The Economic Plan for Rotherham

2008 – 2020
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Executive Summary

The Rotherham Economic Plan sets out the vision for Rotherham’s economy up to 2020. The Plan’s overall aim is to provide the strategic direction necessary for the economy to develop and grow, transforming Rotherham into a prosperous place where all people and businesses can reach their potential within a sustainable, inclusive, attractive and vibrant borough.

The Plan recognises that much progress has already been made, and refers to this as ‘Major Transition 1’. This first transitional stage saw the major recovery from the economic and industrial downturn of the 1980s with massive public sector interventions. This Plan has been developed to provide the strategic steer as Rotherham moves through its second major phase of economic transition and following extensive research and consultation pulls out the main areas for concerted efforts and their associated priorities.

The Plan helps in setting the Rotherham agenda for sustainable economic growth, improving economic performance and closing the prosperity gap, not only between Rotherham and elsewhere, but also between areas and communities within the borough. It sets out the framework for the development of Rotherham’s economy, so that it can operate successfully within an increasingly global market. To do this, it has broken down Rotherham’s economic priorities into themes, within which are specific strands and priorities. These are translated into the action plans, which are an appendix to this document, to provide focused targets and a facility for monitoring progress.

There are three themes, each with three strands, with specific priorities under each strand:

**Theme 1: Productive and competitive businesses**
- Strand 1.1 Infrastructure for the 21st century
- Strand 1.2 Productive and enterprising business
- 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: Creating economic conditions for sustainable development
- Strand 3.2: Delivering quality neighbourhoods
- Strand 3.3: Rotherham’s image and identity

The plan provides the holistic overview of the areas that need to be addressed to achieve the aims set out for Rotherham’s economy by 2020, recognising that the vision will not be achieved without addressing all three themes. However, as a strategic document it also facilitates the direction and steer when it comes to prioritising areas to focus on, as tackling all three entire themes at once is neither possible nor will it produce the embedded and sustainable results required to make the necessary lasting transitional developments within Rotherham’s economy.

The priorities for each theme can be summarised as follows (though the full plan should be referred to for the complete list and explanation of priorities against each strand):

**Theme 1 Priorities:**
- A high-quality town centre regenerated through the Rotherham Renaissance programme and a borough with vastly improved transport and digital connectivity.
- Niche high-growth sectors supported to develop and lead in terms of sectoral innovation and an enterprising culture permeating through all our communities.
• Increased numbers of residents with advanced skills, benefiting them and their families’ personal wealth and well-being while, crucially, enabling local businesses to recruit, develop and grow through being able find the employees with the right skills from within the borough.

Theme 2 Priorities:
• Raised aspirations and improved enterprise awareness, but especially within the most disadvantaged communities, with improved start-up rates.
• Significantly reduced levels of worklessness – the development of skills among the workless community that meet the needs of employers and an infrastructure developed to support workless individuals and businesses.
• Young people with enterprise skills and awareness, high aspirations among them and their families, and every young person enabled and supported to understand and take local economic opportunities and achieve their potential.

Theme 3 Priorities:
• Local businesses implementing more environmentally friendly practices, developing and implementing local solutions – for example, local supply chains.
• A growing environmental technology sector. Future developments to be as ‘green’ and environmentally sustainable as possible.
• Sustainable neighbourhoods with quality housing and services, along with their own economies of small businesses serving local needs.
• An image of Rotherham that is positive and understood both within and beyond the borough, promoting it within the region and beyond.

Of these, some of the immediate priorities to which the Plan will be providing the strategic steer are: raising aspirations and enterprise levels, increasing the numbers of those with basic and advanced skills to reduce levels of worklessness and help businesses recruit locally, and developing the town centre to produce the largest positive impact on the borough’s image and identity.

Action plans set out each of the priorities in terms of target areas and communities and key delivery partners. They list the possible interventions necessary to achieve the priorities and provide the mechanism for monitoring and measuring progress against priorities and performance indicators. They cover a three-year period, on completion of which overall progress will be reported on and new, revised three-year action plans will be produced to deliver the priorities. This will provide an understanding of how well we are doing against the strategy and vision of the Economic Plan.

The Plan has been written within an international and national, city region, region and sub-region and local context. It recognises that Rotherham’s economy does not sit in isolation and that taking a solely internal perspective will only leave it vulnerable to future downturns and slow to capitalise on opportunities. The Plan therefore advocates approaches that promote partnership working at various spatial scales, contributing to the ability to remain flexible in difficult economic times. Crucially, the Plan and this approach will give Rotherham the best chance of progressing through its second major stage of transition, through a prioritised, focused and balanced inward and outward looking perspective.
What will Rotherham look like in 2020?

The vision, under the Achieving Theme of the Community Strategy, is:

*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.*

But what will our economy be like in 2020 once the Economic Plan has been successfully delivered? Below are the desired outcomes:

- A large stock of SMEs in high-growth sectors, set up by the increasing number of enterprising residents.
- An embedded enterprise culture, for all residents from primary school children to the elderly.
- An “eco-valley” located in the Dearne, home to cutting-edge businesses in a 21st Century environment.
- A steady flow of high-quality investors attracted by the skilled, healthy and enterprising local workforce, with level 3 and 4 qualifications exceeding the national average.
- A vibrant town centre, with a high-quality office market, a unique shopping offer including a flourishing niche retail sector and enhanced national retailer representation and a thriving evening economy.
- Excellent transport links to economic hubs, including Sheffield, Manchester, Leeds and London, opening new markets to Rotherham companies and attracting visitors and workers from these areas.
Introduction

Rotherham’s economy is growing and moving forward, and in many respects the progress made has been staggering. For example, from 2000 to 2005 Rotherham had a net new-job creation rate of roughly 3.5 times that of the national rate (CURS Sheffield Rotherham Economy Report 2007). Through a committed partnership effort, its economy has been moved out of the doldrums of the 1980s and early 1990s and this can now be viewed as its first major transition, undertaken with major public sector investment. We now need to take Rotherham into and through its next transitional phase of growth, closing the gaps with the region and nation. This can only be achieved in partnership and with drive from the private sector as the lead on the growth of our economy. Below illustrates both the transitional phase the Rotherham economy has gone through and that needed to progress through the next:

Major Transition 1:
- Recovery from the downturn of the 1980s (coal and steel) and its legacies.
- Significant improvements – major public sector intervention.
- Rotherham progresses up the league table on many indices, including multiple deprivation, job creation and inward investment – a platform for further progression.

Major Transition 2:
- Statistical evidence, need and the Sheffield/Rotherham CURS report highlight the potential for further growth, but this is subject to necessary improvements in:
  - The labour market
  - A market-led (innovation-driven) economy
  - Connectivity
  - Collaboration

With an increasingly global economy, we can no longer look at Rotherham in isolation if we wish to deliver second phase of major transformational growth. As has been shown by the recent CURS report Rotherham and Sheffield already share a single and very successful economy. But collaboration must be on a wider scale than this, including sub-regional, city region, regional and national. Effective partnership is crucial and will help prioritise delivery and avoid spreading too thinly the efforts that come out of the Plan, diluting their impact on increasing growth.

The Purpose of the Rotherham Economic Plan:
In light of the above, the Plan sets out the framework for the development of our economy in order for it to operate successfully in an increasingly global market. Its purpose is to move Rotherham into, through and beyond the second stage of major transition. While recognising early opportunities, it covers the medium to long term and sets the agenda for:
- sustainable economic growth
- improved economic performance
- closing the prosperity gap between Rotherham and elsewhere, but also between areas and communities within the borough.

Its remit is broad, 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, better educational achievement and an enhanced environmental impact. The Plan has been developed in partnership with public, private and voluntary sector stakeholders and it is crucial that it is delivered in partnership if it is to have a successful and lasting impact.
Where are we now?

The Basic Facts:

- Rotherham has a population of 253,400.
- The borough covers an area of 285 sq km (110 sq miles).
- 52% of it is rural.
- It contains a number of townships that initially developed around the coal industry, such as Dinnington, Maltby, Wath and Swinton.
- There are a number of disadvantaged communities, the majority of which are neighbourhoods surrounding the town centre, but also in areas such as Maltby and Dinnington.

The borough has experienced a first-stage economic transition with major public sector intervention. Progress so far includes:

- Rotherham moving from 48th most deprived English local authority area to 68th in the Indices of Multiple Deprivation since 2000.
- The number of jobs in Rotherham’s economy increased from 81,000 to 104,000 during 1998-2005.
- The large number of high-quality projects and interventions happening or planned, including the Town Centre Renaissance, Rotherham Ready (a programme teaching enterprise skills to children aged 4 and upwards), RMBC’s business incubation centres, the Advanced Manufacturing Park (AMP) and the YES! Project (Europe’s largest covered leisure, sport and convention destination).

