

The Economic Plan for Rotherham

2008 - 2020

Contents Page

Page	Section
3	Executive Summary
4	Introduction
6	Context, background and evidence
8	Strategic issues
9	Where are we now?
12	The Vision
13	The Themes
14	Theme 1 – Production and competitive businesses
35	Theme 2 – Economic inclusion and increasing participation
47	Theme 3 – Creating the conditions for sustainable growth.
56	Action Plans
	Appendices
59	Appendix 1 - Consultation
60	Appendix 2 - Partnerships
61	Appendix 3 - Funding
62	Appendix 4 - Strategies

Executive Summary

To be completed once body of Plan is written.

Introduction

Why an Economic Plan is needed

The plan sets out the framework for the development of Rotherham's economy in order for it to operate successfully in an increasingly global market. This will not be a quick fix and as such the Plan covers the medium to long term, whilst recognising early opportunities.

The Plan sets the Rotherham agenda for:-

- sustained growth
- improved economic performance
- closing the "prosperity gap" between Rotherham and elsewhere, but also between areas and communities within the Borough.

It has a broader remit than a traditional Economic Development Plan, covering all aspects that contribute to making Rotherham attractive to residents, investors, skilled migrants and visitors. This includes the key areas of: businesses, skills, transport and connectivity and housing. The result will be local businesses growing and flourishing with residents having the skills and abilities to access opportunities that this economic growth will bring; resulting in better health, stronger communities, lower crime rates and better educational achievement

For the Plan to succeed it is developed and delivered by a wide range of stakeholders; the public sector (Council, Yorkshire Forward, LSC, Jobcentre Plus, etc), the private sector as the main driver of the Borough's economy and the Third Sector to channel benefits to the wider population.

In order for Rotherham to improve its economic performance it is essential we have a holistic view of performance and the Plan focuses on delivery of the 5 drivers of productivity, as identified by HM Treasury:-

- More Vigorous Competition
- Increasing Innovation
- Strengthening Enterprise
- Improving Skills
- Boost Investment and Make Best Use Of Existing Capital Stock

How the Plan will work

The Economic Plan is a replacement for, and progression on, the Regeneration Plan (2004 - 07) providing a strategic Framework for economic development in Rotherham over the next decade and beyond.

It sits beneath regional documents such as the Regional Economic Strategy, the Regional Innovation Strategy and the City Region Development Plan clarifying how they will be delivered at a local level.

It works alongside local documents such as the Community Strategy and Local Area Agreement, providing a further strategic driver for the Achieving Theme and the Economic Block of those documents.

As the Economic Plan is a strategic document it will be underpinned by a number of "Delivery Plans" setting out the detail on how its vision will be achieved.

Appendix 4 to this plan provides further details on these documents and how they link together.

Context, background and evidence

Rotherham has a population of 252,000 and covers an area of 118 Sq miles, 52% of the borough is rural and there are a number of small isolated townships (Dinnington, Maltby, Swinton, etc) which initially developed around the coal industry. There are also a number of areas experiencing high deprivation focused predominantly on neighbourhoods surrounding the town centre.

Rotherham's economy was for many years reliant on large nationalised industries such as coal, steel and the public sector resulting in a weak enterprise culture. To address this, Rotherham partners have set the foundations for the town to become an enterprising place. However, to maximise the outcomes from these foundations and fully transform the borough into a place where enterprise is seen as a real option, further investment and support is required.

Over recent years a great deal has been achieved to develop Rotherham's economy, with progress made in many areas:-

- Since 2000 Rotherham as measured through the Indices of Multiple Deprivation (IMD), has improved from 48th to 68th most deprived Local Authority area in the country.
- The number of jobs in the Rotherham economy increased from 81,000 to 104,000 over the period 1998 – 2005.
- Many high quality projects and interventions are in the pipeline or already taking place, including:-
 - The Town Centre Renaissance Programme
 - "Rotherham Ready," teaching enterprise to School Children aged 4 and upwards
 - RMBC's network of Business Incubation Centres
 - The Advanced Manufacturing Park
 - YES!

To the outside world we look like a Borough on the rise, with major investment and a growing enterprise culture. While this is true, there are still problems. Go below the surface and we have:-

- Business stock and self employment levels below both regional and national averages. To reach national averages requires an additional 3,000+ new VAT registered businesses and 3,000+ people to enter self employment.
- 52,000 Rotherham residents live in the 20% most deprived neighbourhoods in the country
- Under-representation in the economy from women, disabled, 3rd age (over 50s), Black, Asian and Minority Ethnic (BAME) and young people.
- Low levels of skills amongst the population, only 17% are qualified to level 4 or higher, making it difficult to attract higher skill businesses to invest in Rotherham
- Low productivity compared to the national average. GVA per head is only 86.9% of the national average despite recent rises.

Rotherham's economy does not sit in isolation; there are clear strategic linkages with the sub-region, city region and region. Of particular importance to the economic growth of the areas is the single economy of Sheffield and Rotherham, which over recent years has outperformed Leeds in its rate of employment growth. A recent report by CURS, from the University of Birmingham has supported the recognition and strengthening of the economic links.

As of 2007, Rotherham's headline economic performance in comparison to South Yorkshire and the UK is as follows:-

Indicator	Rotherham	South Yorkshire	UK/GB
Overall employment rate	71.5%	70.2%	74.3%
VAT registered businesses per 10,000 population	251	266	397
Average (median) weekly gross salary	£396.10	£412.40	£448.60
% achieving 5+ GCSEs at grades A*-C	54.6%		
% of workforce with no qualifications	16.8%	15.8%	14.3%
% of workforce with Level 4 qualifications	17.0%	22.2%	26.5%
% self employment			
Employment in SOC1-3 occupations	31.2%	37.2%	42.1%
Average house prices (Oct 2007)	£121,308	£126,420	£184,346

Although Rotherham matches or even exceeds the South Yorkshire figure for a number of the indicators, it is in most cases significantly below the national figure. If Rotherham is to make a step change in its economic performance it must stop looking within "its own backyard" and seek to compete on a national and international, stage.

The Economic Plan will contribute to the Achieving Vision;

Rotherham will be a prosperous place, with a vibrant mixed and diverse economy and flourishing businesses. Inequalities between parts of the Borough will be minimised.

There will be an excellent town centre known for the high quality design of its public spaces and buildings, specialist and quality shops, markets and cultural life for all age groups. Rotherham will be accessible from other areas and will have a wide choice of integrated transport options available. Villages and rural areas will be revitalised and provide a high quality of life among Rotherham's beautiful countryside.

Strategic Issues

Some of the major strategic issues currently facing Rotherham include:-

The economy continues to make good progress, but structural weaknesses mean it will continue to fall further behind the national averages unless they are addressed.

Expanded employment and economic opportunities have reduced deprivation, but it is still above the national average with marked differences between groups and areas. We must focus on improving both quantity and quality of future employment opportunities. Financial exclusion remains a major risk for nearly 25% of Rotherham's population. Market failure that has resulted in worklessness being concentrated persistently by geography, ethnicity and social class

If economic growth and employment opportunities continue to grow at recent rates this could lead to labour and skill shortages, which may constrain the rate of growth.

A large investment has been made in business infrastructure across the Borough in the Dearne Valley, Templeborough, Dinnington, etc. However little investment has focused on the town centre which has resulted in a less favourable business environment – this is now a key priority, the Renaissance Masterplan project provides a real opportunity to create business infrastructure to meet the needs of growing businesses.

An economy over-represented in low pay, low value-added sectors which are characterised by low aspirations for skills development on the part of employers and employees

Collaboration

With an increasingly global economy, we can no longer look at Rotherham in isolation if we wish to continue to deliver transformational growth.

As has been show by the recent CURS report Rotherham and Sheffield already share a single and very successful economy. However collaboration must be on a wider scale than this, including sub-regional, city region, regional and national.

To strengthen partnership delivery of economic growth we need to analyse the wider implications and linkages for every issue and understand the fit within the wider picture. We must identify the relevant partners and most appropriate level of working and forge links and partnerships, either formal or informal that are most appropriate for the governance of our requirements.

Sub national review of economic development and regeneration

The SNR will be a major driver of economic development activity over the coming years. The reforms proposed within the SNR are set out below, which will have implications for Local Authorities such as Rotherham and its RDA (Yorkshire Forward), and in turn the economic development of the Borough.

Strengthening of the Local Authority role in economic development, including a new statutory duty to assess local economic conditions:

- This will include work with Local Authorities to improve their new enhanced role on economic development and neighbourhood renewal
- There will be a reform of central government's relations with regions and localities

Support for collaboration by Local Authorities across Economic Areas:

- This will include the development of proposals for Multi Area Agreements (MAAs) to allow groups of Local Authorities to agree collective targets for economic development issues
- Authorities will need to establish statutory sub-regional arrangements which enable pooling of responsibilities on a permanent basis for economic development issues beyond transport

Streamlining of the regional tier – introducing integrated strategies and giving the Regional Development Agencies (RDAs) lead responsibility for regional planning:

- There will be a move to a single integrated Regional Strategy setting out the economic, social and environmental objectives for each region. This will be a merger of the Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS)
- Each RDA will set their region a regional economic growth target.
- Local Authority leaders will have responsibility for agreeing the Regional Strategy with the RDAs and for effective scrutiny of RDA performance
- RDAs will have a key role in both coordinating business support within the region and in its delivery, steering the single brokerage service for business support and skills.
- Regional Assemblies will cease to continue.

Future role of RDAs in economic development under the proposals of the SNR:

- RDAs will have responsibility for regional planning and regional sustainable economic growth under the proposed Regional Strategy.
- RDAs will become more strategic bodies in-line with devolved decision-making principles.
- The Government will expect RDAs to delegate funding to Local Authorities as their capacity increases and within the framework of the Regional Strategy.

Future role of Local Authorities in economic development under the proposals of the SNR:

- Local Authorities need to play a stronger role in delivering economic development in their area. An increased strength would underpin existing strategies, such as the Local Development Framework and Community Strategy.
- All upper tier and unitary authorities (therefore, Rotherham) will be required to produce a statutory economic assessment of their area.
- Local Authorities will contribute to the development of the Regional Strategy and the economic assessment will feed into this. The assessments will also inform 2011/2012 LAA targets.
- Local Authority working across boundaries will be further enabled through the introduction of MAAs. This could strengthen sub-regional working and Rotherham's work with its closest neighbour Sheffield.

Where are we now?

Without the intervention and impetus provided by the strategic focus of the Economic Plan, how will the economy of Rotherham develop over the next decade? Without strategic focus and intervention Rotherham will continue to perform at a level not sufficient to compete in the global market place.

Rotherham's economy is built on performance in Employment and Productivity (Gross Value Added); a snap-shot of this data is provided below with further statistical evidence provided throughout the document to support the strategic direction.

Employment

From a peak of 75.0% in late 2004, the employment rate has fallen back to 71.5%, still the highest in South Yorkshire, but 2.8% below the national rate. DWP projections for the next 5 years expect the rate to stay constant or drop slightly without interventions in the labour market.

However, work by Arup for the Regional Spatial Strategy assuming delivery of major projects such as AMP and YES! has identified a likely growth in FTE job numbers within the Borough from the current 104,000 to 123,500 by 2021. This is an increase of 19,500 and an additional 15,000 jobs above trend based projections with growth in the working age population over the same period forecast to be only 10,000, this implies a possible shortfall in the available workforce options, therefore include re-engagement of workless individuals, increasing population or increasing in-commuting.

The table below sets out the potential impacts on the employment rate of the forecast job and population growth.

