. Central government gradually increased its control over local authority spending, limiting Sheffield’s public resources under a system called “rate capping” which prevented it from raising more funds locally. Despite strong resistance from Sheffield and other left-leaning local authorities who objected to the government’s policy, the council faced severe restrictions on spending which forced it to abandon some of its own public investment initiatives.

**Sheffield shifts towards partnerships**

Sheffield’s approach to recovery led to a decision to host the World Student Games, sinking millions of pounds’ investment in sports infrastructure including accommodation for the athletes in an upgraded high rise estate close to Park Hill, known as the Hyde Park flats. In the short-term, the games significantly over-ran on costs and created serious financial difficulties in the city. The regional transport authority had earlier decided to fund major public transport investment, building one line of a costly “super-tram” linking the more deprived east side of the city to the city centre. With too little central government subsidy, this also imposed a cost burden, though over time it became a valuable, long-term investment for the city (see below). The plan to subsidise a flat rate fare for a cheap bus service also proved costly, although per passenger mile travelled, the investment proved very good value.

By the late 1980s, Sheffield’s differences with central government led to significant loss of resources and the city accepted government terms for the Urban Development Corporation, set up to attract new investment into the Lower Don Valley with its 1000 acres of virtually abandoned land and industrial buildings. One critical move was the development in the Lower Don Valley of the vast and successful out-of-town shopping centre at Meadowhall. Not only did it suck life blood out of the city centre, it also underpinned a short-term approach to attracting investment, and rescuing the economy without a long-term vision for the city centre. The following figure shows the Development Corporation area.
In the 1990s, central government adopted a more collaborative approach and helped the city secure major European funding. A new partnership approach developed and the private sector reengaged with a far more open city council. Eventually the city region, as a result of its devastating industrial losses, gained Objective 1 status bringing in much needed investment in infrastructure, skills and enterprise. The appointment of a “new-broom” Chief Executive in 1996 led to a local transformation in the atmosphere, morale and leadership within the city.

Sheffield played a strong role in the creation of the Core Cities network in the mid-1990s, a lobbying group of the eight major English cities facing serious economic restructuring and regeneration needs as a result of de-industrialisation. They lobbied for more local control over local funding and a fairer distribution of resources between the prospering South East and the industrial heartlands. The Core Cities group continues to promote these ideas today.

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9 The Core Cities, all major former industrial cities, are: Sheffield, Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle and Nottingham. Glasgow recently joined the Core Cities group, along with Cardiff.
Recovery to 2007

In 1997 the New Labour government came to power and brought in a new approach to deprived areas and the deindustrialised North, particularly the core cities battling with a legacy of depopulation and job losses. Social inequality and exclusion became by-words for the radical new policies, targeting area-based programmes on deprived neighbourhoods across the country. The New Deal for Communities, Sure Start and Neighbourhood Renewal are striking examples of this approach. The Social Exclusion Unit, directly under the Prime Minister, developed a strategy targeting all deprived areas, and many other connected programmes were integrated. Sheffield Council used its famous entrepreneurial approach to take up these opportunities and attracted all of the programmes because of its high unemployment and poverty, its openness to change and its new energy. The major injection of public funds at almost every level led to many more public sector jobs, and also to a rapid growth in private sector contracts and partnerships, linked to public investment.

Figure 13: Growth of Public Sector Employment by sub-sector in selected cities 1998-2007

Sheffield became a leading beneficiary of European Objective 1 funding and fitted easily into the European Union’s priorities for local community participation and partnership working. Many new forms of collaboration with the private sector emerged. The European requirements for urban programmes ensured that partnership working was central to Sheffield’s recovery efforts. The Sheffield First Partnership Board was established in 1998 to coordinate the work of different thematic partnerships which the city set up to manage the regeneration activities of the city. This included city centre restoration, transport links, enterprise development, incubators created through the universities, etc. By 2002, the government was so impressed with the Sheffield model that it required all local authorities to follow Sheffield’s lead and establish a similar partnership board, later known as Local Strategic Partnerships.
Physical upgrading of the city centre and the most run down neighbourhoods helped the city to attract new businesses and expand its student population to 63,000. Demand for new services and local businesses grew. Attractive new developments, ample green spaces, impressive city parks and direct access to the Peak District National Park helped to transform the city’s image.

**Figure 14: Meersbrook Park, one of the city’s many green spaces, with a view of the city centre**

The powerful drive for change led by the dynamic and entrepreneurial city council produced a steady reversal of decay. The city’s historic role as inventor, producer, builder, reformer and innovator raised confidence that Sheffield could weather current economic challenges better than it had in the past. Over the 2000s, population and jobs grew. Small and medium enterprises (SMEs) flourished, keeping alive many of the engineering and advanced manufacturing skills for which the city and its universities were famous. The following figures show the strong population recovery since 2001, and also growth in the number of employees.
By 2007 Sheffield had successfully transformed its image through major investments in upgrading, notably in the city centre, including upgrading the impressive Victorian railway station built using York stone. The Heart of the City project, was the catalyst for a new central square outside the restored Town Hall and a new glass-covered ‘Winter Garden’ nearby to protect people wanting a green space in the city from Sheffield’s bitter winds. The Heart of the City project was combined with ongoing housing and neighbourhood renewal programmes. The city developed a comprehensive strategy for renewal, addressing neighbourhood decline and renewal, poverty and social exclusion, jobs and skills mismatch, inward investment – a comprehensive city-wide approach. It twinned the large, underused space outside
the city station, blighted by the busy dual carriageway through the city, into an attractive open square, shielded from the traffic by a high, gleaming, undulating wall of steel.

Figure 18: Sheaf Square, outside Sheffield station

Figure 19: City Centre Restoration: Peace Gardens and Winter Gardens
Sheffield’s aim was to build a new city economy on the back of the old as an ‘innovative producer city’. The close links with universities, with their strong engineering and technical traditions, the open door to private enterprise, the survival of a strong, engineering-based SME sector all offered new opportunities in advanced manufacturing – the direct descendant of Sheffield’s original skill base. The Advanced Manufacturing Park was opened in 2004 as a key leader in this field.

**Overview of change**

Sheffield’s recovery over the 1990s and 2000s was impressive, outstripping expectations – population and jobs expanded, the city encouraged the development of advanced manufacture, attracted inward investment, and restored and rebuilt many run-down neighbourhoods. It demolished at least four large council estates that it argued were too hard to manage or restore, also believing that population decline would continue, and rising standards required a reduction in the least popular stock. This had a major impact on Sheffield’s high poverty areas but it also led to a rise in actual homelessness. House prices in the city rose faster than the regional average.

The restoration of civic buildings and re-growth in civic pride helped attract and retain more knowledge-based workers. Strong R&D developments in the universities led to the creation of incubators. Business partnerships with the university attracted some big name companies and the development of high-tech industries, often in the field of advanced manufacture. The promotion for a plan of the “Science Park” in the early 2000s led to the successful and expanding advanced manufacturing park of today. Sheffield was now in strong recovery mode. However, one lasting problem was the loss of major retail activity in the city centre thanks to the resounding success of the vast Meadowhall out-of-town shopping centre in the Don Valley. The recovery timeline below shows how the city’s futures gradually changed as the new funding and new partnerships reinforced each other.
Figure 21: Timeline of recovery 1977 - 2005


Sheffield’s Economy

The relatively strong economic recovery in Sheffield leading up to the 2008 recession meant that total GVA increased from £6.3 billion in 2000 to £9.2 billion in 2007. However in 2012, GVA per head at £17,752 in Sheffield was still low compared to the UK national average of £21,295 and Sheffield had the lowest GVA score of the 8 core cities. This was in part explained by the serious shortage of high level skills which slowed growth. One consequence of the skills gap and the job mismatch was the growth in long term unemployment since 2008, but the picture in Sheffield has changed rapidly since 2008 as later sections show.

During the long recession, Sheffield has seen a significant increase in long term unemployment (measured by numbers of Job Seekers Allowance (JSA) claimants claiming for two years or more). The number has risen from 100 long term claimants in 2008 to a total of 2,780 in 2013. The growth in long term unemployment has been fastest among 18 to 24 year olds. The city is taking special steps to try and remedy this situation, but the scarring effect on those young people is long-term. This is part of a national problem since the recession of 2008.

In spite of this problem, since the recession of 2008, Sheffield’s economic structure has evolved in special ways. Manufacturing is more significant than in many other Core Cities in England, even though it only provided 10% of total employment in 2010 compared with 16% in 2001. Public sector job growth has driven much of the recovery in Sheffield since 2000 and latest figures in 2012 show that public administration, education and health make up around 35% of employment in the city. This is higher than the average in Great Britain - 28% - but the level is comparable with cities like Liverpool and Newcastle. On the other hand, the rate of growth in public sector employment in the 2000s outstripped all other major cities.

Sheffield’s high proportion of public sector employment is inflated by the large health and higher education sectors, and by the location of leading government departments in the city, including health, education, work and pensions. Private sector jobs are heavily concentrated in SMEs- responsible for half of all of the city’s jobs. Growing jobs and productivity in small enterprises remains a challenge. More private sector jobs are needed to rebalance growth.

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10 Sheffield City Council, 2010.
11 Sheffield First Partnership, 2014.
12 Ibid.
13 NOMIS, 2015.
14 ONS. Census; NOMIS 2015.
15 NOMIS 2015; ONS. Business Register and Employment Survey.
Local Enterprise Partnerships

In 2010, when the Conservative-Liberal Democrat coalition came to power, Local Enterprise Partnerships were established as the government decided to replace the Regional Development Agencies, set up under New Labour in the early 2000s, with more local bodies. Businesses and councils came together to form Local Enterprise Partnerships whose geography more accurately reflects the established economic and labour-market areas of England. Sheffield City Region Local Enterprise Partnership, a descendant of the city’s original Sheffield First Partnership Board, was established in 2011 and brings together the nine local authorities making up the City Region. Business leaders work with local politicians to develop strategies that drive economic growth and create new jobs. The Board has a balance of members – ten business leaders and nine local authority leaders, including the Mayor of Doncaster\textsuperscript{16}.