However, we recognise that problems still persist that hamper our economy’s growth and that we will not overcome without a focused strategic approach from RMBC and it partners, which the Economic Plan aims to provide. Despite the progress made to date the following data show the key facts in several areas for which a partnership effort is required to drive the Rotherham economy through its next transitional phase:

Employment

Expanded employment and economic opportunities have reduced Rotherham’s levels of deprivation, but they are still above the national average, with marked differences between groups and areas. We must focus on improving both the quantity and quality of future employment opportunities. Financial exclusion is a consequence of poor access to quality employment opportunities and remains a major risk for nearly 25% of our population, while market failure 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 may lead to labour and skill shortages, which may constrain the rate of growth. These are, therefore, key areas to address.

- The borough’s employment rate peaked in late 2004 at 75%, but has since fallen to 71.2%, (September 2008) – above the South Yorkshire average but 3.3 percentage points below the national rate.
- The Department for Work & Pensions (DWP) projects the employment rate to stay constant or drop slightly over the next five years without labour market interventions, so there is still work to be done.
- The delivery of major projects such as YES! and Advanced Manufacturing Park could increase the number of FTE jobs in the borough from a current 104,000 to 123,500 by 2021 (Arup, in the Regional Spatial Strategy).
- That increase of 19,500 is 15,000 above trend-based projections. Yet growth in the working age population over the same period is forecast to be only 10,000. So there is a possible shortfall in the available workforce. Options include re-engagement of workless individuals, increasing the population or an increase in-commuting. Otherwise these job increases may not be realised.
- Could a shortfall in the workforce by 2021 encourage those Rotherham residents who currently work in Sheffield to consider working closer to home, back within the borough? What impact would this have on Sheffield, whose economy is linked to Rotherham’s?
- The table below sets out the potential impacts of the forecast job and population growth on the employment rate:
### Working age population

<table>
<thead>
<tr>
<th></th>
<th>Working age population</th>
<th><em>Number in employment</em></th>
<th>Employment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>155,000</td>
<td>110,000</td>
<td>71%</td>
</tr>
<tr>
<td>By 2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline</td>
<td>165,000</td>
<td>115,000</td>
<td>69.7%</td>
</tr>
<tr>
<td>Option D</td>
<td>165,000</td>
<td>138,000</td>
<td>83.6%</td>
</tr>
<tr>
<td>Option E</td>
<td>165,000</td>
<td>133,000</td>
<td>80.6%</td>
</tr>
</tbody>
</table>

*These projections were formulated as part of the Regional Spatial Strategy but in recent months the world and the UK national economy have gone into a deep recession. More recent job projections indicate that it could take several years to recover to ‘pre-recession’ levels of employment and the original long-term estimates could well prove to be overly optimistic. However, given the current uncertainty in the expected rate of recovery and the aspiration to significantly improve levels of employment in the borough, it is considered sensible to plan for growth over the longer term."

### Key Fact on Employment:

In reality, Rotherham is unlikely to reach an employment rate exceeding 80%, as aspired to by central government, due to several reasons, including population increases through inward migration, increased in-commuting, people working beyond normal retirement age and people holding multiple jobs. The next transitional phase in the borough’s economy needs to address this.

### Skills

There has been much progress in recent years in the numbers of Rotherham people achieving qualifications at all levels. However, Rotherham continues to trail behind both the regional and national average. The impact of these low skills levels could limit economic growth, as potential investors may be reluctant to invest in areas where the population does not have the skills to support higher-level industries. Rotherham currently has a relatively low-skilled and low-paid labour market: to progress, we need to move out of this spiral by investing in skills, particularly at the higher level.

- Higher skill levels are a major challenge, with only 17% of the population qualified to level 4 or above. This makes it challenging to encourage higher skill businesses to invest here.
- Poor skill levels means large numbers of the population can achieve only low-paying jobs. This is one contributory factor to 52,000 Rotherham residents living in the 20% most disadvantaged neighbourhoods in the country.
- There is particular under-representation in Rotherham’s economy of disabled people, the over 50s, people from BME backgrounds and young people, partly because of poor skills.
- 70% of the 2020 workforce have already left compulsory education

### Key Fact on Skills:

Currently within Rotherham 17.9% of the working age population have no qualifications, compared to a UK average of 13.1%, and 36.6% of adults qualified to level 3 compared to 46.4% nationally. GCSE attainment in Rotherham has shown continuous improvement, though there still remains a gap to the average for England. (Skills Plan: Improving Productivity in the Workplace, 2008-2012).

### Gross Value Added (GVA)

The diagram below illustrates that Rotherham’s economy is currently worth £3.8bn when it could potentially produce £4.37bn if it performed at the national average. It therefore has a prosperity gap of £570m.
This gap is primarily due to:

- **Productivity being significantly below the national average.** This is a reflection of the industrial and occupational mix in the existing business base and the underperformance of key sectors compared to their national average.
- **Too few people in employment.** This has widened since 2005, when the employment rate was close to the national average and will now be producing a shortfall circa £120m.

### Key Fact on GVA:

Rotherham currently has a higher GVA per head figure than both South Yorkshire and Sheffield City Region (indicating that this is a widespread problem), but is lower than both the Yorkshire and Humber region and the national average. Reaching the national average needs to be part of the next transitional phase for our economy. We must:

- Significantly increase the number of jobs in Rotherham, filling them with Rotherham residents where possible, taking employment up towards national levels
- Target the high-value-added and high-end manufacturing for this employment increase
- Raise productivity across the business base (public and private), but with the main focus on high-value-added sectors.

### Business and Enterprise

In summary, the section below gives an overview of where Rotherham’s economy lies, alongside the region and the nation as a whole:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rotherham</th>
<th>South Yorkshire</th>
<th>UK/GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall employment rate (September 2008)</td>
<td>71.2%</td>
<td>70.4%</td>
<td>74.5%</td>
</tr>
<tr>
<td>VAT registered businesses per 10,000 population</td>
<td>259</td>
<td>272</td>
<td>409</td>
</tr>
<tr>
<td>Average (median) weekly gross salary</td>
<td>£420.00</td>
<td>£436.10</td>
<td>£478.60</td>
</tr>
</tbody>
</table>
% achieving 5+ GCSEs at grades A*-C | 54.6% | 54.4% | 62.0%
% 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 (September 2008) | 9.0% | 10.7% | 12.5%
Employment in SOC1-3 occupations | 35.6% | 37.7% | 43.2%
Average house prices (Mar 2009) | £112,957 | £109,994 | £152,895

- Business stock and self-employment levels are below both regional and national averages. To reach the national average Rotherham requires an additional 3,000+ new VAT-registered businesses and 3,000+ people to enter self-employment.
- The disadvantaged communities and the borough as a whole, in part due to its historical reliance on manufacturing and nationalised industry, have developed a weak enterprise culture. However, efforts are now afoot to transform the borough into a place where enterprise is seen as an achievable option.

**Key Fact on Business & Enterprise:**
A large investment has been made in business infrastructure across the borough – in the Dearne Valley, Templeborough, Dinnington, etc. But little investment has focused on the town centre, resulting in a less favourable business environment – this is now a key priority. The Town Centre Renaissance Masterplan provides a strong opportunity to create business infrastructure to meet the needs of growing businesses. The Economic Plan must ensure that we can capitalise fully on the economic growth opportunities presented by the town centre’s development and the Renaissance Masterplan, and do so as early as possible. It must also put innovation and enterprise at the heart of Rotherham’s business population, as this is something that has traditionally been missing due to the legacy of nationalised industry and dependency on a few large employers.

**Continuing the Transition**
Impressive and hard won progress has been made in the first stage of transition of the borough’s economy with major public sector intervention following the downturn in the 1980s and early 1990s. Rotherham now needs to move into a second transitional stage, with a greater partnership approach and a lead and drive from the private sector.

Rotherham has many companies, from large players to small recent start-ups, competing on the national and international stage, and some 90 overseas investor companies operating here. But if the Borough to make the step change and manoeuvre through the next stage of transition in its economic performance it must expand significantly on this, with a private sector involvement and lead from the front crucial, paired with focused and committed partnership working.

