Creating Economic Resilience
Harnessing Entrepreneurship, Work and Enterprise in the Sheffield City Region

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ABSTRACT
The term resilience within the social sciences is an emerging concept with no universally agreed definition. However, when examined as individual and organisational responsiveness to change, the concept is useful for illuminating regional and local economies. This report examines the concept of economic resilience in relation to the Sheffield City Region. The economy of the Sheffield City Region, which since 2000 has enjoyed economic growth after suffering from economic decline with its former dependence on heavy industry, is today at a crossroads. While there has been some growth in the ‘knowledge economy’, employment growth has been significant in the public sector and levels of entrepreneurial activity have remained low. The City Region has had to contend with the recent recession and must now contend with public sector spending cuts. This report presents the findings from in-depth interviews with 25 stakeholders, regarding their perspectives on the resilience of the City Region. The research finds that the economic structure of the Sheffield City Region has changed, creating a more diverse economy that stakeholders perceive as being more resilient to shocks. However, given that significant numbers of people are employed in the public sector, how public spending cuts impact on the local economy will be a key challenge, with future resilience only being achieved through growth in the private sector. Levels of entrepreneurship are low compared to neighbouring areas, and support structures are changing with the abolition of the Regional Development Agency, reduction in Business Link services, and the introduction of Local Enterprise Partnerships (LEPs) and Enterprise Zones. While respondents stated that moving away from the previous "any business will do" enterprise support strategy would be beneficial, caution was sounded regarding the effectiveness of the new governance structures. Looking forward, the stakeholders stressed the importance of effective partnerships in the Sheffield City Region so that strategies aimed at improving the area’s economic resilience are informed, realistic and appropriate.
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1. INTRODUCTION

In an age of financial austerity the UK economy is under severe strain as it seeks to rebalance the public finances. To achieve this, the current government is following a programme of economic reforms, which involve public spending cuts and a reduction in the size of the public sector. Whilst cuts in public spending have drawn much media attention, the government contends that the effects of reducing the size of the public sector will be offset by growth in the private sector. However, much less attention has been paid to how the government intends to generate this growth in the UK economy through private sector initiatives. This research seeks to address these topics by addressing important questions about the nature and practicalities of economic resilience, by focusing on the nature of entrepreneurship, work and enterprise.

The research seeks to examine these issues directly by examining to what extent the development of an ‘enterprise culture’ within an ‘entrepreneurial society’ is likely to develop in the UK in the coming years by focusing on the Sheffield City Region (SCR). The economy of the SCR, which since 2000 has enjoyed economic growth after suffering from economic decline with its former dependence on heavy industry which declined during the 1980s and 1990s, is today at a crossroads. Since 2000, there has been jobs growth in the City Region in the ‘knowledge economy’ (Sheffield City Region, 2006, 2010a). Yet, in comparison to the nearby economic centres of Leeds and Manchester, such development has occurred far more in Sheffield in the public, rather than private sector (Sheffield City Region, 2006, 2010a, b, c). During the period of growth experienced by the City Region and the UK as a whole up to 2008, levels of entrepreneurial activity have remained stubbornly low in the SCR (Sheffield City Region, 2010a, b, c). As such, the current economic climate in the UK means Sheffield represents a litmus test for the UK government’s aims to create growth through private sector initiative.

The overall aim of the research is to engage national and regional stakeholders in a more constructive dialogue about entrepreneurship, work and enterprise. The remainder of this report is set out as follows. Section 1 contains a literature review of city region economic development, economic resilience and the Sheffield City Region. Section 2 sets out the methods used for the study, while Section 3 presents the results. Section 4 contains recommendations for future engagement, policy and strategy relating to economic resilience.
With the election of a Labour government in 1997, a number of policy approaches to promoting economic development were introduced, with overall aims being to improve productivity, close the development gap with other leading economies and between regions, and enhance social inclusion (HM Treasury, 2002; Mueller et al, 2006). A significant step was the devolution of economic development to regional levels. The introduction of Regional Development Agencies (RDAs) across England and the transfer of policy making to the devolved administrations in Scotland, Wales and Northern Ireland, along with other policy initiatives such as the Local Enterprise Growth Initiative, led to the gradual spatial devolution of policy (Huggins and Williams, 2009). Indeed, the Labour government can be considered to have put regions and regionalism back on the UK policy agenda (Gibbs, 1998; Pearce and Ayres, 2009). Lodge and Mitchell (2006) state that policy “woke up to the potential of tackling the productivity and growth challenges besetting the UK economy through regional policy instruments” (p. 114). Labour’s regional strategy was based on the understanding that there are persistent gaps in skills, labour market participation and income levels, with productivity gaps between regions undermining attempts to close the overall productivity gap with the USA; and that it is regional actors and regional policy makers who best understand the regional labour markets, skills and innovation (Webb and Collis, 2000; HM Treasury, 2001; Lovering, 2001; McVittie and Swales, 2007).

The regional approach is designed to drive economic development and enable regions to improve their relative competitiveness, as well as reducing the imbalance that exists within and between regions (HM Treasury, 2007a; Pearce and Ayres, 2009). Historically, regional economic policy has focused on trying to attract firms from elsewhere (Acs and Szerb, 2007). Such top-down approaches have mainly been concerned with importing economic activity to uncompetitive areas by a system of incentives, which relied on ‘hard’ policy instruments such as infrastructure and financial subsidies (Halkier and Danson, 1997; Acs and Szerb, 2007). However, such approaches degenerated into a negative sum game for the national economy as a whole (Acs and Szerb, 2007). With the emergence of the knowledge economy, the provision of financial incentives is no longer enough to secure inward investment as new requirements are needed to attract knowledge entrepreneurs and workers (Huggins and Izushi, 2007; Audretsch et al, 2008). As a consequence regional policy has evolved, with a shift towards bottom-up approaches focused on supply-side measures (Halkier and Danson, 1997; Amin, 1999; Lagendijk and Cornford, 2000;
Webb and Collis, 2000; Acs and Szerb, 2007). A new model of regional policy has emerged which is based on improving indigenous firms through softer measures such as advice and training (Halkier and Danson, 1997) and fostering entrepreneurship (Acs and Szerb, 2007).

Policy makers regularly express concern that some regions are lacking in suitable levels of entrepreneurship, particularly those with traditions of heavy industry (European Commission, 2003; OECD, 2003). Developing an entrepreneurial economy can be problematic for old industrial regions, as lock-in and restructuring remove assets for innovation from their areas, which undermines their capacity to capture global value and erodes their innovative capacity and their access to global innovative investments (Cooke et al, 2003; Benneworth and Hospers, 2007). In the absence of favourable conditions for the entrepreneur, appropriate policies must be developed if entrepreneurship is to become an established aspect of a regional culture. The policy view is that entrepreneurship can be developed and fostered by government action so that even the most economically deprived regions can be developed (Henry et al, 2003). To attempt to meet the challenges, a network of development agencies, which aims to promote entrepreneurship at the regional level, has arisen across Europe (Halkier and Danson, 1997; Parker, 2005).

Semi-autonomous regional development agencies have played a role in attempting to generate bottom-up policy and have come to figure in the institutional make-up of many European nations (Halkier and Danson, 1995; Huggins, 1997). The agencies have placed an emphasis on entrepreneurship and new firm formation, along with the upgrading of the technological capacity of existing SMEs and improvements in the regional skills base (Lagendijk and Cornford, 2000). The approach has stressed the central importance of the knowledge economy, innovation and the exploitation of indigenous capacity as a means to improve regional competitiveness (Lagendijk and Cornford, 2000).

Regional disparities in the UK are large and persistent (Rice and Venables, 2003). The policy view is that the best way to improve economic performance and overcome disparities is to invest in the drivers of productivity, including entrepreneurship; encourage greater regional and local flexibilities (HM Treasury, 2004); and empower agencies to spread economic well-being and opportunity to everyone in their region (HM Treasury, 2007a). To support policy development the government established nine Regional Development Agencies (RDAs) in England and transferred regional policy making to the Devolved Administrations in Scotland, Wales and Northern Ireland. By working through these agencies, the government’s aim was to make sustainable improvements in the economic performance of all UK regions and reduce the persistent gap in growth rates between regions (HM Treasury, 2007a). The policy
approach argued that there was “nothing inevitable” about regional disparities in the UK (Balls, 2007, p. 7) and that lagging regions could boost the national economy by exploiting their indigenous strengths via a “bottom-up” approach, which allowed for regional and local flexibility (Gonzalez, 2011). The policy aimed to strengthen “the essential building blocks of growth – innovation, skills, the encouragement of enterprise and investment – by exploiting the indigenous strengths in each region and city” (Balls and Healy, 2000, p. 12-13). In doing so, the government stated that the new way forward would tackle the causes of slower growth by empowering local people with the skills and confidence they need to start and grow entrepreneurial ventures (Balls and Healy, 2000, 2002).