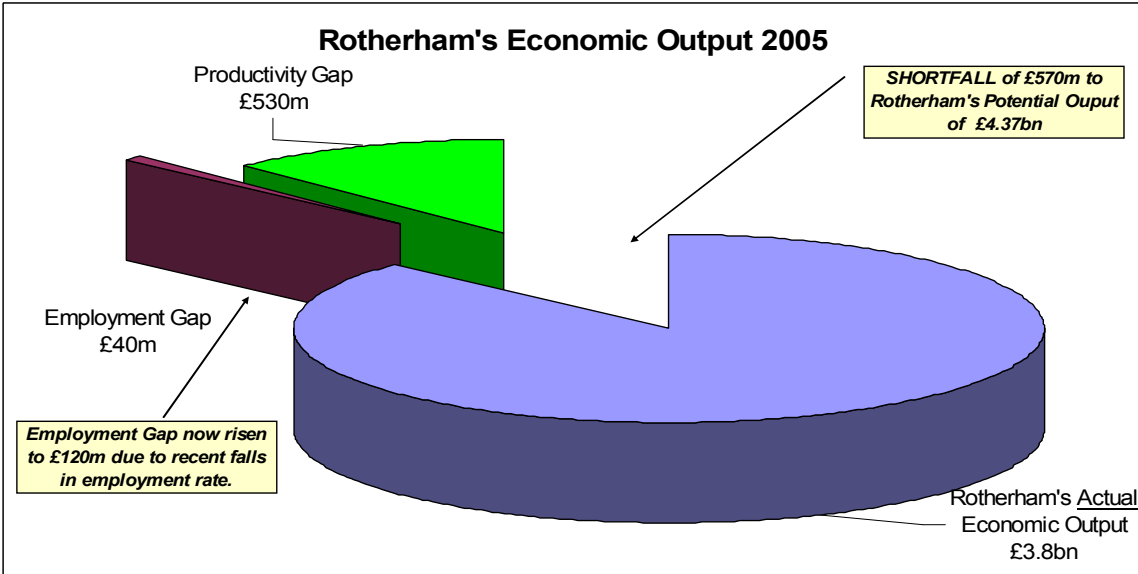
	Working age population	*Number in employment	Employment Rate
Current:	155,000	110,000	71.0%
By 2021			
Baseline	165,000	115,000	69.7%
Option D	165,000	138,000	83.6%
Option E	165,000	133,000	80.6%

Number in employment is residence based and calculated by adding additional FTE jobs (adjusted to number of jobs f/t and p/t) to current employment numbers.

In reality an employment rate in excess of 80% is highly unlikely to be achieved for a number of reasons.

- population increases through in-migration
- increased in-commuting
- people working beyond 'normal' retirement age
- people having more than one job.

Gross Value Added (GVA):

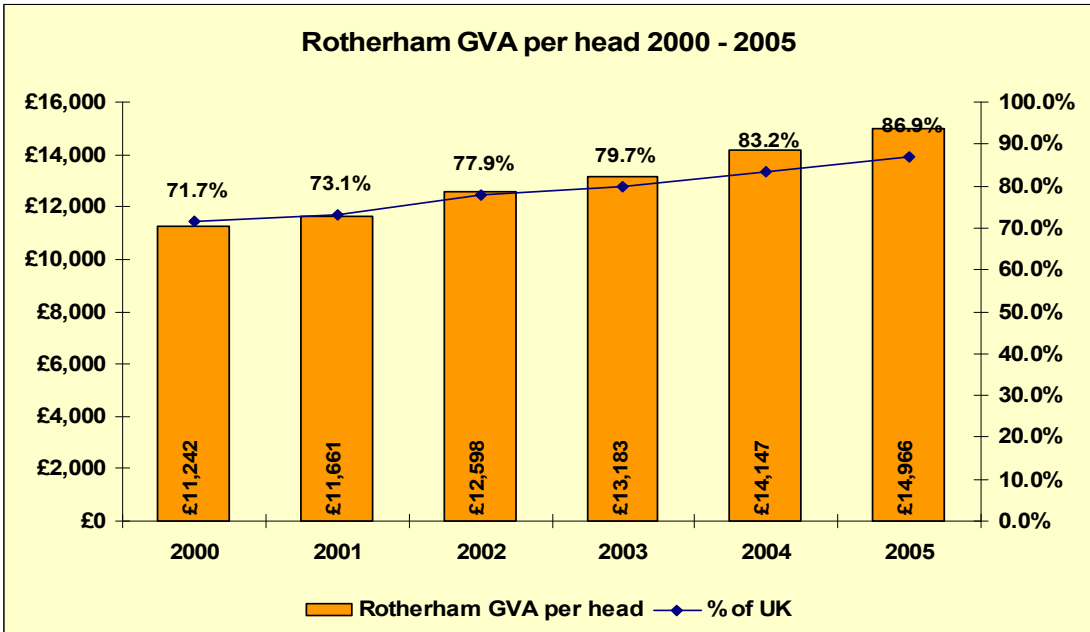


Source: Experian/Yorkshire Forward Regional Econometric Model

The above diagram illustrates the gap between what Rotherham’s economy is currently worth (£3.8bn) and what it could potentially produce if performing at the national average (£4.37bn). This shortfall of £570million, the “Prosperity Gap” is primarily down to:

- too few people in employment, which has actually widened since 2005 when the employment rate was close to national levels and will now be in the region of £120m.
- productivity significantly below the national average, a reflection of the industrial and occupational mix in the existing business base and the under-performance of key sectors when compared to the national average

As shown in the table; below significant progress has been made over recent years in narrowing the gap in Gross Value Added (GVA) with the UK average, but from a very low base.



Source: Experian/Yorkshire Forward Regional Econometric Model

Rotherham currently has a higher GVA per head figure than both South Yorkshire and the Sheffield City Region, an indication that this is a widespread problem, but lower than the Yorkshire and Humber region.

In order to bridge this gap we must:-:

- significantly increase the number of jobs in Rotherham, filled by Rotherham residents; bringing the employment rate back toward national levels;
- target this increased employment on high value added service sectors and high end manufacturing;
- raise productivity across the business base, both public and private sector, but with the main focus on high value added sectors.

The Themes

The Plan has been split into 3 Themes, subdivided into 9 strands:-

Theme 1: Productive and competitive businesses.

- Strand 1.1 Infrastructure for the 21st Century
- Strand 1.2 Productive and enterprising businesses
- Strand 1.3 Skills for an Advancing Economy

Theme 2: Economic inclusion and increasing participation

- Strand 2.1 Raising Aspirations and Encouraging Enterprise
- Strand 2.2 Increasing Employability
- Strand 2.3 Young People – the future workforce

Theme 3: Creating the conditions for sustainable growth

- Strand 3.1 Minimising the environmental impact
- Strand 3.2 Delivering Quality Neighbourhoods
- Strand 3.3 Rotherham's image and identity

For each strand the Plan sets out the current situation and challenges, headline facts, aspirations for 2020 and the priority actions to be taken to achieve these. Indicators have also been set, predominantly taken from the new suite of 198 National Indicators (NIs), to allow us to measure and monitor progress.

Theme 1: Productive and Competitive Businesses.

Strand 1.1 Infrastructure for the 21st Century

Headline Facts

- 290 hectares of land identified as available for employment use, of which 38% is retained for, or currently being marketed for, development. The Arup study for the Regional Spatial Study (RSS) forecasts that 99.2 hectares will be required for B class employment use by 2021.
- The net total floorspace for Rotherham employment sites is 2.6 million square metres
- The vacancy rate for industrial floorspace of 13.4%, highest for a decade.
- 92,116 m² of industrial floorspace (3.5% of the available total) has been vacant for 4 years plus.
- Apart from a couple of newer developments, most of the available town centre office stock is of older and lower quality, with rents of about £8.50 per sq. ft. the norm.
- Only 65,000 of Rotherham's 106,000 employed residents work within the Borough. 23,000 commute to Sheffield and 10,000 travel beyond South Yorkshire on a daily basis.
- Traffic flows in Rotherham are expected to grow by 6% by 2010 and further traffic increases are expected around Dearne Valley (S Yorks SEA)
- 17% of journeys made from Rotherham to Sheffield use public transport (LTP2)

Overview

For Rotherham to become more competitive as a location for investors the borough needs to have a high quality offer of industrial and commercial premises to meet the needs of today's global business.

Activity within this strand will support the development of infrastructure to meet the needs of businesses, including premises, transportation linkages and a good quality environment, to raise business investment in the area both from new investors and local business growth.

A high level of investment has been made over the past decade in infrastructure around the Manvers, AMP and Dinnington areas; continued investment in these areas will be supported. In addition the Rotherham Renaissance programme has brought the town centre to the forefront of investments in infrastructure and the economic footprint of the town centre will be transformed over the 25 year lifespan of the Rotherham Renaissance project.

The current situation

If Rotherham is to maintain its success in attracting investment then it must continue to provide sufficient supply of good quality land and accommodation for our modern and increasingly innovative economy, together with good internal and external transport linkages.

Town Centre

If Rotherham is to have long-term sustainable economic growth then it is of paramount importance that this is driven by a vibrant, well-used and successful Town Centre.

Currently the town suffers from its location between the two major retail sites of Meadowhall and Parkgate. We must ensure that the Town Centre provides an offer that links with and complements these places, which are major attractors of people and spend to the area.

The “Town Centre Renaissance” is a long-term multi-million pound programme to regenerate the town centre. It is currently in its early stages of delivery and will provide solutions to many of the major issues, including:-

- lack of residents
- poor retail and cultural offer
- lack of quality public realm
- lack of office space

This massive investment will create a town centre attractive to investors, residents and visitors.

Land

In recent years Rotherham has delivered large amounts of land for development, much of it publicly owned. This, together with historically high levels of UK and European funding, has driven the massive developments in the Dearne and elsewhere in the Borough, attracting new investors and leading to a steep growth in employment. Modern business environments have been created across the Borough, including Dinnington Business Park, the AMP, Manvers and the Magna site which is presently experiencing intensive development activity.

The position for the future is less favourable. Although Rotherham still has relatively large amounts of land for development the majority is in private ownership and there are not the levels of money for gap funding to drive activity and deliver large sites at short notice, leading to potential shortfalls in available employment land that is ready for quick development. An example of this is that 180 hectares (62%) of available development land in the Borough requires reclamation and/or infrastructure development. The bringing forward of contaminated sites will become more important as the supply of land available for development reduces, as well as contributing to the sustainable development of the Borough. As sites needing remediation have higher development costs this will again be affected by the reduction in external funds.

Sheffield has very little vacant land remaining for major developments, providing an opportunity for Rotherham, with potentially almost 300 hectares of land available subject to varying degrees of reclamation and servicing, to exploit. This strength is assisting and retaining businesses for the entire conurbation, which would otherwise have relocated. An example of this is Johnston Press, which moved from its Sheffield City Centre location to a brand new high-tech facility in Dinnington. It is therefore essential to increase and preserve the amount of land available for business, as well as the Investment Team that support this work.

A prioritised focus on site development is required.

Buildings

Although much new floorspace has been built in the Borough over recent years, there are still a number of areas where the market is failing. This is evidenced by the fact that over 90,000m² of industrial floorspace has been vacant in excess of 4 years, most of it old stock in the more deprived areas of the Borough and that the majority of office take up is out of town, with 2 of the last 4 years not having a single transaction within the town centre.

Although some new office space will be delivered in the Town Centre through the Renaissance programme, the majority of new stock will continue to be in outlying areas with 85% of the currently available 500,000 sq. ft. outside the town centre in large office developments in the Dearne and other locations. Part of the problem is that low rental values for the town centre, around £8.50 per sq. ft apart from a couple of the newest developments, mean that it is not economic for developers to provide spec build. This is despite Rotherham

having a potentially buoyant market for office space with higher levels of enquiries than both Barnsley and Doncaster.