City Deals

The Coalition Government wanted to create a strong economic base within city regions for the economic recovery of core cities. The Core Cities group, dominated by former industrial cities concentrated in the North, actively supported the development of City Deals, a funding and development agreement between central and local government, building on the notion of an economic city region. The core aim of Sheffield City Region is to foster new skills and new enterprise; the SME sector; high tech innovation; university-led public-private partnerships to foster advanced research and advanced manufacturing. Sheffield worked hard to pull off positive agreements with its neighbouring councils and central government, under the umbrella of the “City Deal”. This negotiated agreement or “Deal” commits Sheffield to encouraging private enterprise, apprenticeships, training and business innovation activity, in exchange for government support.

Sheffield’s ambitious City Deal agreed in 2012 with the government across the nine local councils of the city region, has led to the city region being awarded Combined Authority Status, making it only the second city in the country, after Manchester, to acquire independent revenue-raising powers and much greater control over local infrastructure, investment and enterprise development. This progress however came alongside severe cuts to Sheffield Council’s core budget. Many jobs have gone, functions have been amalgamated and programmes cancelled or shrunk.

Sheffield’s political and economic structures have changed significantly over the last decade. Overall, the changes have supported new skills, attracted new investment and expanded Sheffield’s continuing job recovery in spite of the recession. The following figure shows the steep rise in jobs since 2011.

\textsuperscript{16} Sheffield City Region, 2015.
Box 1: City Deals programme

The City Deals programme was established by the Coalition Government in December 2011 with the aim of granting more economic control to the UK’s most important cities outside of London. These cities were given the opportunity to negotiate deals with government that grant each city new powers in exchange for greater responsibility for stimulating and supporting the area’s economic growth. These negotiations were organised by the Cities Policy Unit, a cross departmental body made up of civil servants and seconded staff from local government and the private sector.

The first wave of cities to be included were the eight largest cities outside of London, known as the Core Cities. The second wave involved a further 20 cities - the 14 largest cities outside of London and the Core Cities, and the next six cities with the highest population growth from 2001 to 2010.
3. Reshaping the economy since 2010

Sheffield is now entering on a third phase of growth, moving on from the first phase of growth based on massive industrial enterprise, followed by the second phase involving large scale public reinvestment to aid recovery. Today, there is strong private sector-led growth building on Sheffield’s traditions of engineering; its strong university-led research and development; an extremely diverse and large SME sector (often originally dependent on big industries); new enterprise creation; invention and innovative production methods. The new phase has been on-going since the early 2000s but severe public funding cuts in recent years have sharpened this shift in focus to economic development, new enterprise and private investment.

The collaborative working of the City Region partnership has shown Sheffield to be a recognised partner for government in developing a new economy. It has become a leader in adapting to new government policies and strategies since 2010 and succeeded in creating valuable working relationships through this approach. It has as a result accessed different strands of central government funding. The following figure sets out new programmes and new sources of funding.

Box 2: Sheffield’s new programmes for economic recovery

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Objectives and outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheffield City Deal</td>
<td>The City Deal is a ground-breaking shift of power from Whitehall to Sheffield City Region which will:</td>
</tr>
<tr>
<td>July 2012</td>
<td>1. put businesses and local partners in charge of getting the skills Sheffield’s economy needs, creating 4,000 new apprentices and upskilling 2,000 employees by 2016</td>
</tr>
<tr>
<td></td>
<td>2. deliver a £32.8m New Development Deal scheme to transform Sheffield City Centre</td>
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<tr>
<td></td>
<td>3. enable the City Region to make economically-focused infrastructure investments with a new funding model worth up to £700m</td>
</tr>
<tr>
<td></td>
<td>4. transform the Sheffield City Region transport network with long-term funding certainty for the next decade, enabling investment in major priority schemes.</td>
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<td></td>
<td>5. introduce Oyster card-style ticketing for transport and give the City Region greater control over the bus network</td>
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<td></td>
<td>6. develop a national centre for procurement</td>
</tr>
<tr>
<td>New Development Deal</td>
<td>A £32.8m New Development Deal (TIF2) enabling Sheffield to borrow against projected business rates in order to invest in infrastructure now and transform Sheffield City Centre bringing:</td>
</tr>
<tr>
<td>July 2012</td>
<td>1. 4,000 construction jobs, 1,324 direct new jobs and 1,890 indirect new jobs</td>
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<tr>
<td></td>
<td>2. £93m GVA uplift</td>
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<td></td>
<td>3. £200m of direct private sector investment</td>
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<tr>
<td>Enterprise Zone</td>
<td>The aim is to accelerate the development of modern manufacturing and technology businesses in the Sheffield City Region and to support growth in related technology-based sectors e.g. energy, environmental and low carbon industries, creative and digital industries, healthcare technologies.</td>
</tr>
<tr>
<td>2012</td>
<td>The Enterprise Zone is strategically situated in the Lower Don Valley near Junctions 33/34 of the M1 but also includes development sites elsewhere in the Region totalling 145</td>
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</table>
hectares. All businesses will benefit from a simplified planning regime and superfast broadband, with key areas also eligible for enhanced capital allowances and business rate relief. By 2020, the Zone is expected to create over 7,000 additional jobs in the Sheffield-Rotherham economic corridor, and over 8,400 jobs in the City Region.

**Regional Growth Fund**  
**October 2012**  
Sheffield and Sheffield City Region secured £25 million to invest in local businesses.  
The purpose is to enable local businesses to grow.  
The first call for investment proposals identified 150 projects showcasing some of the city’s and region’s most promising SMEs.

**Sheffield City Deal on Skills**  
**March 2013**  
Over £25 million of government funding secured to support the creation of ‘Skills Made Easy’  
Sheffield’s City Deal secured the biggest devolution in skills funding of any major city in the country.  
More than £25 million of government funding is being used to support Skills Made Easy, a new skills initiative that supports local businesses to take on apprentices and up-skill their existing workforces.  
Skills Made Easy operates through a range of brokers who work with local companies ensuring that they can access the high quality training they need when they need it.  
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.  
The longer term intention is to seek a more extensive devolution of the skills system with more choice and decision making placed in the hands of local employers with the support and backing of the Local Enterprise Partnership (LEP).

**Sheffield City Region Investment Fund (SCRIF)**  
**2013**  
A framework of funding streams to deliver essential strategic infrastructure to increase economic growth and jobs in Sheffield City Region.  
The Government has endorsed the Sheffield City Region Investment Fund (SCRIF) which has the investment potential of up to £700m. This is a recyclable fund which enables the City Region to make strategic infrastructure investment to encourage jobs and growth outcomes and utilises the new funding flexibilities available to local areas. It includes:  
• Up to £500m for strategic transport investment – enabling Sheffield City Region to unlock key growth sites, support business and job growth and facilitate major strategic transport network transformation  
• £282m programme of identified infrastructure investment opportunities  
Sheffield City Regeneration Investment Fund (SCRIF) brings a range of funding streams together into a single assessment and prioritisation approach determined at city region level by elected leaders and the LEP. SCRIF is a way for local authorities to deliver the economic schemes essential for future growth. While the primary objective of SCRIF is economic growth, this is balanced with a desire to ensure that the benefits of the programme are reasonably distributed across the Sheffield City Region.
Sheffield City Region Growth Deal – the Local Growth Fund
July 2014

The Sheffield City Region has secured £295.2m from the Government’s Local Growth Fund to support economic growth in the area – with £34.7m of new funding confirmed for 2015/16 and 105.9m from 2016/17 to 2021.

This government investment will bring forward at least £410m of additional investment from local partners and the private sector – a total new investment package for the Sheffield City Region LEP of £707.3million.

The Local Growth Fund was established in response to Lord Heseltine’s report No Stone Unturned, published in 2012. All LEPs across the country were invited to submit a Strategic Economic Plan by March 2014 which outlined their priorities for local growth.

“Sheffield City Region LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area and has established strong financial monitoring procedures and cross local authority collaboration. As a result Sheffield City Region LEP will have the ability to redirect Local Growth Funding to fit with changing growth priorities.” 17

The Sheffield City Region Growth Deal will boost the economic growth of the Sheffield City Region with investments in key transport infrastructure, skills and business support projects. By 2021, the Deal will create at least 8,000 jobs and allow 5,000 homes to be built.

The Growth Deal does not amount to an endorsement of everything submitted in the LEP Strategic Economic Plan. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

Creative Sheffield’s Economic Strategy

Creative Sheffield, the economic development umbrella body of the city, produced a new Sheffield Economic Strategy in 2013 to fit with Lord Heseltine’s 89 recommendations which aim to inject stability into the economy, create the conditions for growth, and maximise the performance of the UK. The Sheffield Economic Strategy builds on the 2008 Masterplan for the city highlighting that Sheffield is not currently fulfilling its economic potential. It identifies a £1.6 billion prosperity gap between the Sheffield City region and the national average suggesting that Sheffield could be more productive18. This calculation shows the difference between the city region’s current performance, what other equivalent city regions achieve and what could be done to accelerate Sheffield’s performance to a point where it broadly matches the national average. Box 3 sets out the six objectives that Sheffield set out in its Economic Strategy and what they aim to achieve.

Sources: Sheffield City Region, 2015.

