Appendix 1

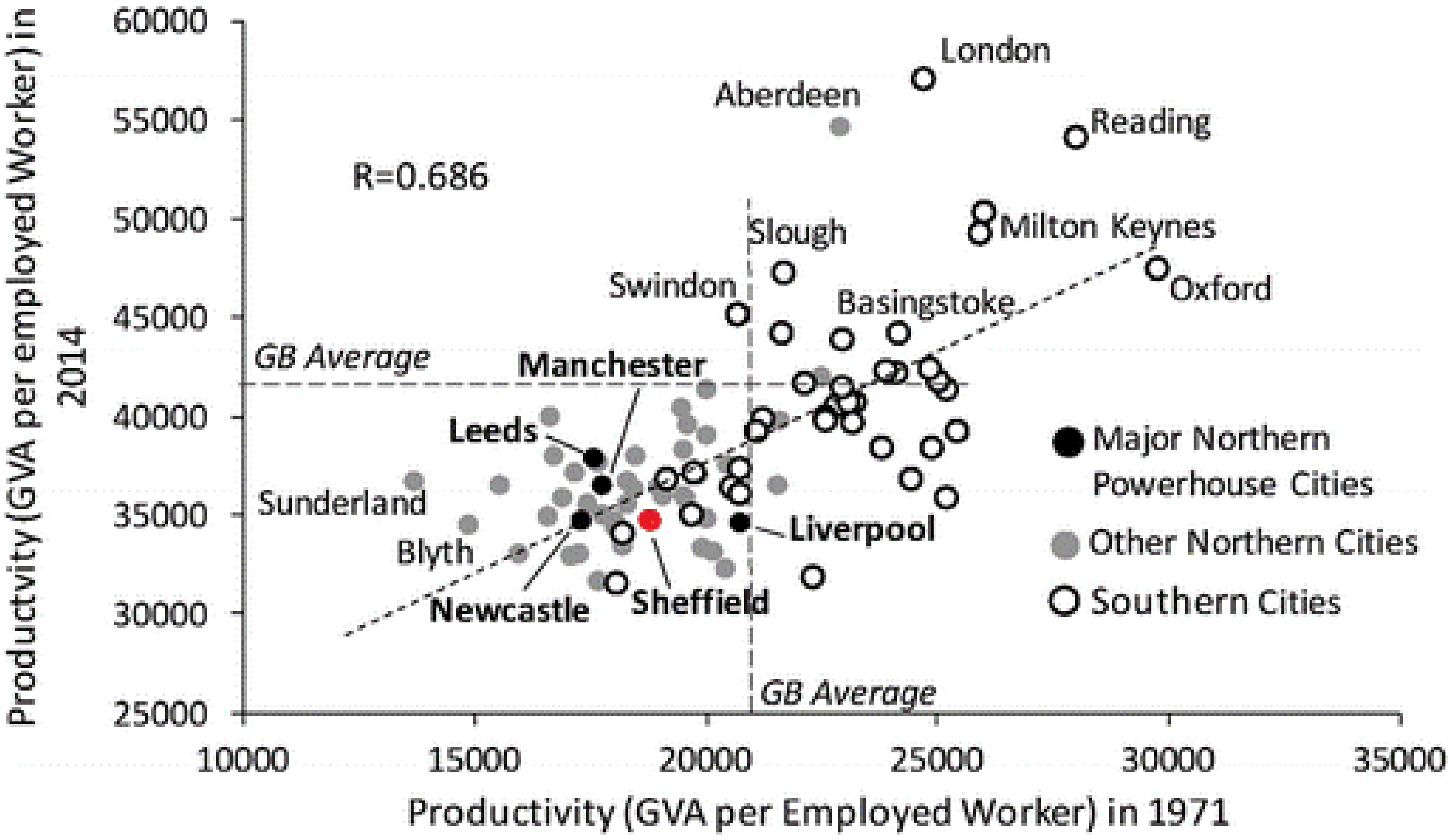
SEP & LIS EVIDENCE

June 2019

Sheffield City Region

THE SCALE OF THE ECONOMIC CHALLENGE

Labour Productivity Across British Cities in 1971 and 2014 (Gross Value Added per employed worker at 2011 prices)



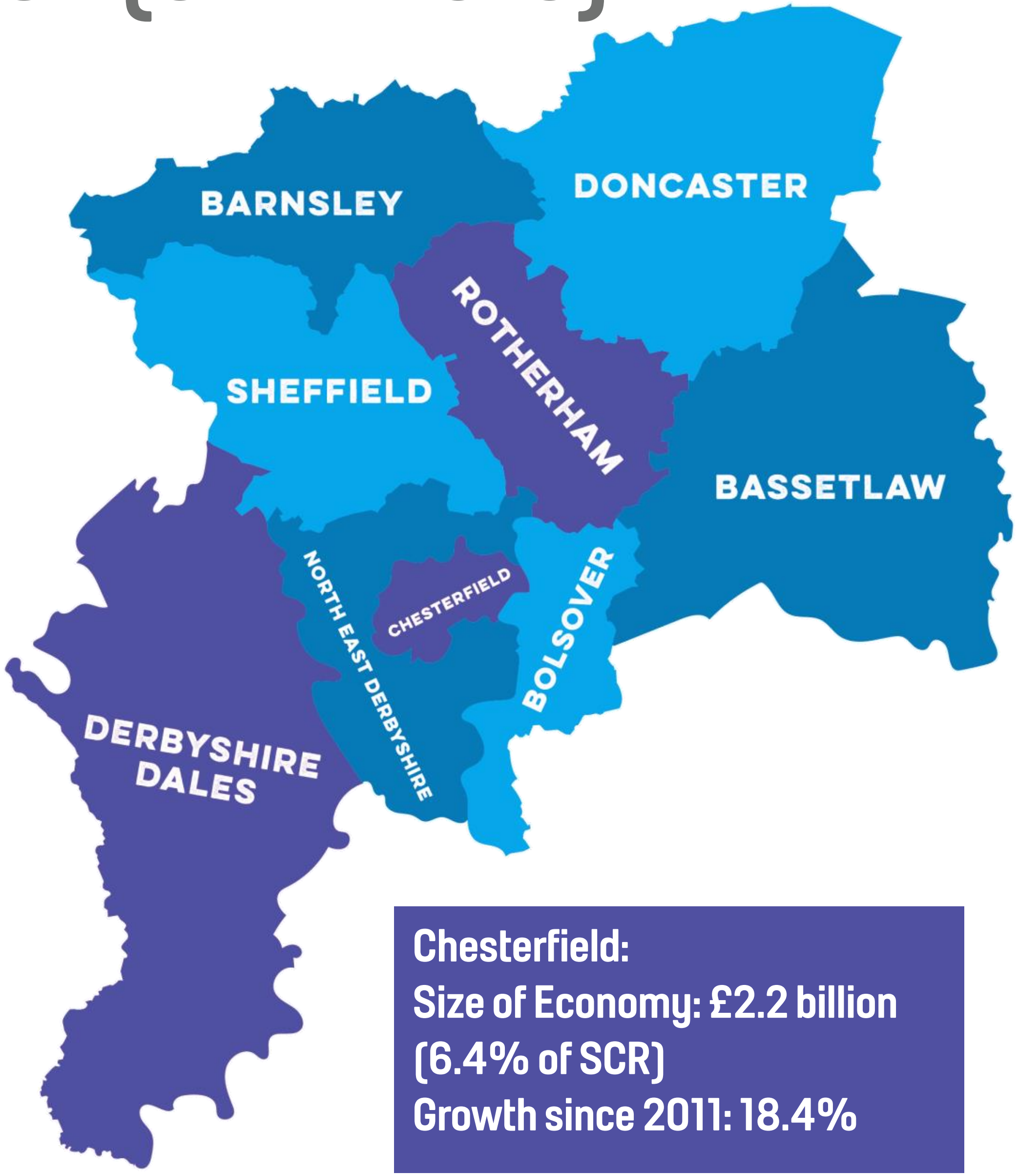
ECONOMIC OUTPUT (GVA - 2016)

Barnsley:
Size of Economy: £3.6 billion
(10.7% of SCR)
Growth Since 2011: 19.6%

Sheffield:
Size of Economy: £12billion
(33.6% of SCR)
Growth since 2011: 11.7%

Derbyshire Dales:
Size of Economy: £1.7 billion
(5% SCR)
Growth since 2011: 12.5%

North East Derbyshire:
Size of Economy: £1.4 billion
(4.3% of SCR)
Growth since 2011: 11.38%



Chesterfield:
Size of Economy: £2.2 billion
(6.4% of SCR)
Growth since 2011: 18.4%

Doncaster:
Size of Economy: £5.5 billion
(15.2% of SCR)
Growth since 2011: 19.7%

Rotherham
Size of Economy: £4.8 billion
(13.3%of SCR)
Growth since 2011: 18.5%

Bassetlaw
Size of Economy: £2.3 billion
(6.9% of SCR)
Growth since 2011: 16.1%

Bolsover:
Size of Economy: £1.5 billion
(4.5% of SCR)
Growth since 2011: 29.1%

Source: ONS GVA Estimates 2018

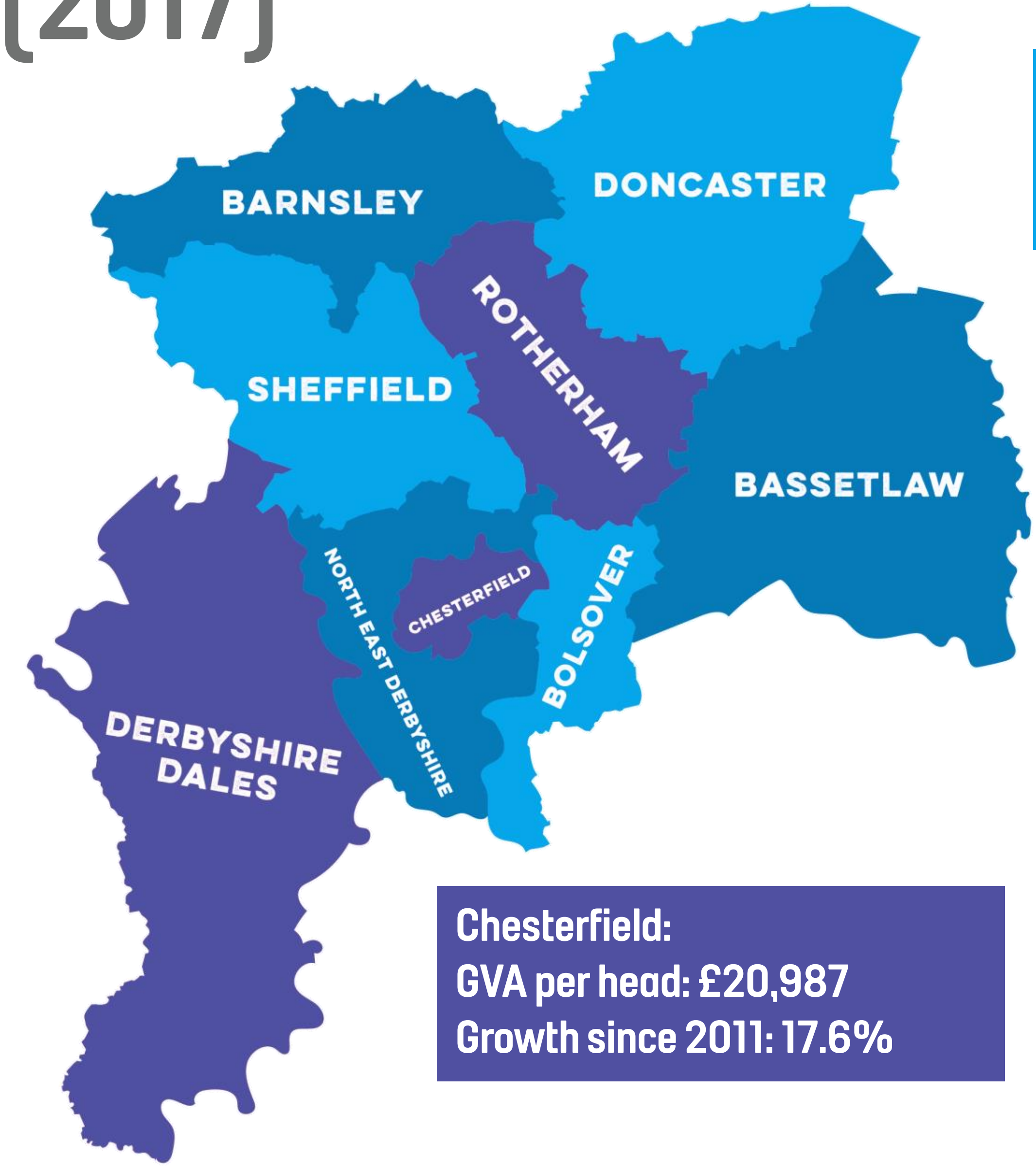
GVA PER HEAD (2017)

Barnsley:
GVA per head: £15,072
Growth since 2011: 15%

Sheffield:
GVA per head: £19,870
Growth since 2011: 7.1%

Derbyshire Dales:
GVA per head: £23,989
Growth since 2011: 12.2%

North East Derbyshire:
GVA per head: £14,676
Growth since 2011: 10.3%



Doncaster:
GVA per head: £16,897
Growth since 2011: 18.1%

Rotherham
GVA per head: £17,289
Growth since 2011: 16.6%

Bassetlaw
GVA per head: £20,446
Growth since 2011: 14.3%

Bolsover:
GVA per head: £19,841
Growth since 2011: 25.7%

Chesterfield:
GVA per head: £20,987
Growth since 2011: 17.6%

Source: ONS GVA Estimates 2018

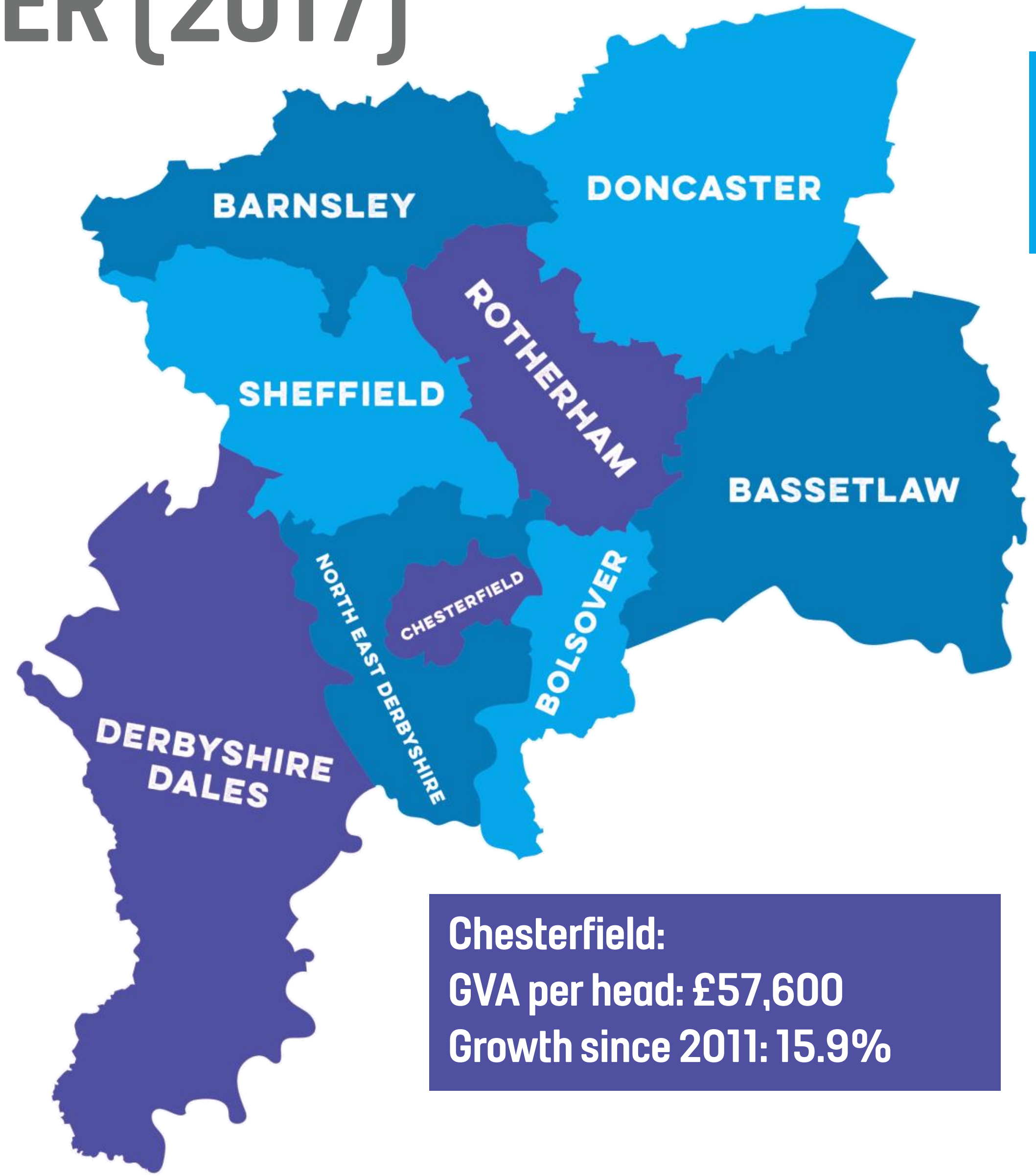
GVA PER WORKER (2017)