Transport

Transport infrastructure is essential to economic growth; providing the economy with the people, services and goods it requires. Similarly, poor transport links will act as a barrier to the long term sustainable growth of the economy.

With the evidence that Rotherham and Sheffield actually share a single economy it is essential that good transport links exist between the two. Although the rail link is adequate, road transport can suffer from congestion around the M1 junctions and on the main approaches into the town.

Rotherham is relatively accessible to three international airports, Robin Hood (19 miles), Manchester (49 miles) and East Midlands (50 miles) and we need to ensure that the Rotherham economy maximises the benefits from having a fast-growing international airport less than 20 miles away. We need to build on this proximity to grow our international business links, but also to develop the Borough's visitor economy.

Steps need to be taken to promote environmentally sustainable development and transportation aiming to reduce car use; both to reduce congestion within the town and its environs and also to lower carbon emissions as global warming becomes an ever more important issue. We will aim to have green travel plans for all future developments. Public transport needs to be:

- easily accessible
- integrate different modes of transport
- regular
- relatively low cost (could employers provide free services to major employment sites?)
- clean and safe
- provide good quality of information

Improvements to the transport infrastructure are difficult due to the high costs involved and that projects are dependent on funding from Central Government. Significantly, the level of funding given to Yorkshire and the Humber is only £215 per head per annum, the lowest for any English Region. It is essential to work on transportation issues at a sub-region or city-region level - lobbying for more Government support for "local" transport schemes.

NEED TO ADD IN DETAILS ON GROWTH AGENDA – HOUSING, ECONOMY, INFRASTRUCTURE

Priorities

- 1) Deliver Rotherham Renaissance
 - a. focusing on the creation of premises to attract high quality employers in target sectors (proposed target sectors are Creative & Digital, Advanced Manufacturing and Metals, Professional & Business Services And Food.)
 - b. creating a vibrant town centre with high quality architecture, retail offer and public realm – creating an environment attractive to investors, residents and visitors.
 - c. Protect the town centre developments from the risk of flood.
- 2) Identify priority list of development sites for the next 10 years which would create most economic value; by setting up a group of public and private sector representatives to

- quantify land and infrastructure requirements and drive these forward on a strategic basis; ensuring that any external funding is focused on areas of greatest benefit to the Borough. Seek to bring forward the development of contaminated and un-used sites where appropriate
- 3) Provision of high quality office and commercial premises in accessible and sustainable locations to meet investor needs, particularly in the high-value sectors.
 - 4) Produce and deliver an investment and marketing plan and support package for investors locating to priority sites
 - 5) Continued development of priority investment sites in the Dearne Valley (including Brookfield Park and Manvers), Dinnington, AMP and Magna
 - 6) To support the office market to the point where rent levels make speculative build commercially attractive without the need for public sector gap funding.
 - 7) Improved transport gateways and links to the town centre and between the deprived neighbourhoods and local employment centres, including working with SYPTTE on a major refurbishment of Rotherham railway station.
 - 8) Improve transport connectivity between Rotherham and Sheffield, including either an extension to Supertram or provision of a Bus Rapid Transport (BRT) link.
 - 9) Enhanced transport connections to major economic centres including; Leeds, Manchester and London.
 - 10) Provision of Green Travel Plans for all future developments.
 - 11) Improve the digital infrastructure in order to provide local businesses with a competitive advantage, specifically those in the CDI and AMM sectors

Performance Measures and Targets

Ref	Indicator	Target	Timescale
LPI	Increase footfall within Rotherham Town Centre		
LPI	Reduce the vacancy rate for Town Centre premises.		
NI 167	Congestion – average journey time per mile during the morning peak		
NI175	Access to services and facilities by public transport, walking and cycling		
NI176	Working age people with access to employment by public transport (and other specified modes)		
NI 170	Previously developed land that has been vacant or derelict for more than 5 years		
?	<i>Average rental rates for town centre premises</i>		

Strand 1.2 Productive and enterprising business

Headline Facts

- Rotherham has a shortfall of 1,779 VAT registered businesses against the regional rate and 2,825 against the national rate and this gap is continuing to widen.
- 360 VAT deregistrations in 2006, the lowest level for over a decade.
- The increase in business stock is much lower in the NRS areas (+18.4%) than in the rest of the Borough (+44.9%)
- Large firms account for 33% of Rotherham's employment, compared to 16% for small businesses.
- Entrants to higher education per 1,000 population, Rotherham 8.6, UK 14.2
- Rotherham requires an additional 1,674 self-employed people to reach the regional rate and 3,087 to reach the national rate
- In the 20% most deprived SOAs; 5.0% of households are thinking of starting a business, above both national and regional levels.
- 28% of Rotherham employees work in the Objective 1 target sectors, including 19,000 working in the growth clusters, the highest proportion in South Yorkshire Districts and above the national average.
- Less than 24% of the working population are employed in the public sector, the lowest percentage of any authority in South Yorkshire and below the national average.

Overview

Innovation and a diverse business base are essential to delivering competitive advantage and sustainable, long-term economic performance in the global market . Successful and productive businesses are vital to Rotherham's economy prosperity.

Rotherham has a diverse sectoral mix with a dominant manufacturing sector. The manufacturing sector is undergoing transformation from the steel mills of the past to the high-tech, specialist powerhouses of the future. Rotherham and the Sheffield City Region are focusing on ongoing economic transformation to feature a dominant service sector, particularly business and financial services, an area which is forecast to have employment growth. The ongoing focus will be on supporting the diversification and growth of Rotherham's economy, increasing productivity, business investment, growth and new business start, incorporating increased support for specialist sectors of high importance to the area.

Key to productive, competitive business and a global economy is the development and support of business innovation and the knowledge economy – a move that has commenced in some businesses resulting in increased productivity. Current levels of research and development in Rotherham businesses are low and the Economic Plan will aim to support this advancement. Rotherham is within 10 miles of 2 high class universities and businesses must be supported to utilise the knowledge accessible through university innovation programmes. Rotherham will support the implementation of the Regional Innovation Strategy and development of the Sheffield City Region Innovation Board to ensure local businesses benefit from the investments made in creating a highly skilled productive economy.

Crucial to Rotherham's economic growth is a vibrant, enterprising SME community, with a high business birth and survival rate. A great deal of activity has begun to make Rotherham an enterprising place but more work is needed. Rotherham needs to grow its small business community, through start-up of new businesses and existing businesses expansion. This in turn creates opportunities for employees to progress and for growth in the wider supply chain.

Business Base

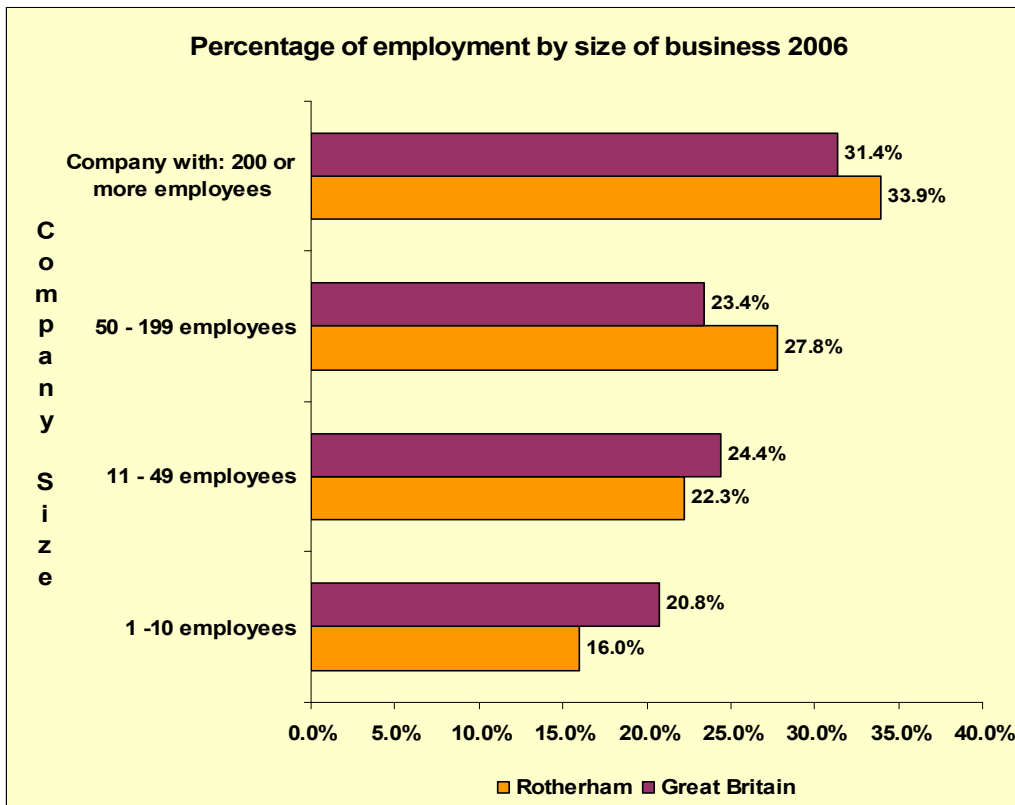
Rotherham experienced dramatic and transformational economic growth 2000 – 2005, with the economy growing at over 5% p.a., to sustain this we need to create and support an enterprise culture focused on higher growth and value sectors. Rotherham has already started to build a reputation for specialism in advanced manufacturing with the opening of the Advanced Manufacturing Park (AMP) at Waverley and also in Business, Professional and Financial services. Potential for growth and specialism also exists in both the Creative and Digital and Food sectors.

It is vital that Rotherham identifies and focuses support of “key sectors” that can give the greatest long-term benefit to the economy. Currently the main sectors are Advanced Manufacturing and Metals, through the AMP, along with Business and Professional Services, largely due to the call centre sector. Other sectors to consider are Food, Creative and Digital and Construction. Development of these clusters benefit Rotherham companies, through increased networking and supply chain management, improving productivity and innovation.

These confirm that manufacturing is over represented within the Rotherham economy despite negative growth. Rotherham is under represented in many of the service sectors which have chiefly experienced good growth. The growth in the ‘other business activities’ sector has performed particularly well but it must be noted that much of this growth is within the ‘call centre’ sector and concentrated within relatively few employers.

Not only does Rotherham suffer from an overall lack of business numbers it has traditionally relied on a limited number of major employers making it more susceptible to downturns within the wider economy and mitigating against developing an enterprise culture and risk taking.

This Plan will help to continue the move from the investment driven model of recent years to a more balanced innovation/investment model.

