
Economic Realities

**Lee Adams, Deputy Chief Executive
Sheffield City Council**

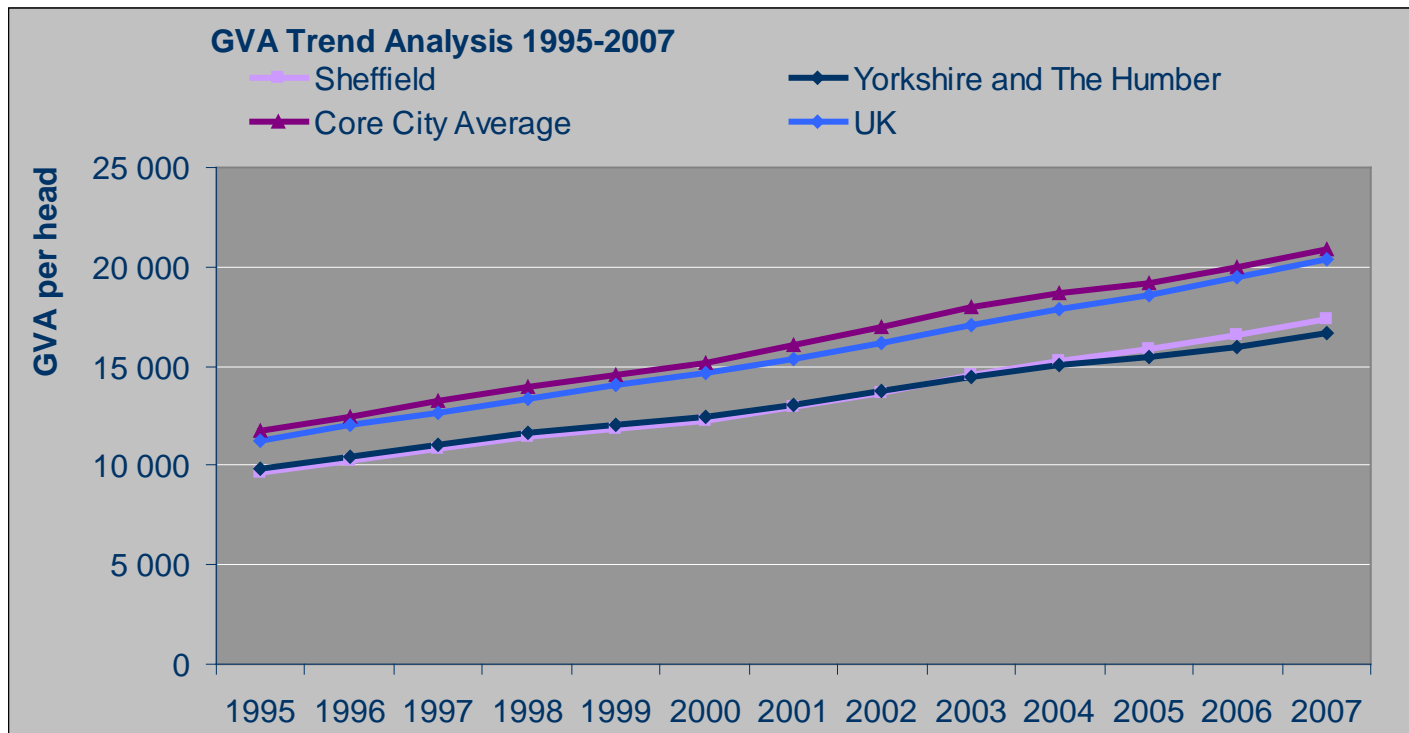
Economic Realities

- **Closing the persistent GVA gap**
- **The people economy**
- **Hardest hit in recession**
- **Worklessness**
- **The role of skills**
- **Business Density**
- **Rebalancing the Economy**