Barnsley:
GVA per head: £46,800
Growth since 2011: -2%

Sheffield:
GVA per head: £50,600
Growth since 2011: -1.44%

Derbyshire Dales:
GVA per head: £52,500
Growth since 2011: 10.2%

North East Derbyshire:
GVA per head: £58,000
Growth since 2011: 5.7%



Chesterfield:
GVA per head: £57,600
Growth since 2011: 15.9%

Doncaster:
GVA per head: £48,800
Growth since 2011: 0.12%

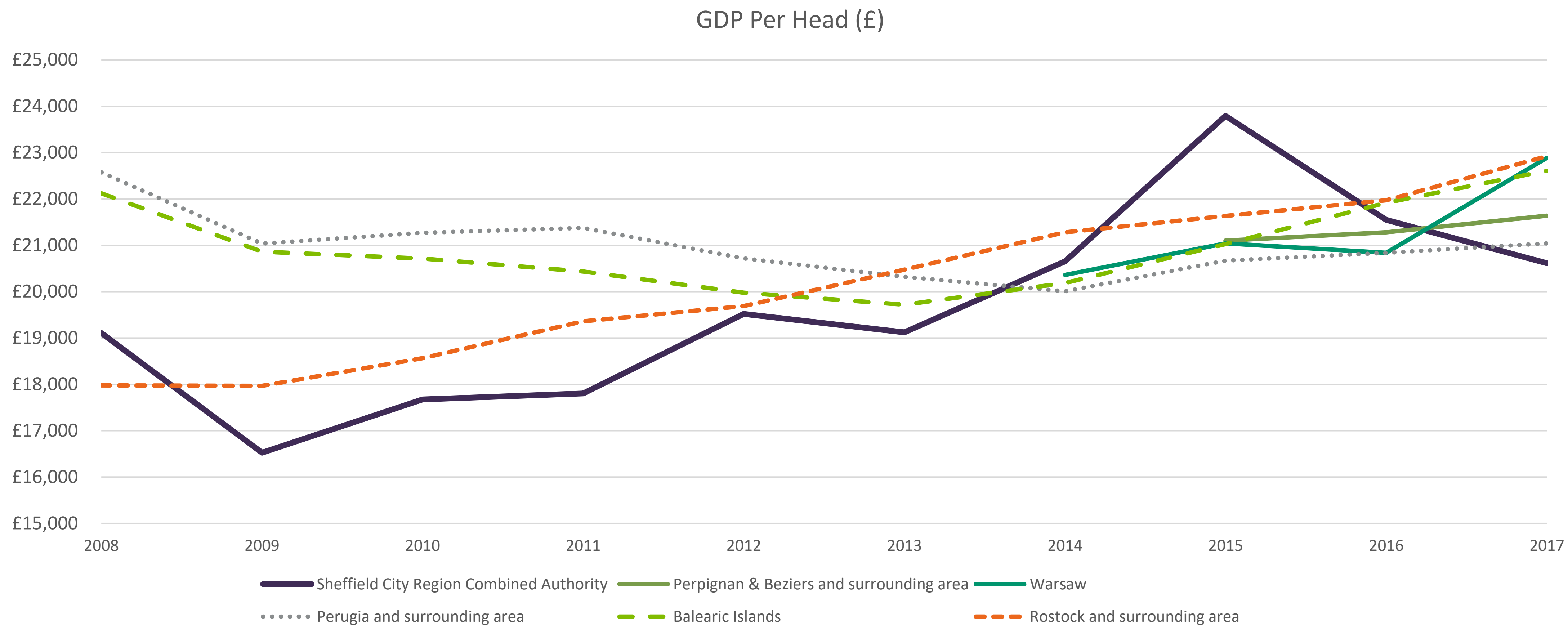
Rotherham
GVA per head: £48,000
Growth since 2011: -0.46%

Bassetlaw
GVA per head: £47,500
Growth since 2011: 0.96%

Bolsover:
GVA per head: £47,800
Growth since 2011: 4.2%

Source: ONS GVA Estimates 2018

EUROPEAN COMPARISONS



Source: Eurostat GDP Regional Estimates 2018

GVA AND GDP COMPARISON - MOVING GRAPHS

[GVA per Hour Worked, 2004 to 2017]

[GDP per Worker, 2008 to 2017]

[GDP per Filled Job (£), 2002 to 2017]

SIZE OF OUR ECONOMY

Current Economy (2017/18): £35bn

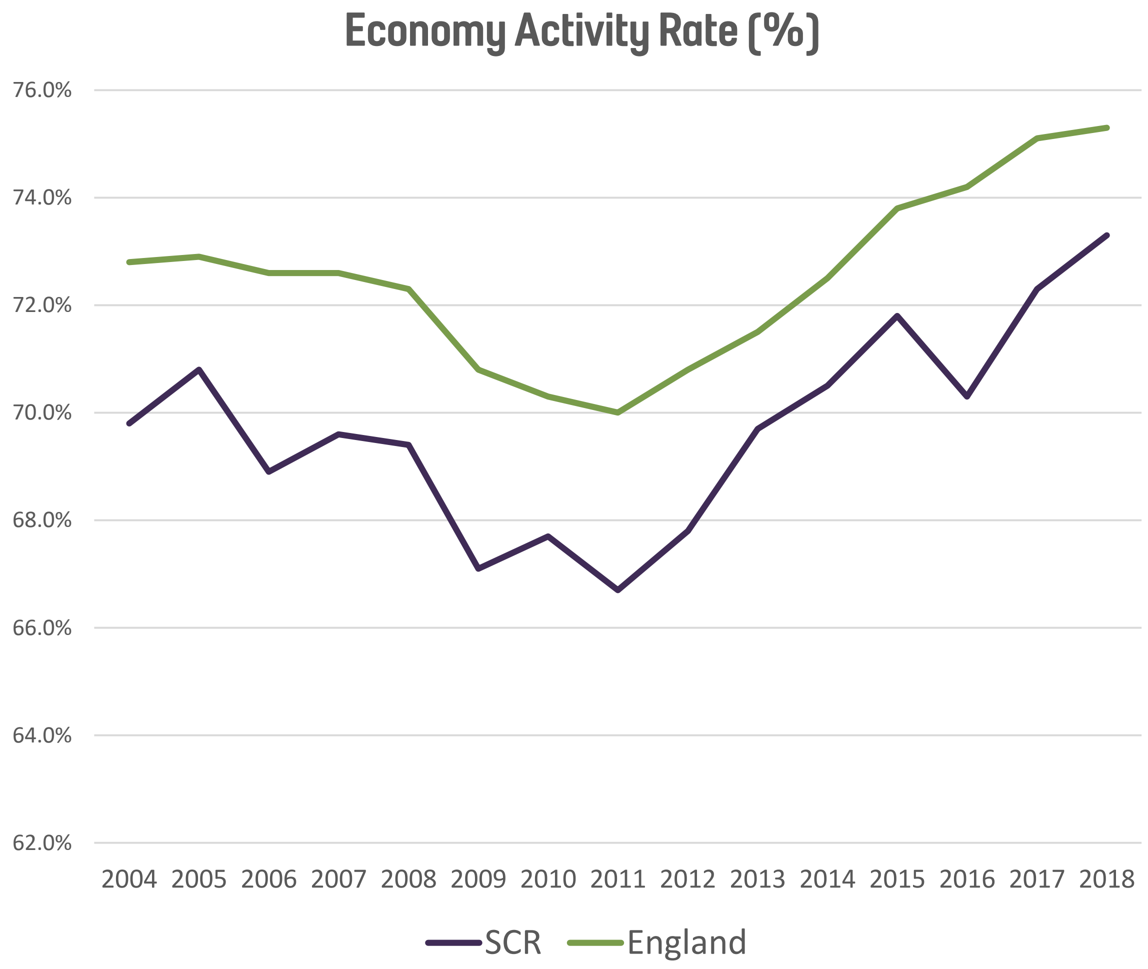
Size of economy if productivity matched UK (minus London): £40bn

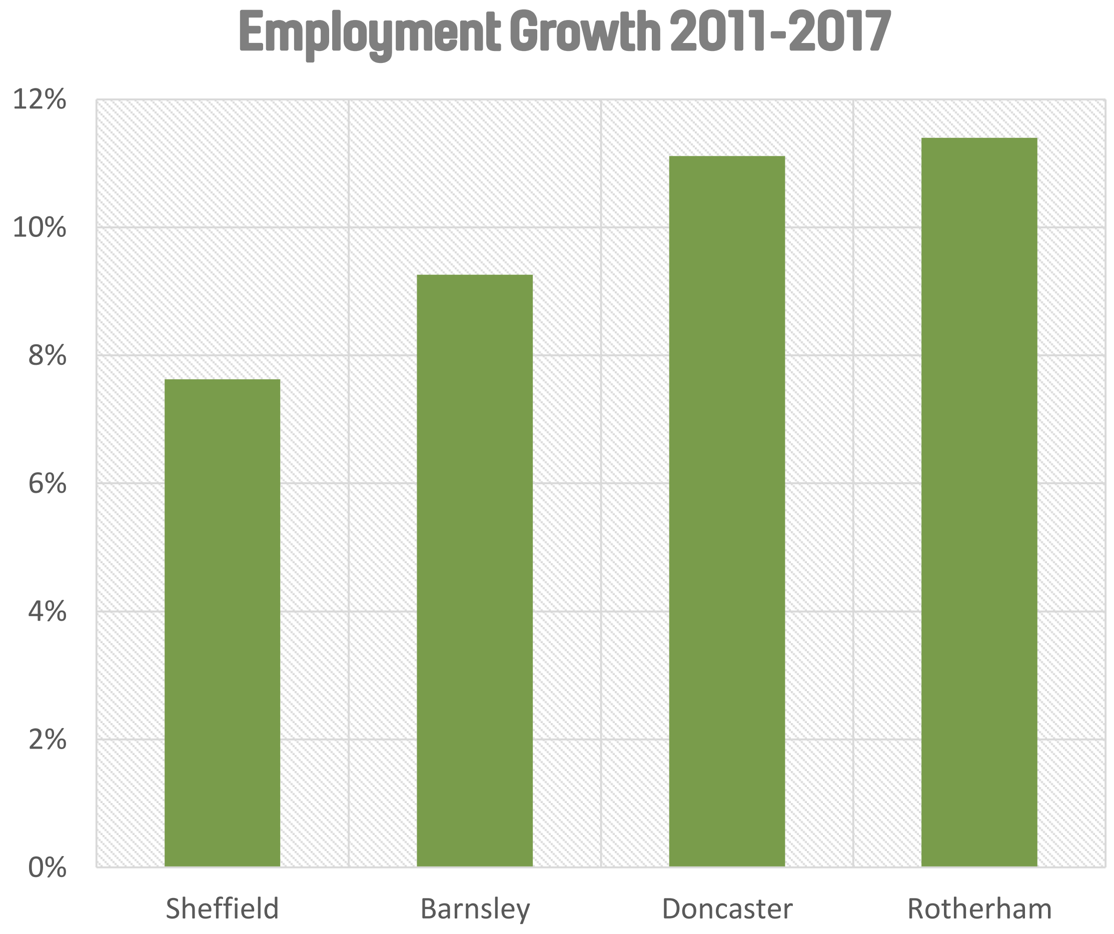
Size of economy if productivity matched UK (with London): £44bn

Size of economy if productivity matched South East: £46bn

Size of economy if productivity matched London: £62bn

EMPLOYMENT





Source: Annual Population Survey 2018 & EMSI 2018

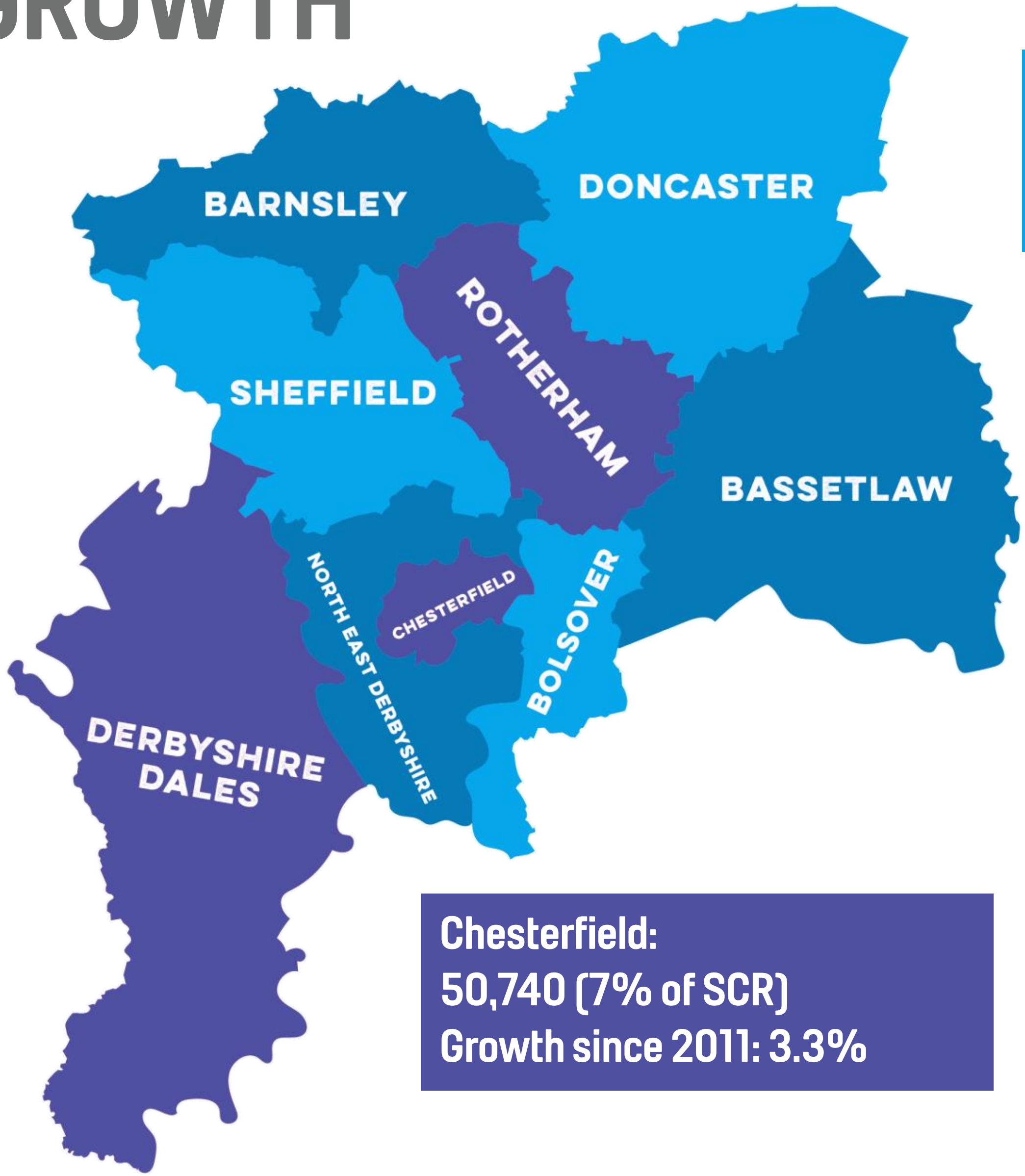
EMPLOYMENT GROWTH

Barnsley:
78,600 (10% of SCR)
Growth since 2011: 9.6%

Sheffield:
255,250 (34% of SCR)
Growth since 2011: 7.6%

Derbyshire Dales:
34,050 (5% of SCR)
Growth since 2011: -4%

North East Derbyshire:
27,540 (4% of SCR)
Growth since 2011: 1.57%



Chesterfield:
50,740 (7% of SCR)
Growth since 2011: 3.3%

Doncaster:
121,350 (16% of SCR)
Growth since 2011: 11.1%

Rotherham
104,443 (14% of SCR)
Growth since 2011: 11.4%

Bassetlaw
50,900 (7% of SCR)
Growth since 2011: 12.1%

Bolsover:
33,130 (4% of SCR)
Growth since 2011: 13.6%

Source: EMSI 2018

EMPLOYMENT GROWTH

Barnsley:
78,600 (10% of SCR)
Growth since 2011: 9.6%

Doncaster:
121,350 (16% of SCR)
Growth since 2011: 11.1%

Rotherham
104,443 (14% of SCR)
Growth since 2011: 11.4%

Sheffield:
255,250 (34% of SCR)
Growth since 2011: 7.6%

Source: EMSI 2018

Economic Activity Rate in SCR:
73.2%

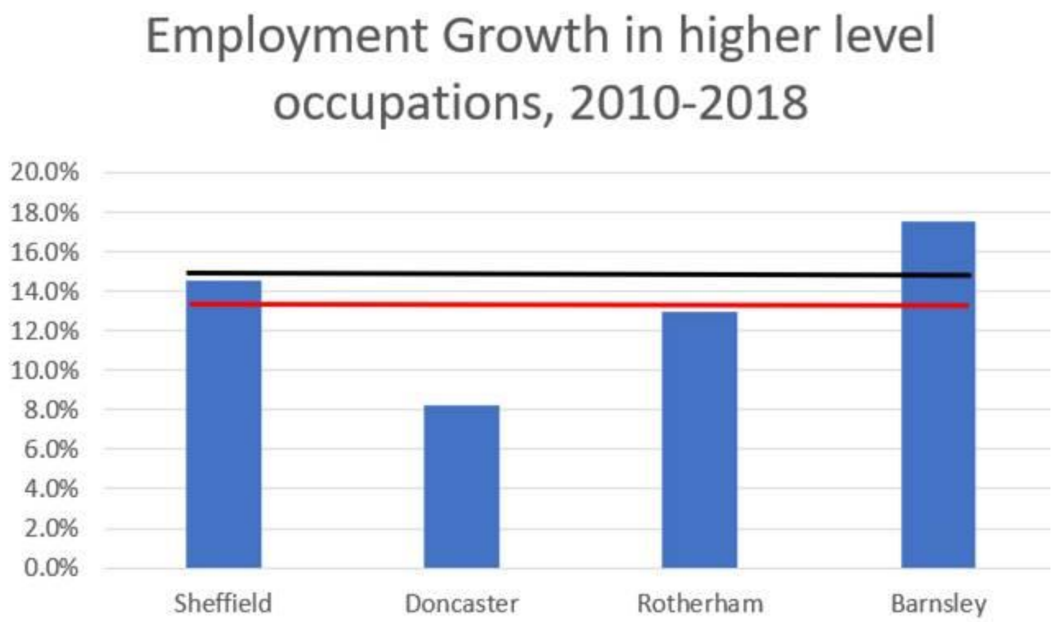
Current Gap
(closing since 2016):
1.7%

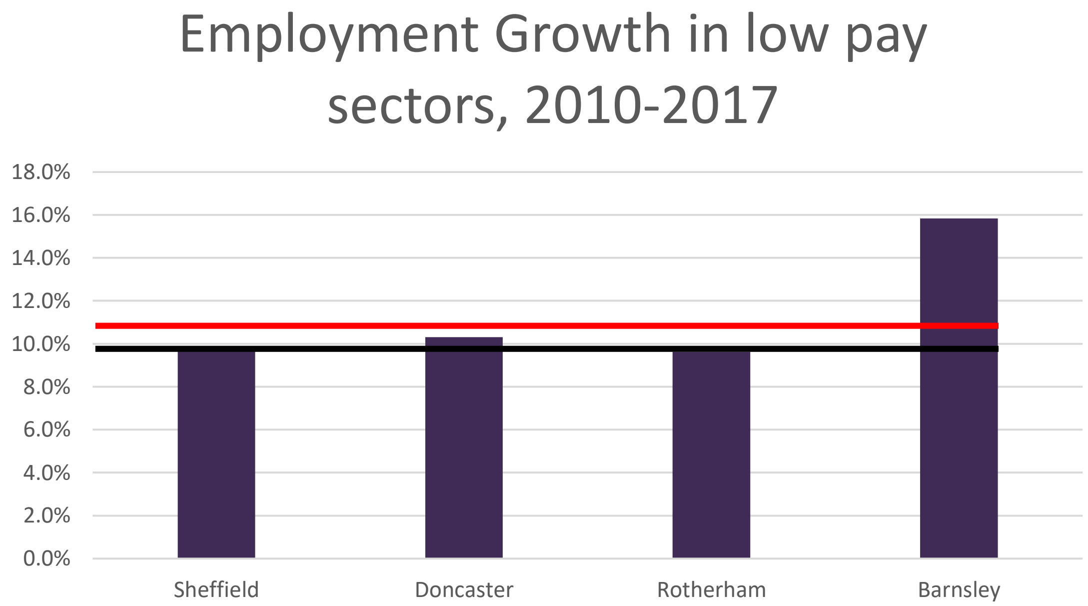
Economic Activity Rate in England:
74.9%