18 Sheffield City Region, 2014, p 3.
Box 3: Sheffield Economic Strategy Objectives

**Objective 1: Distinctive and High Performing Sectors**
- Realising the growth potential of GVA driving sectors
- Promoting our USPs and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing initiatives

**Objective 2: 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

**Objective 3: A Skilled and Productive Workforce**
- Improving educational attainment
- Upskilling the current workforce
- Developing a business focused skills system
- Cultivating and utilising high level skills

**Objective 4: 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

**Objective 5: An Inclusive Economy**
- 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**
- 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

An important function of the Economic Strategy is to identify ways in which Sheffield can realise its full potential by addressing the objectives set out in Box 3. The economic strategy embodies a vision for 2020. Box 4 shows the key targets and the actions necessary to move economic performance towards them.
Box 4: Sheffield’s 2020 Economic Vision

**Overall vision:** 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.

**2020 Target 1: Increase GVA per head to £20,000 from £17,752**

- Realise the growth potential of GVA by driving specific sectors
- Promote Sheffield’s unique selling points and sector strengths
- Drive innovation, collaboration and supply chain interactions
- Champion game-changing initiatives
- Introduce University Technical College education
- Launch the AMRC Training Centre
- Develop Skills Made Easy
- Establish the Sheffield City Region Skills and Employment Partnership
- Expand RISE to improve graduate utilisation in our SMEs
- Encourage university and business collaboration

**2020 Target 2: Raise the share of private sector knowledge-based jobs to 23.5% from 20%**

- Make Sheffield a business friendly city
- Encourage enterprise
- Develop Sheffield’s Business Growth Programme
- Develop an open-innovation culture
- Promote digital technologies for business growth
- Strengthen leadership and management skills
- Expand international trade
- Promote green, efficient businesses
- Facilitate access to finance
- Champion the next generation of learning businesses
- Support the Sheffield City Region Enterprise Zone
- Develop the innovation Centre for Healthcare Technologies
- Expand the Nuclear Advanced Manufacturing Centre (NAMRC) for Procurement
- Encourage Green Automotive Technologies
- Support Academic Health Science Network
- Promote National Centre for Sport and Exercise Medicine

**2020 Target 3: Raise the level of gross annual wages to £27,600 from £24,328**

- Pay Sheffield workers the living wage
- Drive innovation, collaboration and supply chain interactions
- Support digital innovation
- Extend the Made in Sheffield Curriculum
- Follow the 2015 Marketing Plan
- Develop Tourism Business Improvement District – become an Early Adopter
- Create a Destination Management Plan
- Develop a Major Events Programme and a Conference Ambassador Programme
- Unlock the economic value of culture

**2020 Target 4: Improve the employment rate to 68% from current 64.1%**

- Deliver Sheffield’s Employment Strategy
Sheffield’s economic vision could be regarded as a long wish-list, a vision for the city that does not match current realities. However, the alternative perspective is that it is setting its sights on a re-made city building on Sheffield’s entrepreneurial and technical traditions and on the potential of its people.

**The major contribution of SMEs**

A key objective of the Sheffield Economic Strategy is to create a dynamic private sector with a productive, competitive and growing business base, harnessing the energy and potential of the city’s SMEs19.

Small and medium-sized enterprises in Sheffield are recognised as being a driving force in the local economy, comprising the overwhelming majority of local businesses (99%) and providing almost half the jobs in the city (48%). This means around 80% of private sector jobs in the city are in SMEs, explaining why so much effort is being made to grow this sector. Over two thirds of these are micro businesses with under 10 employees, but Sheffield also has many larger companies with over 10 employees, including 3000 with over 50 workers. The average size of an SME in Sheffield is 13 but they range from a sole trader to 250 employees, as Figure 24 shows.

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19 Sheffield City Region, 2014.
Figure 23: Distribution of SMEs in the Sheffield Economy

<table>
<thead>
<tr>
<th>Size of enterprise</th>
<th>Number of workers per enterprise</th>
<th>Sheffield (number of enterprises)</th>
<th>Sheffield (%)</th>
<th>Yorkshire and The Humber (%)</th>
<th>Great Britain (%)</th>
<th>Estimated total number of employees in SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>1-9</td>
<td>10,850</td>
<td>84.9</td>
<td>86.9</td>
<td>88.2</td>
<td>54,250</td>
</tr>
<tr>
<td>Small</td>
<td>10-49</td>
<td>1,570</td>
<td>12.3</td>
<td>10.7</td>
<td>9.7</td>
<td>46,100</td>
</tr>
<tr>
<td>Medium</td>
<td>50-249</td>
<td>305</td>
<td>2.4</td>
<td>1.9</td>
<td>1.7</td>
<td>47,750</td>
</tr>
<tr>
<td>Total:</td>
<td>12,725</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>148,100</td>
</tr>
</tbody>
</table>

Sources: ONS. Inter Departmental Business Register; Annual Population; Regional Accounts; Business register and employment survey; NOMIS, 2013.

There has been a rapid rise over the last few years in the number of micro-business start-ups, mostly sole traders. But very few of these businesses grow fast or take on extra employees. Helping to stimulate this growth is a key priority in the Sheffield City Region in order to speed up job recovery from the massive job losses in manufacturing.

The following figure shows how the city hopes to support the SME sector as a major economic growth area, forming a vital part of its economic strategy and vision.

Figure 24: Harnessing the growth of SMEs

In order to help harness the growth of SMEs, Sheffield is developing significant support services for SMEs, focused on removing barriers to growth and helping businesses of all sizes to improve their productivity. These services fall under four main headings:

- **Sheffield Business Growth Programme** – Sheffield City Council will work with 1,000 SMEs with the potential to achieve sustainable growth, to build capacity and capability and take advantage of future growth opportunities. The programme 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.

1. **Open Innovation Culture** – Sheffield City Council will develop with LEP partners an ‘open-
innovation model’ of development and ‘collaborative community’ so that SMEs can access an
open learning network to foster a culture of continual improvement.

2. **Digital Technologies for business growth** – support services will help SMEs to utilise digital
technologies to transform their businesses by helping them identify and implement the optimal
IT solutions for their businesses.

3. **The Regional Growth Fund** – the fund makes possible investment of over £25 million from
government into local businesses – particularly SMEs.

**Developing new and higher skills**

Sheffield has a higher rate of residents with no qualifications than the rest of England- 12% and 10%
respectively. It also has a far lower percentage of residents with at least level 4 qualifications than the
national average- 24% to 34%. With investment in skills, this pattern is changing and level 4 qualifications
are increasing rapidly. The skills gap leads to a high rate of ‘hard to fill’ vacancies, with 45% of total
vacancies in Sheffield defined this way, compared to 23% in England as a whole. It has been estimated
that if Sheffield City Region’s qualification profile matched that of England, it would produce an extra
56,000 full-time equivalent (FTE) jobs over the next 10 years and an extra £2.9 billion sustained annual
uplift in GVA. The skills gap helps explain much of the performance gap in Sheffield.

In 2012 the Sheffield City Region agreed a three year skills investment plan with the Government of £67.8
million as part of the broader ‘City Deal’ agreement. The plan will see the City Region gain much greater
control of the allocation of its skills funding and the plan aims to result in 4,000 new apprentices and 2,000
newly upskilled people by 2016.

Sheffield’s SME growth strategy depends on the increase in skills and capacity. Employers based in the
Sheffield City region have argued for their skills needs to be met. This imperative involves two distinct
strands; higher level skills in research, design and technical openings, and progress in basic skills.

Sheffield secured the biggest City Deal funding agreement for its skills programme of all the Core Cities.
Skills development and related job growth is one off the most tangible outcomes so far of the City Deal.
One step in this direction is the creation of the University Technical College for post-14 technical education,
to help prepare young people for jobs in advanced manufacturing, engineering, creative and digital
industries, opened in 2013. This college offers post-14 technical training with employers directly engaged
in its work. The University Technical College was specifically created in 2013 to generate a stronger flow of
qualified workers in advanced manufacturing and other sectors that add to the city’s economic value
(measured as GVA). The aim is to steer technically minded young people into new jobs in manufacturing
and IT. This new initiative builds on the ten-year track record of Sheffield College and other improved
schools in the city in raising standards in the vital STEM subjects (Science, Technology, Engineering and
Maths). Sheffield College and Sheffield Hallam University both sponsor the University Technical College.

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20 Campbell. 2013.
21 Ibid.
22 Sheffield City Region, 2012.
The following box summarises the University Technical College offer.

**Box 5: University Technical College**

Sheffield University Technical College (UTC), opened in September 2013, adds to choice available to 14-19 year olds in the city. It enables those who want careers in manufacturing or the creative or digital industries to continue academic studies with technical training in these two distinctive and high performing sectors.

The UTC is sponsored by the Sheffield College and supported by Sheffield Hallam University, the Chamber of Commerce and the City Council. The College’s innovative approach to learning includes the use of industry standard equipment, industry mentoring and a work environment and opening hours that reflect the adult working day. It was created based on demand from the city’s employers for the learning system to better prepare young people for working life and to adapt skills for the new economy.

“A big vision lies at the heart of UTC Sheffield – to develop the next generation of engineers and manufacturers, designers and creatives, who together will help to solve the global challenges that lie ahead of us and revive a strong economy. These highly skilled young people will be the innovators and enterprising employees of tomorrow, helping to create new industries and providing much needed talent for existing businesses in our region.”

Nick Crew, Principal [http://www.utcsheffield.org.uk/about/vision/](http://www.utcsheffield.org.uk/about/vision/)


Progress in skills development is now keeping pace with the improving national picture. Between 2004 and 2013, the proportion of those of working age with no qualifications in Sheffield decreased from 14% to 11% and those attaining an NVQ level 4 or above increased from 26% to 36% now in line with the country average.
Schools in the city still lag slightly, even though they are improving and catching up. Improvements in performance at the top are outstripping those gains at the lower end of achievement, thus widening the gap between those that struggle and those that succeed within the population.

The figure above shows an increase between 2006 and 2010 in average pupil achievement at Key Stage Four in Sheffield, Yorkshire and the Humber and England. Although Sheffield started the period from a lower base than England as a whole, the gap closed somewhat with Sheffield’s average point score per pupil increasing at a faster rate than that of England (24.6% and 21.8% respectively).
There is good news on early education which bodes well for future progress. Sheffield’s performance in early year’s education has improved significantly since 2006- rising from being among the worst performing 25% of local authority areas to being generally in line with the national average. The gap between Sheffield and the national average has narrowed in relation to Key stage 2 English and Maths performance since 2006. At the end of Key Stage 2, 77% of children in Sheffield now achieve at least Level 4 in both subjects slightly lower than the national average of 79%.