Persistent gap in Economic Growth

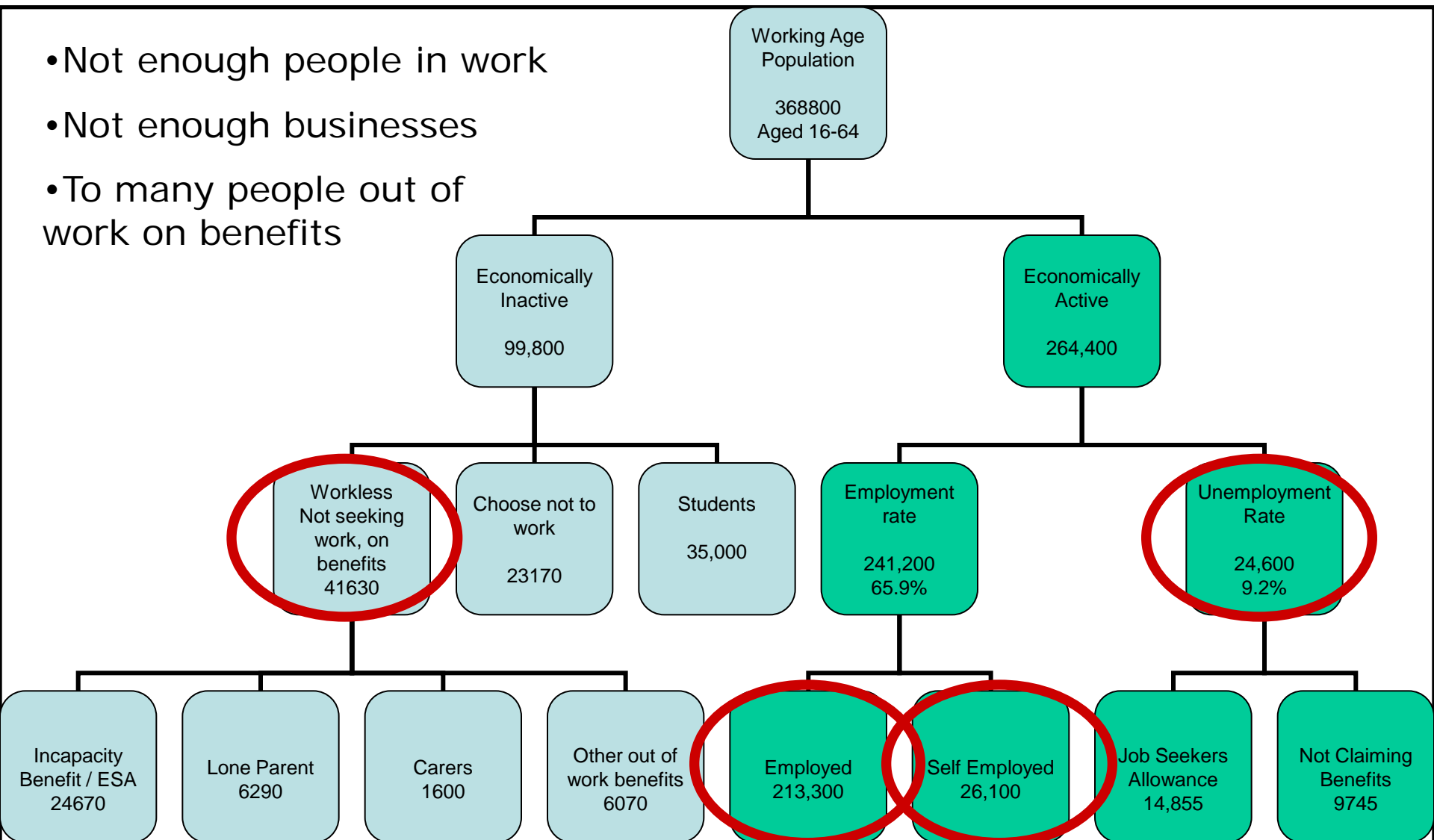
GVA: £9.2billion, growth has matched national average but is low given the size of Sheffield's population