BUT rise in employment has been in low skill, low pay sectors – jobs threatened by automation

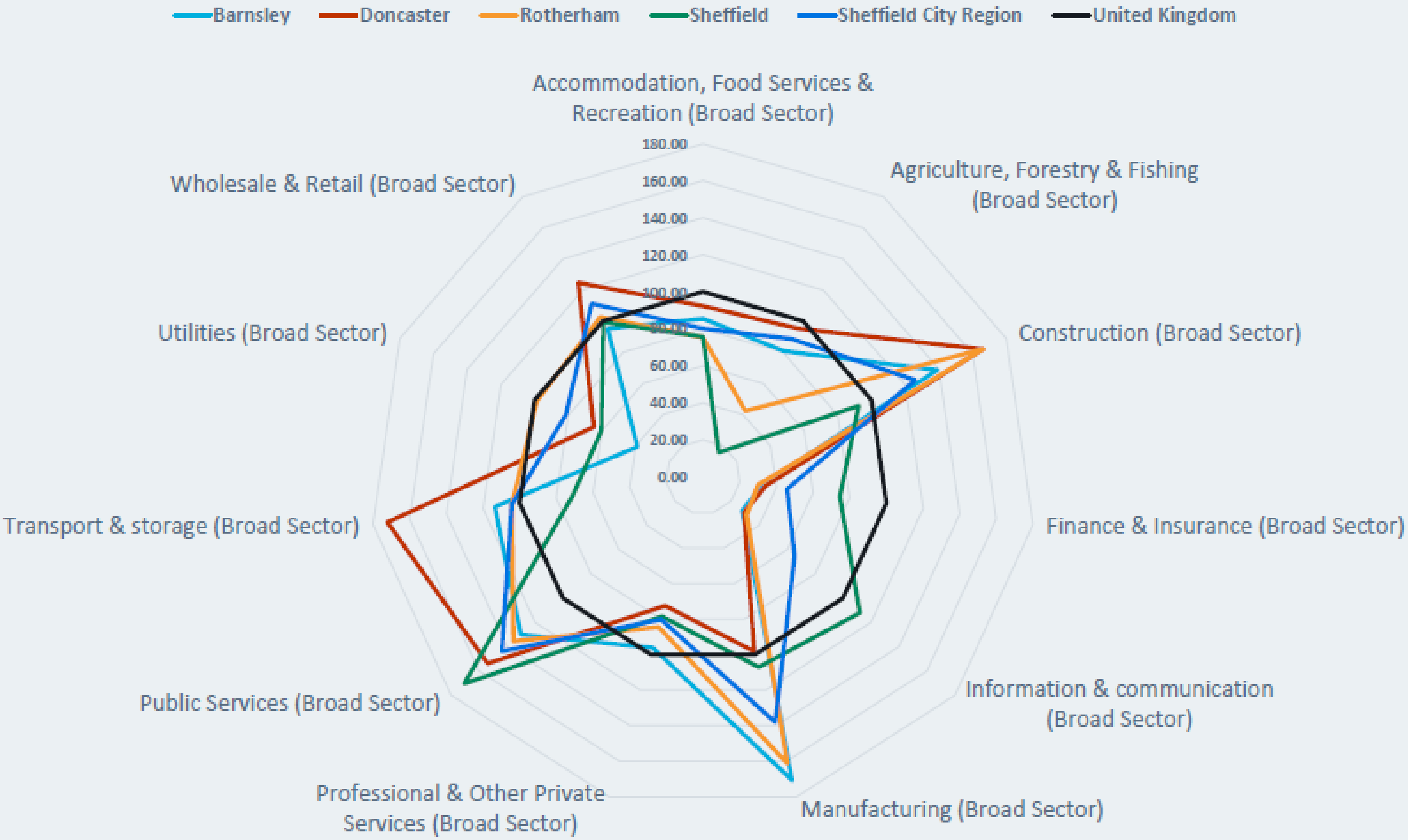
EMPLOYMENT

- Barnsley has seen good employment growth with above the national average growth in higher level occupations
- However, Sheffield’s overall numbers rather than percentage change is about the same as the other three districts combined
- Barnsley’s employment growth in higher level occupations is positive, but it has seen a high proportion of its growth in low pay sectors

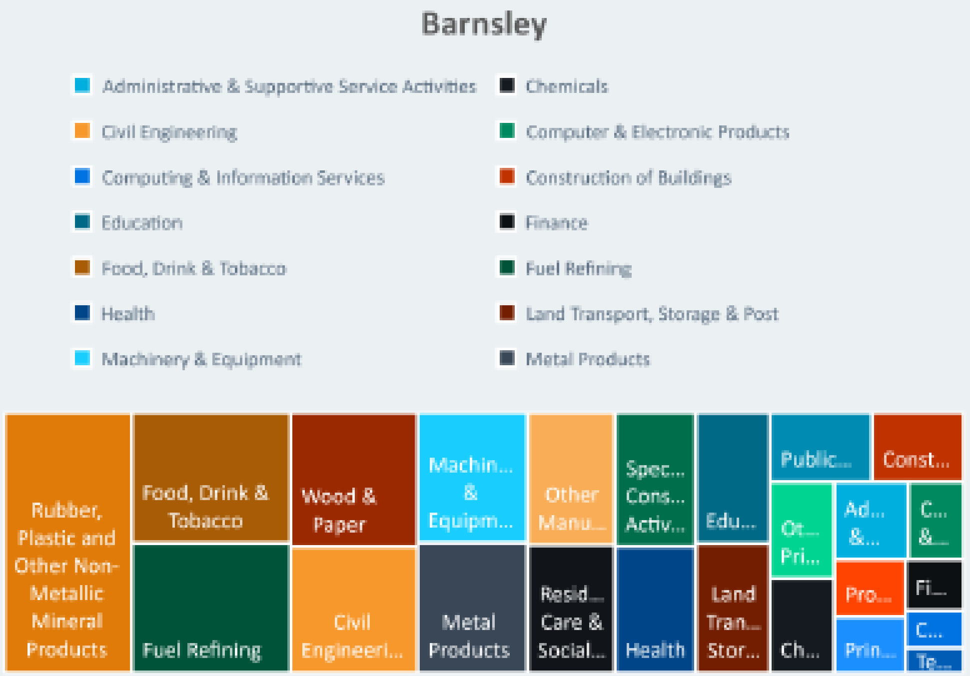


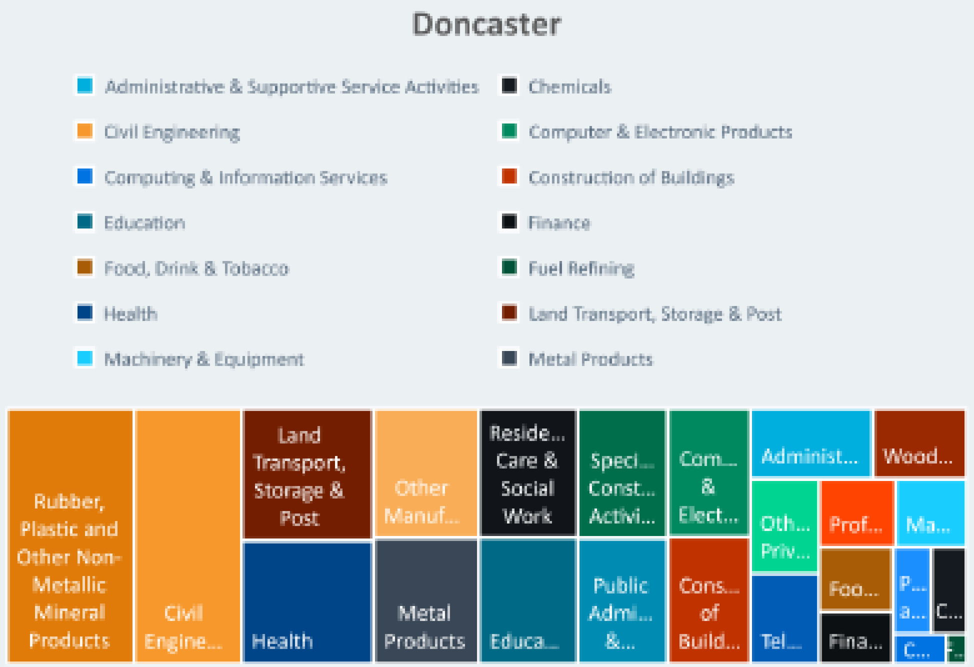


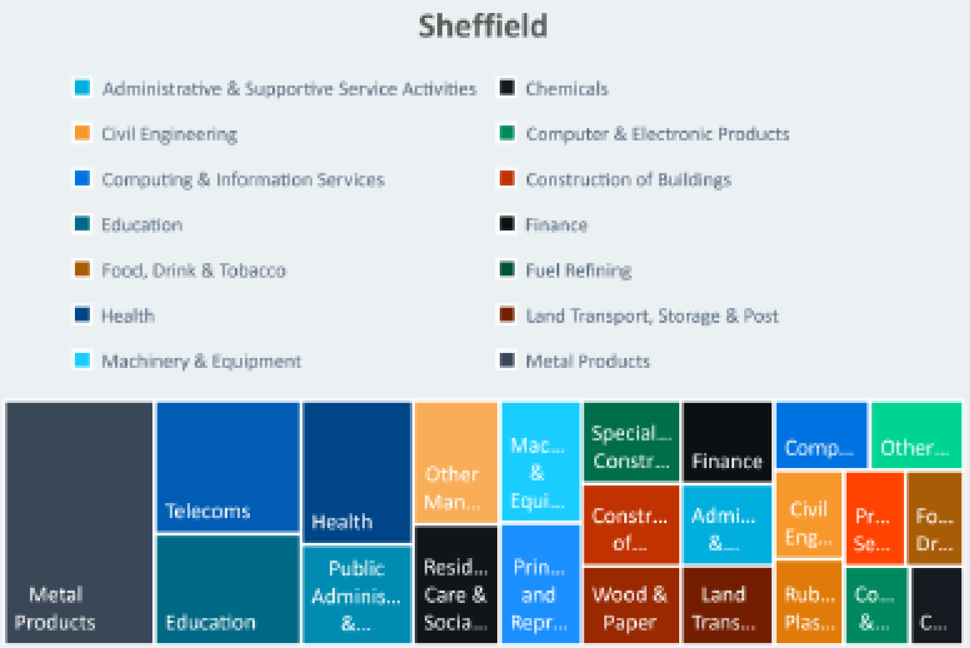
Sector GVA share indexed to UK

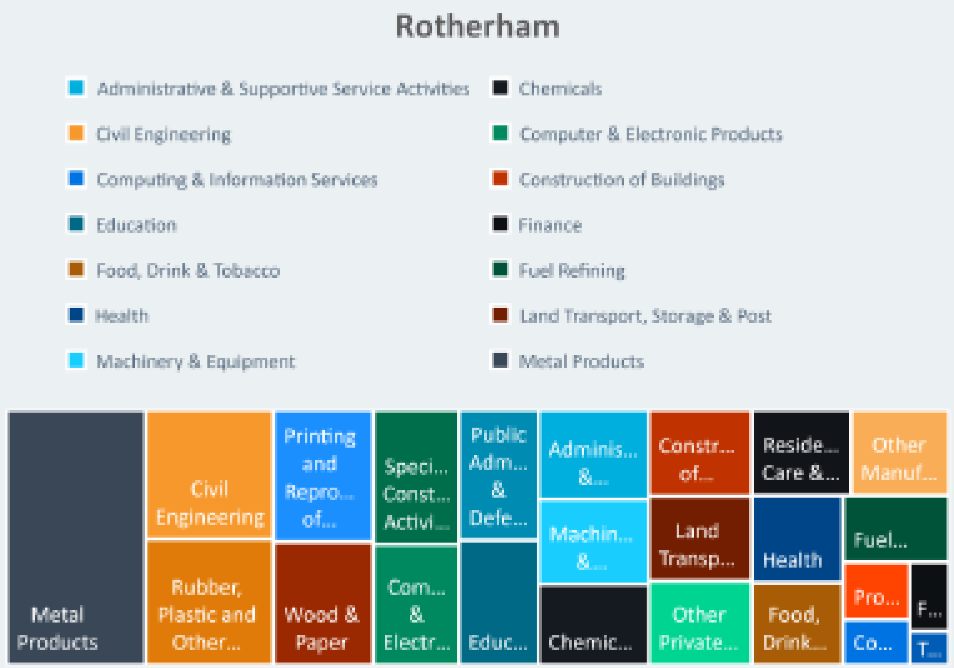


LQs for GVA on detailed sectors



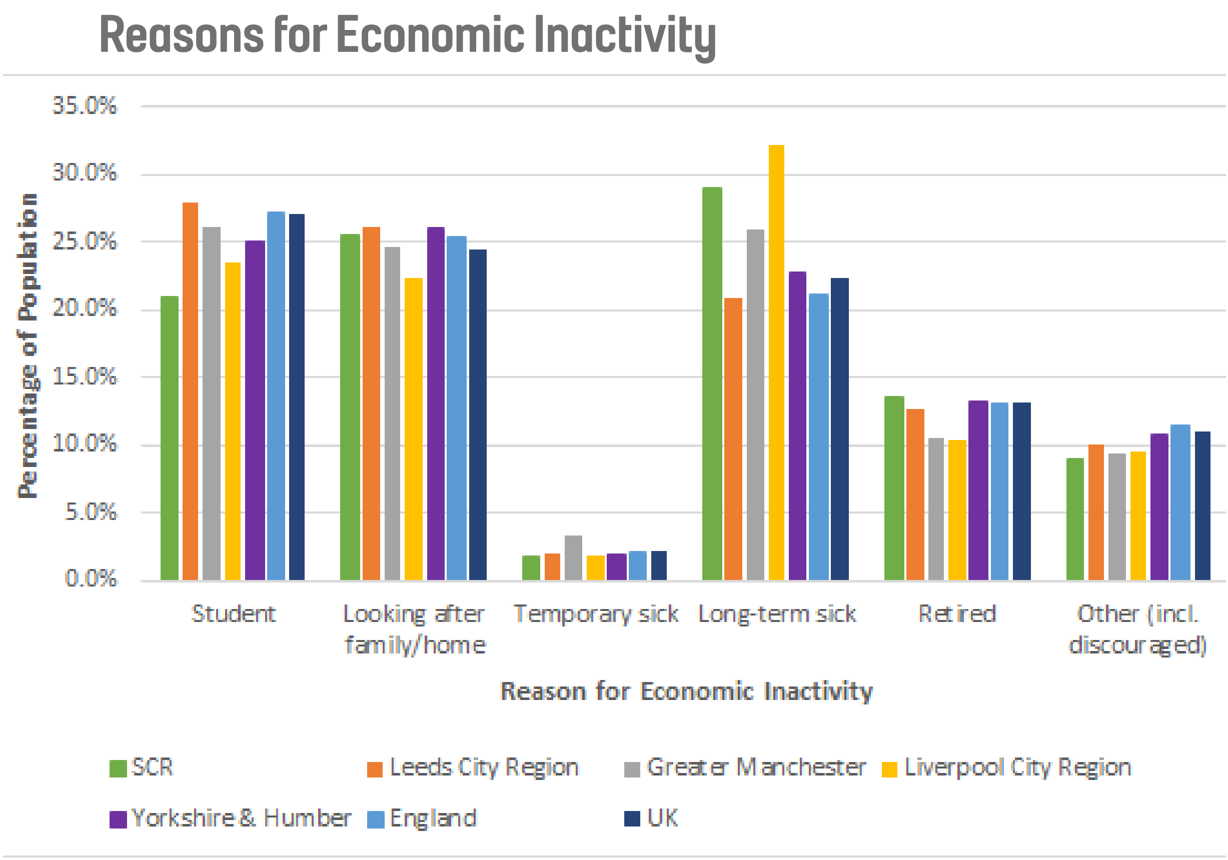






UNEMPLOYMENT & ECONOMIC INACTIVITY

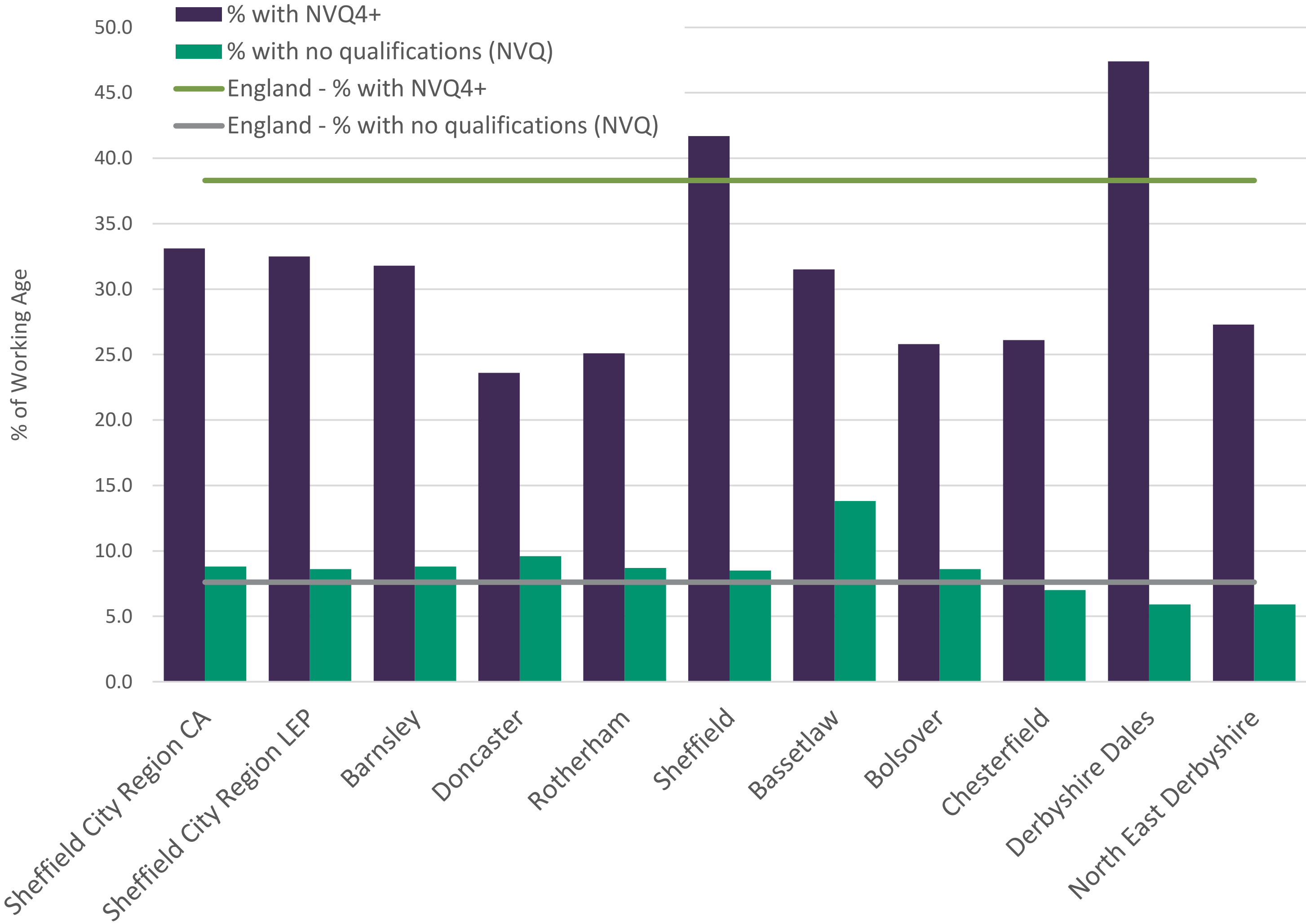
Source: Annual Survey or Hours & Earnings 2018 & Annual Population Survey 2018