Rotherham’s economy does not sit in isolation: there are clear and strategic linkages with the sub-region, city region and region. Of particular importance is the **single economy of Rotherham and Sheffield**, which over recent years has outperformed Leeds in its rate of employment growth. A recent report by the Centre for Urban and Regional Studies at the University of Birmingham has supported the recognition and strengthening of these economic links. Rotherham sits on the cusp of its next economic transition and building on these linkages is crucial.
**Strategic Context**

If the Economic Plan is to have an impact and move Rotherham through and beyond its next stage of economic transition, it must make linkages and be driven through partnership working. Therefore, the Plan has been developed within the following broad and comprehensive strategic context (further detail on the strategies can be found in Appendix 4):

**International/National:**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Brief Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisbon Agenda</td>
<td>Aims to make the EU “the most dynamic and competitive knowledge-based economy in the world”.</td>
</tr>
<tr>
<td>Sub-National Review of Economic Development and Regeneration</td>
<td>A major driver of economic development activity over the coming years. Implications for the economic development of the borough as well as planning and transportation.</td>
</tr>
<tr>
<td>Leitch Review</td>
<td>Identified that the UK’s skills base remains weak, holding back productivity, growth and social justice. Recommends the UK become a world leader in skills by 2020.</td>
</tr>
<tr>
<td>Stern Report</td>
<td>Assessed a wide range of evidence on the impact of climate change &amp; the economic costs.</td>
</tr>
<tr>
<td>Eddington Report</td>
<td>Evidences the growing links between transport and the economy.</td>
</tr>
</tbody>
</table>

**City Region/Region/Sub-region**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Brief Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Region Development Plan (CRDP)</td>
<td>Outlines how the city region can make a contribution to the national agenda. Identifies opportunities to accelerate medium and long term economic growth.</td>
</tr>
<tr>
<td>Regional Economic Strategy (RES) 2006-15</td>
<td>Provides a framework of common priorities around which businesses, public agencies, voluntary groups and communities can focus their investment and effort.</td>
</tr>
<tr>
<td>Regional Spatial Strategy (RSS)</td>
<td>The RSS aims to transform the structure of South Yorkshire’s economy and increase the number and quality of new jobs.</td>
</tr>
<tr>
<td>Integrated Regional Strategy (IRS)</td>
<td>The IRS merges “Advancing Together” and the Regional Sustainable Development Framework to set out the key sustainable development issues facing the region. It encourages the region to take further action to address these issues and to help regional bodies plan their work in a more joined up way, allowing for a better use of resources.</td>
</tr>
<tr>
<td>Regional Innovation Strategy (RIS)</td>
<td>Seeks to help Yorkshire &amp; Humber accelerate towards a knowledge-driven economy.</td>
</tr>
<tr>
<td>Joint Sheffield-Rotherham Economy</td>
<td>Demonstrates the two areas’ economic centres link to form a single agglomeration with dense patterns</td>
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</table>
### Economic Plan for Rotherham

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Brief Summary</th>
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<tbody>
<tr>
<td>SCR Study “Productivity Benefits of Transport Investment in South Yorkshire” SDG 2007</td>
<td>Demonstrates the transport interventions needed to secure Yorkshire Forward’s ‘Policy on’ development scenario and identifies gaps and potential weaknesses.</td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td><strong>Brief Summary</strong></td>
</tr>
<tr>
<td>Rotherham Community Strategy</td>
<td>Vision based on five themes (Achieving, Learning, Alive, Safe &amp; Proud). Economic Plan links with all five, but primarily contributes to the Achieving Theme.</td>
</tr>
<tr>
<td>Local Area Agreement (LAA)</td>
<td>An agreement between central government, the council and its partners setting out priorities for Rotherham. The LAA contains 35 indicators and 16 education and early-years indicators. The LAA is the result of extensive negotiations between Government Office, RMBC and partners about the delivery of both our Community Strategy and national priorities, as expressed by the national indicator set. The LAA is the key delivery mechanism of the community strategy. Whatever comes from the Economic Plan must be aligned and contributing to its efforts to achieve against the indicators and community strategy too.</td>
</tr>
<tr>
<td>Local Development Framework (LDF)</td>
<td>Particularly supportive of strand 1.1 and dealing with the provision of infrastructure.</td>
</tr>
</tbody>
</table>
The Economic Geography of Rotherham.

For the purposes of this Plan, Rotherham can be roughly split into three economic areas:

- Rotherham Town Centre, its surrounding neighbourhoods and the economic corridor from Parkgate running through Rotherham Town Centre and the Don Valley to Sheffield, encompassing Templeborough and Waverley.
- The Dearne Valley in the north of the borough, covering an area transformed into a vibrant business community, including Wath and Swinton, and linking to the other Dearne Townships in Barnsley and Doncaster.
- The remainder, covering predominantly the south and east, including Aston, Dinnington, Maltby and a large proportion of the rural hinterland.

Rotherham has strong links with a number of the neighbouring authorities, particularly within the South Yorkshire sub-region where there is a long history of partnership working. The economic role of the Sheffield City Region has strengthened and in the future will continue to play a role in key strategic issues including higher level skills, transport and housing.

As mentioned previously the recent CURS report (The Sheffield and Rotherham Joint Economy Study 2007) has identified Sheffield and Rotherham as sharing a single and very successful economy, with this Plan seeking to build on these links where possible.

Doncaster, Barnsley and Rotherham have a history of partnership working, which will continue through the development of the Dearne and linkages into the benefits of Robin Hood Airport. Partnership working must take place through the four Joint Issue Boards (JIBs):

- Innovation and the Knowledge Economy
- Strategic Transport
- Residential Offer
- Destination
  - plus the Dearne Valley Special Board

How will the Plan move Rotherham’s economy forward?

The Plan’s primary function is to move the Rotherham economy into its second stage of transformational growth but also to enable:

- Tailoring of solutions to meet problems specific to Rotherham
- Ensuring delivery is at the most appropriate level
- Prioritising of interventions – this is reflected in the action plans in Appendix 1
- Supporting Yorkshire Forward’s move to Geographic Programmes and the Sub-National Review (SNR)

For Rotherham to improve its economic performance it is essential we have a complete view of performance. The Plan focuses therefore on delivery of the five drivers of productivity, as identified by HM Treasury:

- Good employment opportunities
- Increasing innovation
- Strengthening enterprise
- Improving skills
- Boost investment and make best use of existing capital stock

The Plan recognises that partnership working will be crucial. It therefore strengthens the partnership delivery of economic growth within Rotherham by analysing the wider implications and linkages for every issue and aims to understand their fit within the wider picture. We will then identify the relevant partners and most appropriate level of working for each issue and forge links and partnerships, either formal or whatever may be most appropriate for the governance of our requirements.

Rotherham’s first phase of transitional growth was driven by major public-sector investment. For the next phase, this is neither possible nor ideal. The Plan will enable the private sector and partners (including the
voluntary sector, which has had an important impact on the development of the economy and improving access to employment) to take leading roles where appropriate, with the public sector providing the enabling support and leadership. Any partnership needs direction and something clear to focus on and so in the development of the Plan we have thoroughly consulted on and researched Rotherham’s economy. This has resulted in the Plan’s structure and focus of three themes and nine strands. These are:

**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 Creating economic conditions for sustainable development
- 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 measure and monitor progress. Below the themes and strands sit relevant local delivery plans owned and adopted by Rotherham’s Local Strategic Partnership and Community Strategy and which take their strategic direction from the Economic Plan. Upwardly, the themes and strands strategically link to the Regional Economic Strategy, as illustrated in the diagram below. Therefore, the Economic Plan sits centred and focused on strategically directing and prioritising Rotherham’s transitional economic growth, while enabling collaboration and partnership to deliver against the themes.
The rest of the Economic Plan sets out the detail behind these themes and strands, suggesting priorities against each one and associated measures and targets. The associated action plans and full details on the consultation behind this Plan can be found in the attached appendices.
Theme 1: Productive and Competitive Businesses.

Strand 1.1 Infrastructure for the 21st Century

**Headline Facts**

- 23,000 residents commute daily to Sheffield, with 10,000 Sheffield residents travelling in the opposite direction (CURS Study). There is also movement to and from Doncaster and Bassetlaw, Bolsover and North Derbyshire. A further 10,000 Rotherham residents commute daily beyond South Yorkshire.
- Traffic-flows into Rotherham town are expected to grow by 6% between 2007 and 2010 and further traffic increases are expected around Dearne Valley (S. Yorks Strategic Economic Assessment)
- Majority of the available town centre office stock is of older and lower quality, with rents of about £8.50 per sq ft the norm.
- 251 hectares (0.97 sq miles) of land identified as available for employment use, of which 31% is retained for, or currently being marketed for, development. The Arup study for the Regional Spatial Study (RSS) forecasts 99.2 hectares (0.38 sq miles) will be required for B class employment use by 2021.
- Net total floorspace for Rotherham employment sites is 2.75 million square metres (virtually 30m sq ft)
- The vacancy rate for industrial floorspace of 10.3%.
- 80,738 m² (869,056 sq ft) of industrial floorspace (2.9% of the available total) has been vacant for more than four years.

Overview
Since the decline of the traditional heavy industries of coal and steel during the 1970s and 1980s, high levels of investment have been made over the past decade and more in infrastructure around the areas most affected. This can be seen in the major developments at Dinnington, Templeborough, Wath-Manvers and the AMP at Waverley.

For Rotherham to remain competitive as a location for investors it must continue to provide sufficient supplies of good quality land and accommodation for our modern and increasingly innovative economy, together with good internal and external transport linkages, the emphasis of which should be on public transport, walking and cycling. In addition the Rotherham Renaissance programme will bring 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 Renaissance project.

Activity within this strand will support the development of the correct infrastructure to meet the needs of this economic growth and the related housing and population increases, including premises, transport links and a good quality environment, increasing business investment in the area from both new investors and local business growth.

Town Centre
Any long-term sustainable economic growth must be driven by a well-used, vibrant and successful town centre.

Over recent years Rotherham has been subject not only to the changing demands of national retail and leisure trends but also to more localised pressures. Rotherham currently suffers from significant local and regional competition from a number of sizeable and established retail centres; in particular the proximity of Meadowhall and Parkgate.