GVA per head: £17,394 is low compared to national average £20,430



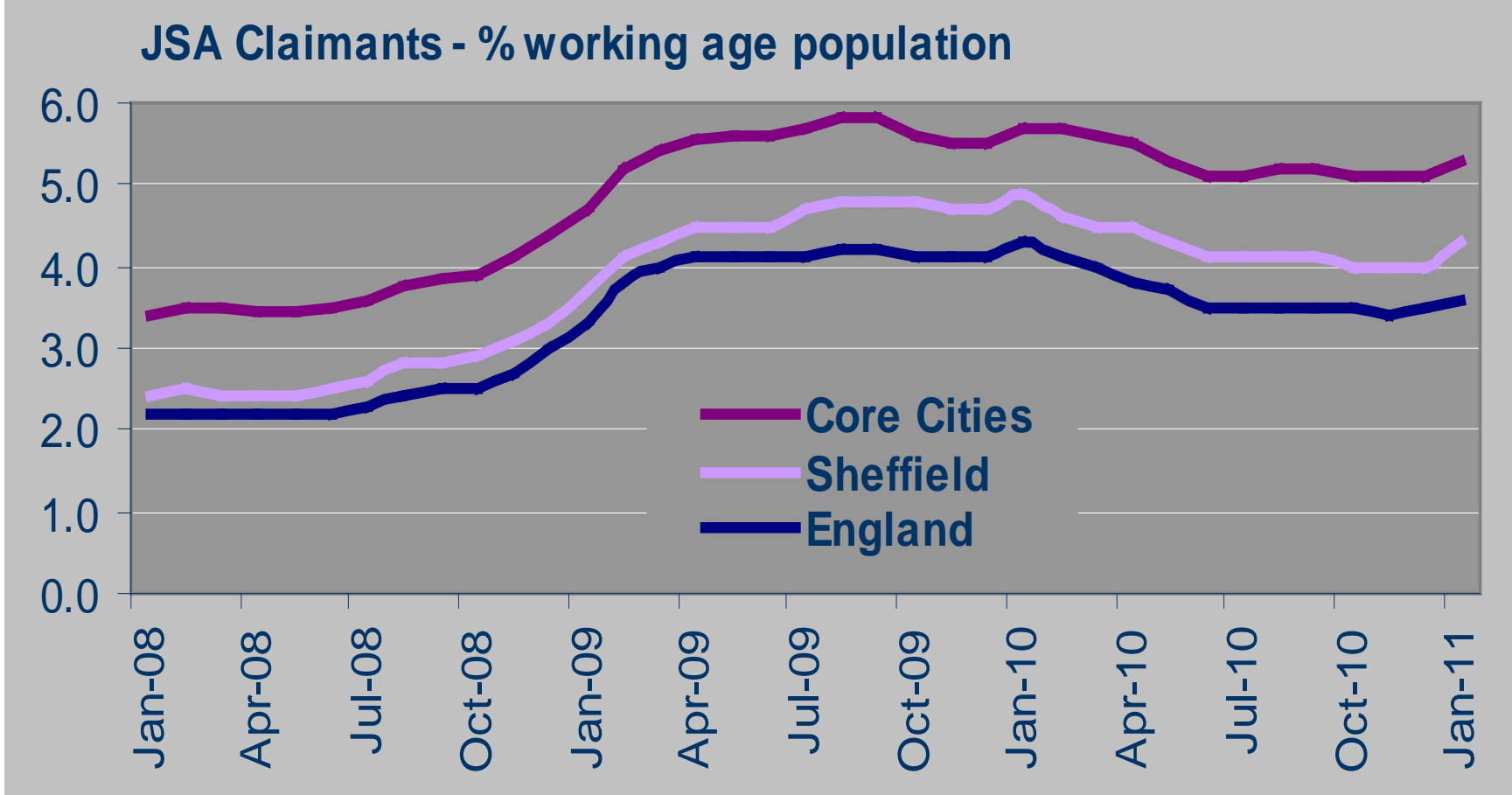
What does this mean in terms of people?

- Not enough people in work