Source: ONS – Annual Population Survey 2017

SKILLS

% of residents with NVQ 4 and No Qualifications



Passes in English & Maths (GCSE 2016/17)

Geography	English and maths GCSEs	
	% pupils who achieved a strong 9-5 pass	% of pupils who achieved a standard 9-4 pass
England	40%	59%
Yorkshire and The Humber	41%	62%
Barnsley	39%	60%
Doncaster	39%	58%
Rotherham	37%	59%
Sheffield	39%	60%
Derbyshire	42%	65%
Nottinghamshire	46%	66%

Source: DfE (2018) and Annual Population Survey (2018)

SKILLS IN OUR WORKFORCE

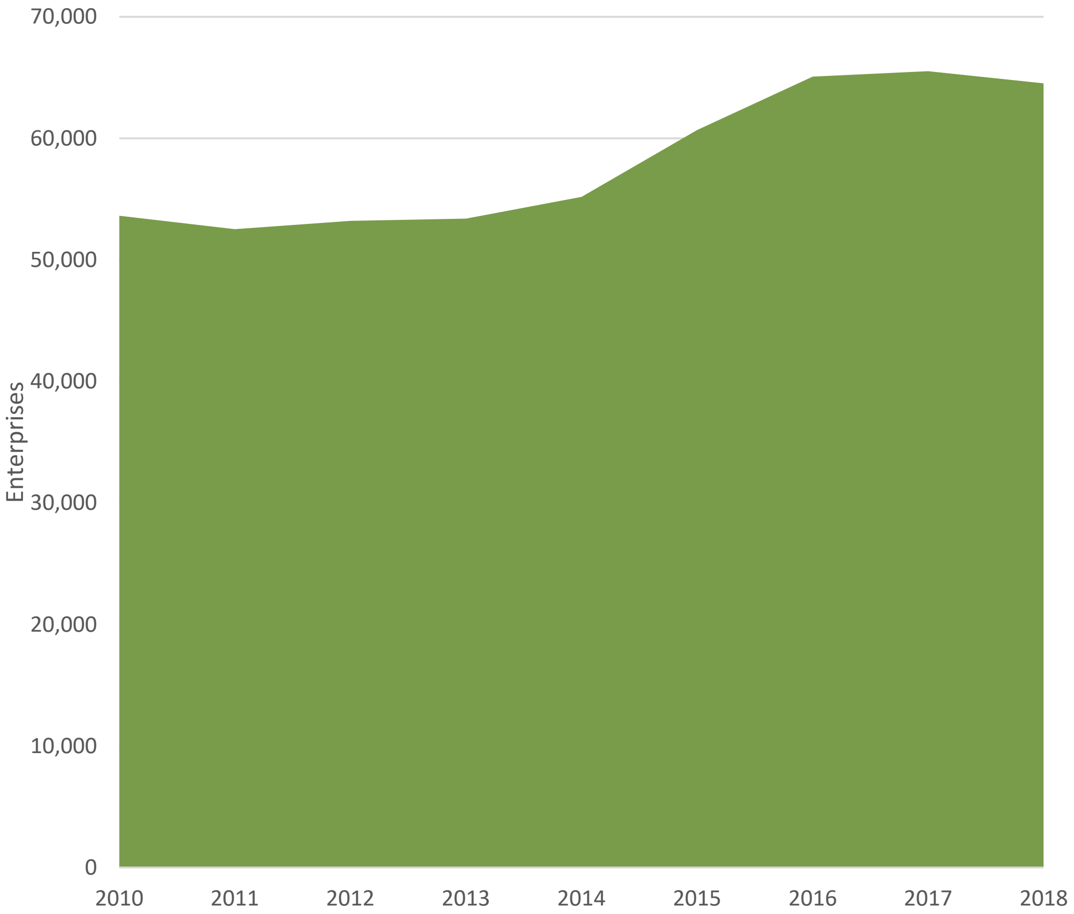
Current High Level Skills in Working Age Population (2017/8):
32.5%
373,100

High Level Skills in Working Age Population if share matched UK levels (38.3%):
439,450

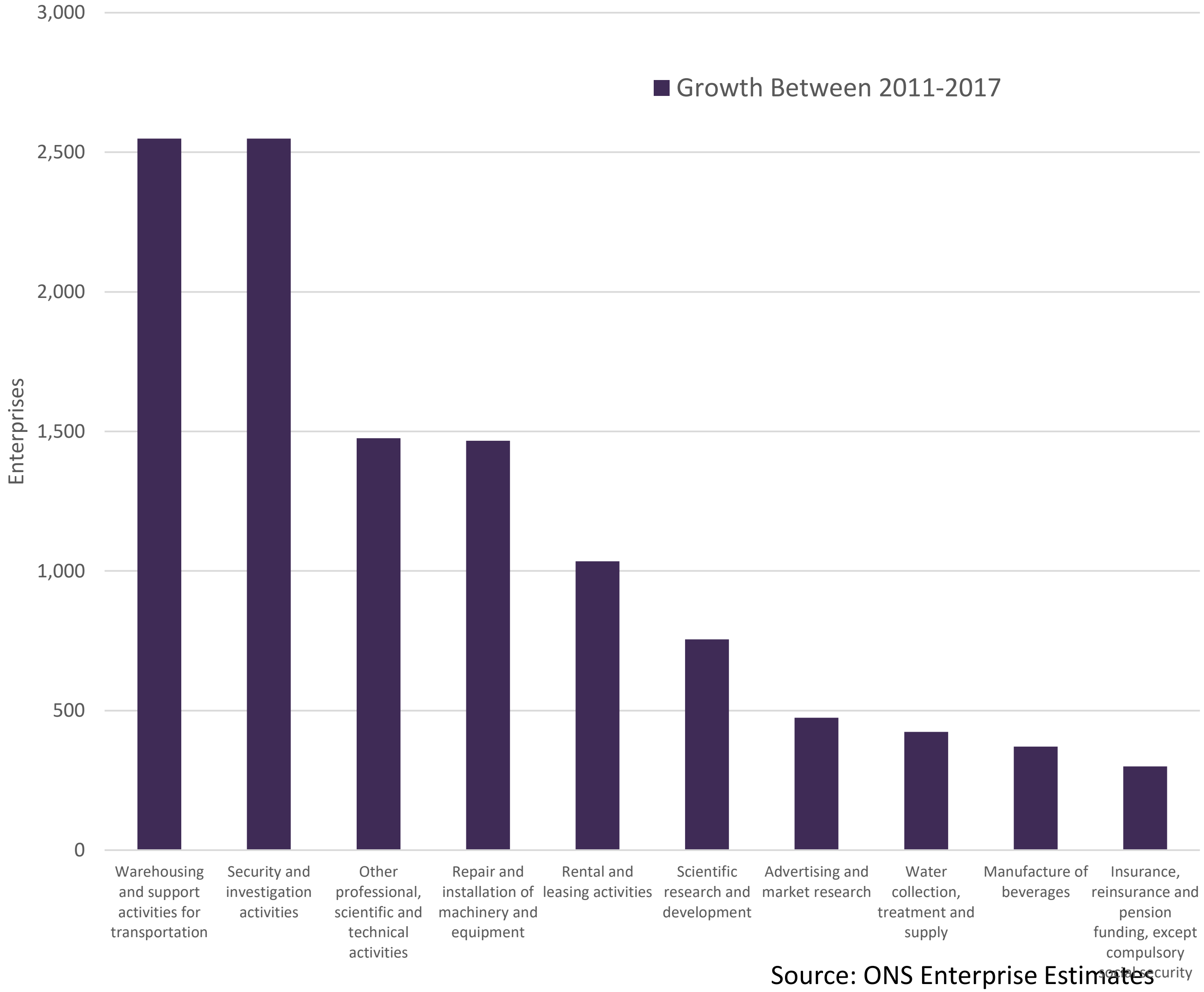
Gap:
66,000 people

BUSINESSES

Enterprises by year in Sheffield City Region



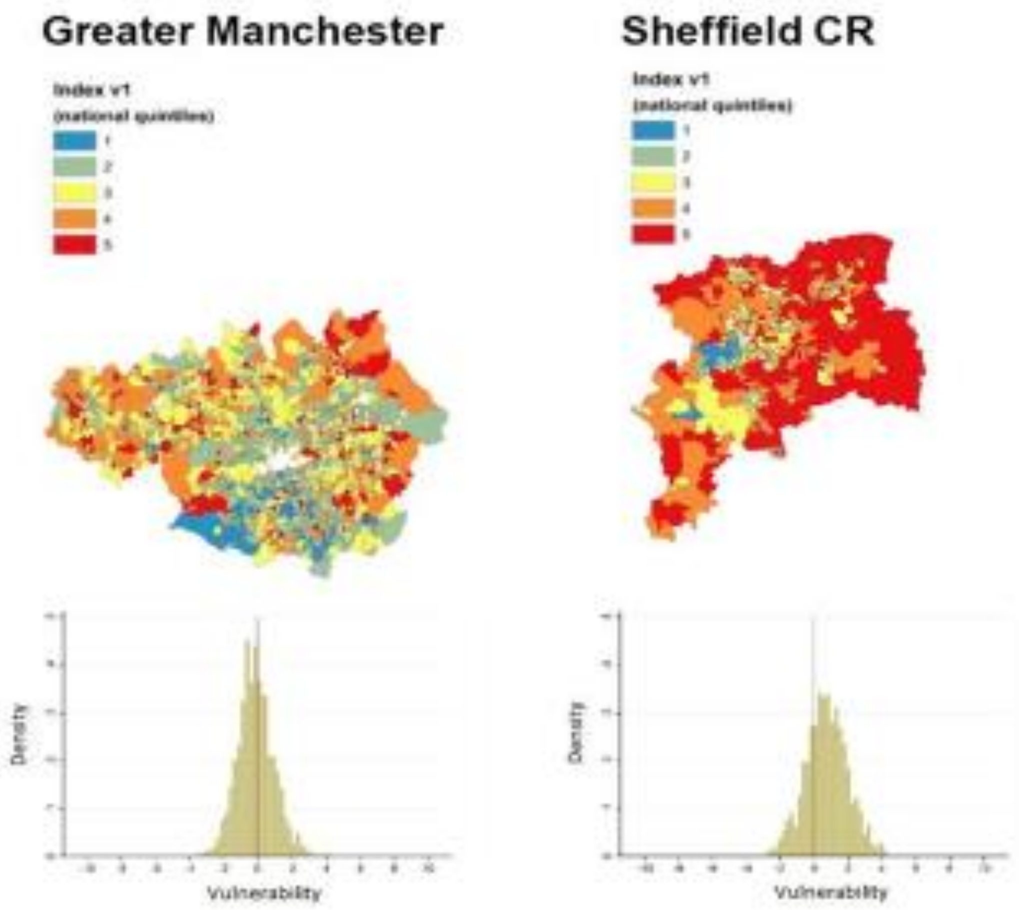
Growth "Sectors" in Sheffield City Region

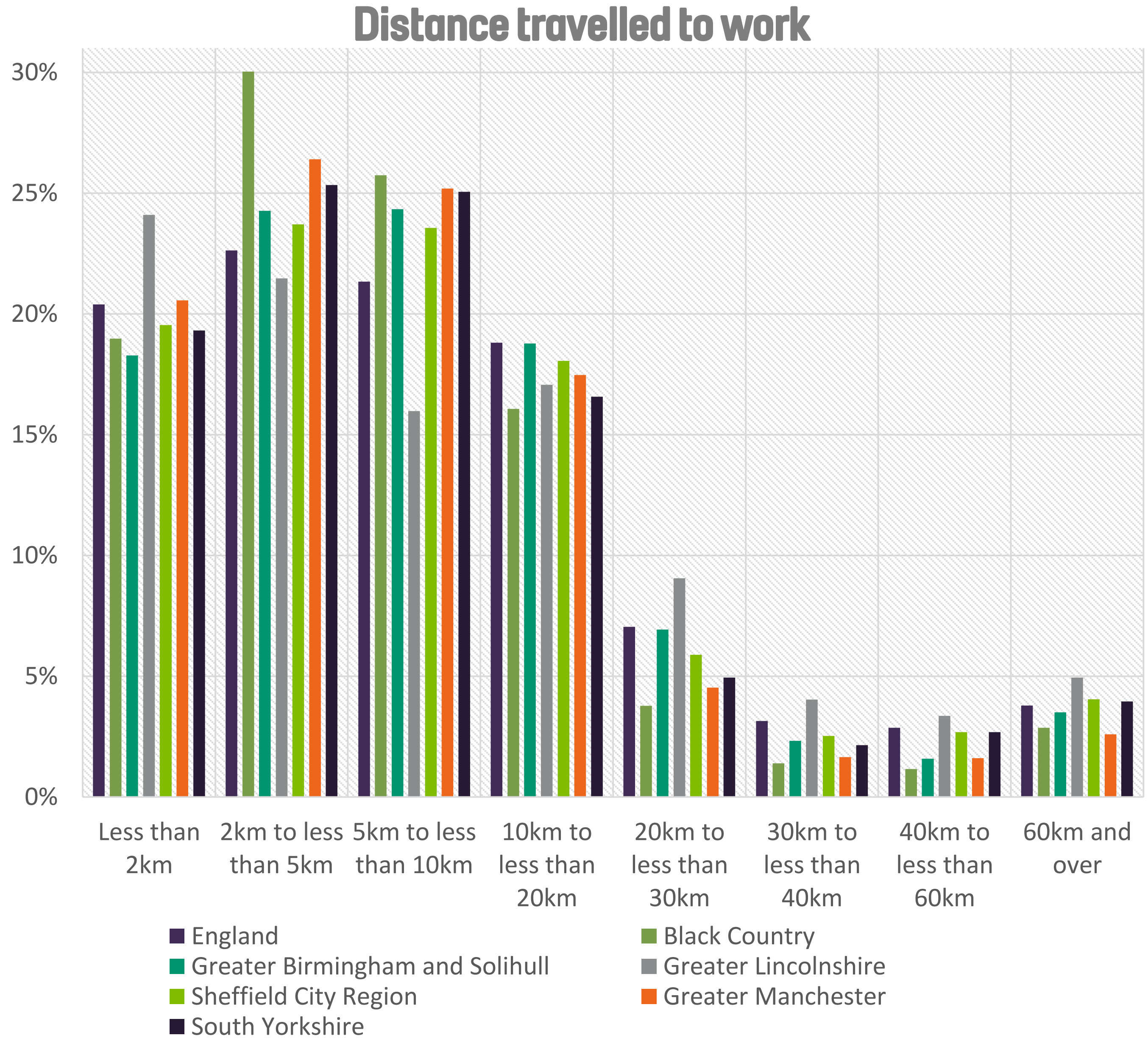


Source: ONS Enterprise Estimates

INFRASTRUCTURE

Vulnerability to oil price change (Red = Highly Vulnerable)

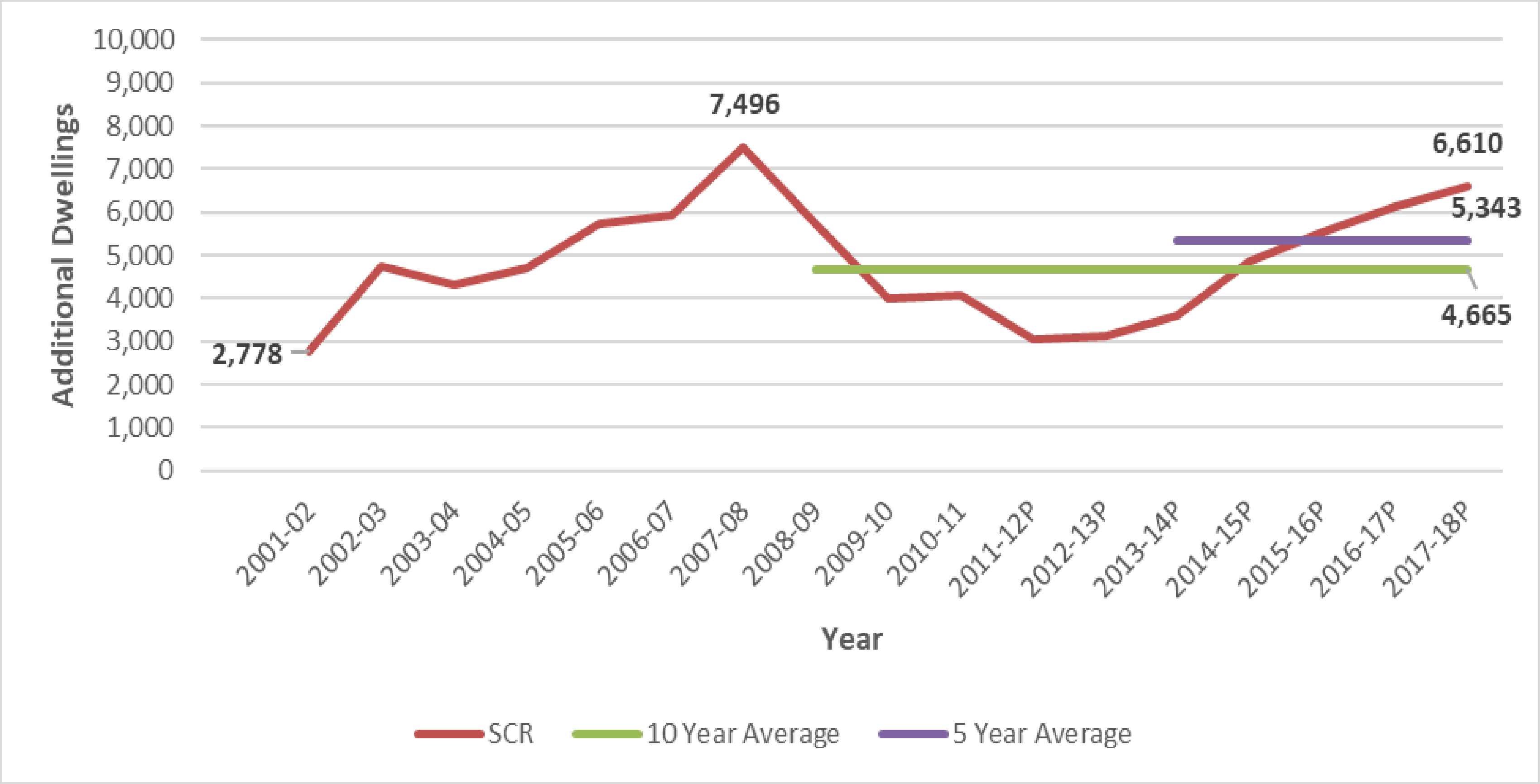




Source: Mattioli, G , Wadud, Z and Lucas, K (2018) Vulnerability to fuel price increases in the UK: A household level analysis. Transportation Research Part A: Policy and Practice, 113. pp. 227-242. & DFT (Yorkshire Figures) 2018