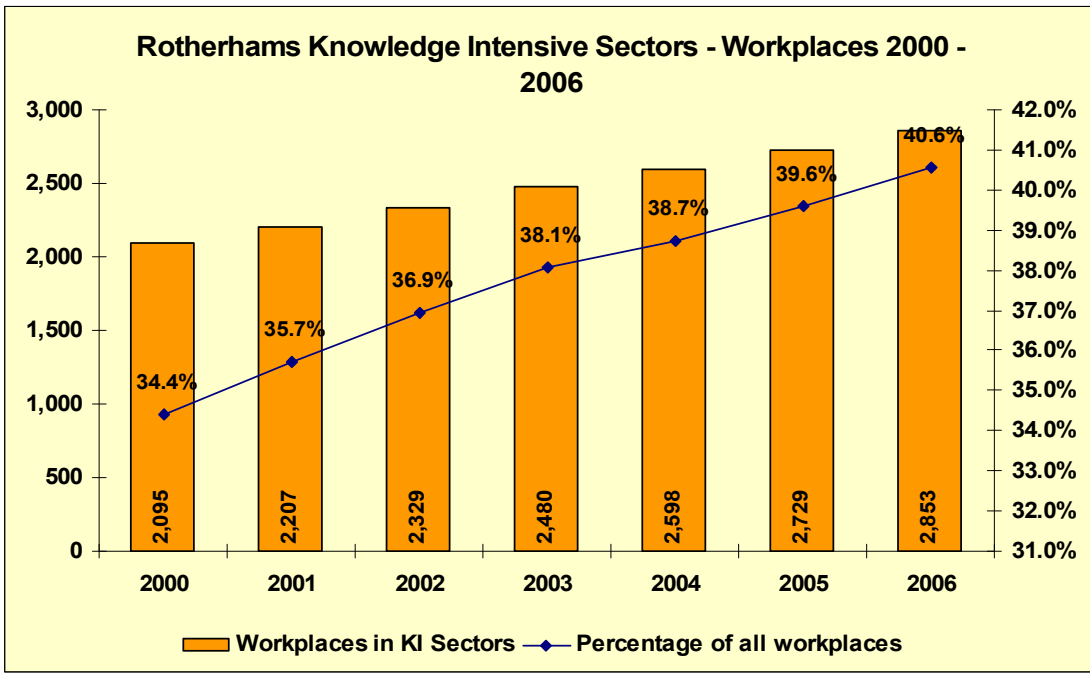


Source: ABI 2006

Business Start-Up / Enterprising Individuals

Enterprise is a key driver of productivity and therefore the Borough’s economic performance. We must engage with and inspire individuals and groups in the borough to instil a ‘can do’ enterprise attitude, helping them to believe that they are enterprising, and that the support exists to enable them to be enterprising. Not only will this increase numbers seeking to set up their own businesses, but also provide an enterprising workforce for new investors and existing businesses. Together with improved linkages between local businesses and South Yorkshire universities, this will make the area more attractive to potential inward investors and enable us to attract and grow companies from the higher growth sectors that are being courted by most other areas.

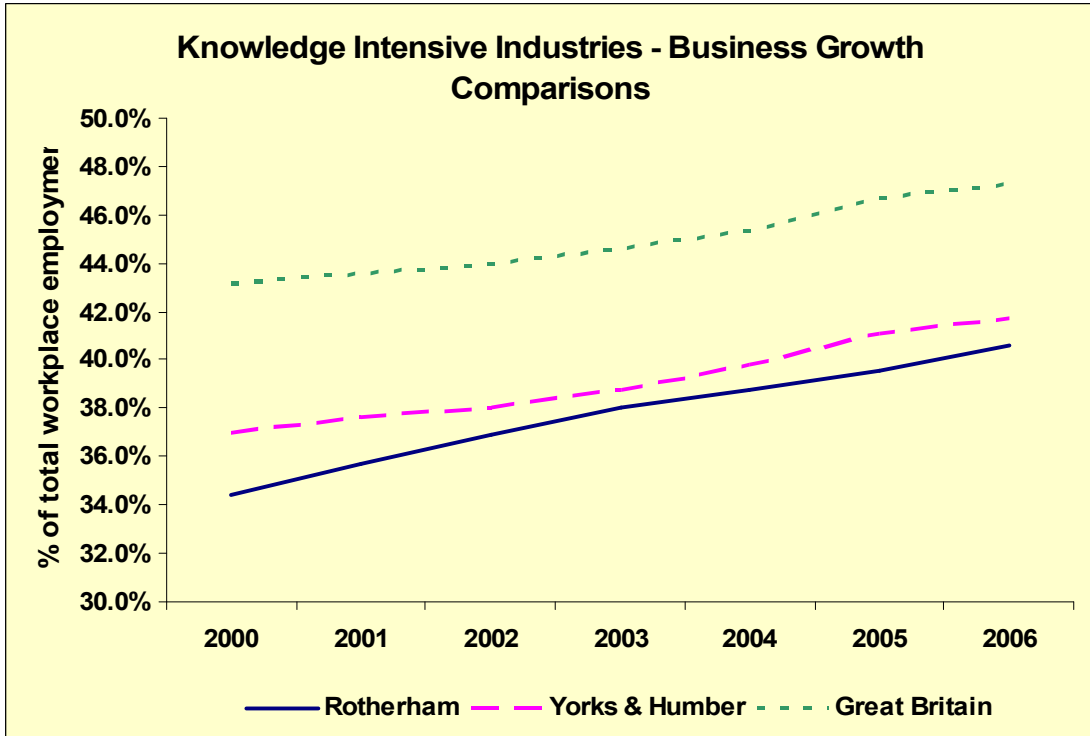
Increasing the number of businesses (and employment) in the high value knowledge intensive industries is an important part to play in closing the prosperity gap. Rotherham has seen significant progress in levels of employment in these sectors but has struggled to close the gap in terms of business numbers.



Source: ABI 2006 / Work Foundation

The higher growth more specialised sectors often have fairly limited employment opportunities, evidenced by manufacturing where there has been a rise in production by a large fall in employment.

The gap to the region has shrunk slightly but there remains a significant gap to reach national levels.



Source: ABI 2006 / Work Foundation

In terms of employment within these sectors Rotherham has seen more significant improvements although it must be remembered that call centres will have had a significant impact on the numbers in employment.

Priorities

- 1) To increase business productivity and growth with a focus on the higher value service and knowledge based sectors, through targeted marketing, advice and support.
- 2) To build on our existing strengths while targeting those specific sectors that will allow us to grow our employment and GVA. Supporting the development of more businesses from the emerging growth clusters e.g. energy and environmental technologies.
- 3) Establishment of an enterprising culture to support Rotherham's people and businesses to become more enterprising, innovate, develop and grow, particularly in the most disadvantaged neighbourhoods.
- 4) Target future inward investment on high growth, high productivity and businesses based on new technology
- 5) Support young people to be more enterprising;
- 6) Establish strong links between businesses and the region's universities/colleges. Create sector specific networks to regularly liaise and work with the higher education establishments. Signpost Rotherham business to national innovation programmes.
- 7) Improve local supply chain initiatives through local purchase initiatives, using local suppliers, improving the supply chain down to the 3rd and 4th tier and improve the public sector's procurement from local suppliers. Create awareness of supply opportunities available to growth sector companies
- 8) Build on examples of best practice within the Borough. i.e. the AMP at Waverley and the proposed Materials Innovation Hub at NAMTEC.
- 9) To support the increase in the number of business starts through premises and business support, including community based pre-start awareness and support activity

Projects

South Yorkshire Inward Investment Programme (SYIIP)
Provision of a cultural sector on Forge Island as part of the renaissance programme.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
NI 171	VAT registration rate (per 10,000 population)	28	2011
NI 172	VAT registered businesses in the area showing growth		
NI 182	Satisfaction of businesses with local authority regulation services		
CS	Improve 12 month survival rates of new businesses	85%	2010
	Reduce the gap in GVA per head between Rotherham and the national figure	90% 95%	2011 2015
	Self employment rate		
	New business starts, split down by Communities of Interest		

Strand 1.3 Skills for an Advancing Economy

Headline Facts

- Rotherham lags behind the UK average on higher level skills;
 - 17.9% of the working age population are qualified to NVQ level 4 or above - nearly 10% behind the national figure of 27.4%.
 - 36.5% are qualified to level 3 or above, compared to 45.3% nationally
 - 56% are qualified to level 2 or above, nearly 8% below the national average
- Currently within Rotherham 16.5% of the working age population (24,900 people) have no qualifications – compared to 13.8% nationally. This figure rises to over 45% in Neighbourhood Renewal target areas
- GSCE attainment has shown continuous improvement – though still lags behind the national average
- Over a third of local employers report a skills gap in the local population, with 18% citing literacy skills against a regional figure of only 4%.
- 80% of Rotherham’s workless are qualified to level 2 or below.
- 16% of adults have no formal qualifications and 25% have basic skills needs

Overview

Skills are key to economic regeneration and businesses can only compete globally through a skilled and adaptable workforce. Developing the skills of the workforce (particularly higher level skills) is critical if Rotherham is to increase productivity, support advances in enterprise and innovation, increase business competitiveness and improve levels of employment, earnings, unemployment and measures of social inclusion.

We must aspire to deliver an economy where employers find the skills base they require and individuals are developed with the skills, knowledge and confidence to access work and progress in their chosen career.

Improving the skills of the UK workforce is a national priority, with Government placing emphasis on the need to improve the skills base of those already in work and those able to enter work. The 2007 Leitch Review of Skills, Prosperity for all in the Global Economy, reports ‘skills were once a key driver of prosperity and fairness; they are now *the* key driver’. The review stresses the importance of improving skill levels for the long-term competitiveness of the UK economy and recommends that the UK commit to becoming a world leader in skills by 2020, Rotherham will follow this recommendation. As reported in Leitch, 70% of the 2020 working age population have already left compulsory education and the future flow of young people will reduce, this is reflected in this strand.

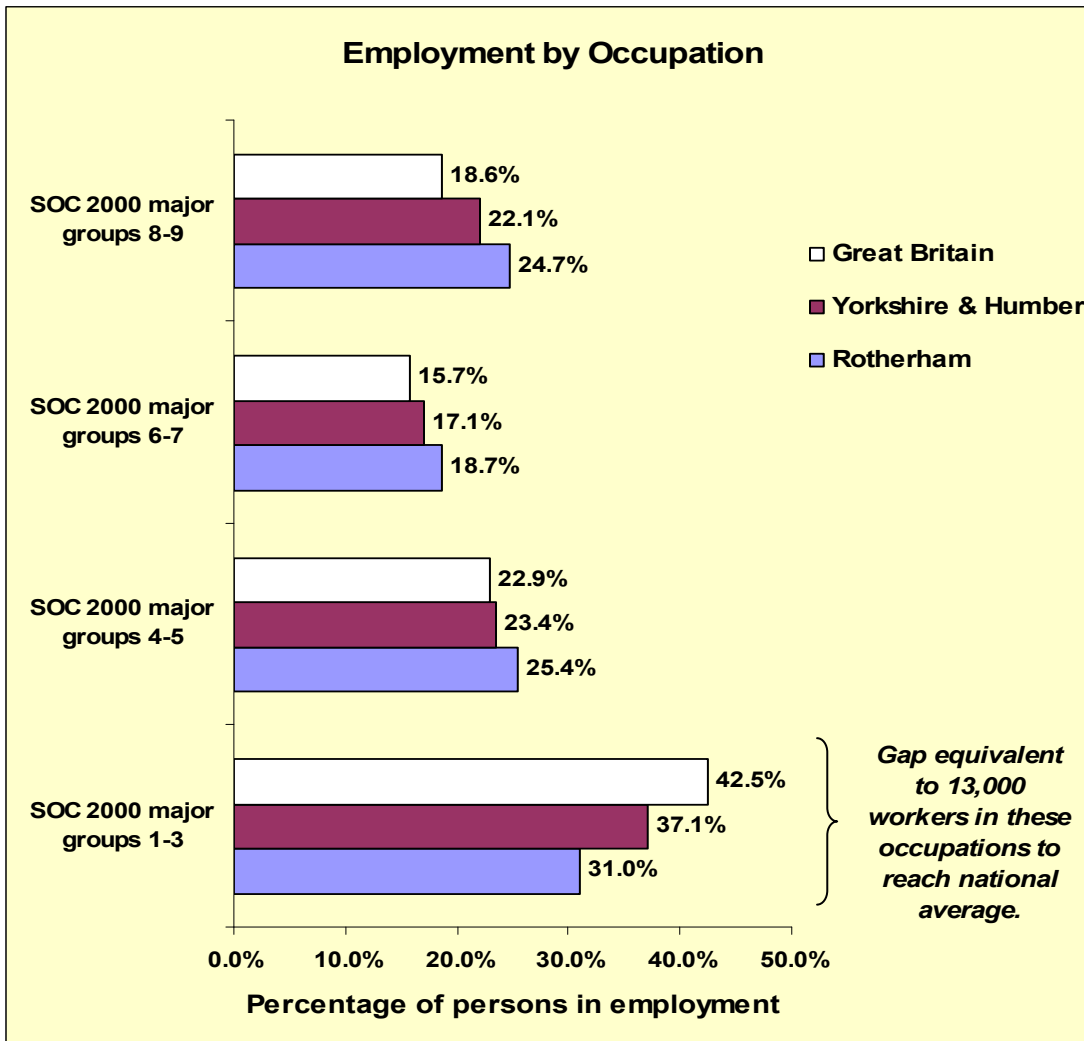
As can be seen in the table below; Rotherham performs below the regional and national average for all levels of qualifications, but with the gap widening appreciably at the higher levels, NVQ3 and NVQ4.