In England, regional enterprise policy and strategy has fallen under the responsibility of the RDAs (Harding et al, 1999; Webb and Collis, 2000; Huggins and Williams, 2009; Pearce and Ayres, 2009). The RDAs were established under the Regional Development Agencies Act 1998 and formally launched in eight English regions on 1st April 1999 (Fuller et al, 2002), and were tasked with improving the relative economic performance of their region and to reduce social and economic disparities within and between regions (HM Treasury, 2001; McVittie and Swales, 2007; Pearce and Ayres, 2009). Since being established the RDAs have collectively spent over £2 billion on strategies to support competitiveness, investment and enterprise (RDA National Secretariat, 2007), and had a budget of £2.1 billion in 2008/09 and £2.1 billion in 2009/10 (HM Treasury, 2007b).

In July 2007 the UK government published its review of sub-national economic development and regeneration, which set out plans to ensure that every region and locality of the UK can benefit from rising prosperity (HM Treasury, 2007a). The review stated that the government had made “considerable progress in developing the institutional and policy framework necessary to promote growth and regeneration across the country, including through establishing Devolved Administrations in Scotland, Wales and Northern Ireland, [and] creating nine Regional Development Agencies (RDAs) in England” (HM Treasury, 2007a, p. 23). To further develop sub-national approaches to policy development, the review outlined plans to refocus powers and responsibilities to support economic growth at the regional, sub-regional and local level (HM Treasury, 2007a; Pearce and Ayres, 2009). A key role was outlined for the regional agencies, who are tasked with an enhanced strategic role to develop a single regional strategy to be agreed with local authorities, and a “sharpening” of their role so that they have a clearer focus on increasing economic growth with increased scrutiny by local authorities and strengthened performance management by central government (HM Treasury, 2007a; 2008; Pearce and Ayres, 2009). To do this, government aims to drive up entrepreneurship in the regions (HM Treasury, 2007a; 2008). The report also identifies a key role for Local Authorities in
harnessing entrepreneurship and tackling deprivation (HM Treasury, 2007a). The policy view is that economic development and neighbourhood renewal are interdependent and aims to tackle deprivation so that all localities can contribute to economic growth (Cabinet Office, 2005; HM Treasury, 2007a).

Despite this commitment, the regional approach to economic strategy has been criticised as lacking vision and cohesion between policy areas, and failing to identify truly regional issues, as regional planning guidance tends to replicate national policy rather than translating it into a regional context, leading to a lack of regional distinctiveness (Hull, 2000; Tewdwr Jones and Phelps, 2000; Charles and Benneworth, 2001; Peck and McGuinness, 2003). Indeed, Pearce and Ayres (2009) state that regional agencies lack sufficient resources to make a significant impact on economic disparities within regions. Furthermore, while it is clear that the Labour governments of 1997-2010 communicated a new regional policy (Balls, 2000; Balls and Healy, 2000; 2002; HM Treasury, 2007a), these strategies can be criticised for lacking clarity and offering only vague interpretations of what activities might take place in the regions and how regional development would be achieved.

More recently, in 2010 with the change in government in the UK, the Conservative-Liberal Democrat coalition government announced plans to replace the RDAs with Local Enterprise Partnerships, which will be joint local authority-business bodies to promote local economic development (HM Government, 2010). The change in governance appears that it will change the nature of regional and local policy intervention, although the government states that the Local Enterprise Partnerships will “take the form of the existing RDAs in areas where they are popular” (HM Government, 2010, p. 10). The change in policy reflects the development of the concept of city regions, which examines how economic activity clusters around an urban core (Clifton, 2008), as Local Enterprise Partnerships aim to reflect clusters of economic activity rather than artificial boundaries previously drawn, for example around the Regional Development Agencies. Furthermore, the government has announced the reintroduction of Enterprise Zones, which aim to foster locally led approaches to harnessing entrepreneurship (HM Government, 2010; DCLG, 2011). The Enterprise Zones aim to provide financial incentives for local authorities and communities to support and encourage local housing and business growth, to support local enterprise partnerships to establish collaboration between public and private sector and between different authorities to ensure that economic decisions are more business-led, lead to planning reform to ensure planning policy supports growth, and provide direct support through the Regional Growth Fund to give further help to areas where there are particular challenges or opportunities for local growth (DCLG, 2011).
Understanding Economic Resilience

Countries, regions, firms and individuals are all subject to a diverse and evolving environment (Bhamra et al, 2011). As such, groups and individuals need to be resilient in order to respond positively to external changes and shocks (Bharma et al, 2011; Burnard and Bhamra, 2011; Simmie and Martin, 2009; Sullivan-Taylor and Branicki, 2011). The term resilience has been used in a variety of fields including ecology, individual and organisational psychology, supply chain management and strategic management (Bhamra et al, 2011; Sullivan-Taylor and Branicki, 2011). Within the social sciences, the concept of resilience has emerged relatively recently, and consequently there is no universally agreed definition (Simmie and Martin, 2009). Indeed, Pendall et al (2008) state that the resilience metaphor poses the danger of conceptual “fuzziness”. However, the concept can prove useful for illuminating regional and local economic change (Pendall et al, 2008). As Simmie and Martin (2009: 27) state “how regional and local economies respond and adjust to ... disturbances and disruptions may well exert a formative influence on how they develop and evolve” and as such “the notion of ‘resilience’ would ... seem to be highly relevant to understanding the process and patterns of uneven regional development.”

Foster (2007: 14) defines regional resilience as “the ability of a region to anticipate, prepare for, respond to, and recover from a disturbance”, while Hill et al. (2008: 4) see resilience as “the ability of a region to recover successfully from shocks to its economy that either throw it off its growth path or have the potential to throw it off its growth path.” Simmie and Martin (2009) build on these definitions by asking whether the notion of resilience should also refer to the degree of resistance to a shock in the first place, not just the response, as an economy that suffers only limited impacts of a shock is more likely to recover than those who are severely weakened or disrupted. Consequently, Simmie and Martin (2009: 28) describe an economy’s ‘adaptive ability’ as the differential ability of a region’s or locality’s firms to adapt to changes and shocks in competitive, market, technological, policy and related conditions that shape the evolutionary dynamics and trajectories of that regional or local economy over time. This analysis develops a model of “adaptive cycles” which takes a four- phase process of continual adjustment (Peterson, 2000; Pendall et al, 2008; Simmie and Martin, 2009). The phases are: (1) the conservation phase, which is characterised as a period of stability and increased rigidity; (2) the reorganisation phase, which is characterised by a period of innovation and restructuring; (3) the exploitation phase, which is characterised as a period of growth and seizing of opportunities; and (4) release phase, which is a period of decline and destruction (Simmie and Martin, 2009).
Each of the four phases is characterised by varying levels of three dimensions of change: (1) the potential of accumulated resources available to the system; (2) the internal connectedness of system actors or components; and (3) resilience, which can be considered to be a measure of system vulnerability to shocks, disturbances and stresses, with high levels of resilience associated with creative and flexible responses (Petersen, 2000; Pendall et al, 2008; Simmie and Martin, 2009). In the context of regional and local economic development, accumulated resources would include factors such as the capabilities of companies, the skills of local works, institutional arrangements and infrastructure, and these factors would depend on previous paths of economic and social development in the area (Simmie and Martin, 2009). Internal connectedness relates to networks between local firms, knowledge spillovers, formal and informal business associations and labour mobility; while creative and flexible responses would depend on the innovative capacity of local firms, entrepreneurial capacity, new firm formation and access to finance (Pendall et al, 2008; Simmie and Martin, 2009). Movement between the phases may develop firstly through exploitation, in that regional growth is fostered, and human and social capital accumulate as new local industries exploit comparative advantages and external economies of localisation (Pendall et al, 2008: Simmie and Martin, 2009). Yet as this growth continues, the connectedness between the various components of the regional economy increases, and the pattern of development becomes increasingly rigid, and as such its resilience to potential shocks declines (Pendall et al, 2008: Simmie and Martin, 2009). If a shock does occur, economic development will stall and the following may occur:

Firms [will] close or move out of the region, the degree of connectedness declines and agglomeration of localisation economies lose their impact. Old patterns of production and institutional form unravel and resources are released. This opens up the possibility for a second release–reorganisation loop, characterised by innovation, experimentation and restructuring, as new types of activity begin to emerge. Connectedness is low, the potential for the creation of new paths high, the trajectories of development open, and thus resilience high. As the particular forms of new activity and new technologies are exploited, new comparative advantages develop and a new round of regional growth and accumulation is set in motion.