HOUSING

Net Additional Housing



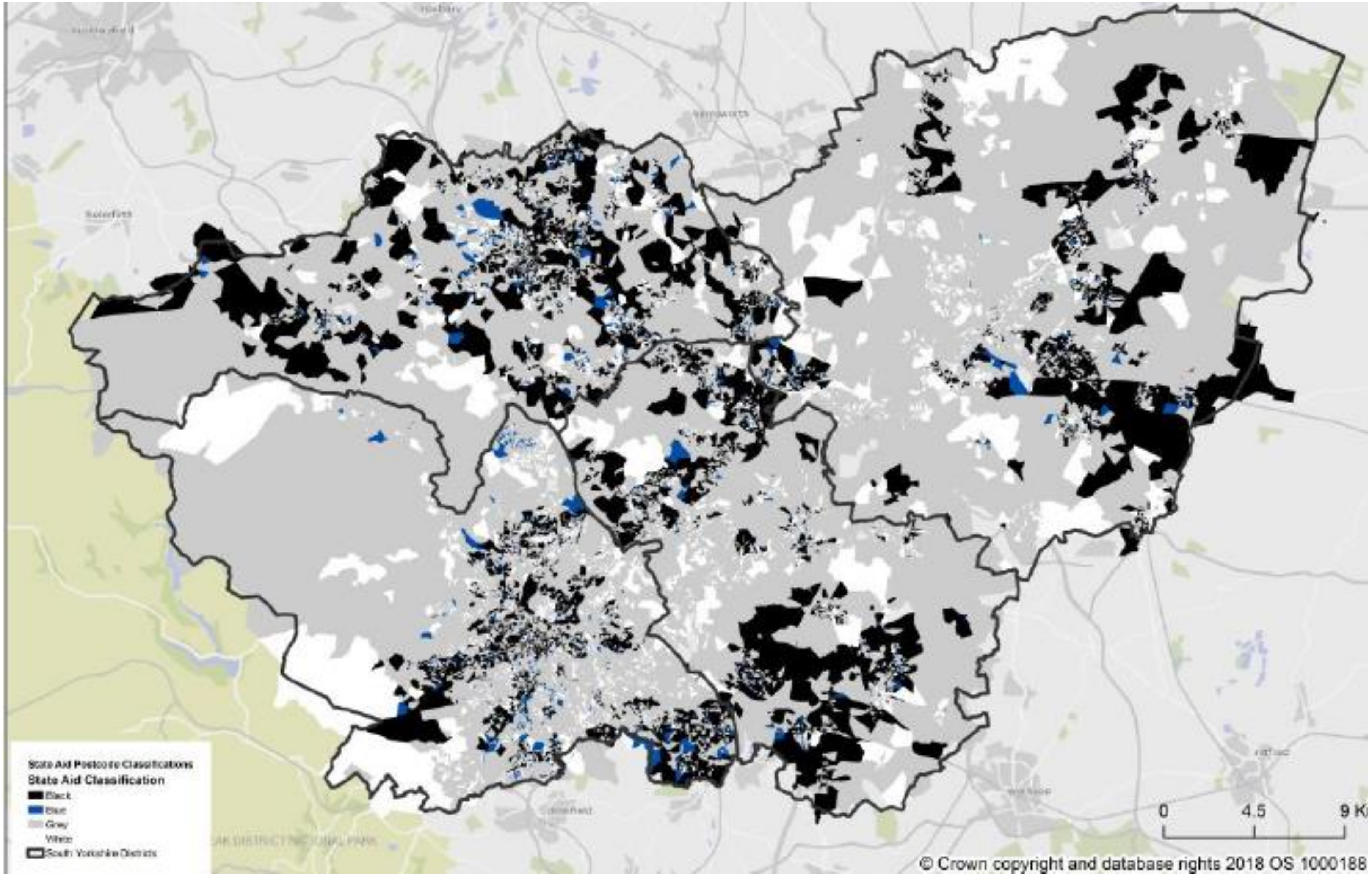
Source: MHCLG Live Table 122; Net Additional Dwellings by Local Authority Districts

Average house prices

Geography	House Price
England	£249,400
Yorkshire and Humber	£162,000
Barnsley	£124,100
Doncaster	£124,100
Rotherham	£140,600
Sheffield	£167,900
Bassetlaw	£158,100
Bolsover	£125,700
Chesterfield	£157,800
Derbyshire Dales	£267,300
North East Derbyshire	£178,600

DIGITAL

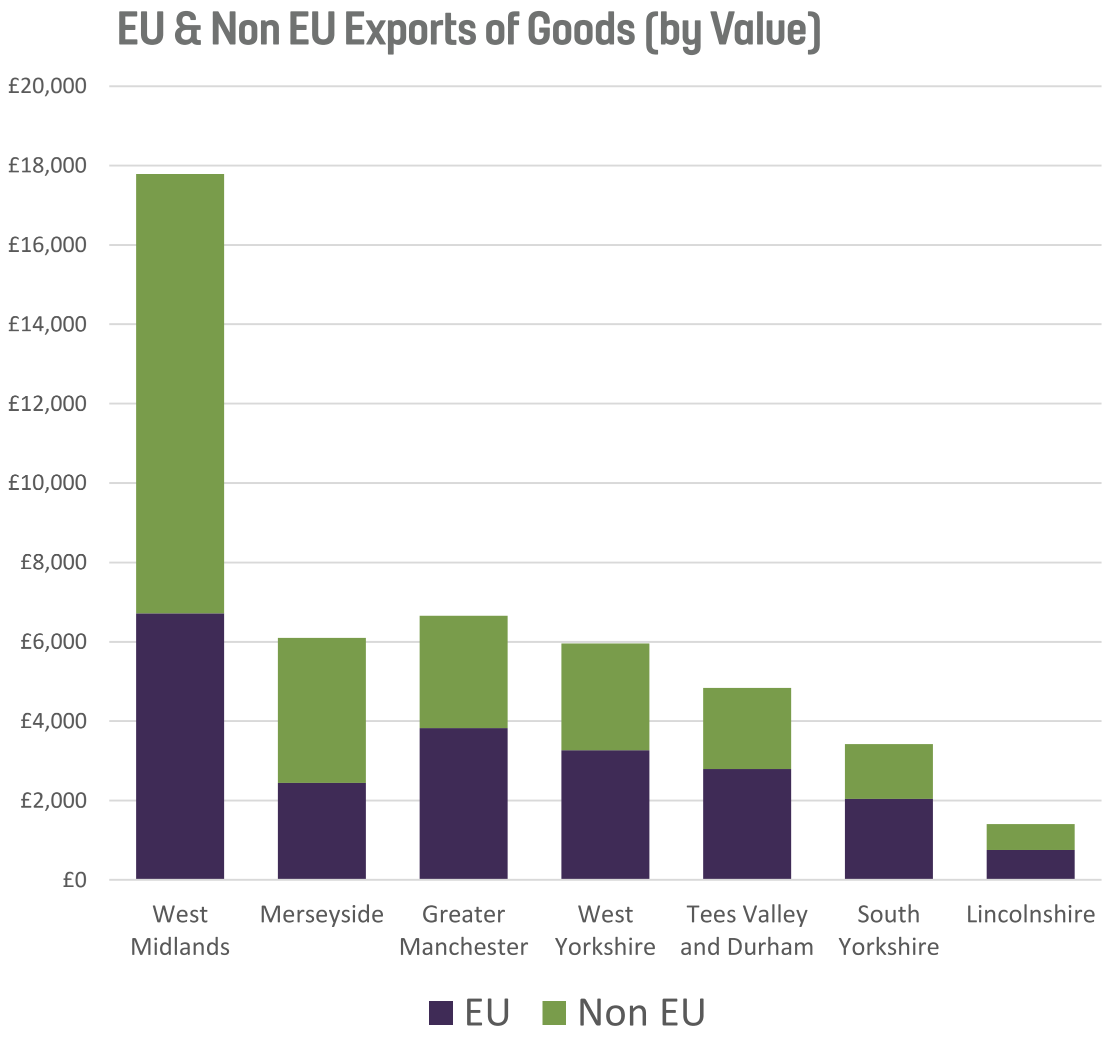
Coverage of superfast broadband (Blue & White = At risk or not covered)

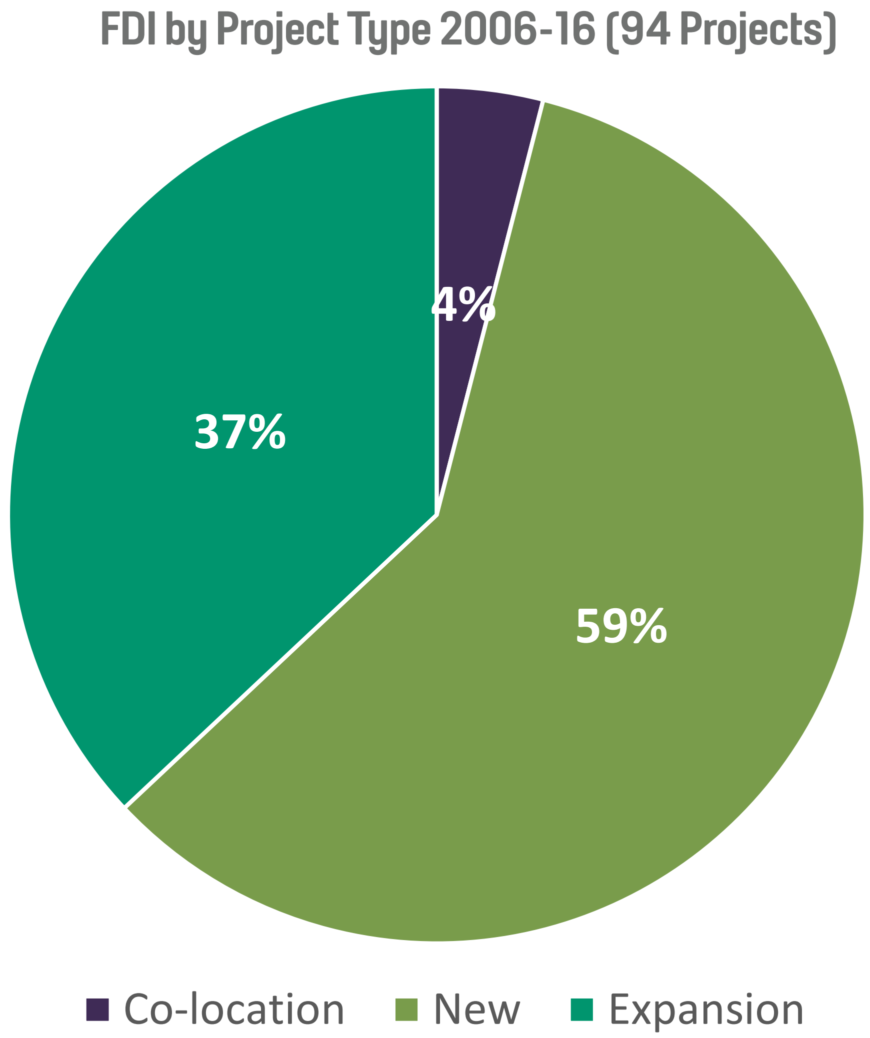


• Although superfast broadband (30mbps) coverage is over 97%, businesses and domestic consumers will require 100mbps to one gigabit connectivity over the next 5-10 years.

This will require full fibre coverage and currently the city region has only half the national average coverage unless FTTP and FTTH investment is accelerated.

TRADE & INWARD INVESTMENT

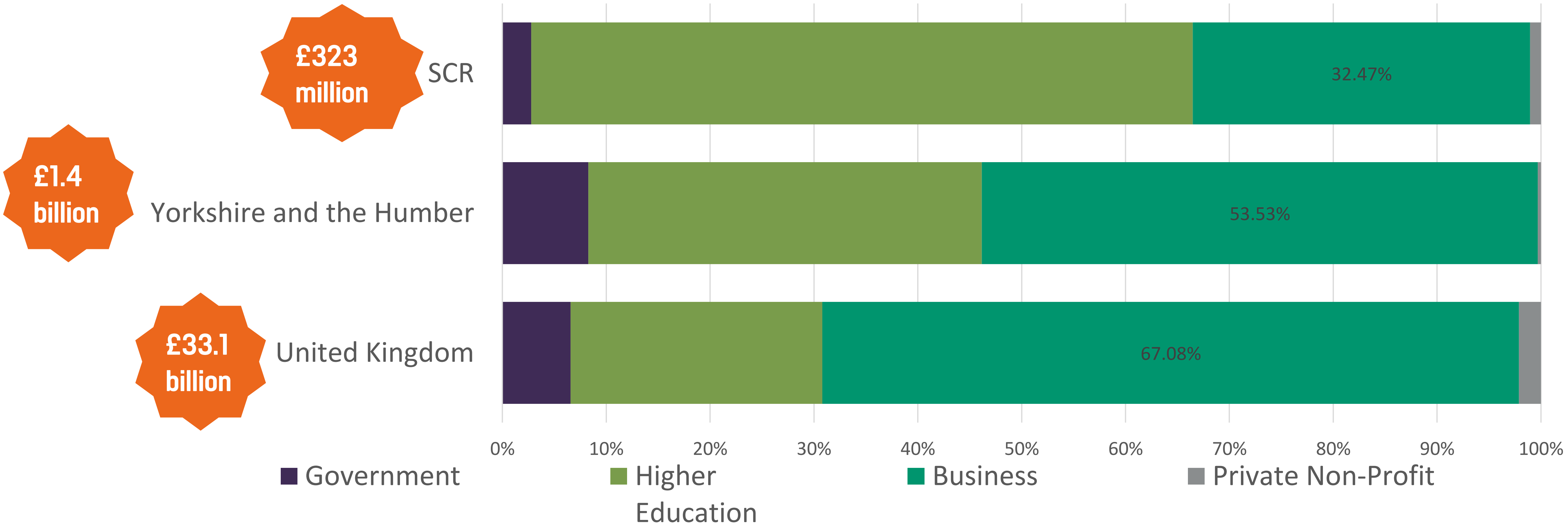




Source: FDI Trends 2016 & DTI Export Estimates 2018

INNOVATION

Make up of investment in UK R&D



Source: ONS (2018) UK gross domestic expenditure on research and development

PRODUCTIVITY

SCR:
£43,500 per worker

UK (without London):
£49,760 per worker

Current Gap (increasing):
£6,260

WAGES

Wages Residents (2018):

- **SCR: £517 per week (annual growth of 1.7%)**
- **UK: £569 per week (annual growth of 2%)**

RESEARCH EXCELLENCE & ENGAGEMENT

Unit of assessment name	Multiple submission name	Rank of World Leading research - 4*	Rank of Internationally Excellent research - 3*/4*
General Engineering		3	3
Architecture, Built Environment and Planning		3 (11)	6 (11)
Civil and Construction Engineering		6	2
Biological Sciences		7 (38)	4 (36)
Computer Science and Informatics		7	6
Public Health, Health Services & Primary Care		11	25
Aeronautical, Mechanical, Chemical and Manufacturing Engineering	Mechanical engineering & Advanced manufacturing	11 (33)	4 (33)
Electrical and Electronic Engineering, Metallurgy & Materials	Electronic & Electrical Engineering	12	5
Electrical and Electronic Engineering, Metallurgy & Materials	Materials Science & Engineering	13	13
Aeronautical, Mechanical, Chemical and Manufacturing Engineering	Chemical & Biological engineering	14	4
Chemistry		18	2
Physics		20	11
Mathematical Sciences		20	11
Clinical Medicine		21	8

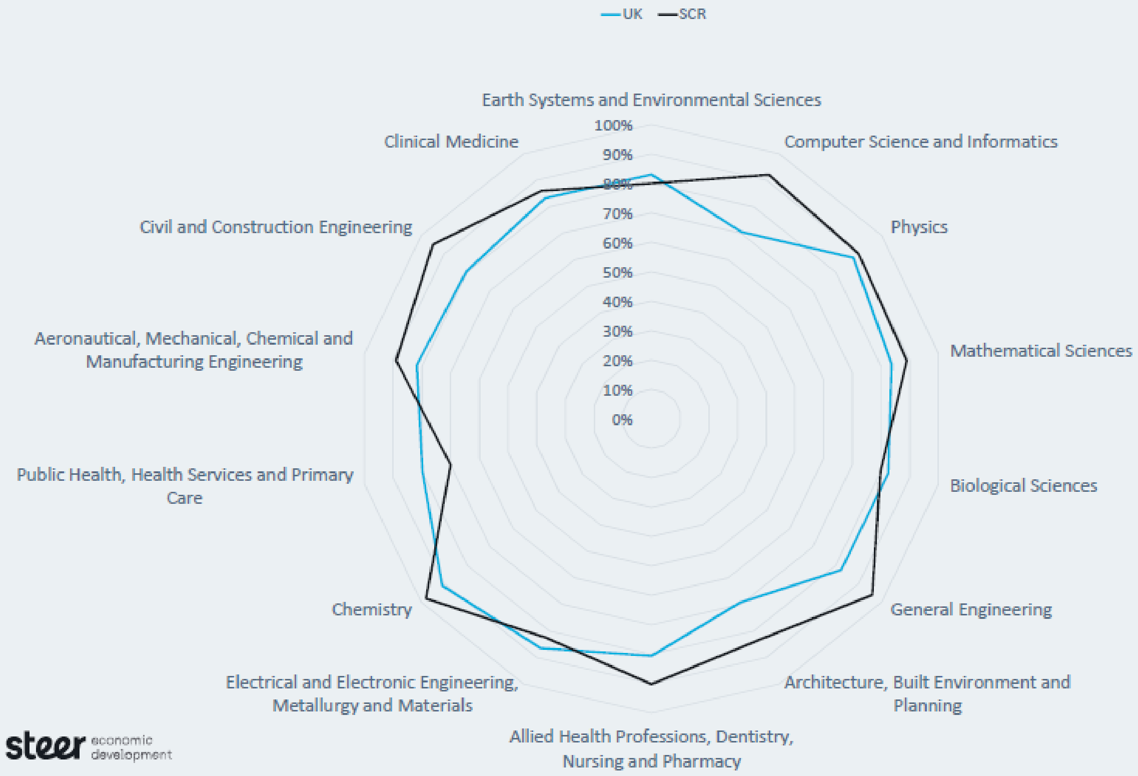
Industry Engagement

University	Number of current KTPs	Rank of number	Value of current KTPs	Rank of value
Sheffield Hallam University	16	10	£1.7m	16
The University of Sheffield	21	7	£2.5m	7

INNOVATION EXPERTISE IN SCR

Research Excellence – Percentage of research Internationally Excellent/World-Class