Qualifications (Jan 2006-Dec 2006)				
	Rotherham	Rotherham	Yorkshire and The Humber	Great Britain
	(numbers)	(%)	(%)	(%)
NVQ4 and above	27,000	17.9	22.7	27.4
NVQ3 and above	55,000	36.5	41.4	45.3
NVQ2 and above	84,300	56	60.7	63.8
NVQ1 and above	114,600	76.1	76.4	77.8
Other qualifications	11,100	7.4	8.3	8.5
No qualifications	24,900	16.5	15.3	13.8

Source: ONS annual population survey

Rotherham's current skills profile needs to change radically to meet the requirement for a much more highly skilled workforce in 2020. Rotherham needs to support skilled people in developing talents that employers value and which offer due reward, reducing the numbers in the workforce with below NVQ level 2 qualifications and dramatically increasing those qualified to levels 3 and 4. This can only be achieved by working in partnership with businesses to deliver the skills set which they require. The first step on this road has been the recent formation of an employer led Work and Skills Board for Rotherham.

As shown in the table below, this lack of higher level skills feeds into the employment profile of the Borough, with 31.0% identified as being in SOC Groups 1-3 (**insert definition of these groups**), a gap of 11.5% with the national average, or equivalent to 13,000 jobs



Almost a quarter of the workforce is employed in the largely unskilled SOC 8-9 groups compared to less than a fifth nationally. This impacts on the prosperity of the local workforce (via low salaries) and on wealth creation (via low values of output) in the local economy. This is due in part to the industrial history of the Borough, which has left a skills surplus for traditional industrial sectors and a deficit in the buoyant or developing sectors.

A limited pool of highly skilled people will ultimately constrain growth and deter investors from Rotherham, impacting on the productivity of the economy and its GVA. We must increase skills at level 3 and above, to attract and retain higher quality jobs and higher incomes, benefiting existing businesses, as well as attracting new investment. The current educational qualifications of the working age population go some way to explaining the lack of high skilled occupations taken by Rotherham’s workers.

Successful economies need to secure the balance of skills and businesses that build on traditional strengths but also exploit the shift to knowledge-based and service-orientated industries and ensure the population have the right skills to prosper in these industries, attracting graduates to the area and retaining talented local people.

The move to a high value added and knowledge based economy requires a major commitment from businesses and will require the close co-operation of employers.

Priorities

1. Widen and develop the skills base to meet the competitive needs of a high value knowledge driven economy and growth sectors.
2. Promote to employers the benefits of upskilling their workforce, particularly to those that do not train. Change the perception that investing in staff will lead them to leave and ensure they understand the benefit in monetary terms.
3. Work with education providers and business to raise awareness of opportunities in Rotherham, particularly amongst young people.
4. Promote achievement, and improve graduate retention to keep our most skilled people within the Borough. Promote the right skills to young people in order for them to be able to fill the identified jobs of the future.
5. Focus on the needs of those without skills or low level skills, particularly the workless to ensure that during the move to an advanced economy polarisation doesn't occur.
6. Ensure that Rotherham residents have relevant and transferable skills. Identify the skills needed by local businesses, ensure qualifications are not used as a proxy for skills, and that skills are as flexible as possible.
7. Raise local businesses' awareness of the benefits of employing graduates, partnered with efforts to encourage graduates to return to Rotherham.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
NI163	Working age population qualified to at least level 2 or higher		
NI164	Working age population qualified to at least level 3 or higher		
NI165	Working age population qualified to at least level 4 or higher		
NI166	Average earnings of employees in the area		
NI174	Skills gap in the current workforce reported by employers		

Tackling the skills deficit:

Rotherham Work and Skills Board – The Rotherham Work and Skills Board is part of the SY pilot for City Strategy. Employer led, it is working to link the delivery of skills to local employer needs. The Board comprises employers from key sectors, the Council, Jobcentre Plus, LSC and Chamber of Commerce. The Board has responsibility for agreeing strategic priorities for employment and skills and is overseeing performance targets in partnership with DWP.

Rotherham Work and Skills Provider Group – The provider group works to develop and implement the strategies of the Work and Skills Board, promoting collaboration between stakeholders and supporting the commissioning and delivery of activity.

These arrangements, coupled with the availability of Deprived Area Fund and European Social Fund, will allow significant progress to be made with regard to addressing basic skills needs and the up skilling of the workforce.

Theme 2: Tackling economic inclusion

Strand 2.1 Raising Aspirations and Encouraging Enterprise

Headline Facts

- In the 20% most deprived SOAs; 5.0% of households are thinking of starting a business, above both national and regional levels.
- Low levels of business starts in NRS areas. Rotherham would need an additional 129 start ups per year to reach the regional rate and 249 more per year to reach the national rate.
- High levels of financial exclusion – this weakens the message that enterprise and business start up is an option.
- Generational worklessness damages aspirations and access to opportunities to develop enterprising behaviour.
- Poor business growth and survival rates
- Few known role models for many of the communities across Rotherham, contributing to poor aspirations, especially amongst young people
- Weak neighbourhood economies. There are few, if any, businesses in some neighbourhoods and a lack of infrastructure for new enterprises means many people don't/can't come into contact with enterprise.

Overview

Rotherham's economy has experienced dramatic and transformational economic growth in recent years, substantially in excess of national and regional rates in many respects. Rotherham's economy has moved forward dramatically, yet disadvantaged communities still exist within the borough and in some cases the gap between them and the more affluent areas is increasing.

We need to close this gap between Rotherham's disadvantaged and better-off communities, ensuring that everyone's aspirations within Rotherham can be raised and enterprising behaviour, as well as the starting of new enterprises, becomes something that is found throughout the Borough.

Raising aspirations and encouraging enterprise will contribute to the wider economic objectives of the Economic Plan, including reducing worklessness, improving skills and creating a more diverse economy through a broader base of new, innovative and growing SMEs. It is recognised that while there have been successes around encouraging enterprise within the borough, further and more widely available initiatives and support is required. This should include supporting communities of interest, young people and disadvantaged communities in particular.

Increasing the numbers employed in higher skilled occupations will have the added benefit of increasing the levels of workforce pay and therefore local wealth. Rotherham has traditionally been a 'low pay' area with average (median) salaries significantly below national rates. Although the gap with regional rates has been reduced, the trend has remained over the last 10 years and any significant improvement is likely to be over a long-term period. **(IS THIS IN THE RIGHT SECTION?)**

Median (Weekly) gross pay for full-time employees - workplace based.									
	1999	2000	2001	2002	2003	2004	2005	2006	2007
UK	£345.5	£359.0	£375.9	£390.9	£404.0	£422.1	£431.3	£447.1	£456.7
Y & H	£320.8	£335.0	£345.5	£360.0	£375.6	£392.9	£400.0	£412.4	£422.3
Rotherham	£313.3	£332.0	£340.4	£344.8	£359.5	£400.5	£374.3	£396.1	£425.1
Rotherham v UK	90.7%	92.5%	90.6%	88.2%	89.0%	94.9%	86.8%	88.6%	93.1%

Source: NOMIS / ASHE

Neighbourhood economies and enterprise

Strengthening neighbourhood economies through increasing levels of economic activity, enterprise and financial inclusion is crucial.

Raising the profile of enterprise as an option and inspiring people to consider their own abilities will help to raise the aspirations and support individuals to start their own business where appropriate.

Yet increasing the number of business starts is only one aspect of enterprise and not the complete answer to improving disadvantaged communities' economies. The job market is increasingly looking for better skilled and enterprising people – the options of good employment for those without such abilities are rapidly decreasing. Rotherham's working population needs to be better skilled and aspire to better employment opportunities, thereby attracting investors and improving lives and communities.

There are particular communities of interest where efforts to raise aspirations and encourage enterprise need tailoring to their specific needs, else we risk failing in our attempts at helping everyone to reach their economic potential. These groups include BAME, women, disabled, young people and over 50s.

Another particular group that needs tailored assistance is children and young people. Rotherham needs its young people to be inspired from as early an age as possible and in turn feel supported and empowered to achieve their potential. Successful schemes such as Rotherham Ready are already delivering the enterprise agenda to children aged 4 upwards and we need to continue to deliver and expand such efforts to ensure all our children and young people achieve their potential.

Priorities

1. Develop the support and infrastructure to create a focus for business and enterprise within disadvantaged neighbourhoods
2. Raise skill levels and link businesses with communities and schools.
3. Encourage and support businesses to be more innovative and involve employees.
4. Identify and promote local enterprise role models for communities.
5. Encourage and support community/social enterprise. Use it as a path to engage people with enterprise and raise aspirations, along with partnership working with voluntary and community groups.
6. Raise business survival rates, especially in the most disadvantaged neighbourhoods.
7. Expand the neighbourhood business advisor projects to other areas of the Borough with an identified need.
8. Improve basic skills levels
9. Businesses need to be connected to their local communities. This will help encourage more interaction with business to raise aspirations and encourage enterprise.

10. Existing businesses are given more support to grow and be more innovative, improving their economic performance and providing employment opportunities to local people.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
NI90	Take up of 14-19 diplomas		
NI91	Participation of 17 year olds in education or training		
NI106	Young people from low income backgrounds progressing to higher education		
NI153	Working age people on 'out of work' benefits in the worst performing neighbourhoods		
NI163	Working age population qualified to at least Level 2 or higher.		
NI166	Average earnings of employees in the area.		
NI171	VAT registration rate per 10,000 population		
NI172	VAT registered businesses in an area showing growth		
NI174	Skills gaps in the current workforce reported by employers		

Strand 2.2 Increasing Employability

Headline Facts

- Employments numbers in Rotherham grew by 30,300 from 1995-2005, a 40.5% increase with 71.5% of Rotherham's working age population employed (June 07)
- Projections are for 19,500 new FTE jobs for the Borough by 2021, but with a corresponding rise in the working age population of only 10,000
- Biggest rises in employment are forecast for the manufacturing/industrial (+4,000), health & education (+3,400) and retail, catering and leisure
- Rotherham has 21,600 workless people, 14,900 of whom are on sickness related benefits with over 9,000 of these having been so for over 5 years. This Worklessness is predominantly concentrated in the more deprived areas of the Borough.
- There are 24,900 adults of working age in Rotherham with no qualifications
- Employment rate for non-white population (59.3%) is very low compared to the white population (72.2%)