In order to redefine Rotherham’s role as a shopping destination, it is necessary to create a unique offer which is complimentary to those centres which are major attractors of people and spend. The focus on quality niche retailers alongside recognised national outlets is essential and should be supplemented by a strong cultural and leisure offer. The development of the town centre’s resident and working populations will further drive footfall and generate commercial investment from target operators.
Rotherham is a traditional market town hosting indoor, outdoor and regular street and specialist markets, which play an important role in the success of the town centre, creating a focus for local enterprise and employment, and providing a diverse shopping offer.

Accessibility is also a primary focus for the future development of the town centre, particularly with regard to public transport and car-parking. The physical linkages between the town centre, peripheral facilities, key employment sites and other retail centres must also be strengthened in order for each to benefit from a shared customer base; an example of this is the ongoing ‘One Destination’ project linking Parkgate, the new (October 2008) Rotherham Leisure Centre at St Ann’s, Clifton Park and the town centre.

The vision for the town centre as set out in the draft Strategic Development Framework is:

“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. It will be accessible from other areas and will have a wide choice on integrated transport options available.”

This vision will be achieved through the “Rotherham Renaissance” a 25-year, multi-million-pound programme that will deliver physical investment in the centre for new residential, retail, leisure, recreation and commercial development, as well as new and improved public spaces, creating a town centre attractive to investors, residents and visitors.

It is currently in its relatively early stages of delivery – though much has already been achieved – and will provide solutions to many current major issues, including:
- increasing the number of residents
- targeting investment at the enhancement of the retail and cultural offer. Efforts to develop Rotherham’s CDIs (Creative and Digital Industries) will be focused to a large extent on the town centre’s proposed Cultural Quarter, each driving the development of the other. Culture and CDI development will play an important role in Renaissance – a cultural offer could be used to attract quality high-profile national retailers and unique independent retailers, within which a niche retailing offer and creative enterprises could develop, helping to raise the image and aspirations of the centre and the people who visit it.
- public realm improvements to create quality space and environment
- providing additional business and office space
- Improving linkages between the current town centre and other neighbourhoods, retails centres and employment sites.

Transport
Good transport infrastructure is essential to support economic growth and the Economic Plan needs to rebalance transport provision towards additional capacity for sustainable transport in order to develop a truly sustainable economy, supplied with the people, services and goods it requires. Poor transport links will act as a barrier to long-term sustainable growth.

With the evidence that Rotherham and Sheffield share a single economy it is essential that good transport links exist between the two. The current rail link, with low capacity and irregular services, needs improvement, while road transport suffers from congestion around the M1 junctions and on the main approaches into the town and through Parkgate. Traffic flow between Rotherham and Sheffield is slowed at either end of Tinsley viaduct (particularly at the south) by roundabouts; consideration should therefore be given to improving traffic flow in this area as the two economies are so integrally linked. Potential medium to long term solutions include extending Supertram or provision of a Bus Rapid Transport (BRT) system, with a park-and-ride scheme. A new link road at Waverley and the A57 M1 Junction 31-Todwick Crossroads scheme, improving access to Dinnington, are shorter-term interventions.
Equally important are transport links to other major cities (such as Leeds, Manchester and London), as potential markets for local businesses, as well as providing a pool of skilled labour and higher-paid jobs for Rotherham residents.

Rotherham is accessible to three international airports, Robin Hood (19 miles), Manchester (49 miles) and East Midlands (50 miles). We must ensure that the Rotherham economy maximises the benefits from this proximity to grow our international business links and develop our visitor economy. Manchester is by far the largest of these airports, with the widest range of destinations, and we should focus on improving trans-Pennine links, particularly by rail.

Transport links within the borough must provide the opportunity for all residents to access the employment and training opportunities which will be created. This is of particular importance to those people from the more deprived areas and the communities of interest who are often reliant on public transport.

Steps will be taken to promote environmentally sustainable development and transportation aimed at reducing car use and the need to travel, both to reduce congestion within the town and its environs and also to lower carbon emissions as climate change becomes an ever more important issue. We will make travel plans mandatory for all future developments, meeting the criteria set out in the Dept. of Transport Circular 2/07. Public transport needs to be:
- easily accessible
- integrated with different modes of transport
- regular
- relatively low-cost (free or subsidised services to major employment sites)
- clean and safe
- providing good quality of information
- Supportive of “active travel” (cycling and walking)

Improvements to the transport infrastructure are challenging due to the high costs involved and projects being dependent on support and funding from central Government. Significantly, the overall 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, bearing in mind the need for revenue support to improve service quality, frequency and fare levels across the network.

Land
In recent years Rotherham has had large amounts of land available 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, 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 Templeborough, which are presently experiencing intensive development activity.

The position for the future is less favourable. Although Rotherham still has relatively large amounts of development land, the majority is in private ownership and there are no longer the levels of financing for gap funding to drive activity and deliver large sites at short notice, leading to potential shortfalls in available employment land ready for development.

The bringing forward of contaminated sites will become more important as the supply of development land reduces, as well as contributing to the sustainable development of the borough. An example of this is that 180 hectares (444.8 acres) (62%) of available development land in the borough requires reclamation and/or infrastructure development, with the higher associated development costs.

Sheffield has little vacant land remaining for major developments, particularly in the city centre, providing an opportunity for Rotherham to exploit through 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 Sheffield and city region partners to increase and preserve the amount of land available for business.

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 (968,752 sq ft) of industrial floorspace has been vacant for more than four years, most of it old stock in the more deprived areas, and that the majority of office take-up is out-of-town.

Although some new office space will be delivered in the town centre through the Renaissance programme, the majority of new stock continues to be in outlying areas with 85% of the currently available 46,451 sq m (500,000 sq ft) in large developments in the Dearne and other locations. Part of the problem is that low rental values for the town centre, averaging around £11 per sq ft, mean it is not economic for developers to deliver spec build. This is despite Rotherham having a potentially buoyant market for office space with higher levels of enquiries than both Barnsley and Doncaster and the need for such development to ensure the long-term economic health of the town centre.

Aspirations
- Deliver Rotherham Renaissance to create a vibrant town centre with high-quality architecture, retail offer and public realm
- Improved transport gateways and links to the town centre and between the deprived neighbourhoods and local employment centres
- Improved transport connectivity between Rotherham and Sheffield, including ultimately the extension of Supertram to Rotherham or the provision of Bus Rapid Transport links between Sheffield, Rotherham and Waverley.
- Enhanced public transport connections to major economic centres including; Leeds, Manchester and London
- Improve and increase rail services to and from central Rotherham
- Provide car parking to meet the needs of all types town-centre users
- Identify priority list of development sites that will create most economic value
- Seek to bring forward the development of contaminated and un-used sites where appropriate
- Provision of high-quality office and commercial premises in accessible and sustainable locations to meet investor needs, particularly in high-value sectors.
- Produce and deliver an investment and marketing plan and support package for investors locating to priority sites
- Continue development of priority investment sites in the Dearne Valley (including Brookfields Park and Manvers), Dinnington, AMP and Magna
- Improve the digital infrastructure to provide local businesses with a continuing competitive advantage, specifically those in the CDI and AMM sectors

Priorities
1) Deliver Rotherham Renaissance
   a. Using high-quality buildings and environment to attract high-quality employers in target sectors
   b. Creating a vibrant town centre with retail, leisure and residential offer, and public realm, to attract investors, residents and visitors
   c. Improving the management of the river to enhance the liveability of the town centre
   d. Optimising town centre connectivity
   e. Provision of a Community Stadium for the Town

2) Improve Rotherham’s connectivity, focusing on
   f. Transport (internal & external)
   g. Digital technologies
   h. The Sheffield-Rotherham joint economy
3) Identify and drive forward a priority list of development sites in accessible and sustainable locations to
   i. Create most economic value
   j. Provide high-quality office and commercial premises
   k. Meet investor needs

Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
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<tr>
<td>NI 47</td>
<td>Road Safety Figures</td>
<td>641</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2007)</td>
<td></td>
<td></td>
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<tr>
<td>NI 167</td>
<td>Congestion – average journey time per mile during the morning peak</td>
<td>3 mins 35 secs</td>
<td>3 mins 51 secs</td>
<td>2011</td>
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<td>NI 170</td>
<td>Previously developed land that has been vacant or derelict for more than five years</td>
<td>4.0%</td>
<td>tba</td>
<td>2011</td>
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<tr>
<td>NI 176</td>
<td>Working age people with access to employment by public transport (and other specified modes)</td>
<td>?</td>
<td>?</td>
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<td>NI 177</td>
<td>Bus Patronage</td>
<td>130 million</td>
<td>?</td>
<td>?</td>
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<tr>
<td>NI 178</td>
<td>Buses running on time</td>
<td>73%</td>
<td>?</td>
<td>?</td>
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<tr>
<td></td>
<td></td>
<td>(2007/08)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPI</td>
<td>Highest achieved office rents</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>LPI</td>
<td>Achievable retail rents</td>
<td>?</td>
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</tbody>
</table>

? – baselines and targets to be set as part of the LAA process.
## Strand 1.2 Productive and Enterprising Businesses

### Headline Facts

- Rotherham has a shortfall of 1,779 VAT-registered businesses against the regional rate and 2,825 against the national rate; a gap which continues to widen. — delete ‘gap widens’ as we have closed gap slightly in last 2-3 years, suggest “gap has closed slightly in recent years but rate remains lowest in South Yorkshire”
- Encouragingly, there were 385 VAT de-registrations in 2007, the lowest level for over a decade.
- Increases in the business stock are 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.
- Less than 24% of the working population is employed in the public sector, the lowest percentage of any authority in South Yorkshire and below the national average.
- 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% 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.