(Simmie and Martin, 2009, p. 34)

As this interpretation of resilience demonstrates, the role of individual actors and firms is of critical importance to the economic and social development of localities as they generate human and social capital, contribute to innovation and productivity,
and create more opportunities for others (Simmie and Martin, 2009; Sullivan-Taylor and Branicki, 2011). With regards to organisations, this view of resilience centres on a firm’s ability to withstand disruptions of all kinds (Ponomarov and Holcomb, 2009; Burnard and Bhamra, 2011; Demmer et al, 2011; Sullivan-Taylor and Branicki, 2011). Organisations must strive and continually adapt in order to sustain competitiveness and remain viable within uncertain environments (Burnard and Bhamra, 2011). Within organisations, resilience resides in both the individual and organisational responses to turbulence and discontinuities, and involves both the ability to withstand systematic discontinuities as well as the capability to adapt to new risk environments (Starr et al, 2003; Burnard and Bhamra, 2011). In examining the resilience of individual firms, Weick and Sutcliffe (2001) utilise a four-category framework, which encompasses:

(1) Resourcefulness: the capacity of managers to identify potential problems, establish priorities and mobilise resources to avoid damage or disruption

(2) Technical: the ability of managers to ensure that organisational systems perform to high levels when subject to extreme stress

(3) Organisational: the preparedness of managers to make decisions (however counterintuitive these might sound initially) and to take actions to reduce disaster vulnerability and impacts

(4) Rapidity: the capacity of managers to make decisions on threats without undue delay.

This approach links external shocks to other traditional challenges faced by small businesses, such as resource scarcity, cash flow and dependence on infrastructure (Storey, 1994; Weick and Sutcliffe, 2001; Sullivan-Taylor and Branicki, 2011). Storey (1994) states that uncertainty is a key facet of organisational life for the small firm, and therefore organisational level resilience can be considered to be anchored in the processes and resources focused on developing the competence and growth of an
organisation (Sutcliffe and Vogus, 2003; Burnard and Bhamra, 2011). As such, it is based on the capability to restore efficacy, the ability to effectively process environmental feedback and flexibly rearrange and knowledge and resources to overcome a given disruptive event (Sutcliffe and Vogus, 2003; Burnard and Bhamra, 2011). However, Barnett and Pratt (2000) state that rigidity is the primary response of an organisation to an external threat, and as such organisational opportunities for development and survival may be restricted. It is clear then, that more flexible responses are required, and those organisations who are able to absorb complexity and change and continue to adapt and grow will be those that succeed in overcoming shocks (Barnett and Pratt, 2000; Weick and Sutcliffe, 2001; Burnard and Bhamra, 2011).

With regards to individuals, resilience can be considered to be a ‘set of qualities’, encompassing flexibility, high motivation, perseverance and optimism (Cooper et al, 2004; de Vries and Shields, 2005). Flexibility is demonstrated when an individual shows a high tolerance for ambiguity (Hagevik, 1998; de Vries and Shields, 2005) and adaptable to changing circumstances (London, 1993; Cooper et al, 2004). Motivation for achievement is an important element as resilient people are considered to have multiple goals and that achievement is a continuous cycle (London, 1993; de Vries and Shields, 2005). Resilient people also demonstrate determination particularly when faced with a challenge (de Vries and Shields, 2005). In addition, resilient people are optimistic as they work to improve a situation beyond doing what is expected (Hagevik, 1998; de Vries and Shields, 2005). Consequently, the concept of resilience at the individual level can be considered to be made up of a number of multiple attributes that combine to give individuals a group of skills, knowledge and abilities, which can then be used to tackle individual challenges (de Vries and Shields, 2005). With regards to entrepreneurs, if resilience is seen to be a key factor in understanding the entrepreneur’s capacity to sustain a business venture, it is appropriate to look at resilience as a quality “as it may manifest in entrepreneurs who are successful in their ventures” (de Vries and Shields, 2005).

As is clear from the literature, firms and individuals all need to be resilient if long-term economic development is to be secured. A key component in helping to create the right circumstances for this to take place is the concept of civic leadership through the development of policies, strategies and collaboration (Hanson, 2009; Liddle, 2009). Indeed, Liddle (2009: 193) states that “city regions ... need clear lines of leadership and active involvement of civil society to fulfil their objectives.”

Profiling the Sheffield City Region
The Sheffield City Region has a population of approximately 1.7 million people, and contains the major urban areas of Sheffield, Doncaster, Rotherham, Chesterfield and Barnsley (Sheffield City Region, 2006). Historically, the Sheffield City Region has been a major economic centre in the north of England, with large coal and steel industries (Sheffield City Region, 2006, 2010a). However, with the decline of these industries and moves towards a knowledge-based economy, local and regional economies such as the Sheffield City Region have changed (Sheffield City Region, 2006, 2010a). Such changes in the economic structure clearly present challenges, and the long-term objective of the Sheffield City Region is to return the area to a pre-eminent role in the national economy (Sheffield City Region, 2006).

While the City Region was a major centre for coal, steel and manufacturing, the process of re-shaping its economy has begun, although the external image of the region still reflects the industrial heritage (Sheffield City Region, 2006). The Sheffield City Region economy has been through a number of stages which impact on its resilience now and in the future. In the 1970s and 1980s, the City Region had to contend with the effects of the re-structuring of the coal and steel industries, and this period can be seen as one of decline for the area (Sheffield City Region, 2006). Following this, the economy stabilised in the 1990s, with the development of a more diverse business base, investment in infrastructure and national economic growth (Sheffield City Region, 2006, 2010a). Since this time there has been a revival in the City Region’s fortunes. However, with the full impact of the recession and public sector spending cuts still uncertain, there remain significant challenges in developing a resilient, knowledge-based economy.

The Sheffield City Region has a fragmented economy, with Sheffield the strongest economic centre and increasingly interdependent with Rotherham, and can be described as “weakly monocentric” (Northern Way, 2009). While there are centres of employment outside Sheffield, such as Rotherham and Chesterfield, these are not as strong as Sheffield, and this means that not all areas in the City Region have benefitted from Sheffield’s growth (Northern Way, 2009). Employment levels in the Sheffield City Region (71.7%) are below the national level (74.2%), and unemployment has risen to approximately 5%, which is similar to levels seen in 1998 (Sheffield City Region, 2010b). The impact of the recession on young people has been acute, with a significantly higher increase in unemployed individuals under 25 compared to other age groups (Sheffield City Region, 2010b). There are also variations by locality, with employment rates highest in the Derbyshire Dales (83%) and lowest in South Yorkshire (70%). The City Region Economic Assessment found that there is a 27,000 jobs gap, and if the number and quality of jobs were to rise to the national average, a contribution of £3 billion would be made to GVA (Sheffield City Region, 2010c). Consequently, improving employment rates is seen to be crucial to not only social
well being but to economic development, and the challenge will be to offset job losses in the public sector with jobs growth in the private sector (Sheffield City Region, 2010b, 2010c).

With regards to entrepreneurship, the Sheffield City Region has historically had a low business to population ratio, although there was some improvement in the early 2000s (Sheffield City Region, 2010c). The number of VAT registered businesses grew by 5,600 between 2000 and 2007 to 43,675 or from 278 businesses per 10,000 of the adult population to 305 (Sheffield City Region, 2010c). The England average in 2007 was 419 businesses per 10,000. For the Sheffield City Region to have achieved this ratio another 16,250 VAT-registered businesses would have been needed to be established (Sheffield City Region, 2010c). Such figures contribute to Sheffield being seen as one of the least competitive city economies in the UK (Huggins and Thompson, 2010). Furthermore, the impact of the recession on business growth has been felt harder in the Sheffield City Region than nationally, with the number of businesses continuing to grow in England while the City Region stagnated leading to a further rise in the gap between the area and the average (Sheffield City Region, 2010c).