**RISE**

Sheffield’s ground-breaking approach to small enterprises and their need to increase economic productivity underlines the need to match skills with actual jobs. An exciting experiment is under way through an ambitious city partnership with the universities and business support organisations to persuade SMEs to take on highly skilled but inexperienced graduate apprentices. Only one in five SMEs currently employs any graduates.

RISE is a new internship scheme attracting recent graduates to work in SMEs in the city. It is the first of its kind run by a city in the UK. So far 130 graduates have been placed with SME firms in the city since June 2013. RISE is run by a partnership of Sheffield City Council, Sheffield University and Sheffield Hallam University investing one-third each. The scheme is not limited to Sheffield Universities’ graduates. It works directly with Sheffield City Region businesses to bring young talent into their ranks. Both universities and the City Council pay into the scheme. RISE is not a job-creation programme but an economic development project focused on attracting to local businesses the talented young graduates that they need. It also prepares graduates for opportunities in advanced manufacturing and digital industries. There is a high profile given to technical jobs. Most of the new companies that take on graduates are relatively small. Advanced manufacturing firms are desperate to recruit graduates. Now they have access to a pool of engineering and other graduates. The sectors involved include creative and digital industries, logistics and retail, alongside advanced manufacturing.

*Figure 27: RISE Apprentice*
4. A “New Industrial Revolution”

In the late 1990s, advanced manufacturing was recognised as being the city’s path to prosperity. The new partnerships between public and private sectors, the entrepreneurial focus of the City Council, the recognition of the vital contribution SMEs were making to the economic revival and survival of Sheffield all helped pave the way for the creation of an Advanced Manufacturing Park (AMP) on the edge of the city.

The AMP was the outcome of a powerful and knowledge-driven partnership between the universities and manufacturing industry in the city. Two hundred years of industrial and engineering history, the technical and scientific strength of Sheffield’s universities, the skills base and historic performance of Sheffield’s Makers, all forged the foundations for a new industrial revolution. The industrial spaces, infrastructure, research and development strengths of the city region attracted both talent and investment back into the city.

The ‘Made in Sheffield’ trademark enjoys such high recognition that it gives the city a brand name synonymous with quality and innovation. Internationally, Sheffield is still recognised as one of the industrial world’s strongest manufacturing brands, offering a mark of origin and quality for the city’s many manufactured products. This has helped to attract investment in response to Sheffield’s particular skills base and manufacturing tradition.

Advanced Manufacturing

Advanced manufacturing in the Sheffield City Region represents new industry coming out of the skills and experience of old manufacturing traditions. Advanced manufacturing is the integration of technology based systems and processes in the production of goods to the highest level of quality and in compliance with industry specific certification standards. Products and processes are often innovative, made from advanced materials and components, and produced using technology driven equipment and processes. Paramount to advanced manufacturing is a highly skilled workforce operating in a lean culture of continuous improvement. The goal of advanced manufacturing companies is to continue to strive to be the “best in the class”, focused on high performance, with constant awareness of customer expectations.

The Advanced Manufacturing Park has greatly accelerated the long-term regeneration of the Lower Don Valley, which was the heartland of Sheffield’s large industries and become in the 1980s, a desolate space with high environmental damage. Once the very epicentre of steel manufacture with a world reputation for excellence, today, the land has been cleaned up and the infrastructure modernised to allow for regrowth.

Advanced manufacture is an ultra-modern development of what was once Sheffield’s bread and butter. Throughout the 1970s and 80s a few world-leading businesses kept going in Sheffield in all major subsectors of metals engineering, casting, forging, machine production and fabrication. Sheffield’s universities went on training high quality science graduates and postgraduates, based on internationally recognised engineering specialisms and research. Whilst the numbers employed in manufacturing declined dramatically, Sheffield did not lose its heavy industrial base to the same extent as some other cities. One advantage enjoyed by Sheffield is that it did not rely on one big name, such as Rolls Royce in Derby or Ford...
in Dagenham. Instead Sheffield produces high precision components and machines that are used by many different companies.

Local expertise in advanced manufacturing, including superior-strength steel manufacture, favoured the development of products that form part of the supply chain for wind and tidal power as well as geothermal energy, tapping the latent potential of now-defunct coal mines. Advanced manufacturing in Sheffield is also leading the development of Carbon Capture and Storage. Low carbon industries make up around 300 companies across the Sheffield City Region, employing 10,000 people and generating £570 million in GVA. Some of them are based in the Advanced Manufacturing Park.

Box 6: The Advanced Manufacturing Park

The Advanced Manufacturing Park (AMP) is a 100-acre site on the Rotherham-Sheffield border in South Yorkshire. It is a joint venture between public and private sector organisations including Harworth Estates, owners of the land, the City Council and private investors, to create an internationally recognised centre for engineering, innovation, research and manufacturing excellence. The AMP provides business and production space for high-tech industries, research and development, and new start-ups. The AMP developed out of a partnership between the universities, manufacturing industry and the city in the early 2000s.

It began in 2004 with the University of Sheffield’s Advanced Manufacturing Research Centre (AMRC), jointly founded with Boeing. This is a £100 million partnership between a leading international aerospace company and the top-rated research centre within the University of Sheffield’s Faculty of Engineering. The AMRC is a world-class, global research facility developing innovative technology solutions and applications for advanced materials. The AMRC has proved to be a far-reaching stimulus to UK advanced manufacturing and is a renowned success, possibly the biggest UK industrial success, linked to significant manufacturing capability.

Activities

Development within the AMP focuses on materials and structures, including metallic and composite materials. These are frequently used in precision industries including aerospace, automotive, medical devices, sport, environmental, energy, oil and gas, defence and power generation.

The Park provides incubator space and support for new start-up businesses, small companies, university spin-offs and sub-divisions of larger companies. All overheads are covered by a fixed price contribution. There are opportunities for businesses to expand and grow their supply chains on site because of the wide range of companies on site. This flexible approach to space and support encourages the evolution of start-ups into established enterprises with the potential for companies to evolve and expand into larger spaces, from just 2,300 to 27,000 square ft.

The opportunity for expansion into the available space, provided at low cost, gives companies the chance to design and build their own accommodation and bespoke facilities to accommodate evolving needs with custom-built units. The campus-style layout encourages companies to talk to each other and combine interests. The AMP now employs between 700-800 people, including the AMRC linked to the universities. SMEs play a big role in the AMP, but there are also several big companies that have set-up small offices there. There is frequent mixing and networking between different types and sizes of industry. Advanced manufacturing is uncovering many applications in the Creative Digital Industries, a sector where many of the companies are small.

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25 Ibid.
26 Ibid.
Some of the big name companies to be attracted to Sheffield are: Dormer, Boeing, Rolls Royce, and Bromley. Swann-Morton, a major long-standing Sheffield company is active in the new fields of activity, suggesting some continuities.

Successes

Businesses that are based in the AMP are succeeding through innovation. Often they are either the only or best qualified people to do what they do. There is specific technology and expertise in the Sheffield City Region that is available nowhere else, particularly in the applied use of high quality materials in precision industries. The technology developed in the AMP is applied in leading edge projects, such as within Formula One and the next generation of military and commercial aircraft, including the new Boeing 787 Dreamliner; also in off-shore wind.

Two of the most significant companies on the site are the Boeing Advanced Blade Casting factor and the World Centre of Materials Joining and Surface Engineering - The Welding Institute.

Enterprise Zone

In 2011, a new manufacturing-based Enterprise Zone for the Sheffield City Region called the Modern Manufacturing and Technology Growth Area (MMTGA) was designated to include the AMP and other sites along the M1 motorway out of Sheffield in South Yorkshire. The status of Enterprise Zone encourages businesses to move into the area to take advantage of special benefits including rate relief, a favourable planning regime and super-fast broadband. Enterprise Zones allow areas with real economic potential to create the new businesses and jobs that they need, with positive benefits across the wider economic area. Enterprise Zone status brings economic benefits to the city, along with new businesses. Sheffield is one of only a few cities to be allocated Enhanced Capital Allowances by central government. This special financial facility acts as a significant incentive for investors in the area. The Enterprise Zone and the expansion of the advanced manufacturing go hand in hand. The recognition of the success of the AMP makes it de facto an enterprise zone, while giving it more resources to grow.

The AMP was a success before Enterprise Zone status was granted, but the Enterprise Zone has extended the concept. Companies, new and established, want to invest in it and develop it. The status and recognition of the AMRC is a major factor in the overall success of this approach. There is now a cluster of buildings on the AMP that include the AMRC, NAMRC, Knowledge Transfer Centre, Apprenticeship Centre, and Castings Technology International Ltd (CTI).

The Modern Manufacturing and Technology Growth Area (MMTGA) is forecast to create 12,600 jobs, attracting up to 250 new advanced manufacturing and technology based businesses to the South Yorkshire area, building on the success of the AMP.

One factor that helped win Enterprise Zone Status was that the AMP was established by industry and business-oriented academics – so although the public sector did play and continues to play a critical role in its development, the AMP is no longer directly reliant on the public sector per se. There is now a second business park on the site of Sheffield’s old airport, near the AMP, already housing some of the overflow from the success of the AMP.
Green Innovation

The New Industrial Revolution is being driven by twin forces: the reduction in the supply of vital natural resources, on which Sheffield and UK manufacturing has traditionally relied. This leads to rising costs, shortages and the need to economise. The potential of environmental technologies to tackle the pressing challenges of climate change gives advanced manufacturing a strong rationale. Sheffield City Council, its private partners and its universities recognise this and have used advanced manufacturing technologies to uncover potential solutions to environmental problems.