- Not enough businesses
- To many people out of work on benefits



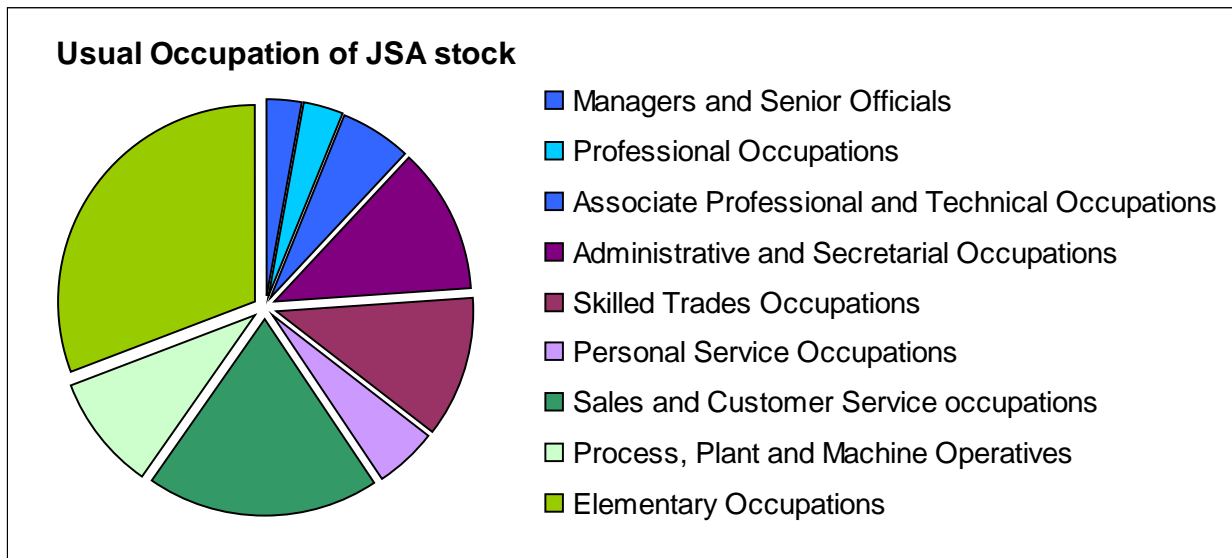
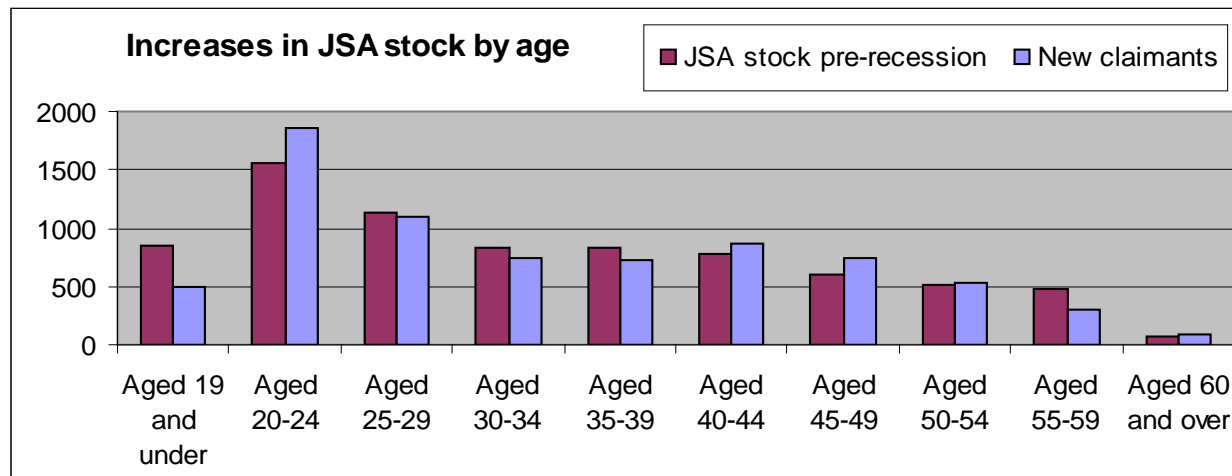
Recession impact Job Seekers Allowance