Despite these challenges, the Sheffield City Region literature states that the developing economy in the area is diverse and has the “resilience to weather the worst of the recession and to emerge stronger and more dynamic” (Sheffield City Region, 2010a, p. 6). In order to ensure that this occurs, the City Region states that localised responses need to be developed to global challenges, so that success can be built on the region’s reputation for innovation, creativity, engineering skills and manufacturing (Sheffield City Region, 2010a).

The Sheffield City Region Development Programme contained a vision for 2025 for the area to become “a pivotal international business location, closely connected to the major economic hubs of Leeds, Manchester and the South, recognised as one of the most successful city regions in Europe, sustained through the strengths of its distinctive urban and rural economies” (Sheffield City Region, 2006, p. 4). Further research has built on this vision, and demonstrates aims to secure the City Region as “an internationally recognised effective and efficient centre for new industries and new jobs” (Sheffield City Region, 2010a, p. 6). In order to meet this vision, the City Region states that it needs to: foster strong effective collaborations between the city, universities, the NHS and industry; build on the city’s history of innovation in materials, technologies and design; focus on taking knowledge to market through collaborative innovation; and ground collaboration in locations that effectively bring
investors, industry, researchers and users together to incubate new industries (Sheffield City Region, 2010a).
3. METHODS

The research approach adopted in this report is two-fold (1): an analysis of data generated from a series of semi-structured in-depth interviews with key stakeholders in the Sheffield City Region; and (2) an analysis and review of relevant policy documents relating to the Sheffield City Region.

In-depth interviews are particularly applicable to policy research, as they address objectives concerning contextual, diagnostic, evaluative and strategic issues and provide rich and worthwhile data (Burton, 2000). The interviews focused on the views, perspectives and experiences of key stakeholders working in the City Region economy. The stakeholders included representatives of the City Region’s city and town councils, Chambers of Commerce, and private sector economic development and regeneration consultants. In-depth semi-structured interviews were carried out with twenty-five key personnel who had responsibility for the development or implementation of enterprise, labour market and education policy and activities. A combination of face-to-face and telephone interviews were undertaken. It was a stipulation of the research that the participating individuals remained anonymous.

The interview schedule was initially piloted among the first stakeholders to take part, however little change was made to their overall content. The semi-structured nature of the interviews meant that a number of the scheduled questions raised further questions and issues, which were subsequently discussed and explored. This gave a broad and comprehensive view and understanding of the institutional context in which the stakeholders considered themselves to be operating. The framework provided the scope to ascertain both relevant data and provide an interpretative account of the role of policy development, strategy and delivery. The interviews were recorded and transcribed. From the transcriptions, responses were coded into themes to allow policy areas to be analysed which build on the outputs of the literature review. The analysis of the data explored themes, which emerged from the in-depth interviews, rather than being imposed by the researcher, using the constant comparative method of analytic induction (Bryman, 1989, 1998; Silverman, 2000).

As a first step in our review of policy documents, we identified all relevant reports published by government and its agencies at either a national, regional or local level. We then selected the reports for inclusion and then assessed the quality of each document in terms of their relevancy for this study, i.e. where there are substantive mentions of policies and issues relating to resilience in the City Region economy. We synthesised the findings from the individual documents and coded the contents to match as closely as possible the themes emerging from the in-depth interviews. As the following sections indicate, these themes broadly concern either the economic...
development or social development regional policy drivers within which entrepreneurship initiatives are couched.

The results are presented around the following areas which represent the key components of economic resilience: (1) economic structure; (2) enterprise; (3) a skilled workforce; (4) economic inclusion; (5) places and population; and (6) infrastructure and connectivity. We then examine the role of civic leadership in drawing each of these components together. The key components of economic resilience have been determined through the document analysis and the importance placed on them by the interview participants. Similarly, the role of civic leadership in the development of the key components was recognised by the stakeholders and is therefore analysed as an overarching theme of resilience in City Regions.
Economic structure

A key component in understanding the ability of a city region to be resilient in the face of economic recession and/or public sector spending cuts involves an examination of the economic structure of the area. In considering the economic structure of the Sheffield City Region, many stakeholders stated that the traditional manufacturing base represented a key strength of the area and that these strengths should be built on:

The only assets we posses that give us a USP are those around Advanced Manufacturing of Engineering Materials ... the AMP is critical to our success. There are plenty of other assets but not where we have a distinct offer from other areas. (Business Development Manager, Chamber of Commerce)

We need to build on our strengths, things like the Advanced Manufacturing Park and healthcare ... We have a strong business community with links to the old traditional industries and new developing ones. We need to build on it. (Investment Manager, Public Sector Organisation)

Many of the stakeholders stated that when compared to the past the Sheffield City Region of today was much more likely to be resilient to external shocks, including recessions and public sector funding cuts, as the economic structure of the area was much more diversified. In the past, stakeholders stated that there was too much reliance on a relatively small number of large-scale employers. However, given the decline of the traditional manufacturing base this reliance has declined:
Compared to twenty years ago, the economy is much more diverse. We are less reliant on large employers. That means it should be easier to bounce back from the recession. (Economic Development Consultant, Private Sector Organisation)

The traditional industries like coal and steel have declined and not been replaced. We still small elements of them, but things are a lot more diverse now. (Representative, Chamber of Commerce)

The City Region has a more diverse economy than it has done previously. Fifteen or twenty years ago we were too dependent on a small number of large employers and we have diversified more due to the decline of some of the traditional industries ... It may have been forced on us to a certain extent but overall we are probably better off for it. (Economic Development Officer, Public Sector Organisation)

Manufacturing is still important but it doesn’t create the jobs it used to. We need to develop businesses in new, high technology industries so that we continue to diversify. (Economic Development Officer, Public Sector Organisation)

Despite these views, there was concern among the stakeholders that the Sheffield City Region was over-reliant on public sector jobs, which means that public spending cuts will hit the area:
There are a lot of people employed in the public sector and as such the cuts to public funding will hurt the City Region. We need to look at how we can grow the private sector to compensate for those cuts. (Economic Development Consultant, Private Sector Organisation)

We lack a large private sector base. More than half of our employees are in the public sector. That is where the challenge is. (Business Development Manager, Chamber of Commerce)

While stakeholders based in all areas of the City Region commonly held such views, some of the respondents stated that these issues were more pronounced in some areas. For example, Doncaster was seen as a locality with particular problems in trying to harness private sector growth in the face of public sector funding cuts:

In Doncaster, lots and lots of people are employed in the public sector. The challenge will be redeploying those that are made redundant while at the same time growing our business stock ... We have lots of very small businesses, sole traders or people who employ two or three people, but we need to get more mid-sized businesses and support growth for those that have the potential to grow and employ more people. (Business Development Manager, Chamber of Commerce)

The stakeholders communicated the need to fully consider the future of the economic structure of the Sheffield City Region and how public sector job losses could be offset by private sector growth. With regards to the economic structure of the City Region, this was considered to be the key challenge in ensuring the economy
is resilient now and in the future. The research found concern among stakeholders that private sector growth would not be able to match or exceed public sector spending cuts. However, the stakeholders also stated that there was a need to tackle these challenges head-on and develop strategies, which would have the maximum impact. According to many of the stakeholders this required collaboration among partners to develop strategies, which support business growth in areas, which would have the most impact on future employment, productivity and innovation. This meant examining what competitive advantages the City Region had and trying to support growth in these areas. In particular, stakeholders saw growth potential in harnessing a larger number of businesses with export potential:

[We need to] increase the development of future products for future markets. Look at routes to international markets for SMEs. (Business Development Manager, Chamber of Commerce)

Growth, competitiveness and wealth creation comes before jobs. Formation of the Advanced Manufacturing Park is one of the region’s big activities and we need to build on that for the future. (Business Development Manager, Chamber of Commerce)

We need to increase the number of businesses in the City Region that export. That is where the growth will come from. (Economic Development Officer, Public Sector Organisation)

The stakeholders stressed that such activities were by their nature long term. However, they stated that strategies need to take a long-term view as the City Region would take time to grow following the recession and public spending cuts.