Two important steps helped this development. First in 2006, the City set up a “Bioincubator” to support the development of Biotec, Life Sciences and Health-related enterprise. Like the AMP, it offers flexible and high quality laboratory and office space for start-ups and SMEs. Many of the activities are linked to reducing pollution, improving agriculture and cutting reliance on pesticides.

Another important step in linking advanced manufacturing to green innovation was the creation in 2007 by the University of Sheffield of the Kroto Innovation Centre on the University’s multi-disciplinary research campus. Two years after it was opened, it was awarded £1.55 million to undertake research into wind energy, in partnership with the Northern Wind Innovation Programme and Siemens Wind Power. It began as a small research group of six and grew quickly to 20. It is expanding rapidly and now covers advanced design as well as research. Sheffield’s historic production of light-weight, superior-strength steel, its
manufacture of durable blades, its engineering experience in rotary machinery that withstand extreme pressure, its windy location, and its forging traditions all make it an ideal base for new renewable and low-carbon technologies. Wind is a prime example, and the demand for powerful, engineered turbines is strong because of off-shore wind capacity around the UK. This requires significant infrastructure, much of it engineered by Siemens. Similarly there is scope in marine and geo-thermal engineering.

Another new technology that is taking off relates to low carbon vehicles – both electric and hydrogen-powered. Local producers see the potential and many are shifting into this market. New companies are growing such as ITM Power- a Sheffield based SME working on hydrogen-generated power and hydrogen storage. One of the major challenges of renewable energy is storage due to the need to cover lulls in wind or sun. The hope is that hydrogen storage could help plug that gap. The company’s work has been taken up in the rest of Europe, and with over 50 employees in Sheffield is set to grow further. A hydrogen refuelling centre could be a real catalyst for hydrogen development to turn Sheffield into a hub for hydrogen vehicles. The research behind this important development is illustrated in the following diagram.

Figure 29: University led breakthroughs in Sheffield

Another University of Sheffield initiative is the Sheffield Engineering Gateway, linked to the Department of Mechanical Engineering, founded in 2000. Its purpose is to foster collaboration between academics and private engineering companies. The Gateway invented a new device to reduce water pipe leakage. It has the potential to save the UK millions of gallons of drinking water, and save water companies millions of pounds. This will save energy as well as water, due to the energy-intensive nature of high pressure pumping.

The second such initiative is the establishment of the University of Sheffield Science Gateway. The project brings together academic experts from the Faculty of Science with public and private sector organisations to develop innovative products, processes and services. The project collaborates with numerous external
agencies in many fields, including energy, environmental science and conservation. Collaborators include such major multi-nationals as Unilever that favour low-carbon and sustainable development.

**The Proving Factory**

One path-breaking “green technology” initiative, heavily backed by the government, is the Proving Factory. The Proving Factory is a £22 million manufacturing initiative between Tata and Productiv (a low carbon vehicle engineering firm). The idea is to test low carbon vehicle technologies designed by small high-tech British companies and universities and prove their viability in production at the Proving Factory to improve their chances of being adopted by major car manufacturers. It provides the resources and facilities needed by small companies to develop advanced manufacturing processes, overcoming the barrier of large initial investments normally needed to do this.

The Proving Factory is a unique manufacturing assembly and validation organisation for the UK automotive industry. It bridges the current market ‘gap’ between the developers of advanced technology, innovative, low carbon prototypes and the need for vehicle manufacturers to produce for volume supply. In March 2013, The Proving Factory was launched in Sheffield by the Secretary of State for Business and Innovation and Skills, the Right Honourable Vince Cable MP, in order to bridge this ‘market gap’. The distance between SME technology developers making innovative, low carbon prototypes and the global vehicle manufacturers is huge but the volume producers are ultimately committed to developing vehicles using low-carbon technologies that will help them meet enforced emissions legislation. The Proving Factory is a commercially-driven venture aiming to catalyse growth and generate orders for technology developers, leading to more efficient vehicles and new demand for UK materials and component supply chains. The Proving Factory aims to become an exemplar for 21st Century advanced manufacturing in the automotive sector.

Two facilities are currently being developed to support the work of The Proving Factory. The first is a component manufacturing facility in Rotherham at Tata Steel’s Brinsworth Strip Mills site; a second assembly facility will be built in the West Midlands. The plan is for 250 direct new jobs within The Proving Factory, whilst 1000 more will be generated throughout the engineering and manufacturing supply chain. The Proving Factory is backed by £21.8 million of investment from the public and private sectors.

**Green Sheffield**

Sheffield has an urban community forest and several impressive city parks, including the Botanical Gardens. It also has a state of the art Combined Heat and Power generator in the city centre. There are many other environmentally linked initiatives in the city, some big, some small. An interesting contribution by the University of Sheffield to the wider greening of the city is the proposal to create a heart-shaped eco-park on derelict land in the heart of the city. It is bidding for £120,000 from the Big Lottery Fund to enable it to create ‘Love Square’, close to Sheffield Crown Court. The park will be planted with wildflowers and bird-friendly trees as part of the national Grow Wild campaign, and will include a community café made from a recycled converted shipping container. There is major opposition from residents in terraced streets to

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27 The Proving Factory 2015.
chopping down mature trees on the grounds that they are more expensive to maintain compared with planted young trees\textsuperscript{29}.

Within the wider City Region there is an ambitious project to transform the Dearne Valley, a former heavy industrial area outside Sheffield, into an exemplar of low carbon living and green technologies, set up in 2009. The 20 to 30 year project, a collaboration between the three local authorities of Barnsley, Doncaster and Rotherham aims to become an “Eco-Pioneer”- finding innovative solutions to the twin problems of vast environmental damage and the threat of climate change. The goals for the first five years of the project included enhancing the energy efficiency of homes and buildings, increasing residents’ ‘eco-know-how’ and attracting new, high-tech green technology businesses to the valley. The project is being updated to meet the new environmental and economic context of 2015.

**Public Transport**

Improving Sheffield’s connectivity to other parts of the country remains a critical factor in its economic regeneration. Train connections to London are now more frequent and faster than before with an average journey time of around two hours, but train links to nearby cities in the north of England (including Manchester and Leeds) are slow given the short distances. Recently there have been a number of developments relating to connectivity between Northern cities including:

- The publication of the One North report, developed by an alliance of five cities including Sheffield, setting out Northern cities’ ambitions for an interconnected North, including a new trans-Pennine rail tunnel that could be used by 125mph trains. This would shorten the journey time between Sheffield and Manchester from 90 minutes to just 30 minutes.
- The Chancellor of the Exchequer and the Deputy Prime Minister have both made announcements highlighting how better connected cities in the North could drive economic growth and become ‘an economic powerhouse in the North’. The Chancellor announced what he called High Speed 3, which was effectively a plan to implement many relatively modest improvements to lines, signals, stations, timetabling, rolling stock, etc between Northern cities to give much faster, more reliable connections and more capacity.

Sheffield has also been active in discussions around High Speed Rail 2 (HS2) with a strong ambition to be on the network. However, there are some difficulties within the Sheffield City Region as a whole over the location of a new HS2 station. Meadowhall outside the city centre and Sheffield City Centre are possible alternative locations. Sheffield City Council and many local businesses have made a very strong argument that an out-of-town station at Meadowhall would be the wrong place for a main line station. The Lower Don Valley is prime industrial land, whilst the city centre is where the financial services, businesses and jobs are more densely located. However it is cheaper and easier to send HS2 around the outskirts rather than into the centre. The decision around HS2 and the location of a station will fundamentally affect plans for the city centre and the Lower Don Valley over the coming years with the possible risk of disinvestment in the city centre if the decision goes ahead to locate the station at Meadowhall. The HS2 debate in Sheffield thus has the potential to undermine the recovery of the city centre. Meanwhile, there has also been an extension to the tram network, linking both west and east into the centre and therefore increasing

\textsuperscript{29} The Guardian, 2015
ridership and greatly enhancing its viability. The tramline is now breaking even on costs and makes a significant contribution to regeneration.

City Centre

When the new Conservative-Liberal Democrat coalition government was elected in 2010, introducing draconian cuts in public spending, the country had already been hard hit by a massive international banking crisis and was in the depths of a long recession, provoked by the financial crisis of 2008. Many of Sheffield’s ambitious plans were put on hold, including its plan for a large new retail development in the city centre. The aim of this was to counter the pull of Meadowhall out-of-town shopping centre and of Manchester’s very successful city centre shopping. The hope was that this would strengthen the repopulation of the city centre—with businesses, leisure facilities and residents.

The development of a new retail quarter in the city centre, a major regeneration scheme covering several blocks was suspended as the recession hit, and then again in 2010, when government funding of £12 million was suspended. Sheffield City Council and the previous developer Hammerson parted ways in 2013 due to repeated delays and the City Council is now examining a new Development Deal, forged through the Sheffield City Deal and the LEP. This allows the Council to proceed with the New Retail Quarter, by leading the scheme itself with a partner rather than handing the whole site over to a developer. Land ownership is fully secured by the Council and the planning permission approval is in place so much of the groundwork is complete.

It is still unclear whether such a plan can be made viable. Sheffield may well be forced to revisit and rethink how to counter the powerful pull of Meadowhall. The hope is to open the long-promised city centre retail quarter by 2019. Meanwhile, the rebuilt covered Moor Market, opened in 2013, as part of this bigger plan. This impressive closed market is attracting visitors who attend events at the Olympic-sized swimming pool (built for the World Student Games). The pool is now frequently in use for national swimming competitions and trials. As it is directly within the city centre, it helps to encourage visitors.
Figure 30: Meadowhall Shopping Centre

Source: Picture Sheffield/Sheffield Newspapers Ltd.
Outdoor Economy

Sheffield is the only UK city to have a national park within its boundary. One third of the city is protected green space forming part of the Peak District National Park. Sheffield has long been established as a city with links to the Peak District and outdoor pursuits such as biking, climbing and rambling. Sheffield is keen to learn from other cities who have used their natural assets to help harness economic development and growth, for example Portland and Oregon, in the USA.