Sheffield fares well against other England cities in terms of JSA claimants, and as a city we have not been disproportionately effected by recession to date in terms of unemployment



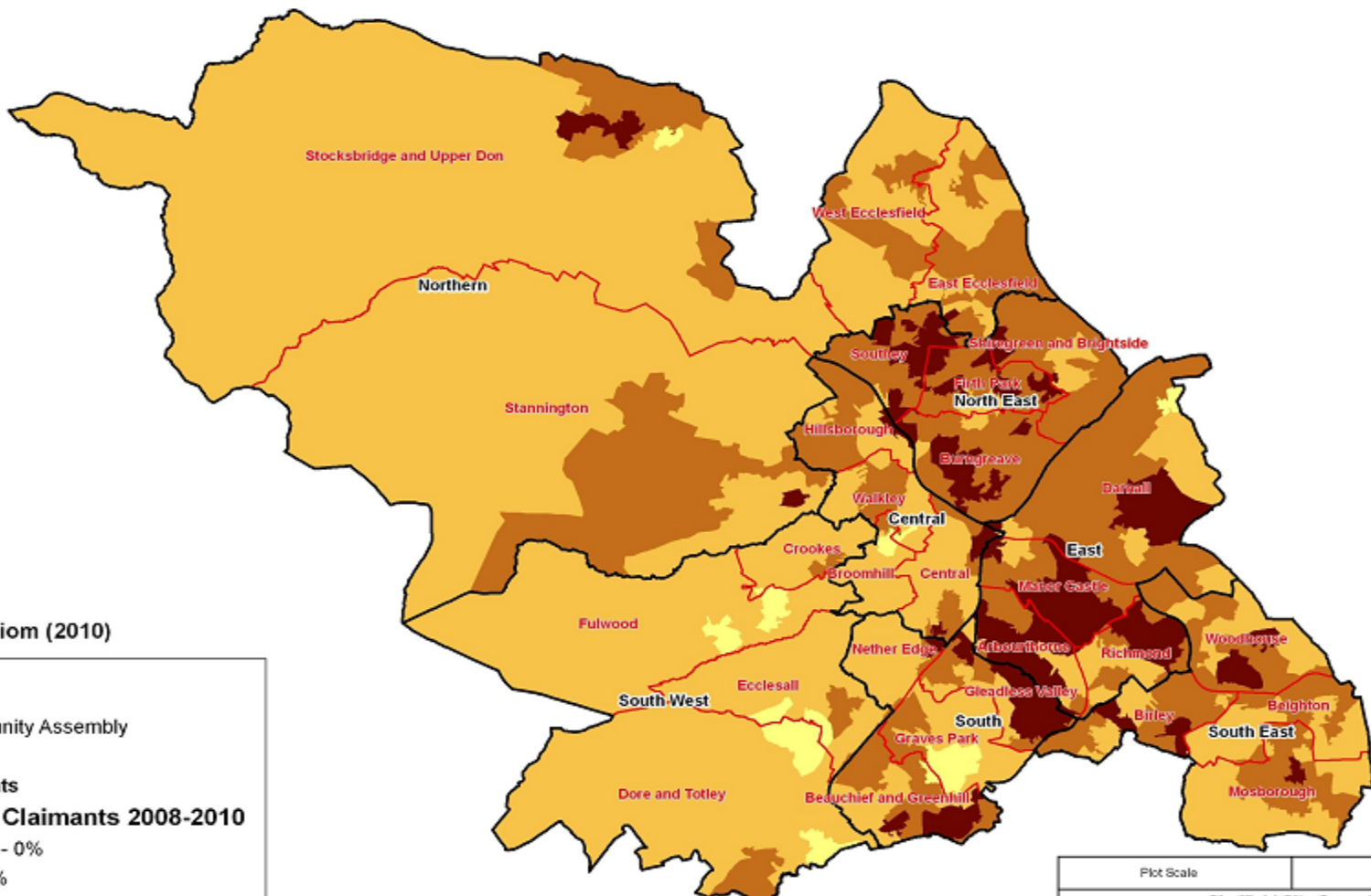
Hardest hit in recession

- Young people effected most strongly by recession
- 30% of new claimants aged under 24
- Low skilled occupations seen highest job losses
- Further risk of 'displacement' for those in low skilled occupations.



PERCENTAGE CHANGE IN JSA CLAIMANTS OVER COURSE OF RECESSION

Sheffield: JSA Claimants



Source: Acxiom (2010)

Legend

- Community Assembly
- Wards

JSA Claimants

Change in Claimants 2008-2010

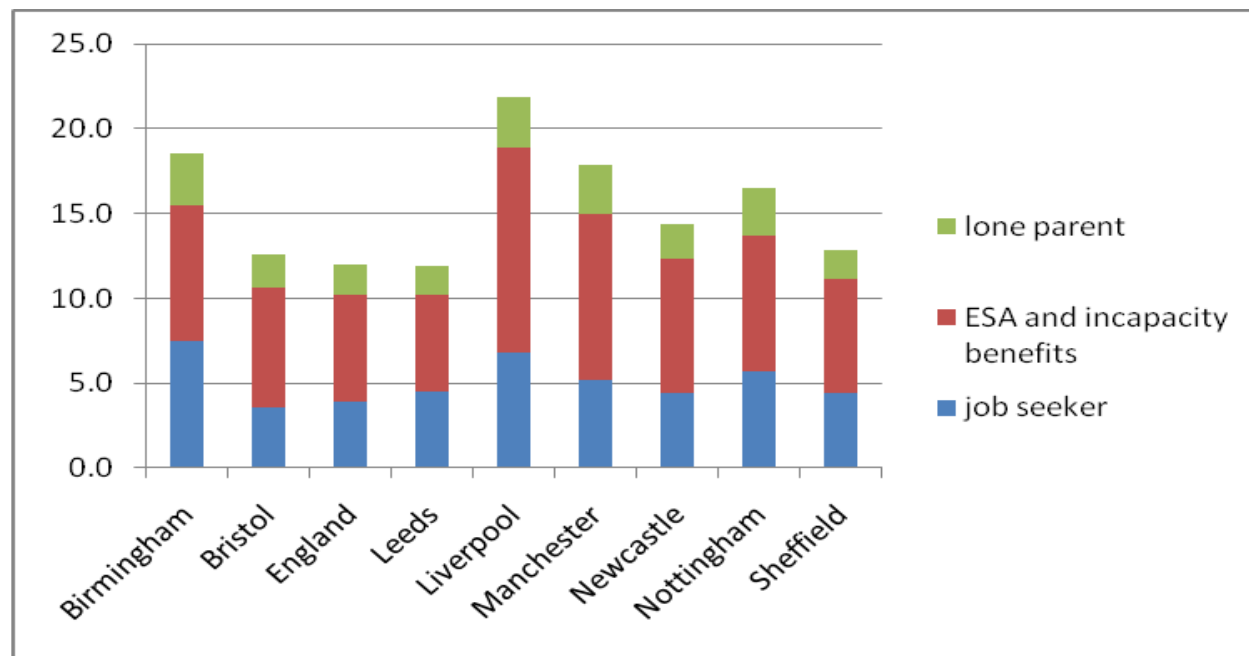
- 0.55% - 0%
- 0% - 2%
- 2% - 4%
- 4% - 7.2%

| | |
|---|-----------|
| Plot Scale | 1:136,000 |
| Sheffield City Council Policy & Research Deputy Chief Executive Directorate Town Hall, Room 311 Pinstone Street Sheffield S1 1UL Tel: 2738966/2734529 e-mail: planning@sheffield.gov.uk | |

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Tackling long term worklessness

- The workless cohort in Sheffield is large, complex and difficult to impact.
- Trapped Labour - Workless individuals can become 'trapped' without job opportunities, which exposes them to further deskilling and periods of inactivity.