REF 2014 - Percentage of research classed as “internationally Excellent” (3*) or “World-Leading” (4*)

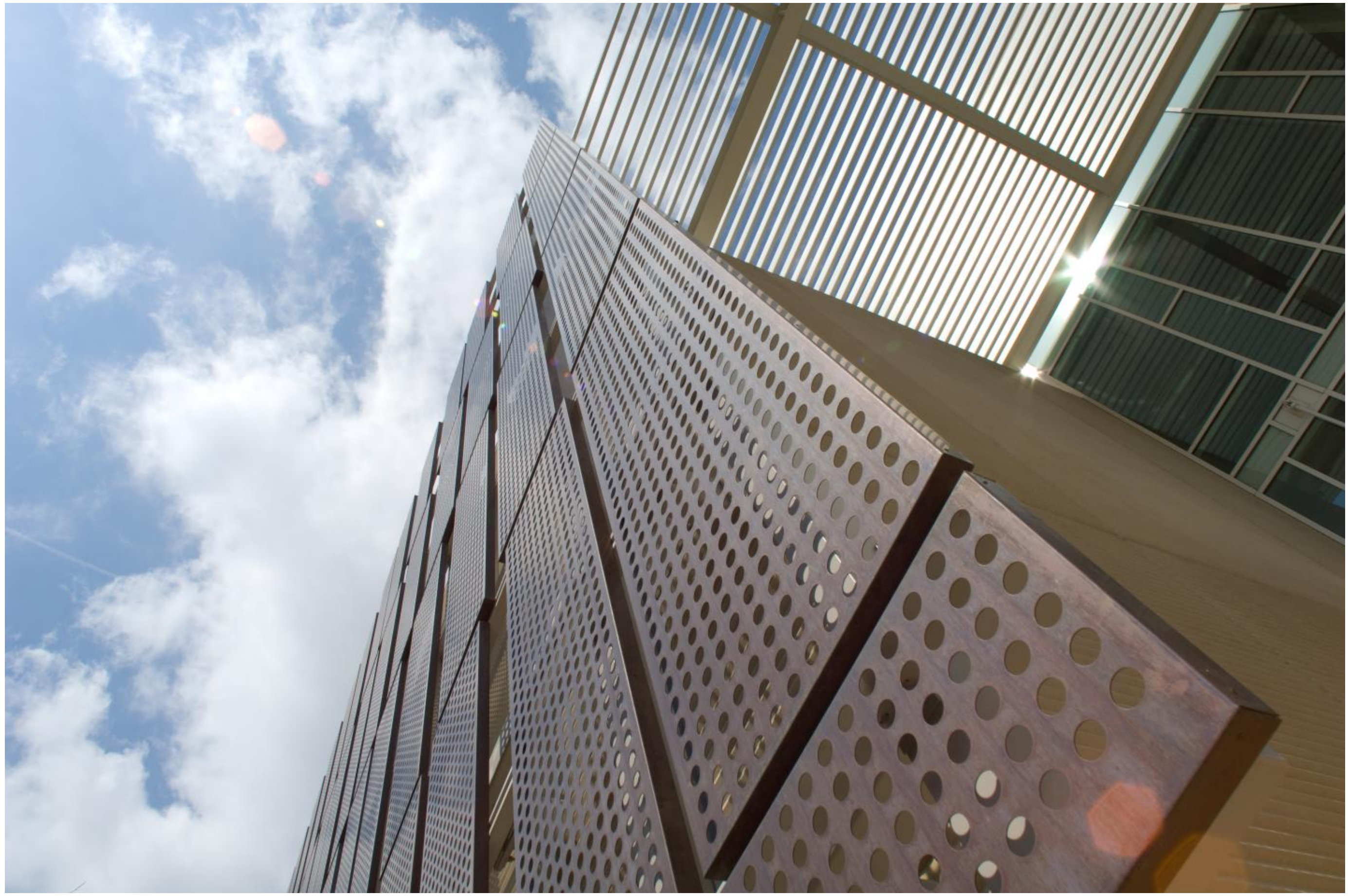


steer economic development

Source: REF 2014

Note: REF scores are combined and weighted by Research FTEs at each institution

INCLUSIVE GROWTH



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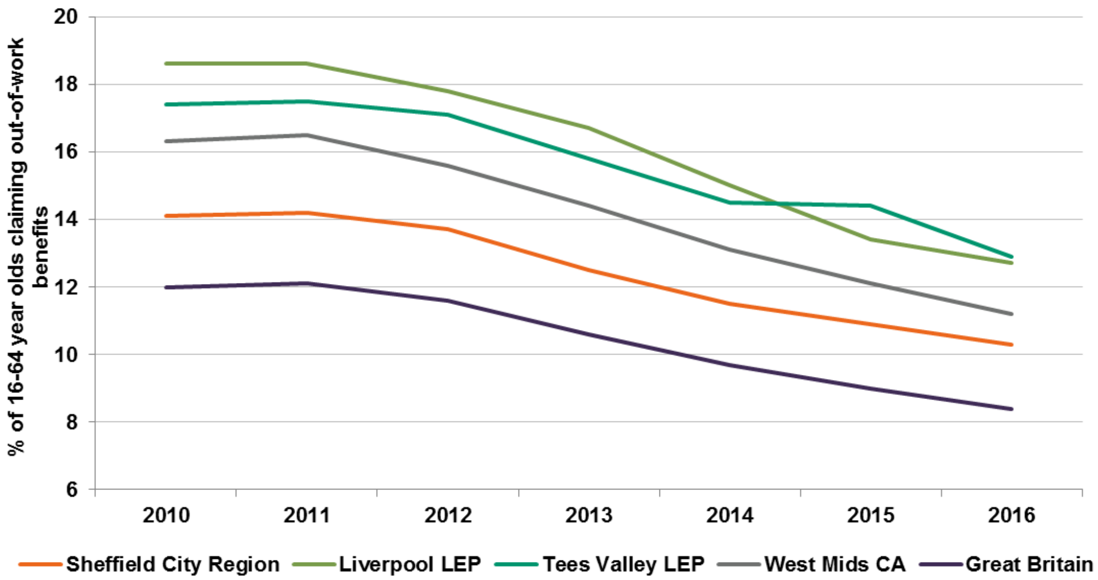
OUT-OF-WORK BENEFITS

- Benefit claimant rate as % of 16-64 year olds

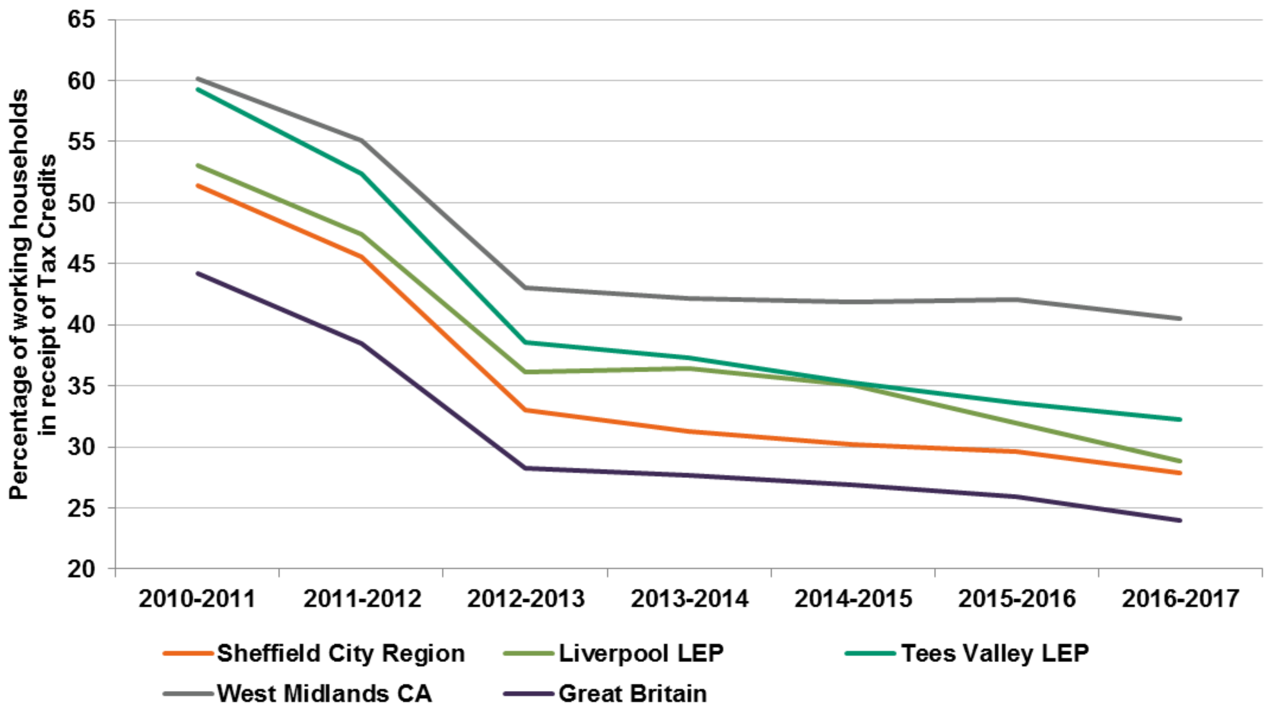


- Source: Department for Work and Pensions

- Working age out-of-work benefits include JSA, ESA and IS for lone parents.
- Between 2010 and 2016, the proportion of the working age population claiming such benefits decreased by 3.8 percentage points in SCR.
- This compares to a fall of 3.6 percentage points nationally and 5.9 percentage points in Liverpool City Region.
- The gap between SCR and the Great Britain average remained virtually unchanged.
- In 2016, 10.3 per cent of the working age population in SCR were claiming out-of-work benefits compared to 12.9 per cent in Tees Valley CA.
- There is a wide variation in claimant rates within SCR ranging from 11.9 per cent in Barnsley to 4.8 per cent in Derbyshire Dales.

IN-WORK TAX CREDITS

– **Percentage of working households in receipt of Tax Credits**



– Source: HM Revenue and Customs

- The proportion of working households receiving Tax Credits fell considerably post-2010 partly due to new restrictions to the eligibility criteria.
- In 2016, 27.8 per cent of working households in SCR relied on in-work benefits which was higher than the national rate (24 per cent) but lower than the other benchmark areas.
- There is a wide variation in the rates across SCR ranging from 34.6 per cent of working households in Doncaster and 16.4 per cent in Derbyshire Dales.
- The rate of decline in SCR over the period is similar to that seen nationally, in Liverpool City Region and in Tees Valley.
- West Midlands continued to have a high dependency on in-work benefits.

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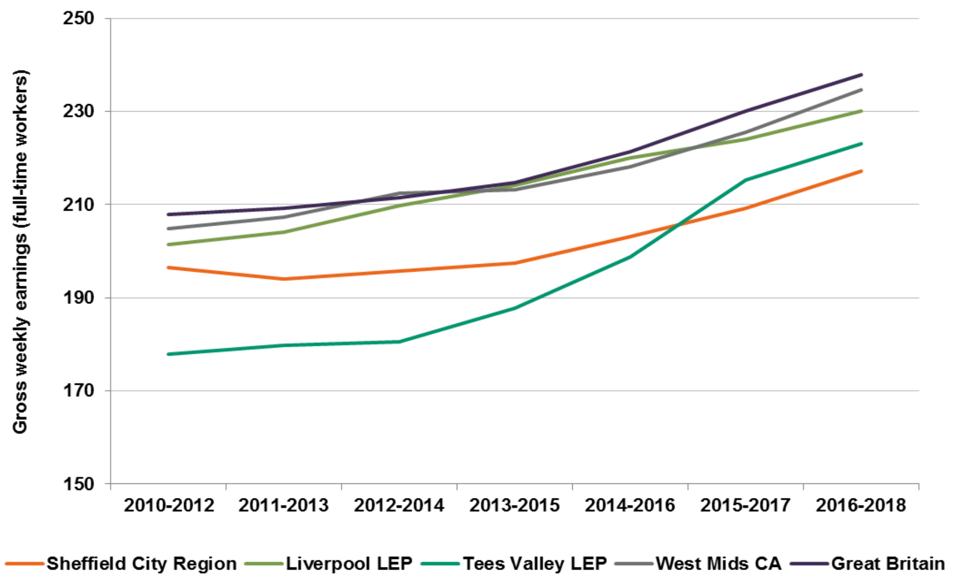
LOW EARNINGS

- The figures represent the gross weekly earnings for residents (before deductions) of the lowest paid 20 per cent of full-time workers.
- The gradual upward trend reflects the sluggish growth in wages and salaries post-2010.
- SCR experienced the lowest increase of areas considered, from £196 to £217 (11 per cent, as against 14 per cent nationally).
- Authorities within SCR CA experienced similar growth to national trends. But, wages for the workers in the lowest 20 per cent in Derbyshire Dales and NE Derbyshire fell over the period (by 12 per cent and 6 per cent respectively).
- Strong growth in Tees Valley meant that this area overtook SCR wage levels by 2015-2017.
- This meant the gap between SCR and the national average grew from £12 to £21 per week compared to Tees Valley which narrowed the gap from £30 to £15 over the same period.

– **Lower quintile for weekly earnings, resident analysis**



– Source: Office for National Statistics Annual Survey of Hours and Earnings

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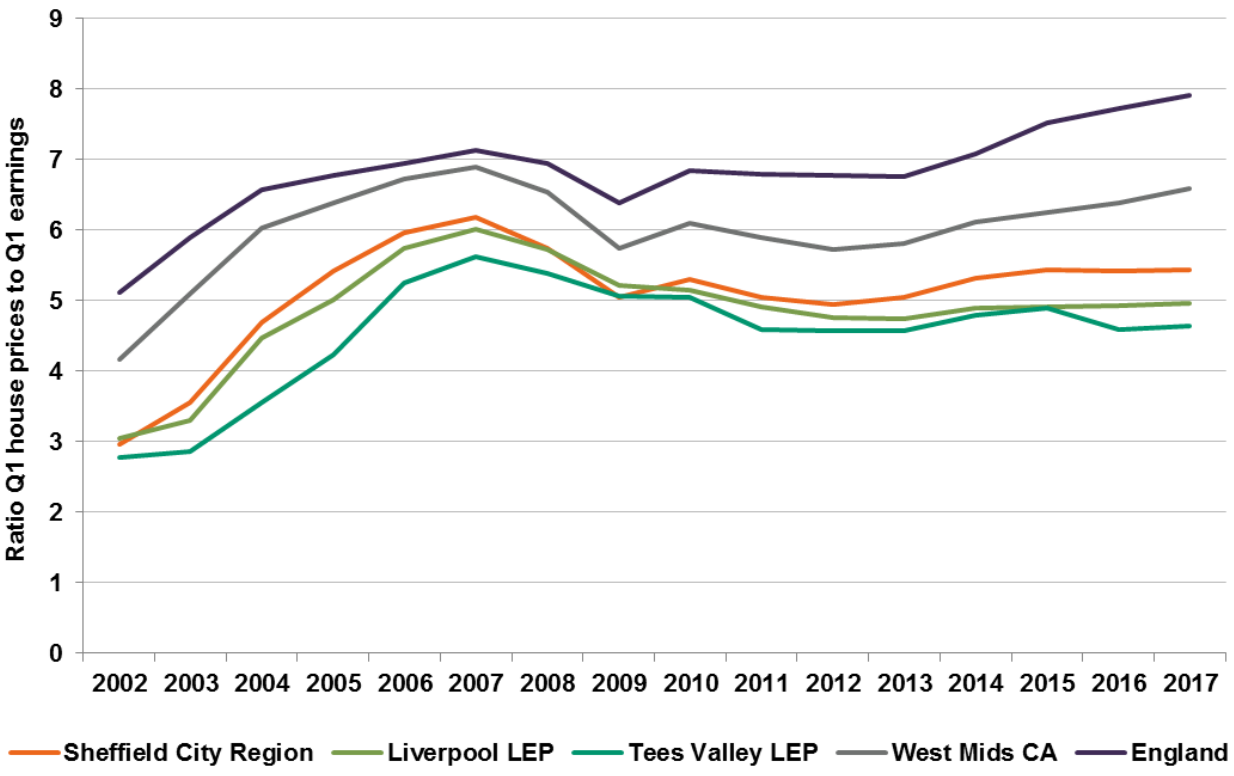
HOUSING AFFORDABILITY

– Ratio of lower quartile house prices to lower quartile gross annual residence-based earnings

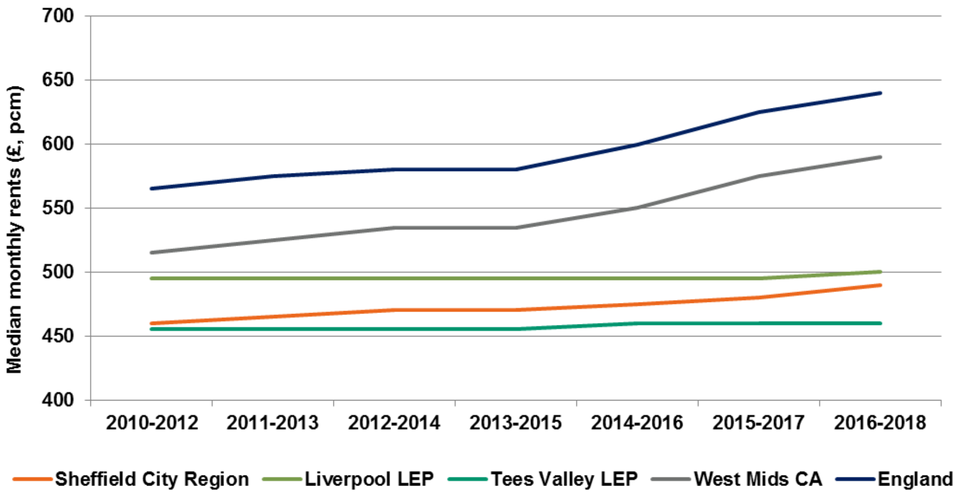


– Source: DCLG Housing Statistics

- Apart from a brief post-crisis dip in 2008/9 the house price/earnings ratio in England has continued to increase (7.9 in 2017).
- This pattern has been mirrored in the West Midlands, albeit at a lower rate.
- In the other three areas the ratio has been more stable in the post-crisis period.
- In Sheffield City Region the ratio increased marginally, from 5.30 in 2010 to 5.44 in 2017.
- Over the same period the ratios for Liverpool City Region and Tees Valley went down slightly, so that both are now below 5.
- In 2017, within SCR the ratio ranged from 4.4 in Barnsley to 7.7 in Derbyshire Dales.