Enterprise

Successive UK governments have taken a number of policy approaches to promoting enterprise, with the overall aims being to improve productivity, close the enterprise gap with other leading economies and enhance social inclusion (HM Treasury, 2002; Huggins and Williams, 2009). Under the Labour government of 1997-2010 advice and
guidance for small businesses and entrepreneurs was delivered nationally by the Business Link network (Huggins and Williams, 2009), and a significant step was taken by the devolvement of economic development and entrepreneurship strategy and delivery to regional levels, exemplified through the establishment of Regional Development Agencies in England (HM Treasury, 2007a; Pearce and Ayres, 2009). The Conservative-Liberal Democrat coalition government elected in 2010 announced plans to replace the RDAs with Local Enterprise Partnerships, which will be joint local authority-business bodies to promote local economic development, and the establishment of new Enterprise Zones to foster locally led approaches to harnessing entrepreneurship (HM Government, 2010). The chance in governance appears that it will change the nature of regional and local policy intervention, although the government states that the Local Enterprise Partnerships will “take the form of the existing RDAs in areas where they are popular” (HM Government, 2010, p. 10). Such governance changes clearly provide challenges as well as opportunities for harnessing entrepreneurship in City Regions. The stakeholders stated that previous approaches supported an “any business will do” attitude brought about by a prevalence of targets for supporting entrepreneurs:

Business support has been over-saturated ... Providers have been too target-focused. Supporting 500 businesses is pretty pointless if they do not have the potential to grow. We need to get better at identifying those with the potential to grow. (Business Development Manager, Chamber of Commerce)

We need to move away from supporting lifestyle businesses. There has been support for anyone and it has had little or no impact on the City Region economy because they have been small and not increased employment. (Business Development Manager, Chamber of Commerce)

Some of the business start-up strategies can be questioned. If you look at something like Business Link the emphasis was on numbers. It didn’t matter what the potential of a business was, what its impacts might be, any business could be supported. But we need to be much more focused about who we support and who we don’t, not least because we don’t have the resources we have had over the last ten or fifteen years, but also the ‘any business will do’ approach has not
There has been unprecedented support for entrepreneurship over the last ten or fifteen years but it has had questionable impacts. We haven’t seen a huge increase in the start-up rate, so we need to look again at what works and what doesn’t. All of the investment hasn’t made us more resilient because the sustainability of the businesses supported can be questioned. (Economic Development Officer, Public Sector Organisation)

There has been too much support available for lifestyle businesses. We need to focus on those with the high growth potential. (Investment Manager, Public Sector Organisation)

Start-up rates have improved but we were starting from a low base, particularly in areas like Barnsley and Doncaster ... Too many are lifestyle businesses. We need more innovative businesses with the potential to grow. (Economic Development Officer, Public Sector Organisation)

The interviews found mixed views of the changes in governance brought about by the abolition of the Regional Development Agency, Yorkshire Forward, and new arrangements such as the Local Enterprise Partnerships, and what the implications would be for economic resilience in the Sheffield City Region. Some of the stakeholders expressed concern that inward investment projects which benefitted the region would not be won in future without a regional policy dimension, while others stated that the new governance structures presented an opportunity to rethink support for entrepreneurship:
The loss of the RDA has cleared the decks. It gives the councils and other stakeholders a better chance of supporting economic development more locally. (Economic Development Officer, Public Sector Organisation)

We are losing some of the recent structures, like the Regional Development Agency, and we will have a paired back Business Link, so we need to think about what the priorities are, and how we can use our resources most effectively ... We need to be more innovative and only support those businesses with the most potential. (Investment Manager, Public Sector Organisation)

The abolition of the Regional Development Agency will leave a vacuum. Not everything they did was good, but they could harness inward investment in a way that smaller organisations like Councils cannot do. The LEPs will struggle to have a regional dimension and the focus will no doubt be much more locally based. They are hamstrung by a lack of resources so it is going to be difficult to replace the structures that attracted investment into the City Region. (Economic Development Consultant, Private Sector Organisation)

The impact of the loss of the Regional Development Agency remains to be seen. They did some decent things, but their business agenda was not very strong. Sometimes it felt that they did not talk the language of business, that they didn’t understand entrepreneurs. Because of that I think they wasted a lot of time and wasted a lot of other peoples’ time. Sometimes people questioned whether they were really allies of businesses in the region. (Investment Manager, Public Sector Organisation)

Yorkshire Forward grew too big. People there couldn’t think innovatively. It lost its focus and I don’t think it helped to develop businesses in the region. It helped to attract some investment in but those companies are footloose and can move anytime. We need to do more to support growth among the businesses we have here. (Representative, Chamber of Commerce)
The stakeholders provided a lukewarm welcome for the new governance arrangements of Local Enterprise Partnerships and Enterprise Zones, stating that time would tell whether they are effective, but also providing recommendation on what they should be focused on:

New policies like the Enterprise Zones and Local Enterprise Partnerships have potential but only time will tell. We need to make sure they are focused on the right things, and that means supporting new start-ups and trying to attract in more investment. (Investment Manager, Public Sector Organisation)

For the Local Enterprise Partnerships, we need the focus to be on the key industries that will help us to grow and will help to build an effective supply chain that will create further opportunities for other businesses. (Economic Development Officer, Public Sector Organisation)

Enterprise Zones have been tried before and had limited impact, so there are question marks about whether it will work this time. We need to make sure that we fit it around areas that we already have strengths, so for example by linking things to the Advanced Manufacturing Park. (Economic Development Manager, Public Sector Organisation)

Enterprise Zones have the potential but they have quite a narrow focus. It is small beer really compared to the economic problems we face. (Economic Development Officer, Public Sector Organisation)

Despite concerns regarding the over-saturation of business support, the prevalence of targets, and the effectiveness of previous governance structures, some of the stakeholders stated that progress had been made in harnessing a more enterprising culture in the Sheffield City Region. By fostering a more positive culture, the stakeholders stated that individuals within the City Region would be more resilient to changes in the economy and more responsive to new opportunities:
Some programmes like LEGI have had benefits by engaging with groups that were previously excluded, for example in terms of some ethnic minority groups and potential female entrepreneurs. It has had some positive impacts in terms of facilitating a more entrepreneurial culture. It hasn’t had an impact in terms of broadening the business base, but some population groups now have a more positive enterprise culture so that is a positive impact. (Economic Development Officer, Public Sector Organisation)

We have made some progress in terms of fostering a more enterprising culture, through programmes like LEGI. But the benefits will only be seen in the long term. (Investment Manager, Public Sector Organisation)

Young people need strategies to be resilient. They need to be enterprising, to be able to calculate and take risks, to spot opportunities and to act on them ... That allows them to be flexible and to bounce back from any knocks they may face ... Some of the activities that have done, like LEGI and enterprise education in schools has supported young people in becoming more resilient. (Economic Development Officer, Public Sector Organisation)

As a result of issues around targets and support for lifestyle businesses, and perceptions of positive impacts in terms of culture, many of the stakeholders stated that lessons need to be learnt so that future support for entrepreneurship is more effective. To many of the stakeholders, this meant a more judicious view of which businesses to support and which did not require it.
Some of the targets we have had have not been very wise. They have been too ambitious and led to very small-scale businesses being supported ... We need to start again by focusing on high-growth businesses. (Investment Manager, Public Sector Organisation)

We need to think more clearly about what success means in terms of supporting entrepreneurship. Is it about number of jobs, quality of jobs, growth potential? ... We need to be more focused. Entrepreneurship is not a numbers game, and we need all of the stakeholders to understand where growth comes from, so that we are focused on the high growth potential businesses. (Economic Development Manager, Public Sector Organisation)

There has been too much emphasis on inward investment. The companies that have been attracted in don’t have a long term interest in Sheffield, they can move out at any time if conditions change. We need to look at supporting more businesses to grow from within the City Region, and will need to look at those that have the ability to innovate, employ people, and work in developing industries like digital technology. (Economic Development Officer, Public Sector Organisation)

The stakeholders stated that the reality of public sector funding cuts meant that resources are not now available to support any and all businesses. As such, more focused support was now required. According to the stakeholders, such focus should attempt to support those businesses, which have the ability to grow and contribute to the City Region’s resilience in the future. However, some of the stakeholders recognised that there were challenges in being able to “pick winners”, i.e. those businesses with the potential for growth. Yet despite this, the stakeholders stated that it was of paramount importance to support businesses with potential so that job losses in the public sector could be offset by growth in the private sector, and to ensure that the City Region is resilient in the future:
Picking winners obviously has its challenges but we can’t just assist every business that wants help. We need to be selective and only support those with the potential to grow. (Economic Development Manager Public Sector Organisation)

[We need to] grow the companies we have not to spend too much time on creating new companies. A significant proportion of this growth has to come from export or replacement of imports. (Business Development Manager Chamber of Commerce)

[Start-up targets] are always important but we should not chase numbers. We need to identify gaps and focus start-ups and FDI in those areas and how we can encourage businesses to expand their markets either nationally or internationally. (Business Development Manager Chamber of Commerce)

As an alternative to picking winners, some of the stakeholders stated that stakeholders need to partner on new schemes which can provide effective role models and mentoring for new businesses or those with the potential to grow:

We need more mentoring for smaller business, particularly by harnessing the expertise of the established businesses we have. We have got to look at ways for facilitating that. (Investment Manager, Public Sector Organisation)

We need local companies to act as City Region ambassadors so that we promote our area and provide inspiration to other entrepreneurs... There are lots of success stories but we need to advertise them more. (Economic Development Manager, Public Sector Organisation)
Clearly the new governance arrangements will impact on support for entrepreneurship in the Sheffield City Region. Yet with a more diverse economy and support for high-growth potential entrepreneurial ventures the stakeholders felt that private sector growth could assist in rebalancing the City Region economy.