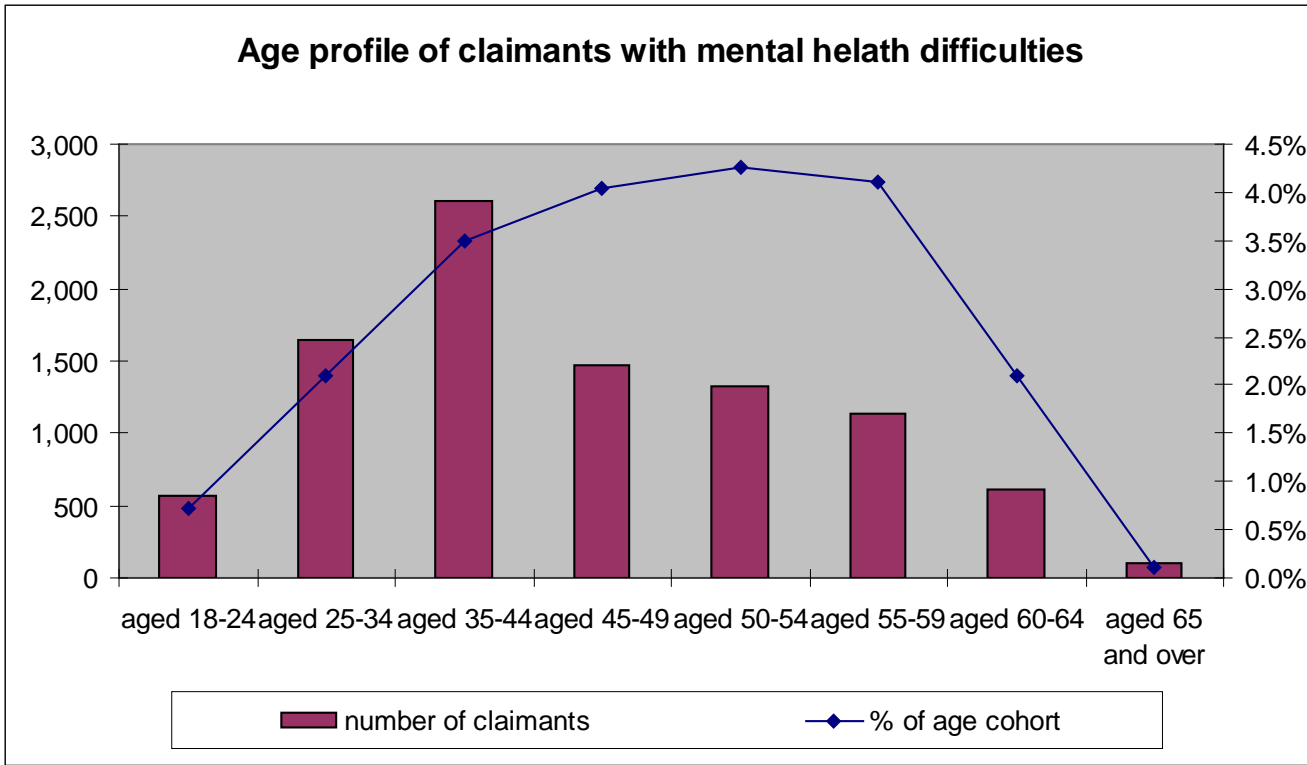


**Approx
46,000
claiming
JSA, IB/ESA
or LP**

Overcoming mental health conditions as a barrier to work

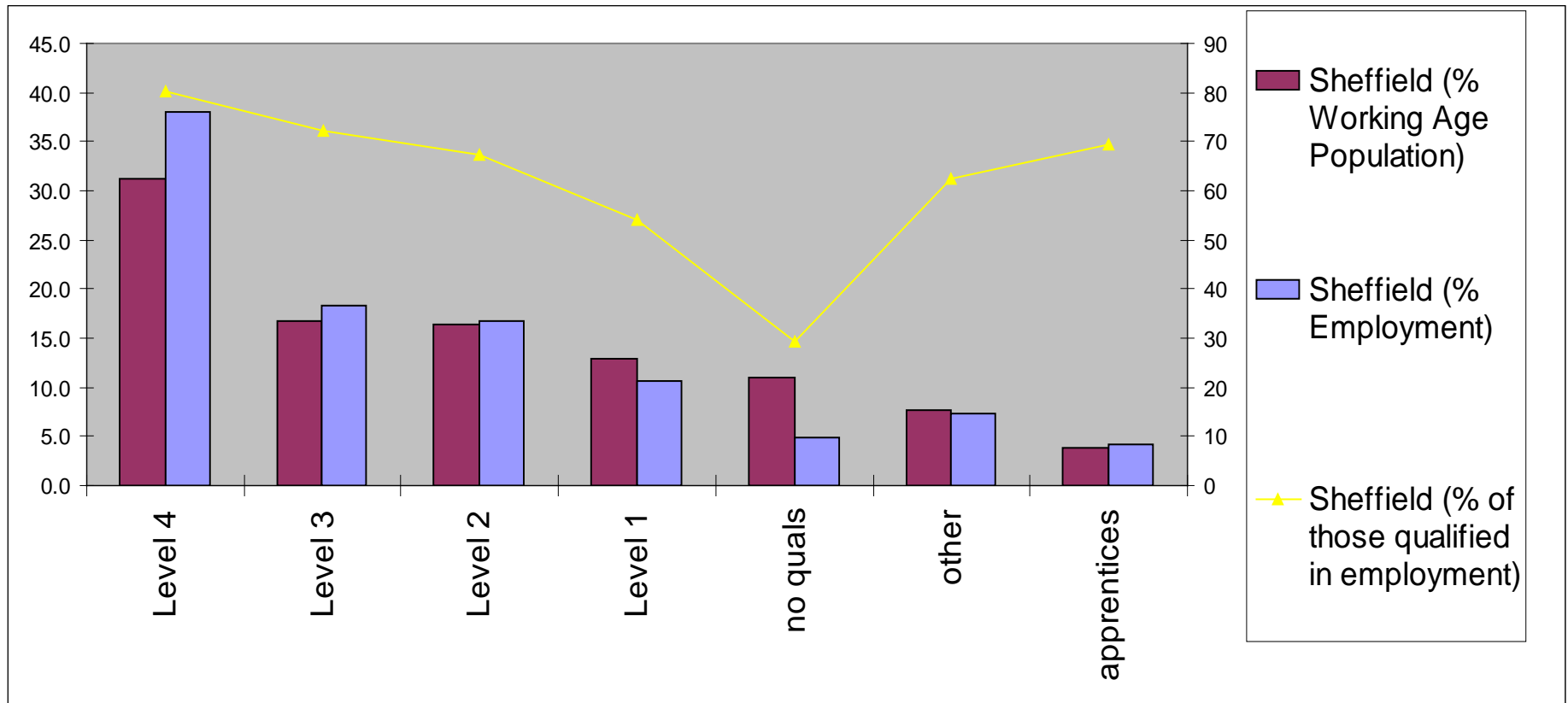
- 46% of IB claims are due to mental health problems – 9250 people
- 87% have been claiming for over 2 years

- Large numbers of younger people effected
- 14.3% of IB claimants suffer from musculoskeletal conditions – high risk of developing secondary mental health conditions