### 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 economic 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 Sheffield-Rotherham Joint Economy Study highlighted that Rotherham’s economy has created 19,100 new jobs (2000-05), most of them in the banking, distribution and public sectors. The study also highlighted that both areas now have far more innovative and high-tech manufacturing sectors, within which there are some key linkages, particularly in regards to supply chains. This integrally linked manufacturing sector, though smaller in employee numbers than in the past, is far more successful than the remaining manufacturing sectors in many of Britain’s other city regions, and is innovating and leading from many perspectives. Rotherham and Sheffield must work together to support this sector’s continued to growth, ensuring it can recruit the people it requires and act as a beacon to attract high-value inward investment.

The ongoing focus, therefore, will be on supporting the diversification and growth of Rotherham’s economy, increasing productivity, business investment, growth and new business starts, incorporating increased support for specialist sectors of high importance to the area. The efforts will be in partnership across the City Region, where appropriate, so as to maximise the benefits for both economies where they are integrally linked in regards to specific sectors, supply chains and economic processes. Joint working with Sheffield in marketing our joint economy, its growth as a regional economic powerhouse and its future potential will be important in raising the profile of Rotherham, its economy and the opportunities that can be built on.

Key to productive, competitive business and a global economy is the development and support of business innovation and the knowledge economy. Current levels of research and development in Rotherham businesses are low and the Economic Plan will aim to address and increase them. Rotherham is within 10 miles of two high-class universities, and businesses must be supported in utilising the knowledge accessible through university innovation and other R&D programmes. Rotherham supports the implementation of the
Regional Innovation Strategy and development of the Sheffield City Region Innovation Board to ensure local businesses benefit fully from the investments made in creating a high-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 the 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.

Most business support provision will be delivered through the new Business Link and it is for Rotherham partners to work with Business Link to use external funding to fill identified gaps within the business support offer.

Business Base
Rotherham experienced dramatic and transformational economic growth of more than 5% a year during 2000-2005. Yet this masks some weaknesses in the economy, such as the predominance of larger firms making it potentially more susceptible to economic downturns. With the exception of manufacturing, the economy’s focus is on lower-tech service industries and there is a deficit of business numbers compared to national and regional figures.

To continue the transformational progress of the Rotherham economy we need to strengthen existing interactions to promote innovation, inward investment, new starts, skill development, higher education and better networking within and between higher growth/value sectors, including:

- **Advanced Manufacturing and Materials** – focused on the Advanced Manufacturing Park
- **Creative & Digital** – growing this sector has additional, less tangible, benefits, such as improving perceptions and providing a more attractive experience to businesses. The development of Rotherham’s CDIs needs linking to the Renaissance programme, as it could make an important contribution to the proposed Cultural Quarter. Many CDIs are also innovating enterprises, set up by graduates and leading in digital technologies that could be beneficial to other sectors also.
- **Environmental and Energy Technologies** – offer great potential for business growth and innovation in light of changing legislation which aims to reduce our impact on the environment
- **Construction Industries** – rely on strong supply chains provide opportunities for cross sector linkages between construction and steel manufacturing
- **Business and Professional Services** – play a key role in servicing other high-growth sectors. Attracting and growing existing Accounting, Human Resources, IT and Finance providers will further promote economic growth of other sectors
- **Food and Drink** – not classified as high growth but in employment and output terms the third largest cluster of businesses in Rotherham

Development of these clusters has the added potential to benefit existing Rotherham companies, through increased networking and supply chain management, improving productivity and innovation.

**Business Start-Ups and Enterprising Individuals**
Enterprise is a key driver of productivity and therefore of 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 realise and believe that they are enterprising, and that the support exists to enable them to be enterprising. This will not only increase numbers seeking to start their own businesses, but also provide an enterprising workforce for new investors and existing businesses. Combined with improved linkages between local businesses and local Higher Education institutions, 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, has 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. Our approach needs to be two-pronged; improving the levels of innovation and enterprise among Rotherham’s existing businesses and increasing the number of enterprising business new to the borough.

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

As demonstrated by the chart above, Rotherham has increased its number of workplaces within the knowledge-intensive sector. The gap between us and the region has shrunk slightly but there remains a significant gap for Rotherham to bridge in order to reach national levels.

In terms of employment within these sectors Rotherham has seen more significant improvements, although it should be noted that call centres will have had a major impact on these numbers.

**Aspirations**
- Rotherham and Sheffield work together to support the target growth sectors, ensuring they continue to lead from the front with innovation and enterprise.
- Rotherham has approximately 300 hectares (741 acres) of potential employment land, much of it in need of remediation and servicing. We must aim for a proportion of this land to be brought into an appropriate condition and marketed to attract knowledge-based businesses.
- That all Rotherham businesses, where appropriate, feel supported and enabled to utilise the knowledge accessible through the university innovation programmes.
- Support an increase in the number of new business starts, including community-based business start activity.

**Priorities**
1) Build on existing strengths and best practice (including the AMP at Waverley and the proposed Materials Innovation Hub at NAMTEC) with particular focus on high growth, high productivity and knowledge sectors and diversification into niche sectors; to increase
   a. business productivity, and growth
   b. innovation and GVA
   c. employment
2) Strengthen the growing enterprising culture to support Rotherham’s people and businesses to become more enterprising and innovative, resulting in an increase in the number of new business starts and a more diversified business base.

3) Establish strong links between Rotherham businesses and the region’s universities and colleges, helping them develop new or improved products.

4) Improve local supply chain initiatives and activity.

Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI 171</td>
<td>VAT and PAYE registration rate (per 10,000 population)</td>
<td>45.1 (2007)</td>
<td>41.5</td>
<td>2011</td>
</tr>
<tr>
<td>NI 172</td>
<td>VAT registered businesses in the area showing growth</td>
<td>13.79% (2006/07)</td>
<td>15.0%</td>
<td>2011</td>
</tr>
<tr>
<td>LPI</td>
<td>Improve 12 month survival rates of new businesses</td>
<td>89.2% (2008)</td>
<td>89.2%</td>
<td>2011</td>
</tr>
<tr>
<td>LPI</td>
<td>GVA per head as a percentage of the UK average</td>
<td>88.0% (2006)</td>
<td>88.0%</td>
<td>2011</td>
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<tr>
<td>LPI</td>
<td>Self-employed business owners and those thinking of starting a business</td>
<td>7.6% 4.2% (2007)</td>
<td>8.5% 5.0%</td>
<td>2011</td>
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<tr>
<td>LPI</td>
<td>Supply-chain activity within growth sectors. (Index of Inter LAD Sectoral Complementarity)</td>
<td>1.12</td>
<td>1.15</td>
<td>2010</td>
</tr>
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</table>

? – baselines and targets to be set as part of the LAA process.
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 percentage points 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 percentage points below the national average
- 16.5% of Rotherham’s 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. 25% also have basic skills needs
- 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 workforce is qualified to level 2 or below

**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 essential if Rotherham is to increase productivity, support advances in enterprise and innovation, increase business competitiveness, improve levels of employment and earnings and reduce social exclusion.

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 skills 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 and support this recommendation. As reported in Leitch, 70% of the 2020 working age population have already left compulsory education and as the future flow of young people will reduce, this is reflected in this strand.

We must 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.

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

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

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 that offer due reward, reducing the numbers in the workforce with qualifications below level 2 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 they require. The first step on this road has been the recent formation of an employer-led Work and Skills Board for Rotherham. Working in partnership with the voluntary and community sector is also important, with volunteering being another route to developing skills for the workplace.

This lack of higher-level skills feeds into the borough’s employment profile, with 31% identified as being in SOC Groups 1-3 (“managers and senior officials”, “professional occupations” and “associate professional & technical”), a gap of 11.5 percentage points with the national average, or equivalent to 13,000 jobs.

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

A limited pool of highly-skilled people will ultimately constrain growth and deter investors from Rotherham, affecting the productivity of the economy and its GVA. We must increase skills to 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.

Experian and Yorkshire Forward have undertaken modelling work on the effects of increasing the skills profile on employment and GVA within the region and its local authority areas. The tables below demonstrate the importance of raising skills levels among Rotherham’s working population and the overall impact this will have on annual growth:

<table>
<thead>
<tr>
<th>Rotherham Workplace Employment (Full-time Equivalents)</th>
<th>Increase on 2020 Baseline</th>
<th>% Change</th>
<th>Avg annual growth rate 2005-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline (2005)</td>
<td>95,434</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2020 Forecasts:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline</td>
<td>104,828</td>
<td>9.8%</td>
<td>0.63%</td>
</tr>
<tr>
<td>RES Local</td>
<td>108,494</td>
<td>13.7%</td>
<td>0.86%</td>
</tr>
<tr>
<td>Leitch Local</td>
<td>111,721</td>
<td>17.1%</td>
<td>1.06%</td>
</tr>
</tbody>
</table>

The above table demonstrates that if Rotherham achieves its Regional Economic Strategy skills targets the number of FTEs would increase by over 3,600 (above ‘normal’ trend) by 2020, rising to almost 7000 if Leitch targets are met.