This new focus was intensified by the decision to start the Tour de France in Yorkshire, very near to Sheffield. The Tour passed through the city, attracting large crowds and generating major enthusiasm for sport and the outdoors.
Building on the legacy of the Tour de France in July 2014, the City Council declared:

"The Tour de France will raise the profile of cycling in this region and it is our aim to build on the interest generated by this exciting international event. We will continue to develop existing schemes, such as the 20 mph zones, and to promote new cycle ways using existing green routes across the city." 30.

Alongside the specific cycling-led legacy initiatives, Sheffield City Council is developing an overall Outdoor Economic Strategy to elevate Sheffield’s profile as an outdoor destination, highlighting its natural assets including its proximity to the Peak District. It will also use Sheffield’s reputation as a City of Sport, sport technology and healthcare technologies, linked to its international-standard sports facilities, a now favoured legacy of the debt-laden World Student Games.

The Tour de France legacy plans for the city are striking. While some funds are already in place, some of the work is dependent on funding yet to be secured. The Grand Depart of the Tour de France in 2014 helped put Sheffield on the funding map for implementing its plans. Sheffield already has good cycling infrastructure with over 105kms of cycle path (on and off road), but it needs more as its cycling plan (below) shows.

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30 Sheffield City Council, 2014.
Box 7: Sheffield’s ambitious cycling plans

- Set up a City of Sheffield cycling forum consisting of relevant partners, encompassing health, leisure, transport, children and young people and parks to develop a comprehensive cycling strategy for the city, covering utility cycling, family cycling, cycling for health, leisure cycling and sports cycling.
- Improve and develop further the existing utility cycle network, predominantly along key radial routes; this will be connected into residential 20mph and city centre 20mph zones by shorter link routes
- Develop a “green route” cycle network connecting the city’s many green spaces, woodlands, rivers, and parks. The green network would also connect with the utility cycle network at key points
- Develop and improve facilities for Mountain Biking, and BMX riding
- Work with the Peak District National Park to improve routes into the National Park for leisure and sports cycling
- Create three bike hubs in the city, one in the centre and two in satellite areas, to provide storage and changing facilities, maintenance and repair, bike hire, etc. Enhance the city centre hub to create a destination for more than just cycling. One of the satellites will be built in conjunction with Sheffield’s Olympic legacy project, the national centre for sports and exercise.
- Partner with British Cycling to deliver guided rides and a sky ride event for a minimum of three years
- Develop a bike hire scheme (building on the work of the University of Sheffield) to cover the city centre, the transport interchange, both university campuses and residential blocks (private sector as well as university owned)
- Signpost the Sheffield section of the Tour de France route to encourage its use post-race, and create a permanent reminder of a piece of sporting history and enhance the cycling tourism offer
- Work with Public Transport operators and the transport executive to improve integration between different modes of non-car based travel
- Develop a series of related events – festivals, challenges, organised rides, sportive events to encourage cycling
- Develop a city-region strategy to improve cycling infrastructure to create a series of signed rides across South Yorkshire
- Build on work developed by the regional legacy group following the Yorkshire Grand Depart of the Tour de France
- The Tour de Yorkshire (a new annual international race with a different route through Yorkshire each year) forms part of the legacy of the historic Yorkshire Grand Départ of the Tour de France 2014

In addition, Sheffield City Council will continue to provide existing schemes such as cycle facility grants, free bike parking for SMEs, highway bike parking, Cycleboost (free training, bike loans, maintenance courses), Bike It for schools, Bike-ability training for schools and local route development in conjunction with the Streets Ahead programme.

Cycle Boost, Sheffield’s bike hire scheme, is about to start its 5th year. The aim is to reduce car use and car dependence in the city. To date, 1390 participants have borrowed a bike, 73% of whom are car drivers. Of that 73%, 63% have continued to cycle to work at least once a week, 2574 people have undertaken training, 924 of them in the last 12 months, and 132 people have undertaken a maintenance course in the last year. Courses are fully booked far ahead.

A related goal is to make the city centre an attractive starting point for outdoor enthusiasts heading for the Peak District National Park and another commission has been launched to develop this opportunity further.
Sheffield, the Outdoor City is an innovative effort to gain real economic benefits from Sheffield’s already significant outdoor economy – over 200 outdoor businesses, higher than average spend on outdoor equipment, higher participation in outdoor pursuits, and the fact of the national park being part of the city. Sheffield Hallam University is heavily involved through teaching and research. The slogan “everything grows outdoors, including jobs and the economy” underpins this initiative as part of the Sheffield International Economic Commission.
5. Social inclusion and neighbourhood renewal

Sheffield is a divided city with large areas of concentrated poverty, mainly on its Eastern side and large areas of relative affluence to the West and near the national park. Ten years ago Sheffield was ranked 60th out of 326 local authorities in the Local Authority index of multiple deprivation. In 2010 Sheffield was 84th, having somewhat improved its position. However, it remained in the bottom 25% of Local Authority areas. Its poorest areas are extremely poor, making Sheffield a highly unequal and divided city as the following maps show.

Figure 33: Map of Sheffield indicating overall deprivation

Deprivation within the city is highly concentrated in specific areas and the gap between the most and the least deprived areas of the city is big and appears to be widening. Pockets of deprivation within the city are mostly concentrated to the East where many areas are within the 10% most deprived in the country. Some of the poorest deprived areas of the city have large concentrations of ethnic minority populations. Burngreave is one of the poorest neighbourhoods in Sheffield and whilst across the city as a whole ethnic minority communities make up 19% of the population, in Burngreave 62% of the population is from an ethnic minority background. The number of ethnic minority residents doubled in the city between 2001 and 2011, from 55,000 to 110,000. Poverty also affected traditional working class areas of the city and areas such as Manor and Castle, Southey, Owlerton and Firth Park are also among the most deprived. The concentration of lone parents in Sheffield is above the national average – 29% of all families with children, but in the Manor Castle area, 75% of all families are headed by a lone parent. Poverty is far higher for children in lone-parent families.

31 Sheffield City Council, 2010.
Figure 34: A high street in the culturally diverse inner city neighbourhood of Burngreave, home to substantial Pakistani, Afro-Caribbean, Yemeni and Somali communities; and a local community café organised on a self-help basis

Source: Author

Figure 35: The Manor Castle area is one of the most deprived in Sheffield

The long recession since 2008, the government’s austerity measures and welfare reform policies have exacerbated the difficulties faced by residents in poorer areas of Sheffield. Sheffield has a far higher rate of dependence on benefits than the national average. For example, 21% of Sheffield households receive housing benefit compared with 10% in England as whole. Many working age households in work receive benefits to compensate for low-paid jobs.

Sheffield Fairness Commission

In 2012 Sheffield City Council established an independent Fairness Commission in 2012 to look into the nature, extent, causes and impact of poverty, public spending cuts and inequalities in the city and to make recommendations to address them. The Independent Commission, chaired by a Sheffield University
academic, Alan Walker, set out at the end of 2012 the way they recommended to make Sheffield the fairest city in Britain. The report contains specific recommendations for action in eight areas:

**Box 8: Sheffield Fairness Commission recommendations for action**

| Health and wellbeing for all:                                                                 |
| 1. Increase spending on addressing the wider determinants of health (e.g. poverty)               |
| 2. Implement health inequalities assessments for all major strategies and developments           |
| 3. Promote mothers’ health, e.g. early registration with a midwife, promotion of breast feeding, post-natal support |
| 4. Increase primary and community care—particularly in the most deprived areas                   |
| 5. Increase prominence of mental health and wellbeing in commissioning plans                     |
| 6. All schools in the city to put more efforts into recognising, identifying and supporting young carers |

| Fair access to high quality jobs and pay:                                                     |
| 7. Explore with Government devolving control over Work Programme to manage local delivery of programme |
| 8. LEPs produce an annual Competitiveness Report to encourage businesses to start and grow        |
| 9. Link primary care providers and employers to reduce incidence of long-term sickness           |
| 10. Introduce a voluntary ‘Fair Employer’ code of practice on fair and equitable working practices |
| 11. Pay the Living Wage to all employees including contractors as soon as possible or by 2023   |

| Fair access to benefits and credit:                                                          |
| 12. Raise awareness of welfare reforms amongst households and organisations                   |
| 13. Aim to make digital use routine for everyone in the city within 10 years                    |
| 14. Establish an ethical, affordable loan scheme for people who cannot use credit unions       |
| 15. Make money management and financial capability part of school curriculum                   |
| 16. Redistribute decent, edible food which would otherwise be wasted to people in food poverty  |
| 17. Investigate a collective switching scheme to help households reduce their energy bills      |

| Aspiration and opportunities for all:                                                        |
| 18. Prioritise proven Early Years interventions which support parents                         |
| 19. Provide access to affordable, high quality childcare from a range of providers             |
| 20. Understand needs of the bottom 20% of children at Foundation stage—and causes               |
| 21. Target pupil premium so disadvantaged children reach their potential and reduce inequalities |
| 22. Develop peer mentoring scheme for 11-12 year olds with successful older peers              |

| Better housing and a better environment:                                                     |
| 23. Use public sector land to allow developers to build now and pay the land receipt later     |
| 24. Develop mortgage deposit support for first time buyers without required deposit who can access mortgage |
| 25. Offer tailored support to reduce evictions and prevent homelessness                         |
| 26. Reduce speed limit and air pollution from M1 motorway                                     |
27. Establish Low Emission Zone where vehicles must have low emissions

A safe city:
28. Use ‘justice reinvestment’ to focus on preventing offending using custody budgets for short term offenders
29. A default 20mph speed limit for all residential roads in the city

Transport for all:
30. Increase fairness and reduce inequalities in bus use through Voluntary Partnership
31. Move to a franchise model for bus delivery
32. Increase transport options for people unable to use regular public transport

What citizens and communities can do:
33. Mount communication campaign about fairness and the adverse effects of inequality
34. Join up existing activity into a community development programme to empower communities
35. The city should build on the success of the Community Health Champions approach and use it to tackle inequalities

The Fairness Commission worked in the context of steep cuts to Sheffield’s core budget, forcing it to scale back its support for many community orientated initiatives. The report’s ambitious action plan has proved hard to deliver in the climate of public spending cuts. But it lays down a firm marker that the Council and city as a whole strives for fairness and would not “squeeze the poor” to attract wealth. The city’s approach to skills development below degree level in order to improve access to technical jobs is one sign of this working.