Skills are crucial to finding employment

- The higher the Qualification the greater chance of employment
- Those with no qualification, greatest level of unemployment

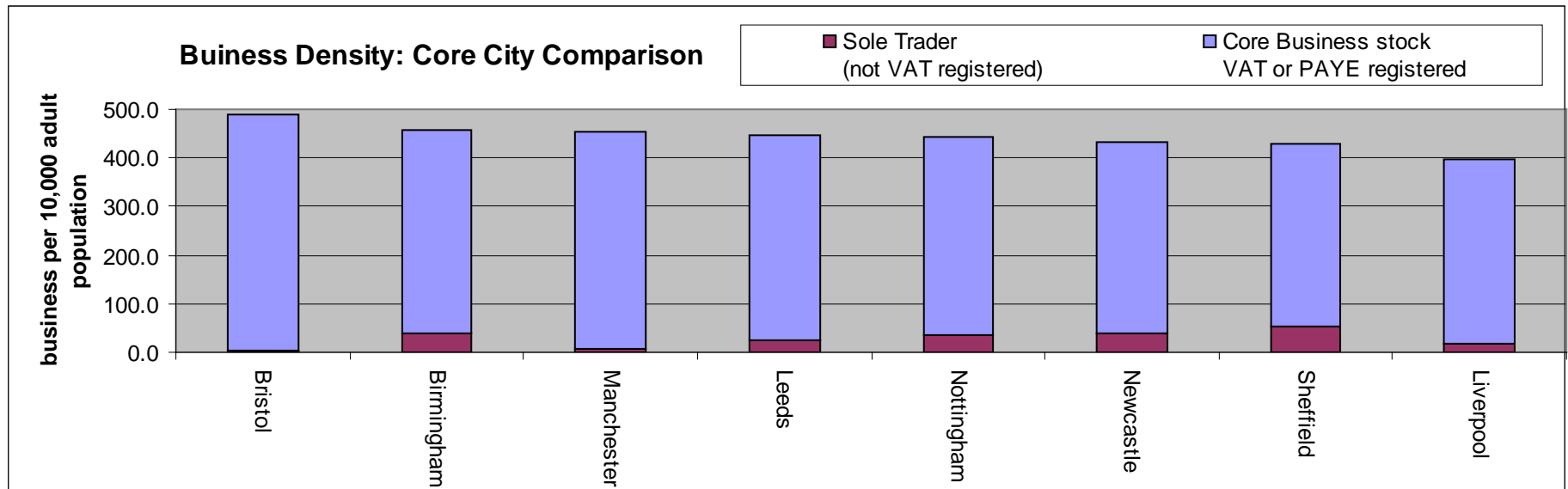


We need more businesses and more business to grow – in order to provide jobs

Businesses: 27,000 self employed, 2400 sole traders below VAT level, 17,000 businesses VAT or PAYE registered