<table>
<thead>
<tr>
<th>Rotherham GVA (£ millions, 2003 prices)</th>
<th>Increase on 2020 Baseline</th>
<th>% Change</th>
<th>Avg annual growth rate 2005-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline (2005)</td>
<td>3,429.780</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2020 Forecasts:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline</td>
<td>5,068,455</td>
<td>47.8%</td>
<td>2.64%</td>
</tr>
<tr>
<td>RES Local</td>
<td>5,611,942</td>
<td>63.6%</td>
<td>3.34%</td>
</tr>
<tr>
<td>Leitch Local</td>
<td>5,983,736</td>
<td>74.5%</td>
<td>3.78%</td>
</tr>
</tbody>
</table>

This second table demonstrates the importance of raising skill levels to improve Rotherham’s GVA. Achievement of RES skills targets would increase GVA by more than £543m (above ‘normal’ trend) by 2020. Achieving Leitch target GVA would increase this to over £915m.
Successful economies must 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.

Aspirations
- Strengthen links with Sheffield’s higher education institutes and pursue the possibility of locating a university within the borough.
- Increase the number of graduates working in Rotherham – by retaining existing graduates and attracting new ones.
- Make residents more aware of the opportunities within Rotherham, with particular focus on young people and their families.
- Continue work on employer-led initiatives through the Rotherham Work & Skills Board
- Raise the skills profile, with a focus on level 3 and above.

Priorities
1) Ensure that Rotherham residents have relevant higher-level skills to meet the needs of a high-value, knowledge-driven, economy, including recruiting and retaining graduates in our workforce and the location of an affiliated college or University Centre here

2) Focus on the needs of those without skills or with low-level skills, particularly the workless, to ensure that during the move to an advanced economy polarisation doesn’t occur.

3) Identify and deliver the skills needed by local businesses, through up-skilling the workforce and working with education and training providers to raise awareness of the opportunities in Rotherham.
## Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI163</td>
<td>Working-age population qualified to at least level 2 or higher</td>
<td>61.6% (2007)</td>
<td>69.0%</td>
<td>2011</td>
</tr>
<tr>
<td>NI164</td>
<td>Working-age population qualified to at least level 3 or higher</td>
<td>39.4% (2007)</td>
<td>47.0%</td>
<td>2011</td>
</tr>
<tr>
<td>NI165</td>
<td>Working-age population qualified to at least level 4 or higher</td>
<td>19.5% (2007)</td>
<td>23.0%</td>
<td>2011</td>
</tr>
<tr>
<td>NI174</td>
<td>Skills gap in the current workforce reported by employers</td>
<td>29.23%</td>
<td>20.0%</td>
<td>2011</td>
</tr>
<tr>
<td>LPI</td>
<td>Job-related training provision compared to national average</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>LPI</td>
<td>Number of apprenticeships</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

? – baselines and targets to be set as part of the LAA process.
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 needs an additional 129 start-ups every year to reach the regional rate and 249 more a year to reach the national rate.
- High levels of financial exclusion, acting as a barrier to the message that enterprise and business start up is an option.
- There is generational worklessness, damaging 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 start-ups.

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. Yet we still have disadvantaged communities – 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 creation of new enterprises, becomes something that is found throughout the whole borough.

Raising aspirations and encouraging enterprise will contribute to the wider economic objectives of the Economic Plan, reducing worklessness, improving skills and creating a more diverse economy through a broad 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 are required. This should focus support on communities of interest and disadvantaged geographic 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 (or, as below, median) salaries significantly below national rates. The gap with regional rates has remained largely static over the past 10 years and any significant improvement is likely to be a long-term goal.

<table>
<thead>
<tr>
<th></th>
<th>Median (Weekly) gross pay for full-time employees - workplace based.</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>£345.5</td>
</tr>
<tr>
<td>Y &amp; H</td>
<td>£320.8</td>
</tr>
<tr>
<td>Rotherham</td>
<td>£313.3</td>
</tr>
<tr>
<td><em>Rotherham v UK</em></td>
<td>90.7%</td>
</tr>
</tbody>
</table>

*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 numbers 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. 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 require tailoring to their specific needs, else we risk failing in our attempts at helping everyone to reach their economic potential. These groups include BME, women, disabled, young people, the over 50s and migrant worker groups. Developing Rotherham’s workforce should pay heed to equalities and diversity.

Another particular group that needs tailored assistance is our 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 must continue to deliver and expand such efforts to ensure all our children and young people achieve their potential. An “incubation” programme for start-ups, and has had success over its past three years of existence, and Rotherham Youth Enterprise had also made an impact.

Aspirations

- Identify and promote enterprise role models for local communities.
- Improve linkages between communities, businesses, schools and colleges.
- Increase levels of enterprise and self-employment in Rotherham’s deprived areas and amongst targeted communities of interest.
- Ensure lack of transport is not a barrier to taking up opportunities.

Priorities

1) Develop the support and infrastructure to create a focus for business and enterprise within disadvantaged neighbourhoods

2) Encourage and support businesses to be more innovative, involving employees to develop their potential & raise aspirations

3) Encourage and support community and social enterprise as a path to engage people with enterprise and raise aspirations

4) Connect businesses to their local communities, providing local enterprise role models

5) Increase the number of employers engaging with higher education providers, schools and teachers

6) Increase the number of young people starting businesses and entering self-employment, through improved support and raising awareness of enterprise further
## Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI166</td>
<td>Average earnings of employees in the borough</td>
<td>£420 (2008)</td>
<td>£460</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPI</td>
<td>Reduce the number of Rotherham SOAs in the most 10% deprived nationally</td>
<td>11.4% = 19 SOAs (2007)</td>
<td>10.0%</td>
<td>2016</td>
</tr>
</tbody>
</table>
Strand 2.2 Increasing Employability

Headline Facts

- Employments numbers in Rotherham grew by 30,300 from 1995-2005, a 40.5% increase with 71.2% of Rotherham’s working age population employed (September 2008).
- 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 manufacturing and industrial (+4,000), health and education (+3,400) and retail, catering and leisure (+2,000).
- 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 five years. This worklessness is predominantly concentrated in our more deprived areas.
- Employment rates for non-white population (53.9%) and those aged 50+ (67.6%) are considerably below the borough average (71.2%)

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
- Have enough suitably skilled and motivated individuals to meet the expected growth in the Rotherham-Sheffield economy, with outer lying areas such as The Dearne, Maltby and Dinnington being supported to supply skilled individuals, too

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 a tendency to take employment in elementary, low paid work in vulnerable sectors.
- high levels of sickness related worklessness, due in part to the legacy of the heavy industry based economy of the late 20th century

Following the decline in traditional manufacturing and mining jobs in the 1980s and early 1990s, when unemployment peaked at 23%, there has been significant progress in improving levels of employment and economic activity and in reducing unemployment.
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 rising, although at a reduced rate, but remains 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 problem in Rotherham (and throughout South Yorkshire) is the level of economic inactivity, with the rate more than two percentage points higher than the national average, at 24.2%, comprising nearly 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.

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. Almost 40% of Rotherham’s workless people have no qualifications.

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. The health of individuals also has a huge impact on their ability to secure and retain employment, with a potentially major impact on the Rotherham economy as seen through the high levels of IB claimants many of them long-term workless. However the impacts on the economy can be much wider as demonstrated by the Health Impact Assessment (HIA) carried out on the RES.


For example, 50% of those in Yorkshire & Humber classified as long-term sick or disabled suffer from mental health problems, making them a group struggling even more to be offered employment. Such a large group facing persistent difficulties in accessing employment has a wider knock-on effect for the economy and the wealth and participation in society of themselves and their families.
Aspirations

- To have a work and skills infrastructure that is employer led and meets the needs of the economy
- For all Rotherham residents and businesses to fulfil their economic potential, leading to an increase in local prosperity
- To improve the supply of labour to meet employer need and to reduce inequality in disadvantaged neighbourhoods and target groups by addressing economic inactivity.
- To increase the level of workplace interventions in preventing and tackling health issues including mental health and obesity.

Priorities

1) To develop the support infrastructure to engage with and support individuals to address barriers to work, increase their employability and access economic opportunities.

2) To ensure that employer engagement and support assists the needs of the business to promote growth and increase productivity. The support available should be clearly articulated to employers.

3) To ensure that the needs of employers are met through the skills development activity amongst the workless community – including meeting the employer requirement for soft skills.

4) To work with employers and those individuals excluded from employment (including disabled people and those suffering ill health); to recognise their ability to contribute positively to the workplace.