Overview

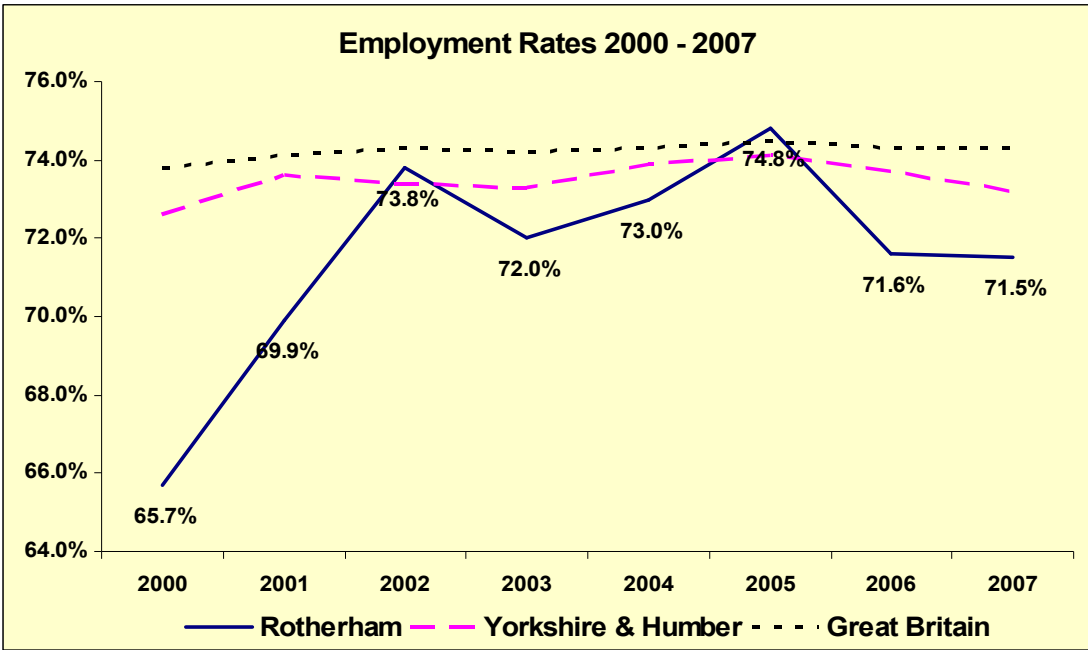
Rotherham's economy faces a number of structural challenges which impact on employment opportunities and which must be addressed if the area is:

- to secure the balance of skills and businesses that allow it to build on its traditional strengths
- to exploit the shift to knowledge-based and service-orientated industries
- to compete in the global market place and thereby to achieve a high, sustainable employment rate.

These challenges include:

- market failure that has resulted in **worklessness being concentrated persistently by geography, ethnicity and social class**
- a problem of sustainability in employment where workless citizens often have **multiple barriers to work**, the lowest skills levels and where they tend to seek employment in elementary, low paid work in vulnerable sectors.

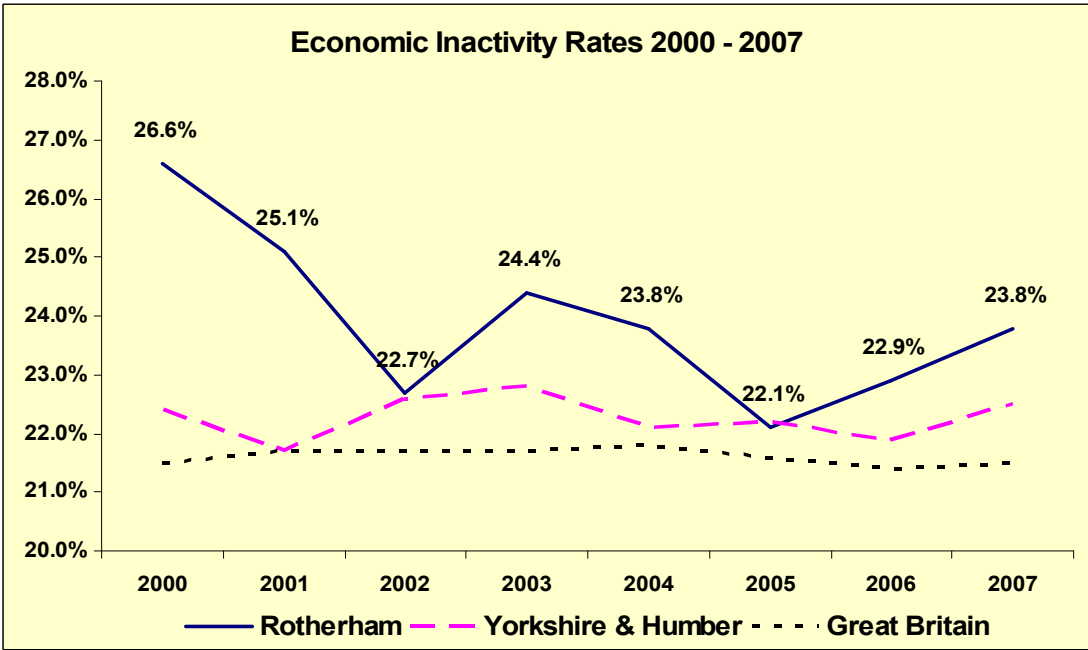
Following the decline in traditional manufacturing and mining jobs in the 1980's and early 1990's, with unemployment peaking at 23%, there has been significant progress in terms of improving levels of employment and economic activity and in reducing unemployment. However many problems remain:



Source: NOMIS / LFS, APS from 2005

From this very low base Rotherham’s employment rate recovered to close to the national average but has fallen back since 2005 and is now around three percentage points below, equating to approximately 4,500 people not in employment. Despite this widening of the gap, employment in Rotherham is still growing, although at a much reduced rate and is the highest in South Yorkshire.

Similarly Rotherham’s unemployment rate improved from 2000 but remains above the national rate, at 5.7% (June 2007). However, the major a problem in Rotherham (and throughout South Yorkshire) is the level of economic inactivity:



Source: NOMIS / LFS, APS from 2005

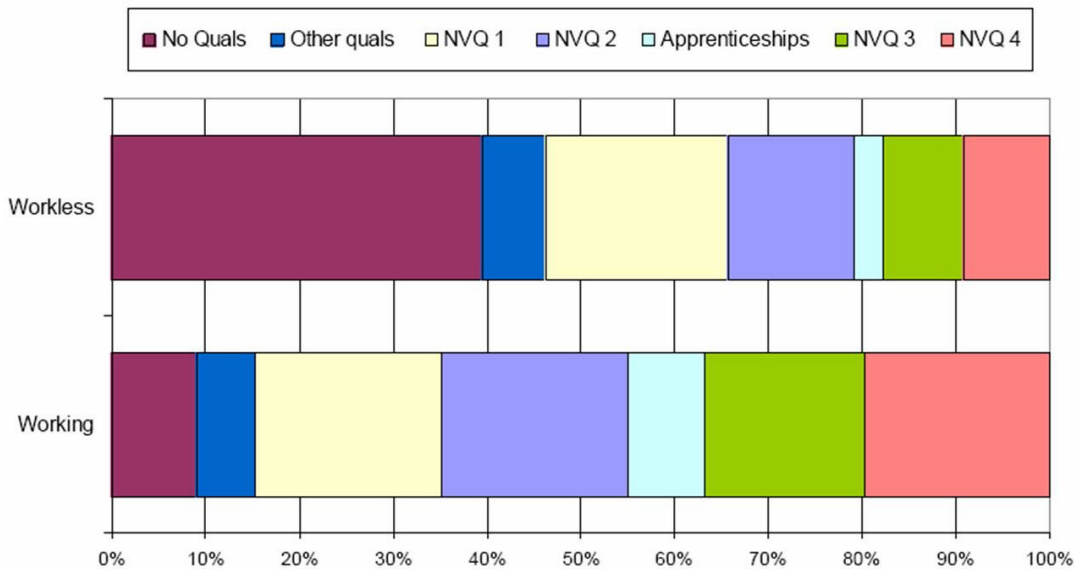
The number of people economically inactive is more than two percentage points higher than the national average and comprises almost a quarter of the working age population.

Reducing worklessness is one of the greatest challenges facing Rotherham and South Yorkshire and the barriers for many people returning to employment are significant, as is the impact work can have on the lives of an individual, family and community.

Numbers claiming benefit May '07 (number and rate)

All Claimants	Unemployed	Sick and Disabled	Lone Parents	Other
29480	3850	16840	3235	5560
20.4%	2.7%	11.7%	2.2%	3.9%

Skills are intrinsically linked to employability and as such this strand links closely with strand 1.3 of the Plan. Improving basic skill levels is a major priority for Rotherham and for the UK Government and it is recognised that basic skills are the foundation upon which workforce development and higher levels of knowledge and productive skills are built. Adults with few or no basic skills will not match the current or future needs of economic growth and are more likely to be unemployed or in unsustainable jobs. As the diagram below shows almost 40% of Rotherham’s workless people have no qualifications.



Source: Annual Population Survey (Dec 2005)

Increasing the employment rate will become more challenging as entry level jobs disappear and/or employers set increased minimum qualification standards for job candidates, thus improving basic skills and employability is of high priority.

Employment growth for the Sheffield/Rotherham economy is expected to outstrip demand leading to a potential labour shortfall.

Priorities

1. To make employers’ needs central to how employability and skills are improved.

- Producing incentivised employers, who actively train their employees.
- The ‘offer’ for businesses needs to be appropriate
- Incentivise employing and training people on workless benefits
- Understand employer requirements

- Continued support to enable employees and those returning to work to have career progression, raising aspirations and freeing up entry level opportunities for returners to labour market.

2. To improve the supply of labour and to reduce inequality by addressing economic inactivity.

- Making workless people “work ready” through developing transferable and soft skills and positive attitudes towards employment. i.e. intensive programme leading to real employment options & people that don’t give up.
- Promoting healthy lifestyles and positive mental health
- Enhance volunteering as an interim route to work
- Better advice and guidance for individuals on workless benefits
- Promote positive examples where employment of people with long-term illness/disabilities. Look to identify and promote positive role models who can effectively engage and stimulate individuals and communities.
- Look into health issues and educate about jobs and transferable skills
- Give benefit claimants the incentive to take up work. Make work pay with tax credits and make benefits harder to claim.
- Remove barriers to work

3. To improve basic skills levels of new entrants to the labour market, those suffering worklessness and those in employment.

- Businesses need financial incentives to provide opportunities to Upskill potential workforce
- Individuals need reassurance opportunities, career progression routes, access to qualifications and decent wages.
- Upskill workforce to create more entry level opportunities
- Development of skills passport – employability skills
- Develop an entry to HE route for some IB claimants
- Basic skill levels inc community learning and access to employment improved.

4. To integrate and improve service delivery to employers and the workforce.

- Upskilling – capitalise upon current workforce and create more entry-level jobs.
- Incorporate training and employment programmes into partnership frameworks with the private and public sector.
- Learning providers to deliver ‘skills’ fit for growth sectors
- Workforce development & upskilling – employers need to take responsibility

Performance Measures & Targets

Ref	Indicator	Target	Timescale
NI 151	Overall employment rate	72.5%*	2011
NI 152	Working age people on out of work benefits	13.4%*	2011
NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods		
NI 13	Migrants English language skills and knowledge		
NI146	Adults with learning disabilities in employment		
NI148	Care leavers in employment, education or training		
NI150	Adults in contact with secondary mental health services in employment		

Included within the new Rotherham LAA and as such subject to negotiation with GOYH.

This plan in conjunction with the Rotherham Work and Skills Board and DWP have set the target of reducing benefit claimant by by 2009.

Strand 2.3 Young People – the future workforce

Headline Facts

- 892 of Rotherham's 16 – 18 year olds were confirmed 'NEET' as of December 2007 (CYPS Data)
- 11.95% of households have no current bank account, impacting on 5,070 dependent children.
- Self-employment is very low amongst young people, with just 64 (0.5%) of Rotherham's 16-19 year olds being self-employed.
- Rotherham has almost 12,000 children living in households where there was nobody in employment. (2001 census)
- The majority of the Borough's children live in the most deprived communities. Less than 0.5% lives in the most affluent areas.

Overview

Today's young people are the workforce of the future; their decisions today will have an impact on tomorrow's economy.

Rotherham needs to be somewhere its young people feel they can succeed. They need to be able to find and access the support to succeed and feel that their contributions and efforts are valued.