Anti-poverty projects in Sheffield

According to the State of Sheffield report of 2014, over one fifth of households in the city are living in poverty where the household income is less than 60% of the national average; and around a quarter of children in the city are growing up in poverty, compared to 20% nationally.32

There is a higher level of dependence on welfare benefits in the city region than in the surrounding region, with 13% of the working age population claiming out-of-work benefits. Welfare reforms are beginning to impact on benefit claimants and a recent report by Sheffield Hallam Centre for Regional and Social Research argues that as welfare reforms are fully implemented, there could be around £180million less per year in the Sheffield local economy.33

There have been many ambitious renewal programmes in the course of the recovery. They include a highly visible face-lift to frontages of Victorian street properties along main roads in inner city areas, including Burngreave; then creation and upgrading of city parks and neighbourhood spaces; restoration and reuse of abandoned buildings, sometimes linked to churches; establishment of Sure Start and children’s centres. All of this local regeneration activity has boosted demand for Sheffield’s housing and prices rose faster in the city in the 2000s than in the region or other similar areas. A big factor making Sheffield more attractive is the fall in crime. Sheffield is now the safest major city in England in relation to levels of violent crime and there are continuing downward trends in reported crimes of violence against the person, alcohol-related anti-social behaviour and violence. Another big factor is the almost constant work of upgrading estates and older areas of terraced housing.

32 Sheffield First Partnership, 2014.
33 Sheffield City Council 2013.
Over the past 20 years, the city has promoted some innovative, community-based projects and programmes. The city has worked hard to secure government and European funds to support low income communities and help residents to take an active part in community projects. The following box gives some significant examples of community-based projects specially set up to help low income communities progress. There are many others.

**Box 9: Community based programmes in Sheffield**

<table>
<thead>
<tr>
<th>Project description</th>
<th>Summary of aim and activity</th>
</tr>
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</table>
| **Manor and Castle Development Trust**  
*A community based charity set up in 1997* | Works with local people to improve their local area. Offers training, help to find work, health, advice, support for families and activities for children and young people.  
In 2005, the Trust helped to establish ‘The Quadrant’, a serviced office space, accessible to Sheffield City Centre. This provides both a consistent income stream for the Trust, and much needed workspace for high growth, high technology SMEs in Sheffield.  
The Manor Estate was a large, low-income, inter-war cottage estate of 2000 homes with a very settled community. In 1995, the Conservative government decided to “privatise” the estate. Nationwide Building Society forged a partnership with residents to rebuild the estate using the Community Trust as a vehicle. |
| **Healey City Farm**  
*A community based and led social enterprise, offering training, employment and youth activity, founded in 1981* | The Farm runs training programmes offering language classes and Basic Skills support and creates jobs through the development of mini-enterprises. The focus of the work is on enabling individuals that have been long-term unemployed, have learning disabilities or are suffering disadvantage or discrimination into finding employment and developing their skills. Healey City Farm has won awards for its innovative environmentally friendly, family orientated approach.  
The City Farm is part of the Healey Community Trust and provides an enclosed open space within the city for animals, food growing, bio-diversity and social support to children and families. |
| **Burngreave New Deal for Communities (BNDfC)**  
*One of 39 New Deal for Communities (NDC) national programmes which operated in deprived communities in England between 2000 and 2011 with the aim of reversing poor conditions and opportunities* | The core aim was to improve the quality of life for residents living in the area on key deprivation indicators including: crime, housing, health, environment, education, work-based skills, enterprise and employment. It also aimed to overcome ethnic divisions and involve all sections of the community.  
The £52 million Burngreave New Deal for Communities regeneration programme set out to transform the area of Burngreave in Sheffield by involving residents in developing programmes for the areas, such as an adventure playground, community facilities, face-lifts to street frontages, support for the Sure Start Centre, etc.  
The 2012 evaluation report found that there was a net positive impact of the programme on 29 out of 36 indicators from encompassing all six of the programme’s attempted outcomes. There are several community “legacies” in Burngreave such as the converted vestry, now a community education centre, and the adventure playground. The biggest improvements were in housing conditions, the physical environment, reduction in crime and increase in community cohesion. |
| **Sheffield and Rotherham Wildlife Trust**  
*The biggest voluntary sector nature conservation and environmental regeneration organisation in South Yorkshire. The Trust was established in 1985* | The Trust aims to conserve local habitats and ecosystems and now has over 5,200 members, 54 staff and an annual turnover of £1.8 million.  
Recent work has included a campaign to stop proposals to build a new motorway service area at Smithy Wood, a designated Local Wildlife Site. |
|---|---|
| **Zest Project**  
*An award winning community enterprise, founded in 1997. The project took over a former public swimming baths and laundry*  
Zest is responsible for managing the Zest Healthy Living Centre that provides health, physical activities, employment, training and social facilities for adults and children. Zest runs the swimming pool. | The project’s website lists five key aims:  
1. to promote awareness of, and access to, appropriate service provision  
2. to create a culture of participation and progression  
3. to raise skills levels  
4. to provide access to employment  
5. to promote enterprise, including social enterprise  
Zest has been hard hit by the cuts, but it relies heavily on volunteers and invents new ways of doing things. |
| **Park Hill Reinvestment**  
*The Park Hill council housing estate, containing 1000 flats, was opened in 1961, and renovated in the mid-2000s.*  
The estate is listed to preserve intact its striking “concrete complex” structure and design. | By the 1980s, the estate had become notorious for high levels of deprivation and crime. At one point it was even nicknamed ‘San Quentin’ after the famous American prison. By the 1990s, drug dealers had moved in and many flats were empty.  
In 2004, a competition organised by Sheffield City Council to restore and upgrade the estates was won by Urban Splash, a regeneration company wanting to take responsibility for the estate’s renovation. The estate is being renovated as partly social and partly private housing. The remaining residents are being rehoused in totally refurbished flats on the estate. In 2013 it was shortlisted for the Stirling Prize. |
| **Kier Training Programme**  
*A partnership between repairs provider Kier Group, Sheffield City Council, Sheffield Homes and training provider CTS Training*  
The partnership provides training opportunities to young people in Sheffield and the programme has trained more than 2,500 young people since its inception in 1999. In 2012, over 85% of students participating qualified successfully – gaining certificated building qualifications. | Sheffield City Council and Sheffield Homes every year invest a total of £1.5 million in the programme. The benefits to the city include skill development for young people, who otherwise may not gain employment, direct services to Sheffield’s property services, maintenance of many of the city-owned buildings and spaces, special training or people with disabilities, etc. Kier offers special opportunities to young trainee wardens, overseeing city spaces. It also trains residents for care jobs in residential homes. |
| **Housing Market Renwal (HMR)** | The aim of the programme was to raise housing values to the national average, either through demolition or renovation. Burngreave and surrounding areas were |
A national programme targeting nine city regions in the North and Midlands with high levels of empty property.

The Sheffield programme aimed to upgrade or demolish and replace thousands of older, Victorian street properties.

targeted, threatening local minority communities and multiple small enterprises. In practise many less properties were demolished than planned, and many more refurbished.

One particular community-based project, Zest, offers some useful lessons in how to survive the “swings and arrows of outrageous fortune”.

Box 10: The Zest Project

Zest is the trading name for Netherthorpe and Upperthorpe Community Alliance (NUCA) and is a community development trust working to promote regeneration, predominantly in the Netherthorpe, Upperthorpe and Langsett areas of Sheffield. Zest works together with the local community to improve local services, health conditions, access to learning, and young people’s prospects. It aims to make the local, multi-racial community a better place to live. It became a Healthy Living Centre in 2001.

Zest is registered as a company limited by guarantee and a charity – run and managed by the local community. Trustees are elected on a rotating basis at the Annual General Meeting. 6 trustees are local residents and a further 3 are stakeholders contributing specific skills and expertise.

The Healthy Living Centre is a high quality facility, housed within 3 refurbished Victorian buildings in the heart of the Upperthorpe neighbourhood.

1. It has a swimming pool, gym, library, community hall, café, offices, and meeting rooms.
2. It is the focus for the delivery of various health-related services, including GP Exercise Referral, Cardiac and Pulmonary Rehabilitation
3. The centre offers general open access to the pool, gym and fitness classes.
4. It has been very successful in addressing barriers such as sensitive pricing to reflect ability to pay, women only and disabled user sessions, and community transport provision.

The main activities of Zest are training, employment, advice, activities for young people, library, café and catering service, swimming pool and gym – emphasising improving health, quality of life and opportunity. The swimming pool is a restored and modernised old Victorian baths; it has women-only swimming sessions with guaranteed female lifeguards to attract Muslim women who travel from across Sheffield to swim at Zest because they guarantee female lifeguards. The gym also has women only sessions.

Zest is a deliverer of the government Work Programme in Sheffield which is difficult and high pressured. But the team is able to provide a good, local service that also enables them to sustain a more locally responsive employment service.