Skilled Workforce

A further key component of economic resilience is the skills levels of the workforce. The stakeholders made clear that without a highly skilled workforce, new businesses would not be attracted into the City Region, and potential entrepreneurs in the area would not take up new business opportunities as they would lack the skills necessary to exploit them. The stakeholders said that equipping the workforce of tomorrow and meeting present skills needs now was a constant challenge:

The skills of the workforce are one of the key factors that businesses look at when making location decisions, so need to make sure that we have as skilled a workforce as possible if we are going to compete for knowledge-intensive jobs. (Investment Manager, Public Sector Organisation)

We need to get better at defining the skills gaps. What skills will we need in future? We need to look at what industries have the potential for growth and how we can help to support schools, colleges and Universities to ensure students are studying the right subjects and gaining the right skills for the future City Region labour market. (Economic Development Consultant, Private Sector Organisation)

Many of the stakeholders stated that skills levels were mixed in the Sheffield City Region, with areas of high levels of skills in stark comparison with low levels of skills.
We are behind other areas in terms of having a skilled workforce. Sheffield is doing OK because of its two Universities but the rest of the City Region is weak in terms of skills ... We need to identify what the key skills are, but much of that will be about school level teaching. There is little we can do to influence it. (Economic Development Officer, Public Sector Organisation)

Skills are a big barrier to growth. If you look at areas within the City Region, there are pockets of areas with low skills and we need to look at how these people can get into the labour market and upskill people through training ... Areas like Doncaster are quite weak in terms of skills levels when compared to Sheffield. (Business Development Manager, Chamber of Commerce)

It is a mixed picture ... We need to look at clustering more businesses around the Advanced Manufacturing Park. That will help to upskill local people as it will provide jobs in a developing industry. (Economic Development Consultant, Private Sector Organisation)

Three stakeholders stated that a key skills challenge in the City Region is trying to keep graduates in the area:
The Universities are doing a good job of pushing entrepreneurship and entrepreneurial skills ... we need to try to ensure that graduates stay in the City Region and see their careers progressing here, so that we can retain the next generation of entrepreneurs. They need to see the City Region as one that will allow them to achieve their goals. (Economic Development Officer, Public Sector Organisation)

We need to keep hold of more of our graduates, as they tend to move on. We need to ensure they are moving into the right level of jobs once they graduate so that they have a proper career progression. Too many end up in low skilled jobs and then move to other areas to find more skilled employment. (Economic Development Officer, Public Sector Organisation)

A lot of recent graduates stay in Sheffield but I don’t think there are a great many opportunities for them. They seem to stay in fairly unskilled jobs for a while and then move on. They don’t seem to see their careers progressing in Sheffield. (Economic Development Consultant Private Sector Organisation)

The perceptions of the stakeholders demonstrate that up-skilling the City Region’s workforce is an ongoing challenge, but with greater levels of collaboration between the private sector and public sector successes can be achieved.

Economic Inclusion

While promoting economic inclusion was seen as an important aspect in securing future economic development and resilience, many of the stakeholders stated that attempts to promote jobs and training opportunities were intrinsically linked to other aspects of resilience, particularly the economic structure, skills, infrastructure, entrepreneurship and leadership. The stakeholders recognised that there were areas of deprivation within the City Region, which need to be more effectively connected to local and regional labour markets so that residents in these areas are not further, excluded from the labour market. Holistic approaches to tackle these issues were recommended:
There are pockets of deprivation, where there are high levels of unemployment and low skills levels. Whole families are out of work. We need to think about ways we can bring them into the labour market ... We can only do that by supporting private sector growth across the City Region. (Economic Development Officer, Public Sector Organisation)

Some areas are really deprived and we need to do more to get them into the labour market. Much of what can be done relates to skills issues. We need training courses so that people can find work ... However, we also need to ensure that we are growing the private sector so that job opportunities are created, and that should be the focus. (Investment Manager, Public Sector Organisation)

Programmes like LEGI have helped but the issues are really complex. It requires co-ordinated action to create job opportunities and training opportunities. (Economic Development Officer, Public Sector Organisation)

As the responses above make clear, the stakeholders felt that economic inclusion could not be effectively tackled without fostering economic development and tackling the other interrelated facets of resilience in the Sheffield City Region.

Places and Population

With regards to perceptions of place, stakeholders stated that there is a need to develop a brand, which promotes the Sheffield City Region as a place to live and work. To many, this could help to attract more creative people to the area and thereby contribute to the growth of the knowledge economy and subsequent resilience. In comparison with other City Regions, many of the stakeholders felt that the Sheffield City Region was less effective at promoting itself:

We need to get better at promoting the things we have done and our success stories things like the Advanced Manufacturing Park. That will help to build up the brand of the City Region. (Economic Development Manager Public Sector Organisation)
We need to push the Sheffield brand more. There are a lot of good things we can shout about and we need to advertise them more. Other places like Manchester are good at promoting themselves and we need to learn from them. That way, we can attract more inward investment and skilled people in to live here. (Economic Development Manager, Public Sector Organisation)

We certainly need to do more to promote the City Region brand so people recognise it as a desirable place to live and to work. Manchester has done that effectively and we can learn from other places. (Economic Development Officer, Public Sector Organisation)

The Sheffield City Region lacks a profile. We are punching below our weight. There is a lot that we can be proud of, particularly our heritage and how we have built on that. We need to build a strong identity based on that. (Economic Development Consultant, Private Sector Organisation)

Many of the respondents stated that promoting place required a joint-up strategy among key stakeholders so that competitive advantages could be identified and communicated:

We need a new identity. We are still seen as the Steel City and we need to move away from that but without forgetting our traditional strengths ... We need an identity that effectively communicates how we are developing a knowledge based economy. (Economic Development Consultant Private Sector Organisation)

People still see Sheffield as a traditional manufacturing place even though most of that activity has gone now. We need to communicate new messages about the new knowledge economy and build on our strengths such as the Advanced Manufacturing Park and spinouts from the
Universities. (Investment Manager Public Sector Organisation)

As the data shows perceptions of place and population were seen as important by the stakeholders. In particular, there is support for promoting perceptions of the Sheffield City Region as a centre for the knowledge economy so that economic growth and future resilience can be secured.