Performance Measures & Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI 151</td>
<td>Overall employment rate</td>
<td>71.8% (June 2008)</td>
<td>72.5% (LAA target)</td>
<td>2011</td>
</tr>
<tr>
<td>NI 152</td>
<td>Working-age people on out-of-work benefits</td>
<td>14.3% (May 2008)</td>
<td>13.4%</td>
<td>2011</td>
</tr>
<tr>
<td>NI153</td>
<td>Working-age people on out-of-work benefits in the worst performing neighbourhoods (claim rate &gt;25%)</td>
<td>27.6% (May 2008)</td>
<td>25.2%</td>
<td>2011</td>
</tr>
</tbody>
</table>
Strand 2.3 Young People – the future workforce

Headline Facts

- 706 of Rotherham’s 16-18-year-olds were confirmed ‘NEET’ as of July 2008 (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% live 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. As such education and the economy within Rotherham must be viewed as closely linked entities.

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

Good-practice projects, such as Rotherham Ready, U-xplore and Rotherham Youth Enterprise, have been successful in supporting our young people to develop enterprising skills so they are better equipped to gain employment with career progression and/or start their own enterprises. There is also the “Building Schools for the Future” programme to rebuild or refurbish 10 secondary schools, improving their sustainability and transforming learning within the borough. These and other initiatives, have contributed to Rotherham improving year on year. However, our young people still lag behind in school attainment levels at a regional and national level. Raising educational achievement is vital and will have a long-lasting impact on the borough’s economy.

Improving the educational achievement of our young people and reducing the numbers ‘Not in Education, Employment or Training’ (NEET) is 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 must be supported to provide more learning and training opportunities for young people, including more apprenticeships, while the young people need to be connected to businesses and local economic opportunities more closely. Rotherham has 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, often coupled with generational family worklessness which creates and sustains low aspirations. Developing an enthusiasm for learning and encouraging enterprise amongst children from an early age 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, where every Rotherham child aged 0-5, registering with the project, will receive a monthly free book appropriate to their age.

Aspirations

- Children and young people are inspired from as early an age as possible, to 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 are engaged 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 with regard to SMEs.
- Increased awareness amongst young people of the local economic opportunities Rotherham has to offer. Continuously improve educational achievement and skill levels amongst young people, who understand that they can stay in Rotherham utilising their skills and contributing to the local economy.
- To break the cycle of generational worklessness within families. Parents to be encouraged to have higher aspirations for their children and support them in achieving them.

Priorities
1) Improve educational attainment, literacy and numeracy levels and raise aspirations among children, young people, their parents and families, through a strategy of early intervention and prevention.

2) Support, expand, develop and encourage enterprise skills among children and young people. Continue to build upon children’s enterprise capabilities from foundation to Key Stage 5 and support and encourage enterprising teaching and learning, including links between schools, businesses and colleges.

3) Provide local role models and mentors for children and young people.

4) Increase the number of apprenticeships, learning and training opportunities for young people, focused on growth sectors.

5) Work with families to tackle the generational worklessness found in certain communities and to raise the profile of higher education and local economic opportunities among parents so that they have far-reaching aspirations for their children.

Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI 91</td>
<td>Participation of 17-year-olds in education or training</td>
<td>67% (2006)</td>
<td>To be set</td>
<td>To be set</td>
</tr>
<tr>
<td>NI 81</td>
<td>Inequality gap in the achievement of a level 3 qualification by age 19</td>
<td>22% (2007)</td>
<td>20%</td>
<td>2010/11</td>
</tr>
<tr>
<td>NI 82</td>
<td>Inequality gap in the achievement of a level 2 qualification by age 19</td>
<td>29% (2007)</td>
<td>25%</td>
<td>2010/11</td>
</tr>
<tr>
<td>NI 90</td>
<td>Take-up of 14-19 learning diplomas</td>
<td>Baseline year</td>
<td>To be set</td>
<td>To be set</td>
</tr>
<tr>
<td>NI 117</td>
<td>16-18-year-olds who are not in education, employment or training</td>
<td>9.3% (2007/08)</td>
<td>7.1%</td>
<td>2010/11</td>
</tr>
</tbody>
</table>
**Theme 3: Creating conditions for sustainable economic growth**

**Strand 3.1 Creating economic conditions for sustainable development**

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### Headline Facts

- Rotherham produces 11.2 tonnes of CO\(^2\) emissions per person
- 50.3% of Rotherham’s CO\(^2\) emissions are from industrial and commercial activity

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**Overview**

Sustainable development is most widely defined as that which “meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). Within the Community Strategy, the Sustainable Development Vision aspires for Rotherham to be “a place where the conditions are right to sustain economic growth, the well-being of its citizens is prioritised and there is a high-quality living environment sustained through minimising harm from development”.

Creating conditions for sustainable growth is tied to the statutory duty of the LDF and the preferred direction of the emergent Core Strategy to secure sustainable development and the place shaping of communities.

Over recent years, there has been an increasing amount of research into the links between environmental sustainability and economic growth. This shows that while economic growth and the environment may not yet be strictly complementary, environmental quality can be seen to support the economy in various ways, including:

- enhancing places and property, and creating jobs in tourism
- creating jobs in the environmental sector
- creating jobs in the pollution abatement sector
- improving the health of the workforce
- creating a more resource efficient local economy through developing local supply chains, recruiting locally etc.

Sustainable development broadens the definition of economic growth based on real income to encompass environmental quality and other aspects of well-being. In this context, the word development (as opposed to growth) has positive connotations, referring to change that leads to progress and improvement. A society which is growing in terms of per capita income will not be developing if it fails to meet social goals (such as securing the needs of the most disadvantaged) or if its income growth is accompanied by severe environmental degradation. Nonetheless, a society is unlikely to be developing if it also fails to secure real income growth.

The Stern Review on the Economics of Climate Change highlights dramatically the economic cost of delaying action on climate change. It found that failure to act now would cost between 5 and 20% of the world’s GDP as we experience the catastrophic impact of climate change. Rotherham businesses need to operate with more environmentally sustainable processes. This makes good business sense as well as being good for the planet and what an increasing number of customers want. At the same time, trade unions are also beginning to recognise the potential for job creation, and workplace training and involvement. Across the country, innovative local initiatives to tackle climate change and reduce environmental impacts linked to economic development are emerging. Through taking action now, we can help avoid the worst consequences of climate change, while also bringing benefits for jobs, economic growth and the opportunity to increase skills and innovation.
Current environmental issues facing Rotherham and its economy include:
- 70% of the current housing stock still being in use in 50 years from now. Ways must be found to minimise its environmental impact: example – through making it more energy efficient.
- Tougher environmental legislation and associated costs and understanding how this will affect the economic performance of local businesses and identifying any opportunities this could create.
- Business, including industry, is the largest contributor to CO₂ emissions and must be convinced of the economic case for reducing emissions along with support to move towards more sustainable working practices
- Embedding the principles of sustainable development throughout the planning and development processes
- The increased flood risk and how to manage it, particularly in regards to development on flood plains and designing new-build to be more resilient to the risk of flooding. Phase 1 of the flood alleviation scheme is almost complete. Delivery of phase 2, covering the town centre, is vital for the success of the Renaissance programme.
- Minimising the amount of waste produced, both domestic and commercial, and increase the rate of recycling
- Ensuring that Rotherham has the right skills to benefit from the opportunities within resulting environmental growth sectors

Set against this, Rotherham has already made major strides and produced a number of exemplars of sustainable practice:
- RMBC’s Moorgate Crofts Business Centre with its use of recycled material, geothermal heating and green roof.
- Henley Rise housing scheme – 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
- Breathing Space, the centre for the treatment of people with Chronic Obstructive Pulmonary Disorder, with ground source heat pumps, a natural ventilation system using a heat-mass labyrinth and the use of “healthy” construction materials to minimise irritation to respiratory conditions.
- The re-use of brownfield land for housing in Rotherham is well above the national target of 60% set by the Government
- Recycling rates in Rotherham increased from 4.6% in 2001-002 to 35% in 2007-008

![Rotherham's Carbon Emissions (2005 estimates)](chart)

As shown in the chart above, industrial and commercial activity accounts for over half of the area’s total CO₂ emissions, due in part to its retention of a strong manufacturing base. Rotherham produces 11.7 tonnes of CO₂
emissions per head, above both the regional (10.7 tonnes per head) and national (9.3 tonnes per head) average.

Presently, Rotherham acts as a provider of more basic material inputs to the manufacturing sectors of Sheffield. Industries providing these materials have, traditionally, high carbon emissions. A shift in the number of businesses in Rotherham from forging related industries to manufacturing would capitalize on an identified growth sector as well as reduce carbon emissions and ensure economic sustainability.

While it is important that Rotherham invests its efforts in those sectors of the economy that illustrate growth and where it has a competitive advantage, the environmental implications must be considered throughout.