Good practice projects such as Rotherham Ready and Rotherham Youth Enterprise have been successful in supporting our young people to become more enterprising and develop enterprising skills so that they are better equipped to gain employment with career progression and/or start their own enterprises. However, despite this and other training and learning initiatives, our young people still lag behind in school attainment levels at a regional and national level (despite Rotherham improving year on year and having the best school result at GCSE of any of the South Yorks authority areas).

Improving the educational achievement of our young people and reducing the numbers 'Not in Education, Employment or Training' (NEET) must be a top priority of the Economic Plan if our economy is to continue to grow and improve the lives of young people and future generations. In order to achieve this, businesses and employers need to be supported to provide more learning and training opportunities for young people, while the young people themselves need to be connected to businesses and local economic opportunities more closely. Rotherham needs to become viewed by young people as a place that has many opportunities to offer through which they can succeed and not as somewhere they need to leave in order to be successful. Young people from the borough's most disadvantaged communities have the poorest achievement levels and access to opportunities, coupled often with generational family worklessness which creates and sustains poor aspirations.

Developing an enthusiasm for learning and encouraging enterprise amongst children from as early an age as possible is vital to improving achievement within the most disadvantaged communities. Activities to create such enthusiasm are happening within the borough, such as the Imagination Library, and these need to be sustained and built upon. Through the Imagination Library every child aged 0 – 5 within the borough receive a monthly free book appropriate to their age. By the time they start school every child could have collected a library of 60 books, encouraging children's enthusiasm, ambition and enterprising behaviour from as early an age as possible.

Line about 'Family Pathfinder' – Cath Ratcliffe to provide in April once outcome of 'Thinking Families' pathfinder bid has been announced (£18m of funding to be split across 12 Local Authorities)

Aspirations for the Borough's young people and future workforce.

If Rotherham's young people are to develop aspirations and strive to achieve their potential, then the following aspirations need to be achieved:

Children and young people are inspired from as early an age as possible, so that they can develop their own aspirations. Crucial to this is reducing the levels of deprivation experienced by children and young people in our most disadvantaged communities.

Young people are connected with businesses and local employers. Employers that are effectively engaged in the learning and training process through a holistic approach, so 'employer engagement' is more than inviting an employer into a school to talk to children, business engagement with young people is strengthened, thus helping to drive up attainment and eventually leading to an increase in business start-ups.

Improve matching of young people's skills with employers' needs. Employers need to have improved perceptions of exactly what young people can contribute to a company, especially in regards to SMEs.

Increased awareness amongst young people of local economic opportunities and what Rotherham and the sub-region have to offer. We don't want our best and brightest young people to feel they have to leave the Borough in order to fulfil their potential. Improving educational achievement and skill levels amongst young people, who then stay in Rotherham using their skills and contributing to the local economy.

We must break the cycle of generational worklessness amongst families, parents need to be encouraging to have higher aspirations for their children and support them in trying to achieve them

Priorities

1. Improve educational attainment, literacy and numeracy levels and raise aspirations amongst children, young people, their parents and families (particularly in disadvantaged communities).
2. Reduce the generational worklessness found within many families from disadvantaged communities. and the related financial exclusion experienced by many children and young people's families.
3. Seek out local role models and mentors for children and young people
4. Increase the number of employers engaging with schools and teachers to open up their perceptions of young people – make employers an engagement offer that they are comfortable with, don't just 'market' to them.
5. Increase the number of apprenticeships, learning and training opportunities for young people provided by local employers focused on growth sectors.
6. Target improving levels 3 and 4 from age 19 onwards.
7. Support young people to develop their 'soft skills', such as communication and presentation skills through techniques such as interview and presentation training.

8. Support, expand, develop and encourage enterprise skills amongst children and young people. Continue to build upon children's enterprise capabilities after Key Stage 2 and support and encourage enterprising teaching and learning.
9. Reduce the number of young people who are NEET e.g. create a number of key workers for NEETS.
10. Increase the number of young people starting businesses and entering self-employment, 16 - 19 year olds to be provided with more support to be enterprising and undertake self-employment if this is a suitable the pathway for them. Raise the whole families awareness of enterprise
11. Raise the profile of higher education amongst parents so that they have higher aspirations for their children. Work with Higher Education providers to form links with local communities and businesses in order to raise aspirations.
12. Raise families' and teachers' awareness of the economic opportunities within the borough and support them to take advantage of them. Publicise and promote the progress of the Borough widely.
13. Follow a long-term strategy of prevention and early intervention; higher skills for children and young people leaving school.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
NI 71	Participation of 17 year olds in education or training		
NI 79	Achievement of a level 2 qualification by age 19		
NI 80	Achievement of a level 3 qualification by age 19		
NI 81	Inequality gap in the achievement of a level 3 qualification by age 19		
NI 82	Inequality gap in the achievement of a level 2 qualification by age 19		
NI 90	Take up of 14-19 learning diplomas		
NI 106	Young people from low income backgrounds progressing to higher education		
NI 117	16-18 year olds who are not in education, employment or training (NEET)		
	Increase the number of young people (16-19) entering self-employment		

Theme 3: Creating the conditions for Sustainable Growth

Strand 3.1 Minimising environmental impact

No Headline Facts? Inconsistent with themes 1 and 2

Overview

A major selling points for “places of the future” will be the quality of life they provide and the reduced environmental impacts they make. According to government sources, “a sustainably managed estate” is one that has:

- Modern, efficient, low energy usage buildings
- Well conserved and managed land
- Efficient use of space and ways of working
- The principles of sustainable development embedded into working practices

Unfortunately in the past a side effect of economic growth has often been adverse impacts on the local environment. These have included increases in pollution, emissions, traffic congestion and poor air quality, all negatively impacting on the quality of life for people living there. With the economic growth that will be a consequence of the activities within this Plan, we must ensure, as set out in the Stern Review, that this does not produce the detrimental effect of greater environmental impacts and an increased “carbon footprint.”

The Stern Review makes several key points that are important for Rotherham’s economy and are worth reiterating here. The Review makes the point that the benefits of strong and early action far outweigh the economic costs of not acting. If we do not act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP per year, now and forever. If a wider range of risks and impacts are taken into account, the estimates of damage could rise to 20% of global GDP or more, with devastating effects for Rotherham’s local economy. In contrast, the costs of action; reducing greenhouse gas emissions to avoid the worst impacts of climate change, can be limited to around 1% of global GDP per year. Prompt and strong action is clearly warranted, but must be based on a shared vision and agreed framework both globally and locally within Rotherham. Action on climate change will also create significant business opportunities for the economy, as new markets are created in low carbon technologies and other low carbon goods and services, with Yorkshire Forward having ambitions for Yorkshire and Humber to be the leading region for these environmental technologies.

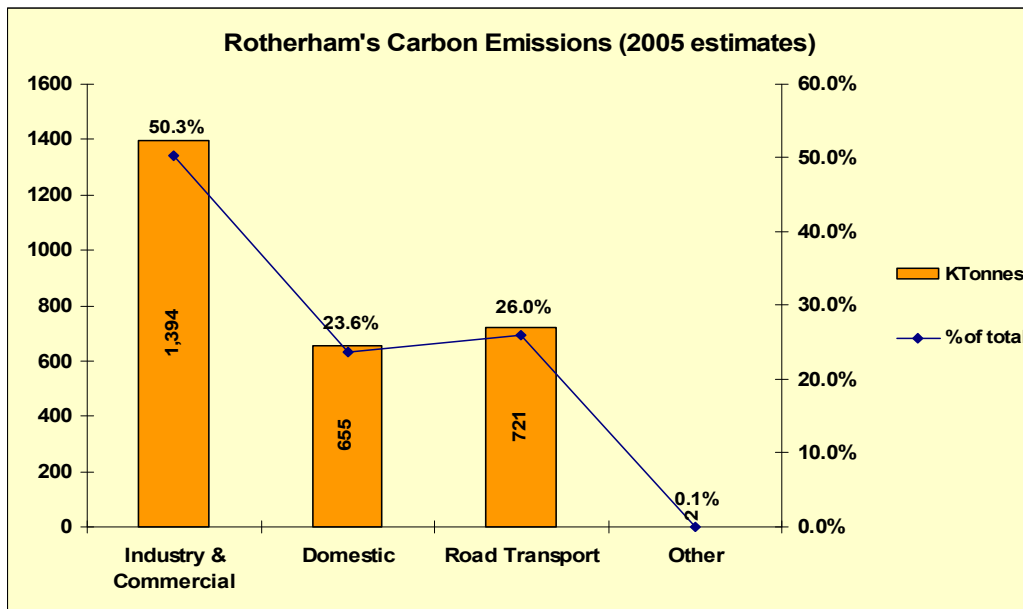
Issues specifically facing Rotherham include:-

- 70% of the current housing stock will still be here in 50 years, so ways must be found to minimise their environmental impact.
- Business is the largest contributor to CO² emissions. How can they be convinced of both the environmental and economic case to seek to minimise them?
- There are still large areas of land contaminated from their previous use for heavy industry, which have the potential to be remediated and developed for business use. There have already been significant amounts of work undertaken on this issue in locations such as the former colliery sites in the Dearne and at Dinnington
- The increased flood risk and how to manage it. Phase 1 of the flood alleviation scheme is almost complete, covering the area around Templeborough. Phase 2 covering the Town Centre is vital for the success of the Renaissance programme.

- Providing a sustainable energy structure and water supply for a growing business base and population.
- Tighter environmental legislation that is certain to come into law in the next few years and how this will impact on the economic performance of local businesses.
- To minimise the waste produced, both domestic and commercial, and increase the rate of recycling.
- Encourage lean manufacturing to minimise consumption of raw materials and energy.
- The mechanism of using GVA (Gross Value Added) at a regional and local level as the means of measuring economic growth (and which Yorkshire Forward will be required to use exclusively under the changes proposed in the Sub-national Review of Economic Development) is widely accepted to fail to capture the full costs and benefits of development. Improvements in well-being, which are often grounded in the local environment, do not result in additional output under GVA. How do we measure and value environmental and well-being improvements?

Set against this, Rotherham has already made some major strides and produced a number of exemplars of best practice.

- RMBC's Moorgate Crofts Business Centre with its use of recycled material, geothermal heating and green roof. This has won a number of awards including the 2006 Green Apple Gold Award for Sustainability, the Care4Air Sustainability Award and was shortlisted for the RICS Building Design Award.
- Henley Rise housing scheme. This is an environmentally friendly housing development of 24 three-bedroom homes with solar thermal heating and effective insulation to reduce carbon emissions and cut energy bills by 70% per year.



Source: Defra

As shown in the chart above, industrial and commercial activity accounts for a large proportion of the area's total emissions, due in part to its retention of a relatively strong manufacturing base.

This explains why Rotherham produces 11.7 tonnes of CO2 emissions per head. This is above both the regional (10.7 tonnes per head) and national (9.3 tonnes per head) average. Of this figure, over 50% comes from industry and commercial uses, with the remainder from

domestic use and transport. [Feed in the findings of the eco-footprint analysis carried out for Community Strategy refresh due in May/June]

Aspirations

A key aspiration is to identify the economic opportunities arising through climate change and how Rotherham's businesses and economy can benefit from them. The main focus of this will be the environmental and energy technology sectors. There is an existing potential environmental technology opportunity being developed through the joint waste project proposed by Barnsley, Doncaster and Rotherham. There is also an aspiration for 2010 to look into an apprenticeship scheme in environmental technologies and help reduce the shortfall in skills.

Keep businesses and economic activity local through supporting business networks, local supply chains, the use of local services and employing local people. All small effort in these areas helps reduce the Borough's carbon footprint - the Borough's Sustainability Partnership could lead on this with assistance from the Achieving Board.