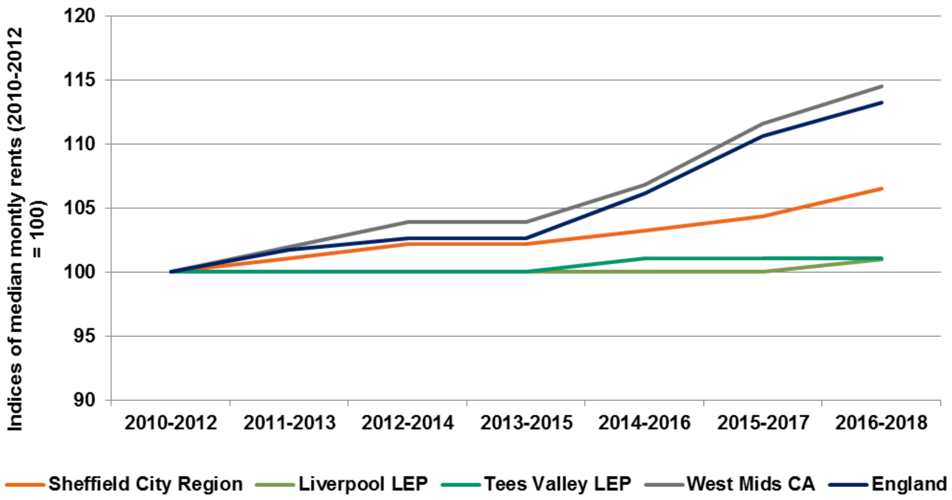
PRIVATE SECTOR RENTS

– **Median monthly rents for private sector two bedroom properties (£p.c.m)**



Source: Valuation Office Agency Private Rental Sector Market Statistics

– **Indices of median monthly rents for private sector two bedroom properties (2010-2012=100)**

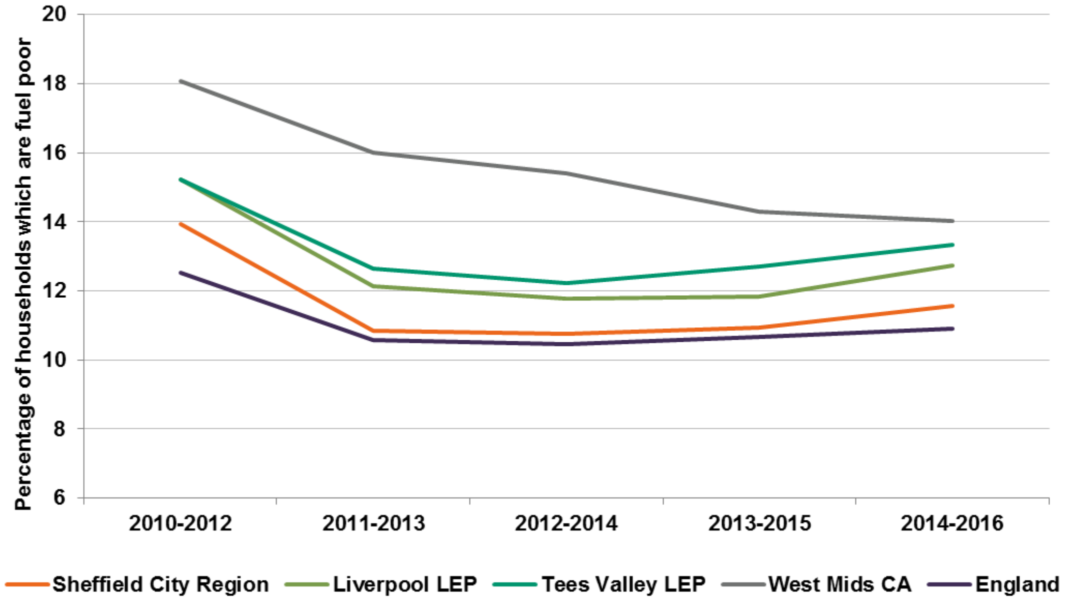


- Private rented sector (PRS) rents in England increased slowly during the first half of the decade, but have grown considerably more recently.
- West Midlands is on a similar trajectory, although its median monthly rent has been consistently £50 below the national average.
- Rent levels have were relatively static in Liverpool City Region and Tees Valley each with a marginal increase of just one per cent during the period.
- The median rent in SCR increased by 7 per cent (from £460 to £490) but there is a wide variation within SCR: just 1 per cent increase in Rotherham and 11 per cent in Sheffield.
- This compares with a 13 per cent increase nationally, which widens the gap between SCR and England from £105 to £150 per week.
- Housing Benefit LHA rates for PRS tenants has been frozen since 2016.

FUEL POVERTY

- A decline in fuel poverty was seen across all areas at the beginning of the period.
- With the exception of the West Midlands, fuel poverty rates increased slightly in all other areas between 2012-2014 and 2014-2016.
- Households in fuel poverty in SCR increased by 8 per cent between 2012-2014 and 2014-2016 compared to 6 per cent in England, 10 per cent in Liverpool City Region and 17 per cent in Tees Valley.
- There are approximately 90,000 'fuel poor' households in SCR equivalent to 11.6 per cent of all households; this compares with 10.9 per cent in England.
- Within SCR, fuel poverty rates range from 10.4 per cent in NE Derbyshire to 12.3 per cent in Sheffield.

– **Percentage of households which are fuel poor**



– Source: DECC/DBEIS Fuel poverty sub-regional statistics

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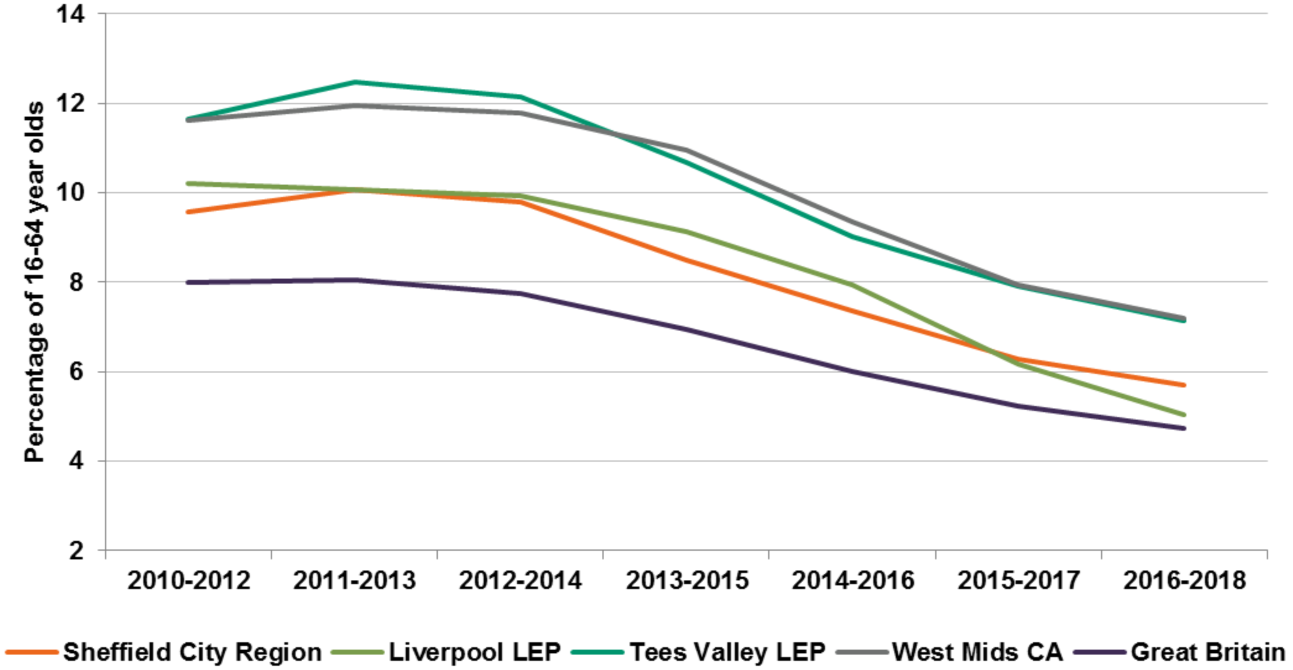
UNEMPLOYMENT

– Unemployment as a percentage of 16-64 year olds



– Source: Annual Population Survey

- These figures relate to all those who are actively seeking work and are able to start work.
- The unemployment rates peaked across all areas in 2011-2013 and have fallen continuously since then.
- Unemployment dropped by 42 per cent in SCR since 2011-2013 similar to the patterns elsewhere: Tees Valley (-43 per cent), West Midlands (-37 per cent) and Great Britain (-39 per cent).
- Unemployment in Liverpool City Region halved over the same period and by 2016-2018 the unemployment rate stood at 5 per cent compared to 4.7 per cent in Great Britain .
- In 2016-2018, the unemployment rate in SCR was 5.7 per cent but ranged from 3.3 per cent in NE Derbyshire to 6.6 per cent in Sheffield.

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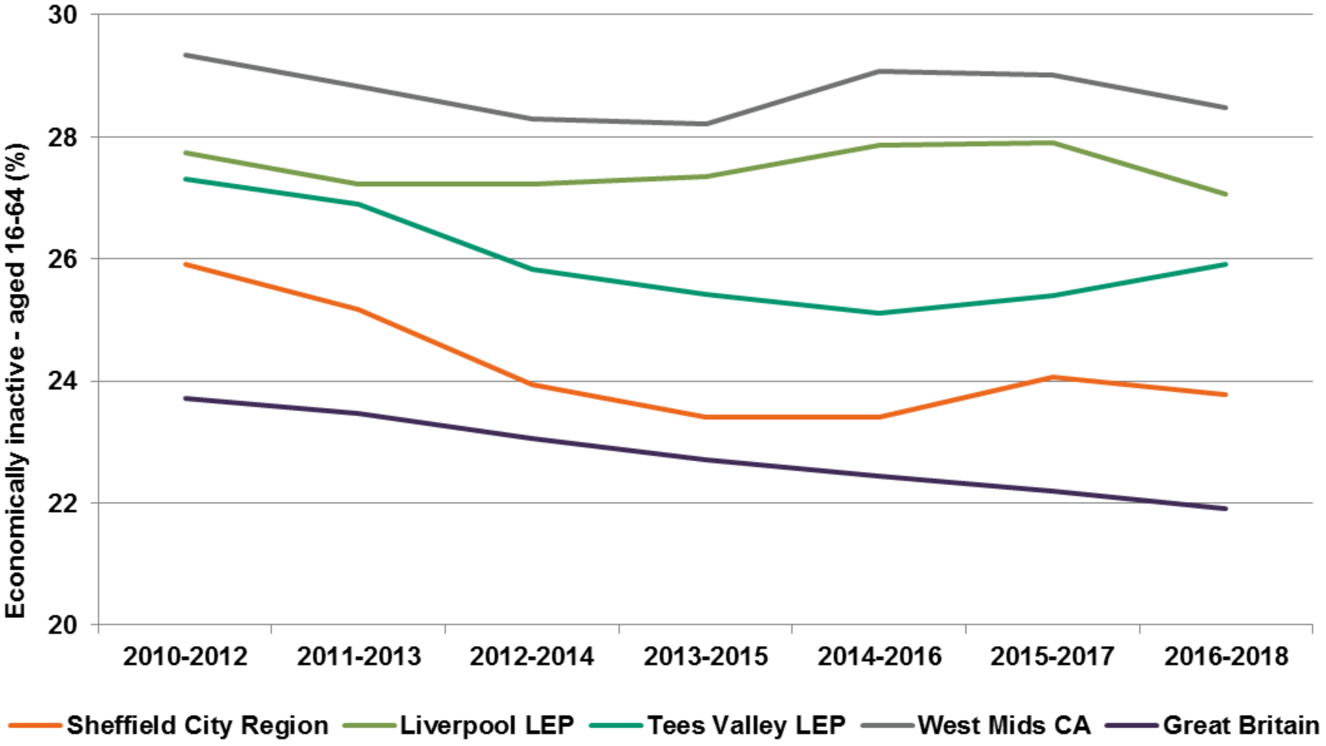
ECONOMIC INACTIVITY

- Although there has been a steady decrease in economic inactivity rates in Great Britain as a whole, trends in the four sub-national areas have been more variable.
- In SCR the rate fell quickly at first, almost approaching the national average, before increasing again from 2014-2016.
- This means that the current gap between the two remains the same as in 2010-2012.
- The three comparator areas all have higher economic inactivity rates, with Liverpool City Region and West Midlands respectively standing at 3.3 and 4.7 percentage points above Sheffield City Region.

Economically inactive (aged 16-64)



Source: Annual Population Survey

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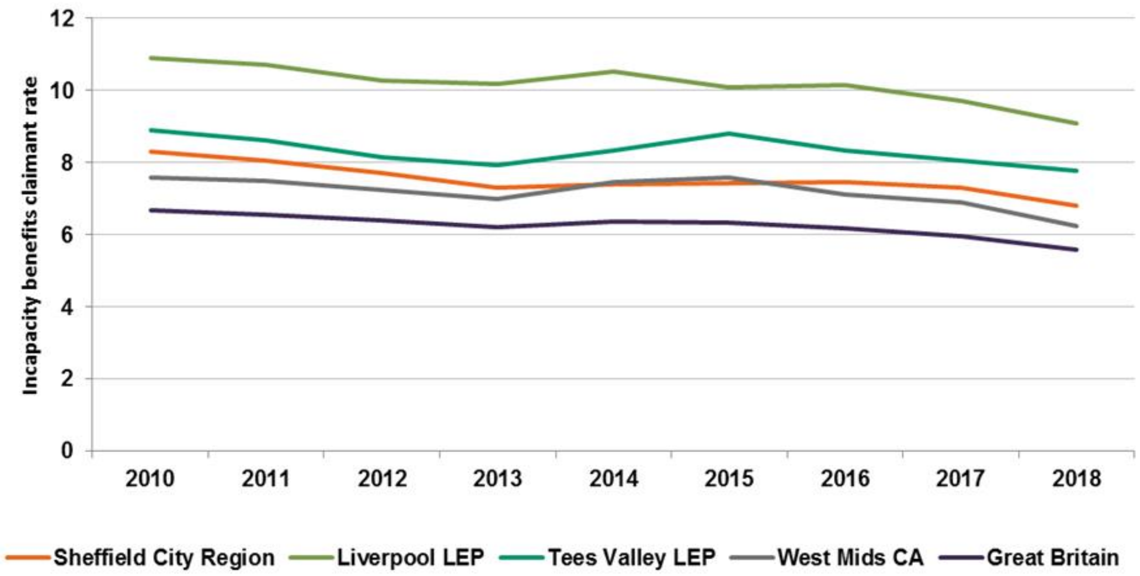
INCAPACITY BENEFITS

– **Incapacity benefits claimant rate as percentage of 16-64 year olds**



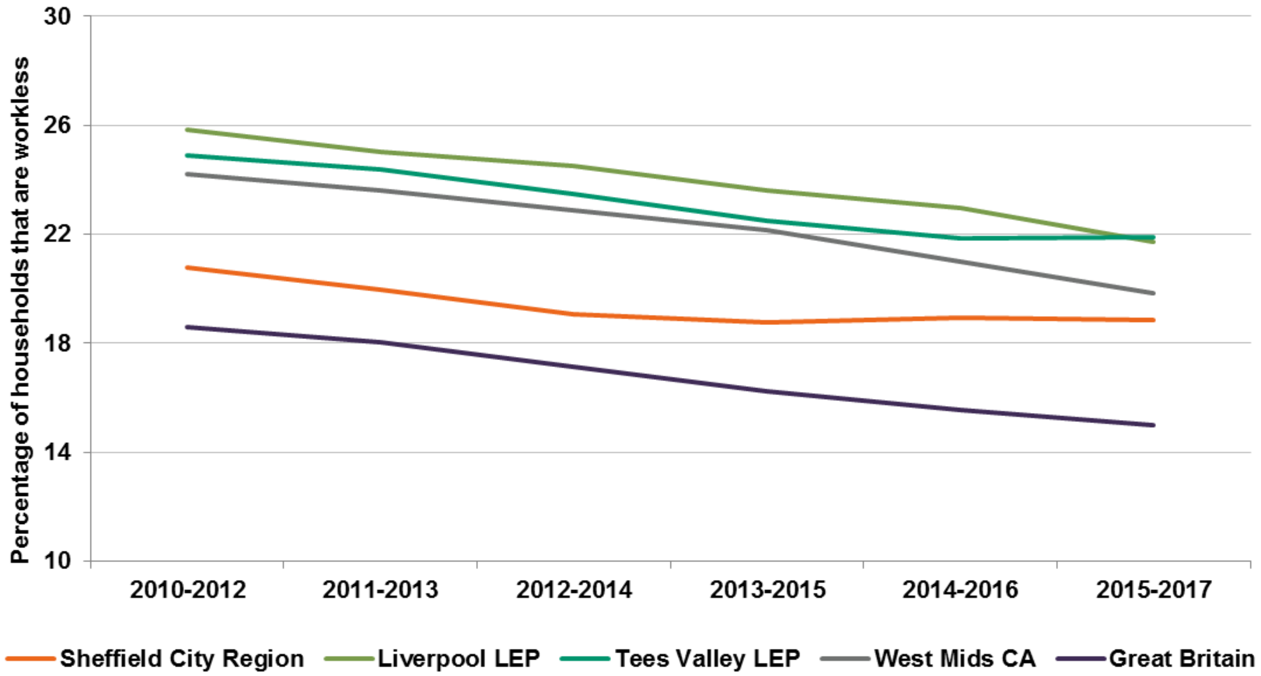
– Source: DWP

- These are income-replacement benefits for those unable to work due to sickness or disability and includes: ESA, it's predecessors IB and SDA, and new claimants of Universal Credit Limited Capability to Work.
- There are 80,000 claimants of incapacity benefits in SCR and they account for two out of three of all out-of-work benefits claimants in SCR.
- Between 2010 and 2018, the claimant rate in SCR decreased by 1.5 percentage points compared to a fall of 1.1 percentage points nationally.
- In 2018, 6.8 per cent of the working age population in SCR claimed incapacity benefits. Whilst higher than the national rate of 5.6 per cent it is far lower than Liverpool City Region with a rate of 9.1 per cent.
- In 2018, the incapacity benefits claimant rate ranged from 8.1 per cent in Chesterfield to 4 per cent in Derbyshire Dales.
- The claimant rate in Barnsley fell the fastest of all SCR districts by 3.4 percentage points to 7.4 per cent in 2018.

WORKLESS HOUSEHOLDS

- The number of workless households has declined since ~~the~~ recession.
- However, in SCR the rate plateaued in 2012-2014 at around 19 per cent whereas in the other areas and nationally the rate continued to decline.
- The gap between SCR and the national rate therefore increased from 2.6 percentage points in 2012-2014 to 4.4 percentage points in 2015-2017.
- The rates vary widely within SCR with 20.2 per cent of working age households in Barnsley being workless compared to 11.9 per cent in Derbyshire Dales.