Infrastructure and Connectivity

The stakeholders stated that infrastructure and connectivity of the Sheffield City Region would critical in securing growth and resilience. Many of the stakeholders stated that the City Region was ideally located to exploit UK markets:

We are in a good location for the UK market. We are in the middle of the country and have decent links to other areas... However, we need to support infrastructure projects that allow us to expand our market. The airport [at Doncaster] is not really an international hub as it is fairly short haul, so we need to look at how that can be expanded so we can attract more international business in. (Economic Development Consultant, Private Sector Organisation)

Our location is good. We are in the middle of the country and the M1 is an asset for the City Region. It provides good access to UK markets, but we need to make sure we are lobbying to improve transport infrastructure, to ease the pressures on the roads, so that we can export goods and services more easily. (Economic Development Officer, Public Sector Organisation)
Some of the stakeholders stated that some progress had been made with regards to supporting infrastructure developments:

We have already had some success with the link road from the airport funded through the Regional Growth Fund. But we need to look at what investment we can harness which will help with the infrastructure so that we get more investment. (Economic Development Manager Public Sector Organisation)

Other stakeholders stated that investment should prioritise links between the City Region and the South East of England, and internationally through Doncaster Robin Hood airport:

Transport and infrastructure should be the priorities. We need to look at high speed rail to link us up better with London and the South East and to open up international markets ... That is where real gains can be made. (Business Development Manager, Chamber of Commerce)

Infrastructure is really important. The airport is a reasonable asset to have but does not operate on the same scale as Manchester. We need to look at ways we can expand it to open export markets and promote inward investment. (Investment Manager, Public Sector Organisation)

Connectivity to London is vital. We need to improve travel times to the south as that opens the market up ... We need to invest in having faster links. (Investment Manager, Public Sector Organisation)

Many of the stakeholders stated that success in harnessing infrastructure investments would depend on the ability of local public and private sector
organisations to work together to lobby central government, and clear leadership regarding what projects should be prioritised. The connected issues of leadership and collaboration are discussed further in the next section.

Civic leadership

In discussing the key components of economic resilience, including economic structure, a skilled workforce, enterprise, economic inclusion, places and population, and infrastructure and connectivity, the stakeholders emphasised that a critical overriding factor in making strategies work is the notion of civic leadership and the collaboration it can foster. Many of the stakeholders stated that the Sheffield City Region had seen effective leadership in recent years, in particular relating to the leadership of the city of Sheffield, and that this had allowed a joined-up vision to be developed and delivered:

You need strong civic leadership to make things happen. You need the vision and the strategy to be determined from the top and then everyone can get on board with it and contribute to development ... I think that has been pretty successful in Sheffield in the last 10 years. (Economic Development Officer, Public Sector Organisation)

You need the right personalities to take things forward, to grab hold of the things that matter. I think the City Region has benefitted from some good leadership and it has certainly improved some aspects of the city of Sheffield. It is a much more attractive city now than compared to ten years ago, both for residents and businesses, and the leadership of the city should get credit for that. (Economic Development Consultant, Private Sector Organisation)

The leadership of the city of Sheffield has had a good strong vision and that has benefitted the physical regeneration of the city ... with the new administration time will tell whether it will have the same clarity of vision and the same quality leadership. (Economic Development Consultant, Private Sector Organisation)
To some of the stakeholders, the potential of civic leadership was overstated. Four stakeholders stated rather than viewing leadership as the key role of public sector stakeholders, they should instead see themselves more as “enablers”, thereby allowing other stakeholders and the private sector to lead on economic development:

You need the willingness to lead and obviously leadership is important. But leadership is really more about empowering people. We need the people of the City Region to be empowered to drive the economy forward by setting up businesses creating jobs innovating etc. (Economic Development Consultant Private Sector Organisation)

Leadership is important but we need to take care that we do not overstate the role of the public sector. The ability of the public sector to drive things forward is fairly limited. Ninety-nine per cent of businesses in the City Region are not driven by the public sector, they would rather the Council got out of the way ... So there is a role for leadership in terms of creating the right environment for business growth, but care needs to be taken that we do not intervene too much and think we can solve every issue through effective public sector leadership. (Economic Development Officer, Public Sector Organisation)

To me, leadership is about getting out of the way and letting the private sector to work. That would be really effective leadership. (Economic Development Consultant, Private Sector Organisation)

Leadership is obviously important but the Council can’t create the jobs we need. It will take private sector leadership if we are to create wealth and growth ... Job creation is not the same as wealth creation. (Representative, Chamber of Commerce)
However, despite these views, the majority of the stakeholders felt that the key stakeholders in the Sheffield City Region had a critical role in bringing different groups together and ensuring that visions are realistic and that they are delivered against. As such, a key aspect of leadership was seen to be the ability to foster effective partnership arrangements. The majority of the stakeholders felt that collaboration in the Sheffield City Region had been effective, but that more could be done to ensure that each of the Local Authorities worked together on shared strategies:

We are looking at mechanisms to facilitate more collaboration. I think it is already fairly good, people work together quite positively in the City Region, but there are obviously ways we can improve it ... We need to make sure that we are focused and all of the stakeholders are moving in the same direction. (Investment Manager, Public Sector Organisation)

Collaboration is good in the City Region. The public and private sectors have worked well together in recent years. (Economic Development Manager, Public Sector Organisation)
Collaboration is reasonably good but we don’t share intelligence enough. We need a more strategic view of collaboration so that we maximise the benefits of sharing knowledge, for example to facilitate knowledge transfer out of the Universities and into the local business population. (Economic Development Officer, Public Sector Organisation)

The public sector organisations are currently working a new economic master plan and we need to make sure that people ‘own’ it, and that includes the council, the private sector, the Universities etc. We need to make sure everyone is pulling in the same direction and that the master plan is realistic and reflects reality ... The key stakeholders in the City Region need to make sure we bring people together and deliver on it. (Invest Manager, Public Sector Organisation)

We need a high level steering group that is not too large. There is too much talking and not enough action, so we need a small group who is charged with taking things forward... Parochial conversations can derail things so we need a powerful steering that is representative across all the different areas of the City Region ... We need effective leadership to get an effective steering group moving forward. (Economic Development Consultant, Private Sector Organisation)

Some of the stakeholders commented that effective partnership; in particular the public and private sectors working together closely would lead to better long-term planning:
The large private sector employers want to know what the long-term strategy of the city is. They want to know what is happening with the supertram, shopping schemes, whether there will be a congestion charge. We have to get the leadership and vision right, and make sure that we are communicating the right messages that support our desire to grow the private sector. (Economic Development Manager, Public Sector Organisation)

If we work closely with businesses both large and small we can make sure we are taking their views on board and we can create an environment where the private sector can plan in the long term ... The large businesses can see the City Region as somewhere they can be based in the long-term and where they can prosper and grow. (Invest Manager, Public Sector Organisation)

Many of the stakeholders felt that the Local Enterprise Partnerships would provide a test for how effective partnership working is in the City Region, as it requires the public and private sectors to work closely together. Some of the stakeholders stated that the LEPs would bring the different Local Authorities within the City Region together and that this would assist in the development of joined-up economic development strategies:

Whether the LEPs work or not remains to be seen but at least it seems to be bringing the Local Authorities together. Previously I don’t think they have collaborated very much so it should help to start to focus people on what strategies are appropriate at the City Region rather than just in the individual towns and cities. There are partnership opportunities that need to be exploited like investing in and improving our infrastructure ... The City Region needs to provide a single voice for making those investments happen. Each Local Authority is ultimately responsible to its own electorate but we should all be able to work together positively. (Investment Manager Public Sector Organisation)

The LEPs make it clear that there is a need for private sector leadership to drive things forward. It is early days but hopefully the LEP can be the vehicle, which drives forward more effective collaboration between the public and private sectors. (Economic Development Officer, Public Sector Organisations)
Sometimes there is the view that Sheffield is the City Region and the other towns are forgotten about. But there are gains to be made if we can work together effectively. We need more joined up thinking among the stakeholders in the different locations in the City Region. (Representative, Chamber of Commerce)

In individual areas the leadership has been good, but collectively it has not worked so well. We need all of the areas to get together, to break out of our local roles, so that we can develop strategies and plans which benefit the whole of the City Region. (Economic Development Officer, Public Sector Organisation)

The LEPs need strong leadership, which helps each of the towns, not just Sheffield. The Councils and other stakeholders need to get together to look at how we can help to develop all the areas of the City Region. (Economic Development Officer, Public Sector Organisation)

Many of the stakeholders stated that while collaboration worked fairly well in the Sheffield City Region, closer collaboration between public and private sector stakeholders and Universities would benefit the area’s economy.