All granted planning permissions for new developments and refurbishments to include a requirement for the use of sustainable and/recycled construction materials and achieve a BREEAM rating. Rotherham could follow Merton Council's example of requiring all new developments to generate at least 10% of the energy they use from their own renewable sources. This has become known as the 'Merton Rule.' All buildings should also seek to be carbon neutral, something that may well become legislated for in the future.

Create an independent sustainable development forum for the Borough, made up of a cross section of public and private sector representative, to progress Rotherham to becoming a Borough with a 'low carbon footprint'. RMBC to use energy from renewable sources for all its buildings.

RMBC's duty to produce an economic assessment (under Sub-National Review proposals) should be widened to include an inventory of local environmental assets. Any proposed developments should be valued and measured on their ability to (at least) maintain the local stock of environmental capital. A set of comprehensive environmental and economic accounts could provide the means of doing this (and RDAs could potentially be lobbied to provide these). RMBC should also begin subjecting all its policies and plans to a sustainability appraisal.

Priorities

- 1) To complete flood alleviation works for the Town Centre and other areas of risk. Identify and secure funding for completion of the flood alleviation scheme.
- 2) To exploit the potential of new processes and technologies with the environmental sector – Rotherham to work towards becoming a leading area for the environmental technologies sector.
- 3) To lead on the provision of "green" buildings, building on the good practice from the construction of the Moorgate Crofts and Magna Business Incubator centres.
- 4) Reduce dependency on the car for journeys in and around the borough – improve public transport appropriately and provide genuine alternatives.
- 5) To reduce the level of carbon emissions produced within the Borough. Create a balance between economic growth and environmental impacts – prevent/limit negative environmental impacts wherever possible.
- 6) Eliminate fuel poverty by 2020

- 7) Increase and improve the level of partnership working around sustainability issues.
- 8) Build sustainability more effectively and tightly into land and building use and design.
- 9) Develop *local* solutions to local problems wherever possible e.g. the development of local supply chains, home working and more effective recruitment from the local population. Rotherham will have a strong cross-sector partnership (public, private and 3rd sector) to drive the environmental agenda. There should be training in business skills for green entrepreneurs and businesses should be assisted to cut their fuel bills and reduce CO2 emissions. The message of sustainable economic development needs to be communicated to communities and businesses, for which local political leadership is essential.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
NI185	CO2 reduction from Local Authority operations		
NI186	Per capita reduction in CO2 emissions in the LA area		
NI187	Tackling Fuel Poverty - % of people receiving income based benefits living in homes with a low energy efficiency rating		
NI188	Planning to adapt to climate change		
NI189	Flood and coastal erosion risk management		
NI191	Residual household waste per head		
NI192	% of household waste sent for reuse, recycling and composting		
NI193	Percentage of municipal waste land filled		
NI194	Air quality - % reduction in NOx and primary PO10 emissions through local authority's estate and operations.		
NI195	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting)		
NI196	Improved street and environmental cleanliness – fly tipping		
NI197	Improved local biodiversity – proportion of local sites where positive conservation management has been or is being implemented		
NI2198	Children travelling to school – mode of transport usually used.		

Strand 3.2 Delivering Quality Neighbourhoods

Headline Facts

Include figures from the IMD on numbers of SOAs in the top 10% and 20% nationally for deprivation, etc.

Overview

As part of the economic growth of the Borough we need to provide quality neighbourhoods in order to retain existing residents and attract new workers to locate here.

As well as regenerating the most deprived areas, which is already being tackled through the Housing Market Renewal (HMR) Programme, it is important to provide aspirational housing to attract high skilled workers and entrepreneurs to live as well as work in the Borough.

We already know that on current projections job growth will outstrip working age population growth over the next decade. Without attracting new residents many of these jobs will go to in-commuters, losing much of their benefit to Rotherham.

- For neighbourhoods to reach their maximum potential the issue must be tackled collaborative, as a huge range of factors contribute to a good neighbourhood, and must be looked at holistically to provide a sustainable long term. Developments must make people want to live in Rotherham – quality affordable housing, high achieving educational provision, availability of quality jobs with good incomes, good social/leisure provision (inc green spaces)

With the continued growth forecast for the Rotherham economy and a decreasing pool of available labour, more in-migrants will be required to meet the workforce requirements, impacting on the housing requirements of the Borough. The draft Regional Spatial Strategy gives an annual figure for new residences in Rotherham of 842 p.a. but the recent report from CURS states a need for 1,000.

Any activities around this issue will need to link to both the Sustainable Communities and Cleaner Greener agendas.

Aspirations

- Identify the types of people we wish to attract to Rotherham and market it to them as an excellent place to live
- Deliver the housing mix to meet the needs of lower income people, while also delivering the residential offer needed to attract higher skilled, higher income workers to the Borough.
- Enable people to work near to where they live, increasing the vitality of these neighbourhoods and reducing the environmental impact of transport.

- Support the start-up and growth of more locally owned businesses based within neighbourhoods, where they have the links and relationships to contribute fully to the economic and social development.
- Provide good transport links between these neighbourhoods and the town centre, contributing to the vitality of both.
- Provide a range of community focussed activity, engaging with all parts of the community and improving community cohesion. This must include communal space for people to meet and interact.
- Provision of services and facilities for people to improve

Solutions/interventions

- Connect areas to both the Town Centre and each other.
- Good local childcare and education provision
- Local services; shops, one-stop shops
- increase housing and provide better housing stock to attract people to area
- Rotherham as residential area of Sheffield (promote lower house prices)

Priorities

To continue the work funded through HMR on the most HMR

To promote provision for the creation and sustenance of small businesses within local communities.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
NI154	Net additional homes provided		
NI155	Number of affordable homes delivered (gross)		
NI159	Supply of ready to develop housing sites		

Strand 3.3 Rotherham's Image and Identity

Headline Facts

- Value of tourism to the Borough is £177.7m (2006)
- Number of jobs supported by the tourism sector is 4,407 (2006)
- Volume of staying trips estimated at 458,000 trips, 91% of which were made by domestic visitors and 9% by overseas visitors. Staying visitors spent an estimated 1.1 million nights in the district and generated an estimated £59.5 million expenditure (2006)
- An estimated 2.2 million day trips were made to and within the region generating an
- The Rotherham Show is the north of England's largest free show, attracting 70,000 people every year
- RiDO stats? Foreign companies etc

Overview

Despite the transformational growth of the Rotherham economy over the last 20 years; its recovery from the downsizing of the coal and steel industries and the major new development, in the pipeline or being delivered, there is generally a poor perception of Rotherham as a location, both locally and wider afield.

If we are to attract business and people to Rotherham then it needs to be promoted to a wide audience as being an excellent place to live, work, visit or invest in. Rotherham needs a strong recognised brand promoted positively by all partners and building on the undoubted successes the Borough has delivered.

Physically the Town Centre does not make a good first impression, with the road and rail gateways being improved but still needing much further work. Similarly the fabric of certain buildings is in need of improvement, although this is starting to be tackled through Renaissance works and the Townscape Heritage Initiative.

Figures show that Rotherham has a high number of return visitors, predominantly through business tourism, this shows that once people visit the Borough, then we have the offer to bring them back again.

Priorities

- 1) To stimulate the regeneration and renewal of the town centre through the targeted investment of the Renaissance Programme and to promote its success widely.
- 2) To improve the image and perception of Rotherham, promoting the area place to live, work and visit
- 3) Define a brand for Rotherham, agree it and stick with it.
- 4) Identify and promote a flagship project for the renaissance of Rotherham (YES! Town Centre?)
- 5) To define the Rotherham brand, develop it and resource it sufficiently This vision needs to focus on what is different about Rotherham and sets it apart from our competitors and using our flagship schemes, such as Town Centre, YES! And AMP to drive home this point.
- 6) We must push the brand and message to the people of Rotherham, getting them confident and optimistic about the place where they live and becoming "ambassadors" for the Borough.

- 7) Rotherham's future and image is inextricably linked to Sheffield and the wider city region, as such we need to promote the transport, business and community links that already exist. We have Robin Hood Airport within 20 miles of the Town Centre, while the Peal District National Park is only 30 minutes drive away.
 - 8) Use art and culture to support Rotherham's image, linking to development of the Cultural Sector on Forge Island. Build on the potential of Magna as a major tourism and conference centre, although will need to strengthen links to town Centre.
 - 9) Need to promote Rotherham to businesses at a national and international level. Developments like the AMP are at the cutting edge of Research and Development and can act as a magnet to attract more high-tech/high-value investment here.
 - 10) Work with the media to ensure they reflect the true, largely positive, position of the Borough and involve the LSP more in the promotion of Rotherham, strengthening the links between the various Theme Boards and building on the successful, but relatively low key, Ambassador Programme.
 - 11) Rotherham needs to have more events that raise our national or international profile, although this requires the commitment of funds and time. The Imagination Library gained global recognition and we have attracted some other events (national triathlon championship and Bollywood awards) but need to look at increasing this and also attending events outside the Borough (i.e. The Yorkshire International Business Conference)
 - 12) Support to new retail business setting up in the Town Centre – business support, finance, business brokers, Retail Academy.
- To increase the number and quality of hotel rooms within the Borough. Aim for 3*, 4* and boutique.

Performance Measures and Targets

Ref	Indicator	Target	Timescale
LPI	Increase the number of external visitors to the Town Centre		
LPI	Improve perception of Borough (measured through Reachout Survey)		
LPI	Visitor Spend		
LPI	Town Centre Footfall		
LPI			
LPI			

Action Plans

Action Plans will be produced for each of the 9 strands. These will cover a 3 year period and will set out a list of priority actions and performance indicators.

Progress will be measured on regularly (quarterly – annually depending on regularity of information) and will be reviewed, and revised as appropriate, on an annual basis.

Appendix 1

Consultation

Work on the development of the Plan has been overseen by a Strategic Steering Group, comprising the following organisations:-

- Rotherham MBC
- Yorkshire Forward
- Rotherham And Barnsley Chamber of Commerce
- Rotherham College of Arts and Technology
- Learning Skills Council
- Department of Works and Pensions
- Voluntary Action Rotherham

Partnerships

Rotherham Partnership

Invest South Yorkshire (ISY)

Funding

Funding available to deliver Economic Regeneration within Rotherham includes

Yorkshire Forward Single Pot

Under the current round of Single Pot, 2005/06 – 2009/10, Rotherham has received a working allocation of £46.8M

European Regional Development Fund (ERDF): 2007-13

Money from Europe, ringfenced to South Yorkshire due to its previous Objective 1 status. The programme is split into 4 priorities:-

- Priority 1 – Promoting innovation and RandD
- Priority 2 – Supporting and stimulating successful enterprise
- Priority 3 – Sustainable communities
- Priority 4 – Economic infrastructure for a competitive economy

Priorities 1 and 2 will be delivered predominantly at a sub-regional or regional level. Priorities 3 and 4 are expected to be delivered at a local level, but with some cross- authority working, especially with Sheffield.

European Social Fund (ESF): 2007-13

Working Neighbourhoods Fund (WNF)

WNF is a new funding programme from Central Government, which is to replace NRF and LEGI, which both came to and end after 2007/08.

Due to its success in improving its performance in the recently published IMD data, Rotherham has only been included as a transitional area under this programme. It therefore receive a total of £2.95M over two years (2008/09 and 2009/10)

Appendix 4

Strategies

Strategies and Plans which the Economic Masterplan should link with and complement.

Regional

Regional Economic Strategy (RES)

Regional Innovation Strategy (RIS)

City Region

City region Development Plan (CRDP)

Sub-regional

South Yorkshire Transport Plan

Local

Community Strategy

Local Area Agreement (LAA)

Local Development Framework

Cluster Plan