Percentage of working age households with no one in work



Source: Annual Population Survey - households by combined economic activity status

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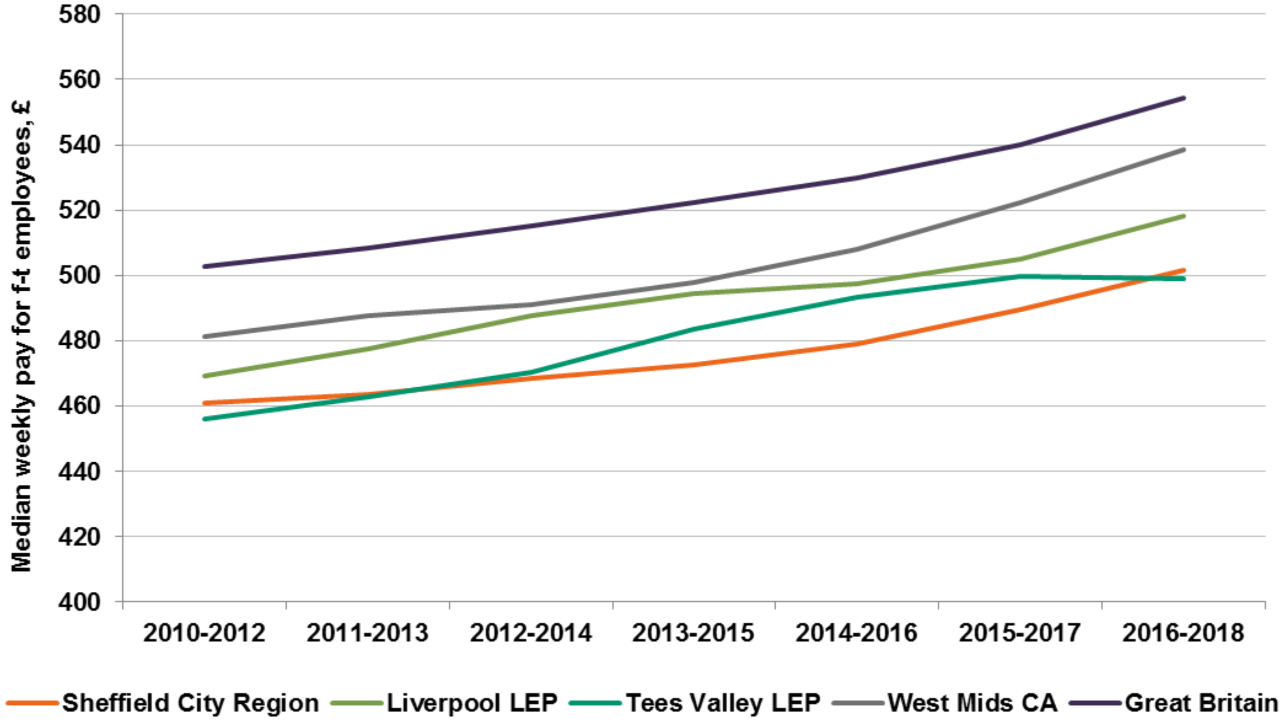
WAGES AND EARNINGS

Median gross weekly pay, full-time employees

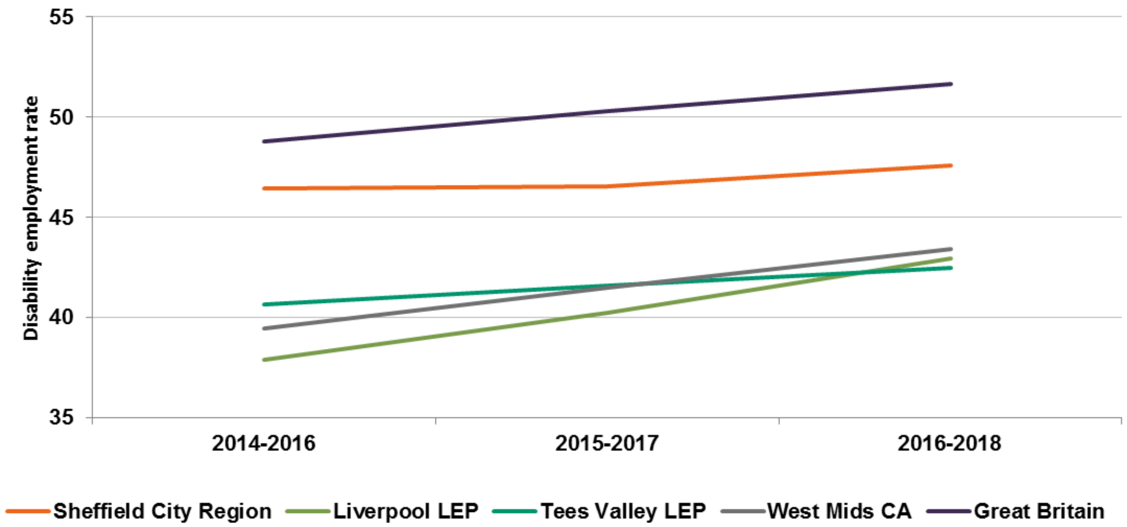


Source: Annual Survey of Hours and Earnings - Workplace analysis

- Median gross weekly pay for full-time employees has grown at a similar pace across areas: 10 per cent in Great Britain and Liverpool City Region, 9 per cent in SCR and Tees Valley, 12 per cent in West Midlands.
- In SCR the median weekly wage is £502 which is £53 lower than the national average. This gap has increased over the period.
- There are big differences within the region ranging from £447 a week for employees in Bolsover compared to £527 a week for those in Sheffield.
- Workers in Barnsley experienced 15 per cent wage growth over the period compared to 3 per cent in Chesterfield.

DISABILITY EMPLOYMENT RATE

– **Disability employment rate 16-64 year olds**



- Source: Annual Population Survey

- Increasing employment amongst people with long-term health conditions or people with disabilities is a key objects of the Government's Improving Lives White Paper.
- Nationally, employment rates for this group (Equality Act Core or Work Limited disabled) is far lower than amongst the non-disabled in 2016-2018; 51.6 per cent compared to 80.8 per cent.
- National employment rates amongst people with long-term health conditions or disabled people have improved since 2014-2016 by 2.9 percentage points.
- SCR experienced a slower rate of increase over the period of 1.2 percentage points to 47.6 per cent.
- This compares to an SCR employment rate for the non-disabled group of 80 per cent which is closer to the national average for this group.
- However, the disability employment rate in SCR is far higher than in the other comparator areas: Tees Valley, 42.5 per cent; Liverpool, 43 per cent; and West Midlands 43.4 per cent.

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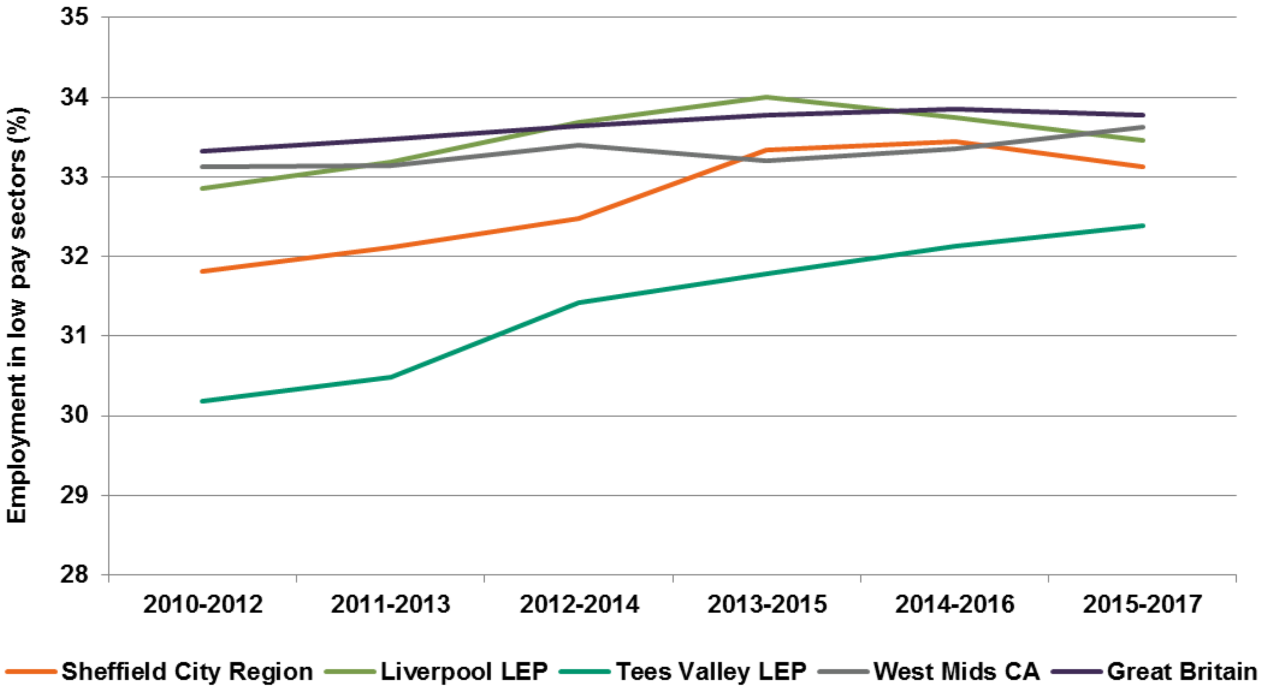
EMPLOYMENT IN LOW PAY SECTORS

- The proportion of employment which is in low pay sectors increased over time in SCR to 33.1 per cent in 205-2017, bringing it closer to the national average (33.8 per cent).
- With the exception of the Tees Valley LEP, SCR is slightly below the comparator areas.
- The 11 per cent growth in employment in low pay sectors in SCR is on par with the 10 per cent seen nationally.
- Within the SCR growth of 4 per cent was seen in Chesterfield and NE Derbyshire and 16 per cent was seen in Barnsley and Derbyshire Dales.

Employment in low pay sectors

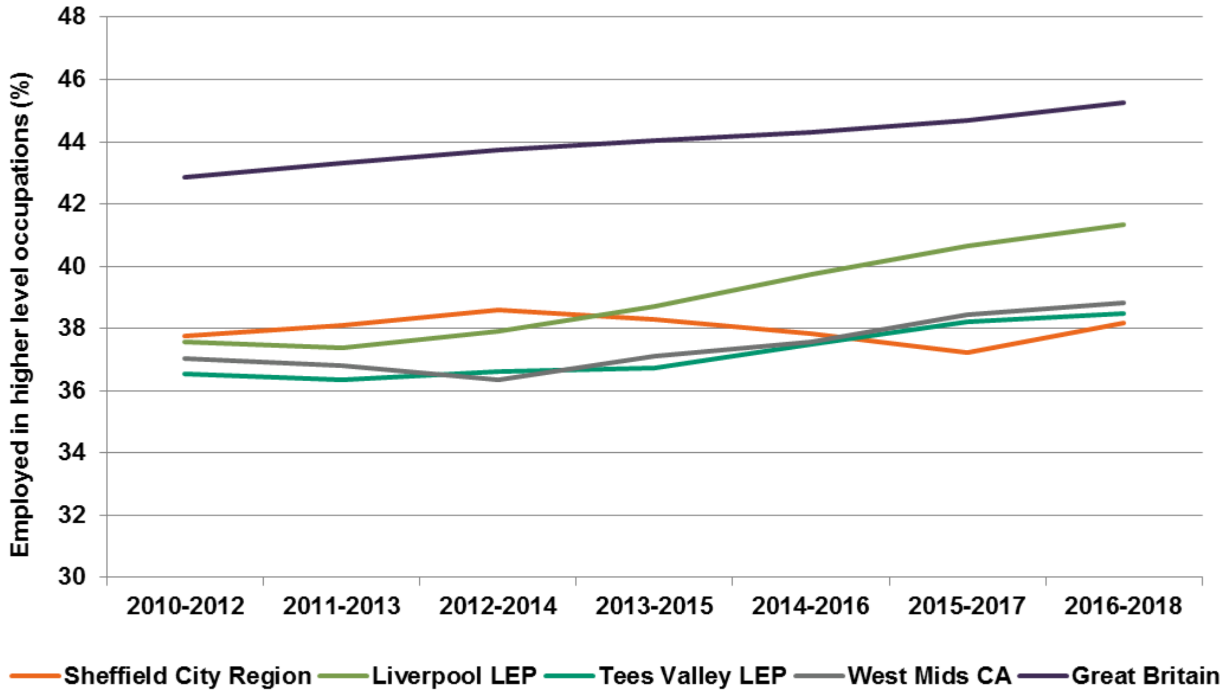


Source: Business Register and Employment Survey

Notes: Low pay sectors include 'Wholesale and retail trade; repair of motor vehicles and motorcycles', 'Accommodation and food service activities', 'Administrative and support service activities', 'Residential care activities'.

HIGHER LEVEL OCCUPATIONS

Employment in higher level occupations



Source: Annual Population Survey

Notes: Higher level occupations includes: SOC 1- Managers, Directors and Senior Officials; SOC 2 - Professional Occupations; SOC 3 - Associate Professional and Technical Occupations.

- 38 per cent of residents in SCR were employed in higher level occupations in 2016-2018 compared to 45 per cent nationally.
- Whilst the Tees Valley and West Midlands have comparable rates to Sheffield City Region, the Liverpool LEP has seen a much more rapid growth.
- The number of jobs in higher level occupations increased by 10 per cent in SCR over the period which is similar to the growth in Tees Valley.
- National growth of jobs in these sectors was 15 per cent, 16 per cent in West Midlands and 18 per cent in Liverpool.

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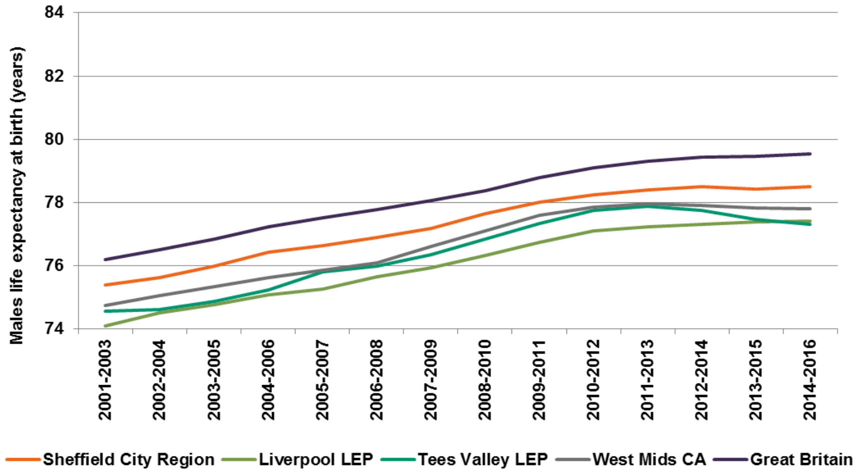
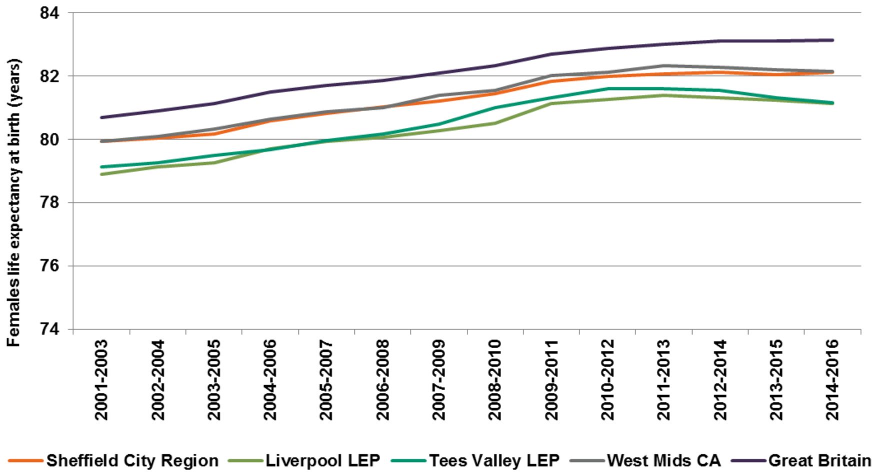
LIFE EXPECTANCY AT BIRTH

Males Life Expectancy at Birth (years)



Females Life Expectancy at Birth (years)



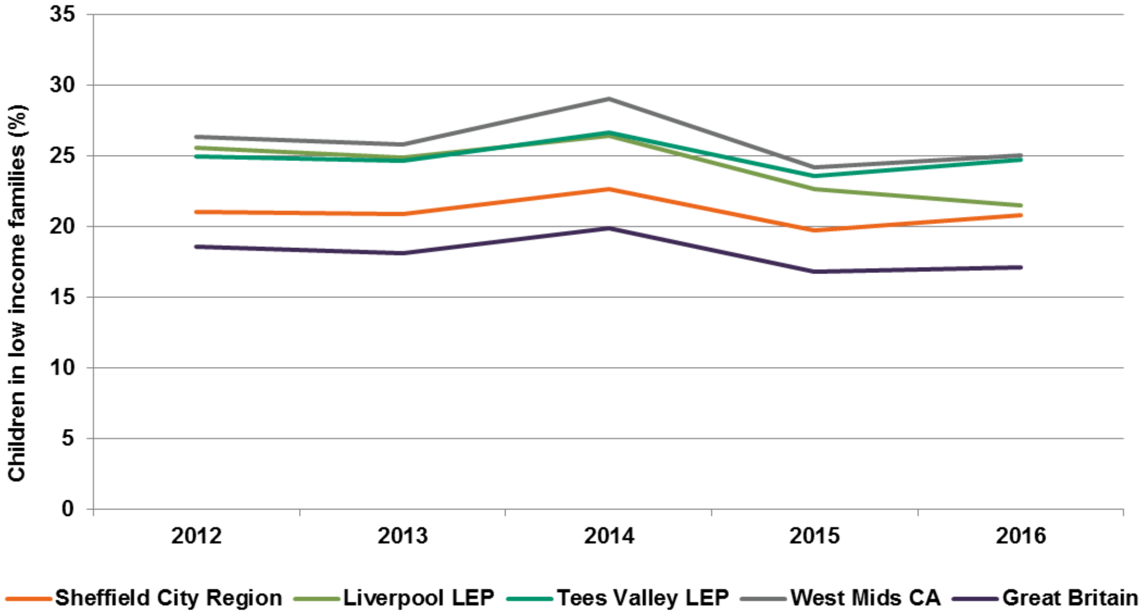
Source: Office for National Statistics

- Life expectancy for both males and females has increased nationally, and across the comparator areas, since the turn of the century.
- Life expectancy for both males and females appears to have plateaued somewhat since the early 2010s.
- The life expectancy of males born in 2014-2016 in SCR was 78.5 years and for females was 82 years.
- The gain in life expectancy over the period is similar to nationally, is higher than in the comparator areas for men and on par with West Midlands for women.
- Tees Valley experienced a slight decline in life expectancy for both men and women in recent years.
- Life expectancy has also fallen recently for men or women in many of the individual local authorities within SCR and in Bolsover it has fallen for both.

CHILDREN IN LOW INCOME FAMILIES

- Nationally, 17 per cent of children are in low-income families; a figure that has decreased slightly in the period 2012-2016.
- In SCR, this figure has remained at slightly more than 20 per cent of children.
- SCR has tended to have a lower rate than comparator sub-national areas. However, this gap has narrowed over time. In particular, the gap from Liverpool City region decreased from over 4 percentage points to less than 1 percentage point by the end of the period.
- There is a wide variation in the rate across SCR districts ranging from 9 per cent of children in Derbyshire Dales to 23 per cent in Sheffield.

– Percentage of children in low income families



Source: HM Revenue & Customs