Zest also works at a city-wide level on behalf of communities and is a founding member of the Sheffield Cubed Consortium. Sheffield Cubed is a third sector membership organisation designed to seek out and win contract and funding opportunities to help members meet the needs of local people through the provision of high quality effective client-centred services. This collaborative approach enables single larger contracts to be secured centrally and delivered through local member organisations, thus achieving economies of scale while maintaining local third sector delivery.
Previously funded by the Yorkshire Forward Single Pot funding through Sheffield City Council (£250,000 per annum to run the building) and by the PCT (£100,000 per annum), Zest has been almost entirely (90-95%) dependent on contracts and generated income. There are grave uncertainties about how the Centre will survive in the future. Sheffield City Council has reduced its funding by two thirds and as a result Centre staff have had to take pay cuts and accept reduced hours. Many of the activities Zest offers are not income-generating.

Zest also relies on health contracts which are becoming increasingly vulnerable as the PCT has moved into the City Council and many services, for example, children’s weight management, may be delivered by the Council directly. Zest’s youth work has also suffered as a result of the public funding cuts as there is very little grant funding available now for this kind of work. Zest’s youth services are well used and highly valued, but Zest is using its reserves to fund this work.

The survival of Zest depends largely on contracts that it wins and on providing some city wide services as well as local services. Zest is balancing its original mission of improving people’s lives with financial stability and survival. Some of the most important parts of the work delivered by Zest, for example youth provision, are becoming increasingly difficult to fund as it is preventative work, the impact of which is not easily measurable.

Community café: Gym: Library:

Youth sports programme Swimming pool

All photos from Zest website: http://zestcommunity.co.uk/. Accessed 29 April 2015.
6. How is Sheffield City Region progressing?

Governance

In the early 2000s, when Sheffield applied for Objective 1 status (a large European Union funding channel to declining regions), Sheffield brokered a strong partnership agreement between the metropolitan authorities surrounding Sheffield. This laid the ground for recent breakthroughs in achieving Combined Authority Status. Sheffield City Region Combined Authority has been operational as a legal entity since April 2014 and brings together strategic decision making powers for economic development and transport. Combined Authorities are legal structures set up by local authorities in England, following a governance review and formal recognition by government. They have power to take on transport and economic development functions as well as a power of general competence which allows the Secretary of State under the general power to pass functions down to the Combined Authority. By 2015, there were four Combined Authorities in England:

- Greater Manchester Combined Authority (the pioneer with 10 metropolitan authorities combined)
- Barnsley, Doncaster, Rotherham and Sheffield Combined Authority
- Liverpool City Region Combined Authority
- West Yorkshire Combined Authority, based around the city of Leeds

The Sheffield City Region Combined Authority demonstrates that local authorities in the Sheffield City Region are able to work together in a pragmatic way to secure the best outcomes for the City Region and to promote the economic development and growth in the Region.

Advanced Manufacturing

Once the poster child of the UK’s industrial decline, Sheffield’s recession-defying growth in recent years has been based around the city and surrounding region using its past as a steelmaking and mining centre to embrace more modern technology, all backed up by training programmes supplying a steady stream of engineering talent. (FDI Supplement, FDI Magazine, Financial Times, June / July 2013)

Advanced manufacturing links Sheffield’s past and future. It helps explain the economic progress of Sheffield City Region. The core distinction of advanced manufacturing is its high precision, its innovative advanced technologies and applications, its use of advanced materials and machinery, and its extreme high design quality.

Manufacturing remains a strong industrial driver of the Sheffield City Region economy, currently employing over 82,000 people in the region and contributing £3.5 billion a year to GVA.

The Advanced Manufacturing Park (AMC) is viewed as the UK’s premier advanced manufacturing technology park and the Enterprise Zone, which encompasses the AMC, is also seen as a national leader.

“Sheffield City Region is rated the number 1 Enterprise Zone for Modern Manufacturing and Technology in the UK” (Financial Times FDI Magazine)

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34 House of Commons, 2014.
Jobs and Employment

From the latest ONS figures, the employment rate in Sheffield is 69% and the unemployment rate is 10% (based on 2013 figures) compared to national rates of 72% for employment and 7.2% for unemployment in Great Britain. The gap is far smaller than it was but is still significant.

Since 2008, Sheffield has generally followed the same patterns as UK national trends on output and unemployment, suggesting that Sheffield’s economy has become stronger and more resilient in recent times compared with in the early 1980s. One noticeable difference shown in Figure 35 is the drop in unemployment which is steeper in Sheffield than in Yorkshire or Great Britain.

Figure 36: Unemployment Rate 2008 - 2013

Latest data suggests that 4% of the population aged 18-24 in Sheffield is claiming Job Seekers Allowance, about the same proportion as Great Britain as a whole. This equates to 3,225 people in Sheffield and of this number, almost half have been claiming for at least 6 months. Around a third of the total number of 17,540 JSA claimants in Sheffield are aged 16-24 years.

According to a recent publication by the Work Foundation, Sheffield’s youth unemployment rate compares favourably with other cities in the country, with a rate somewhat below average of 17% or lower. Other Core Cities including Liverpool, Leeds and Birmingham have a higher rate of youth unemployment, with an

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36 NOMIS, 2014.
37 Sheffield City Region, 2014, p 19.
38 NOMIS, 2014.
unemployment rate above 20%. One clear indicator of Sheffield’s progress is the fall in economic inactivity, measuring those outside the labour market, from a high in 2009-10 to the national average by 2014.

**Figure 37: Economic inactivity rate, Sheffield and Great Britain (% of working age adults)**


Note: People classed as inactive are those who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.

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41 The Work Foundation used the following description to analyse youth unemployment rates: The youth unemployment rate is the proportion of economically active young people that are out of work. A person is considered economically active if they have looked for work in the past four weeks and are available to start work in the next two weeks. We have removed students from this measure because student unemployment is inherently less concerning than non-student unemployment.
Reliance on Public Sector Jobs

Cuts in public funding have caused significant job losses in the city, affecting public sector organisations like the City Council directly. This shrinkage of public funding has had an impact on community and locally based organisations across the city as we have shown in Box 6 (page 50).

The big challenge for Sheffield is to grow the private sector since the enterprise culture was weakened by a combination of giant industrial owners and a highly interventionist public sector. The long, post-industrial crisis made this worse because it created an even greater reliance on publicly funded employment. Other similar cities in the UK do better. In the Cities Outlook (2014) from the Centre for Cities, Sheffield ranked 61⁴² out of 64 cities in England in the share of private sector jobs it created, showing an actual decrease in the number of private sector jobs from 2010-2012 of 7,500 jobs⁴². However, the growth in advanced manufacturing, the strength of the SME sector and the rise in skills all suggest the potential for future growth.

Social Need

Sheffield has sustained its long run commitment to the integration of diverse communities and efforts to close the income divide. However, it has also been forced to cut support to many voluntary and community groups, including the Zest project⁴³. Wages at the bottom are extremely low; the skills gap at that level is hard to close; and benefit cuts are hitting both individuals and communities, as well as the economy as a whole. In this, Sheffield mirrors other Northern cities.

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⁴² Centre for Cities, 2014.
⁴³ More information in Special Projects section.
7. Concluding thoughts

Sheffield is a deeply impressive city, hard hit over four rounds of deep recession and job losses since 1970 – yet bouncing back, showing vitality and resilience – beyond what looked possible at every turn. Sheffield’s recovery since the 2008 financial crash, followed by severe public spending cuts, has possibly been the most surprising.

Sheffield has been more dependent on public investment over a longer period than most core cities. A history of nationalised industry and location of major government offices in the city in part determine this. Yet it has used the foundations of high public investment, laid over the late 1990s and 2000s, to underpin a new economy based on its strong and growing universities, its advanced engineering and technical skills, its largely restored and generous Victorian infrastructure, its location at the heart of England, its strong manufacturing base, sustained by a large SME sector.

The strong public investment of the past 20 years is now supporting the growth of Sheffield’s private sector skills development, incubator and start-up spaces, business support to SMEs, university-led research linked to private investment. These all underpin a strategy of regrowth. Sheffield City Region has attracted funds to support private-sector led growth through the City Deal with central government. It has acquired the new legal status of Combined Authority, with powers to develop transport and other vital infrastructure across the city region, and foster business growth with financial incentives.

Sheffield’s major success is in the expansion of advanced manufacture, the development of environmental technologies (such as electric cars), the use of hydrogen in transport and the shrinking of Sheffield’s chronic skills gap with the rest of the country.

Sheffield’s universities thrive on advanced research, innovation and links with the private sector – hence wind research and development, funded partly by Siemens. Boeing and Rolls Royce are among the other big names involved in R&D in advanced manufacture.

But Sheffield’s real strength lies in its SMEs, nearly 13,000 companies in the city, providing over 80% of private sector jobs and more than half of all jobs. The City Deal and other growth funds are supporting apprenticeships, a new post-16 technical college and a special recruitment and support programme to entice bright, skilled graduates into promising, growth-oriented SMEs.

All these actions, and many civic and social initiatives, have led to a strong regrowth in population and jobs since 2000. Much of the growth is among Sheffield’s significant minority ethnic population, heavily concentrated in poorer areas. The city remains sharply divided between East Sheffield (poorer) and West Sheffield (richer) in spite of major investment in neighbourhood renewal, better transport links and basic skills. But Sheffield is closing the gap in schools performance with the national average; and new opportunities are opening up for young school leavers through the new technical college and apprenticeships.

The tragedy of Sheffield is its relentless poverty, heavily concentrated still in the east of the city, leading to deep inequalities. Its new industrial prowess in advanced manufacture will not of itself remedy these deep-set social divisions.

There are significant untapped assets in the city and its immediate surroundings; the canal and river systems are largely unexploited; land is still available for development; direct access to the Peak District
National Park is quick and easy; many local train lines are in need of upgrading but the infrastructure is in place; many social initiatives help sustain the poorest neighbourhoods, although they need some nurturing and resources.

There are new directions emerging in the city’s economic strategy – the “Outdoor Economy”, hydrogen and other renewables, digital innovation, new university-led wind research and development initiatives. Sheffield has proved resilient, resourceful, innovative, enterprising and full of grit. It is set not just to survive but to grow and flourish.

References and sources


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