**Aspirations**
- To decouple the link between economic growth and the environmental harm it can cause, taking a long-term approach that develops the economy in ways that improve business success and quality of life, while protecting and enhancing the environment.
- A focus on environmental and energy technology sectors. 2010, Rotherham’s council house management company, has an aspiration to develop an apprenticeship scheme in environmental technologies and help reduce the shortfall of skills locally in this sector.
- Keep businesses and economic activity local through supporting business networks, local supply chains, the use of local services and employing local people.
- All planning permissions for new developments and refurbishments to include a requirement for the use of sustainable and/or recycled construction materials and look to achieve a BREEAM rating of “very good” or equivalent. Other options could include “all new builds to be ‘A’ grade on the Energy Performance Certificates.”
- A cross-section of public and private sector representatives to look at how to support Rotherham in becoming a borough with a low carbon footprint.
- RMBC’s duty to produce an economic assessment (under SNR 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.
- Reduce levels of CO₂ produced by travel and transportation – currently transport contributes to 25% of CO₂ emissions.

**Priorities**
1) Communicate the advantages to businesses of adopting new environmental practices that reduce costs and increase business performance

2) Develop local solutions wherever possible – for example, the development of local supply chains, home working and more effective recruitment from the local population

3) Build sustainability more effectively and tightly into land and building use and design, building on good practice of “green” developments such as Moorgate Crofts, Fusion@Magna, Henley Rise and Breathing Space

4) Exploit the business potential of new facilities, processes and technologies within the environmental sector

5) Promote attractive viable alternatives to the private car and develop a wide choice of integrated transport options for the whole borough
### Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI186</td>
<td>Reduction per head in CO(^2) emissions in the LA area</td>
<td>9.6 tonnes of CO(^2) per head</td>
<td>To be determined</td>
<td>?</td>
</tr>
<tr>
<td>NI188</td>
<td>Planning to adapt to climate change</td>
<td>Level 0</td>
<td>Level 3</td>
<td>2011</td>
</tr>
<tr>
<td>NI189</td>
<td>Flood and coastal erosion risk management</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>NI193</td>
<td>Percentage of municipal waste land filled</td>
<td>65.62% (2007/08)</td>
<td>54.54%</td>
<td>2008/09</td>
</tr>
<tr>
<td>NI194</td>
<td>Air quality - % reduction in Nitrous Oxides &amp; PM10s</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

? – baselines and targets to be set as part of the LAA process.
Strand 3.2 Delivering Quality Neighbourhoods

Headline Facts

- Population numbers for all age groups 0-44 are expected to decline between now and 2021
- 19 (or 11.4%) of Rotherham’s Super Output Areas (SOAs) are in the 10% most deprived nationally
- Average house price in Rotherham is £112,957, approximately 74% of the average for England & Wales
- N° of households in Rotherham is expected to increase to 122,000 by 2021, with the average household size decreasing to 2.19 people, and to 126,000 by 2026. *(Revised 2004-based sub-national household projections)*

Overview

As well as promoting economic growth we must provide quality, sustainable and mixed community neighbourhoods to retain existing residents and attract new workers to locate here. Additional to 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 here.

On current projections job growth will outstrip working-age population growth over the next decade, so without attracting new residents many of these jobs will go to in-commuters, losing much of the benefit to Rotherham. These in-migrants needed to meet the workforce requirements will impact on the housing demand of the borough. The recent report from CURS states a need for at least 1,000 new houses to be built within Rotherham every year. The Regional Spatial Strategy 2004-2026 sets out the annual housing ‘net additions’¹ and the annual requirement for Rotherham 2004-2008 is 750, while from 2008-2026 it becomes 1,160 a year, which will go some way to meeting the recommendations set out by the CURS report. Crucially, however, this increase in housebuilding will require additional provision of the services and infrastructure to support these new dwellings and citizens.

The key elements to providing a sustainable neighbourhood where people want to live include:
- a flourishing local economy to provide employment and wealth
- an appropriate mix of aspirational and affordable housing
- high-achieving educational provision
- good transport infrastructure
- good-quality local public services, including high-achieving educational provision
- a safe and healthy environment with well designed public space
- effective engagement and participation of local people, groups and businesses
- a diverse and vibrant local culture, encouraging pride and cohesion
- clean and environmentally sustainable.

Aspirations

- Provide high-quality sustainable neighbourhoods with the correct housing mix to meet the needs of both lower income and higher skilled workers, creating mixed income and sustainable communities.
- Identify the people we wish to attract to Rotherham and market it to them as an excellent place to live
- Provide good transport links between these neighbourhoods, the town centre and other key areas of employment, enabling people to work near where they live, increase the vitality of neighbourhoods and reduce the environmental impact of transport.
- Support the start-up and growth of more locally-owned businesses based within neighbourhoods. Filling local service needs where appropriate. New local businesses should be able to contribute fully to the economic and social development of their communities.

¹ ‘Net addition’ refers to the number of houses built each year minus the number of houses demolished in the same year.
• Provide a range of community-focused 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, including quality local childcare and education, local services, shops and community facilities.

Priorities
1) Provision for the creation and retention of small businesses within local communities
2) Mix of affordable and aspirational housing to meet needs of all potential workers
3) Good education provision and quality local services.
4) Create and deliver masterplans for outlying townships (such as Dinnington and Maltby.)

Performance Measures and Targets

<table>
<thead>
<tr>
<th>Ref</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI154</td>
<td>Net additional homes provided</td>
<td>502 (2007/08)</td>
<td>1160</td>
<td>2011</td>
</tr>
<tr>
<td>NI155</td>
<td>Number of affordable homes delivered (gross)</td>
<td>147 (2007/08)</td>
<td>110</td>
<td>2011</td>
</tr>
<tr>
<td>NI159</td>
<td>Supply of ready-to-develop housing sites</td>
<td>120%</td>
<td>100%</td>
<td>2011</td>
</tr>
</tbody>
</table>
Strand 3.3 Rotherham's Image and Identity

Headline Facts
- The annual value of South Yorkshire’s visitor economy is £668m, of which approximately £200m is generated by Rotherham
- Hotel occupancy in the borough is about 90% for Monday to Thursday nights
- It is estimated that in 2007 the Rotherham economy supported 4,988 “tourism jobs.”
- More than 8m visits are made to Rotherham attractions each year
- 70% of tourism businesses are SMEs

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 developments delivered or in the pipeline, 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 needs improving, although this is starting to be tackled through Renaissance works and the Townscape Heritage Initiative. It is also important that the centre can deliver a niche shopping experience, perhaps with an independent and cultural and creative angle that will complement the major local retail provision at Meadowhall and Retail World.

Figures show that Rotherham has a high number of return visitors, predominantly through business tourism. This shows that, once people visit, we then have the offer that brings them back again. However, we need to improve opinions of Rotherham locally, enabling more local people to feel proud of their borough and promote it. The physical changes now happening, along with the opportunities they are creating, need to be promoted more widely as delivering a quality experience for residents, workers and visitors. This will benefit the economy through increased visitors and business investment, etc, as well as raising local aspirations.

Aspirations
- To improve the image and perception of Rotherham, promoting the area as a place to live, work and visit.
- To widen Rotherham’s business base to include more creative industries and help the creative, cultural and experience economy grow and flourish. Doing so will help attract visitors and investment and potentially assist with the retention of graduates, thereby creating a more modern and progressive image of Rotherham.
- That the council and local press work together more effectively to change and promote the image of Rotherham.
- To improve the main gateways into and out of the borough (such as the Interchange, stations and road and rail routes). Sheffield station is an example of a transformational change.
- To provide a programme of major events that will build a long-term sustainable visitor base.
- To extend a number of the annual 8m-plus day visits into overnight stays. Converting 1% of these visits would produce an additional 80,000 overnight stays each year.
- Greater investment in training and customer services for businesses and employees within the visitor economy.
- Develop niche tourism markets (including green, film and literature)

Priorities
1) Understand and agree a brand or vision for Rotherham, focusing on what is different about Rotherham that sets it apart from our competitors.
2) Rotherham’s future and image are inextricably linked to Sheffield and the wider city region, and as such we need to promote existing transport, business and community links.

3) Promote Rotherham to businesses at a regional and national level, using developments such as the AMP to attract more high-tech/high-value investment.

4) Encourage small, niche businesses from the retail and leisure sectors to operate from the town centre.

5) Work in partnership (nationally, regionally and sub-regionally) to promote Rotherham in the UK and overseas.

6) Deliver YES! as a major national – even international – visitor attraction.

Performance Measures and Targets

<table>
<thead>
<tr>
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<th>Baseline</th>
<th>Target</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPI</td>
<td>Increase the number of external visitors to the Town Centre</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>LPI</td>
<td>Improve perception of Borough (measured through Reachout Survey)</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>LPI</td>
<td>No. of Rotherham jobs supported by the tourism industry <em>(Cambridge Model)</em></td>
<td>3,894</td>
<td>4,089</td>
<td>2011</td>
</tr>
<tr>
<td>LPI</td>
<td>Town Centre Footfall</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>LPI</td>
<td>To increase the value of the visitor economy by 6% p.a. <em>(Cambridge Model)</em></td>
<td>£225M (2007)</td>
<td>£284M</td>
<td>2011</td>
</tr>
</tbody>
</table>

? – baselines and targets to be set as part of the LAA process.