Start up trends in the city indicate that micro business and sole trader start ups have been increasing, however these businesses are not growing sufficiently to become VAT registered or to create employment

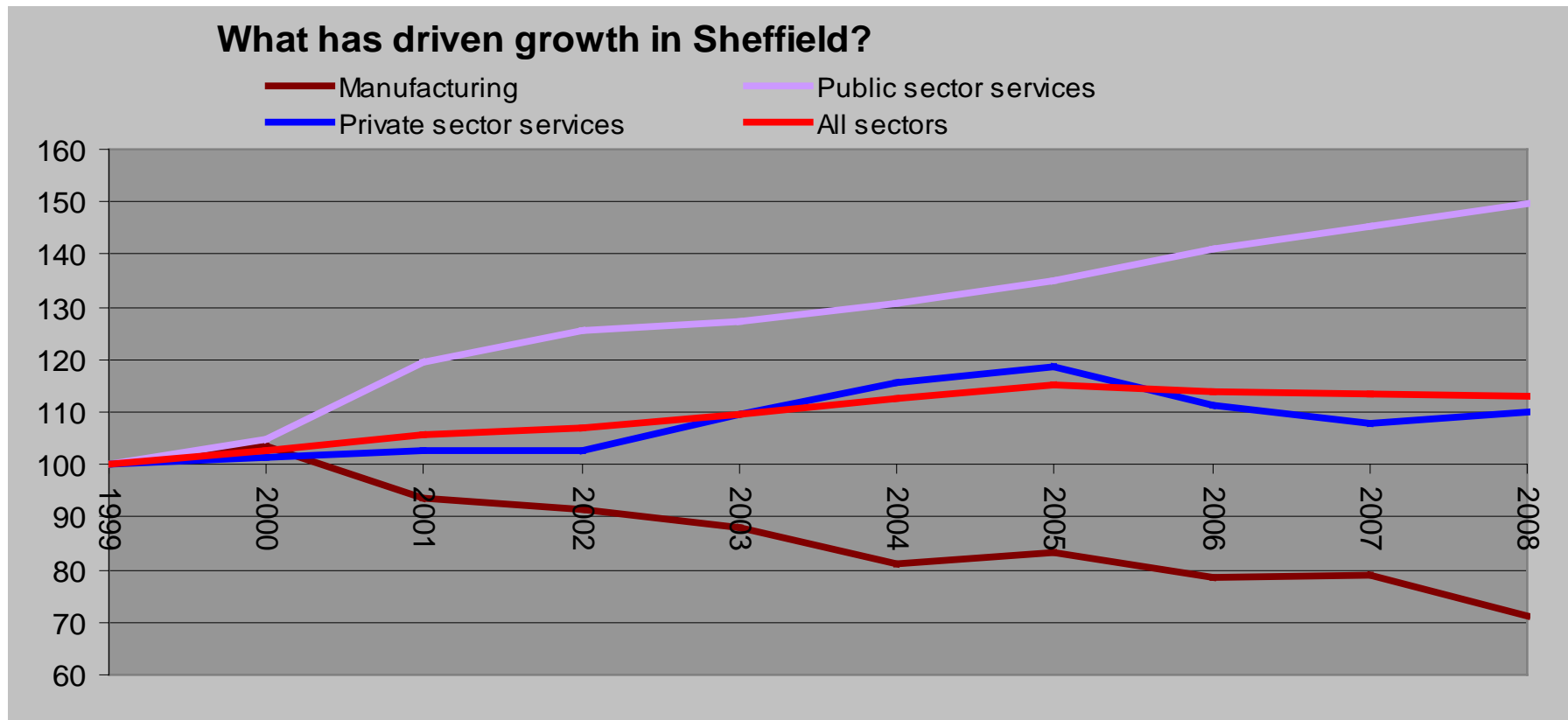
We need to focus on business growth



Private sector must drive growth

...but it's a big challenge

- Continued deindustrialisation depresses growth
- Growth to 2005 was strong led by Business and Financial Services
- Growth post 2005 have been driven by Public Sector



Evidenced priorities for economic growth

Focus on Growth

- **Businesses drive growth**
 - Need more businesses and more business growth to create a dynamic successful economy
- **Broaden sector profile**
 - Maximise growth on our key sectors
 - Private sector to drive growth and jobs
 - More 'knowledge economy' jobs and higher value sectors
- **Skills, Skills, Skills**
 - Skills are key to employment, progression and stimulating innovation and creativity
- **More people in Work**
 - Post recession more people out of work
 - Large numbers of people who are not work ready
- **Mitigate against impacts of recession**
 - Inequality, Youth unemployment
- **Provide Infrastructure to unlock growth potential**