We don’t work closely enough with the Universities and there is tremendous potential there to tap into academic expertise and facilitate knowledge transfer with local businesses ... I think the Universities could be more proactive in sharing knowledge to benefit the City Region’s businesses. (Economic Development Manager, Public Sector Organisation)

There is obviously a wealth of talent and knowledge within the Universities, and there is a wealth of resources in the students. We need to see how we can link that up better with the local business community. (Representative, Chamber of Commerce)

Universities need to get better at talking the language of small businesses. We need to see the relevance of academic research and knowledge transfer more as it can really benefit businesses in the City Region. Universities and other
stakeholders need to get together to make it happen more fluidly and effectively. (Business Development Manager, Chamber of Commerce)

I don’t think the Universities are very good at connecting with the outside world. They need to be more outward looking. That would have benefits for them in terms of applying research and would benefit the local economy through knowledge transfers. (Economic Development Consultant, Private Sector Organisation)

We need more effective channels for taking academic expertise into businesses. We need an interface to allow knowledge transfer to take place ... It has worked really well with things like the Advanced Manufacturing Research Centre, but it would be good to see more of that kind of activity going on, particularly in terms of new business sectors like digital and health industries. (Investment Manager, Public Sector Organisation)

The Universities could add value to our economic development plans. We should seek to get their input into the process by drawing on their expertise. (Economic Development Officer, Public Sector Organisation)

As is clear from the analysis of the interviews, all respondents felt that civic leadership was an important element in economic resilience. However, interpretation of what civic leadership means differs between stakeholders, with some arguing for a strong leadership in developing strategy and ensuring that other stakeholders are on board in meeting visions, while others recommend a more non-interventionist role for local leaders, with leadership being equated with removing barriers to business start-ups and growth and allowing the private sector to flourish. Despite the divergence of views, all stakeholders agreed that whatever role was played, partnerships were key to making strategies work in the City Region, with a requirement for the private and public sector to work together more closely, and for universities to be more active in spreading knowledge in the local economy.
5. **CONCLUSIONS**

The report has shown that countries, regions, firms and individuals are all subject to a diverse and evolving environment, and resilience is required in order to respond positively to external shocks. The term resilience has been used in a number of fields and within the social sciences can be considered to be an emerging concept with no universally agreed definition. Despite this, when examined as individual and organisational responsiveness to change, the concept is useful for illuminating regional and local economies. This report examines the concept of economic resilience in relation to the Sheffield City Region. In doing so, it contributes to the development of concepts of resilience and how it applies to economic development, and examines how areas of the UK can adapt to the recent recession and public spending cuts to ensure that future resilience is secured. The report utilises definitions of resilience as the ability of a region to anticipate, prepare for, respond to, and recover from a disturbance (Foster, 2007) and the ability of a region to recover successfully from shocks to its economy (Hill et al, 2008). It follows Simmie and Martin’s (2009) development of the theory to examine an economy’s ‘adaptive ability’ which describes the differential ability of a region’s or locality’s firms to adapt to changes and shocks in competitive, market, technological, policy and related conditions that shape the evolutionary dynamics and trajectories of that regional or local economy over time. This interpretation of resilience demonstrates the key role that individual entrepreneur and firms play in economic resilience. Consequently, the research explores the ability of the Sheffield City Region’s entrepreneurial community and capacity to contribute to resilience. The following conclusions represent the key findings and implications of the research.

**Conclusion 1: Economic development strategies need to build on the strengths that the Sheffield City Region possesses and also need to fully consider the wellbeing of all citizens and communities so that the most vulnerable are supported.**

The economy of the Sheffield City Region has evolved from one dominated by traditional coal, steel and manufacturing industries to one which is now more diverse. Although the external image of the City Region remains rooted in its traditional industrial strengths, the area now contains more jobs within the knowledge economy. Yet the Sheffield City Region has a fragmented economy, with Sheffield the strongest economic centre and increasingly interdependent with
Rotherham, while other areas have not experienced similar levels of growth. Getting growth in these areas will be a key challenge for policy and strategy makers. The research also finds that high levels of public sector employment, high levels of unemployment (particularly in some concentrated areas of the City Region) present key challenges. In overcoming these challenges, the stakeholders communicated the need to foster private sector growth, particularly by building on existing strengths in the City Region economy, including the Advanced Manufacturing Park and links to traditional industries to support new supply chain development. Similarly, the stakeholders stated that there needs to be a clearer focus on high-growth potential entrepreneurship and those businesses with export potential.

Employment levels in the Sheffield City Region are below the national level and have risen since the start of economic downturn. Furthermore, levels of entrepreneurship in the Sheffield City Region have historically been low and the impact of the recession on business growth has been felt harder in the Sheffield City Region than nationally, with the number of businesses continuing to grow in England while the City Region stagnated leading to a further rise in the gap between the area and the average. The full impacts of the recession on the City Region remain to be seen; while at the same time public spending cuts will impact on employment in the area. Clearly then, there are patent challenges that face the Sheffield City Region, particularly how the loss of jobs in the public sector can be offset by private sector growth and how greater levels of entrepreneurship can be fostered so that the area continues to grow and prosper and secures future resilience.

**Conclusion 2: The Sheffield City Region needs to ensure that new governance arrangements and strategies are implemented carefully making positive use of and building on the partnership arrangements that exist. Failed strategies will compound the challenges that the City Region faces and partnership between stakeholders will be crucial.**

With the changes in governance structures in the City Region, including the abolition of the Regional Development Agency (Yorkshire Forward), reduction in Business Link services, and the introduction of Local Enterprise Partnerships and Enterprise Zones, the stakeholders felt that new opportunities had arisen to refocus enterprise support. By focusing on high-growth potential businesses the stakeholders felt that the City Region would become more resilient as it would lead to higher levels of employment in the knowledge economy, and more potential for innovation and
productivity gains. While some stakeholders also stated that with the demise of Yorkshire Forward inward investment projects would be more difficult to bring into the City Region; however some stated that this created opportunities for Local Authorities, in partnership with other local agencies and the private sector, to develop enterprise strategies which were local and bottom-up in nature.

According to the stakeholders interviewed, a key component in fostering economic resilience in the Sheffield City Region is the notion of civic leadership. Many of the stakeholders provided positive views regarding leadership in the City Region in recent years, which has allowed a joint-up vision to be developed and delivered. The majority of the stakeholders felt that the key stakeholders in the Sheffield City Region had a critical role in bringing different groups together and ensuring that visions are realistic and that they are delivered against. As such, a key aspect of leadership was seen to be the ability to foster effective partnership arrangements and many stakeholders felt that collaboration in the Sheffield City Region had been effective, but that more could be done to ensure that each of the Local Authorities worked together on shared strategies. Many of the stakeholders felt that the Local Enterprise Partnerships would provide an opportunity and also be a test for how effective partnership working is in the City Region, as it requires the public and private sectors to work closely together. Some of the stakeholders stated that the LEPs would bring the different Local Authorities within the City Region together and that this would assist in the development of joined-up economic development strategies. Furthermore, many stakeholders stated that the expertise in the City Region’s Universities needed to be harnessed more effectively to ensure that the local economy benefits from the knowledge within higher education. These stakeholders felt that Universities needed to become more outward looking so that they can work more closely with local stakeholders and so that knowledge transfer can be facilitated.

**Conclusion 3: The Sheffield City Region needs to communicate its successes both within the local area and outside it.** Clear and illustrative examples of positive economic development activity either within the private sector or supported by the public sector can allow individuals and institutions to learn from others and be positively influenced by activity taking place in the Sheffield City Region.
Despite concerns regarding the over-saturation of business support, the prevalence of targets, and the effectiveness of previous governance structures, some of the stakeholders stated that progress had been made in harnessing a more enterprising culture in the Sheffield City Region. By fostering a more positive culture, the stakeholders stated that individuals within the City Region would be more resilient to changes in the economy and more responsive to new opportunities. In order to take this forward and continue to improve the culture of the City Region, the research finds that there is a need to communicate positive messages about the area so that citizens and businesses can be inspired, and so that businesses outside the area can be attracted in. The stakeholders stated that South Yorkshire is still seen as being a traditional manufacturing base, and while there are still strengths in some traditional sectors, new messages about the knowledge economy, which is growing in the City Region, need to be communicated.

**Conclusion 4: A model of local shared leadership is required to underpin the economic development strategies of the Sheffield City Region so that effective governance in delivering services can be formed. A mentality of local ownership needs to be cultivated.**

It is clear civic leadership represents a core theme, which needs to link together the other key components of economic resilience, including economic structure, a skilled workforce, enterprise, economic inclusion, places and population, and infrastructure and connectivity. As stakeholders in this report made explicit, civic leadership is the critical overriding factor, which can facilitate the successful realisation of strategies across the Sheffield City Region. Sustainable collaboration amongst relevant stakeholders within the City Region can lead to effective leadership and governance enabling the smooth implementation of policies across the City Region. Sheffield City Region has benefitted from clear leadership in recent years, which needs to continually be built upon so as to deliver the outputs for the good of the City Region.
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