An Economic Strategy for Doncaster

Doncaster
Metropolitan Borough Council

Doncaster
discover the spirit

Contents

1 Mayor's Foreword

As Mayor of Doncaster and Chair of the Discover the Spirit Board I am delighted to introduce the Borough's new Economic Strategy. This strategy is our framework for achieving Doncaster's ambitious, aspirational, and global vision:

> "By 2025 Doncaster will be a city of international significance able to attract and retain a growing population with world-class skills in the creative and technological industries that drive the regional economy"

The Borough of Doncaster is on the up; this strategy sets out how we will capitalise on the town's new-found success and continue to build for the future. The strategy is focused on strengthening our performance on Skills, Innovation, Enterprise and Business Growth, Inward Investment and Economic Diversity, Connectivity, and Culture. The strategy sets out a framework for further developments of our emerging cities infrastructure whilst retaining a key focus on balancing economic growth with environmental sustainability.

The strategy is also clear on how we shall shape economic growth so that the jobs that are now coming to Doncaster benefit the people living in the Borough. Our new economic boom must lead to greater prosperity and greater opportunities for the young people of Doncaster - if it doesn't then, quite simply, we will have failed.

The scale of the challenge is clear, and yet through working in partnership to deliver this economic strategy we have the potential to effect real economic change and significantly improve the quality of life of existing and future residents.

Success breeds success - and a successful town or city is one that has a quality mix of business and enterprise; a diverse and innovative skills base, quality public services supported by modern infrastructure and a rich cultural offer. This Economic Strategy is our tool for ensuring that we get this 'mix' right in Doncaster.

There is no doubt that much hard work remains ahead of us. But, we have a strong sense of direction that will invigorate our drive for a more successful and prosperous Doncaster.

Martin Winter

Mayor Martin Winter

2 Chair of Enterprising Doncaster Foreword

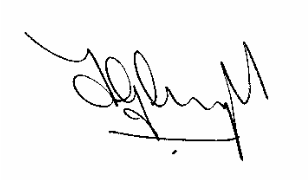
As Chair of Enterprising Doncaster I represent a partnership of businesses and public sector agencies who are driving forward the work, skills and enterprise agenda in Doncaster. The Economic Strategy presented here gives us real clarity on what our priorities are and where we need to focus our efforts.

The Strategy presented here is in many respects not a typical Economic Strategy. The strategy is based on an understanding that if we want to create the conditions for economic growth then we need to create a vibrant and enterprising city with strong neighbourhoods and bustling communities. That is why this strategy tackles some of our deep rooted problems in our communities whilst also focusing on the big projects that continue to change our skyline.

The progress in Doncaster in the last ten years has been impressive, but if we as a partnership want Doncaster to achieve its 2025 vision then we must be even more ambitious and innovative in our approaches to tackling worklessness, improving skills, and encouraging enterprise. The business community has a key role to play in ensuring we do this for the benefit of us all and we are committed to working together to find solutions to the many challenges that we face.

By ensuring that Doncaster's businesses can access the right talent and skills in our workforce, and by preparing our future workforce with the right skills to promote innovation and enterprise then our firms we will be well placed to respond to an ever changing and competitive economic climate.

This Economic Strategy puts us on a firm footing for future prosperity. There is not one individual agency or organisation that can turn this ambitious strategy into reality. Strong partnerships are key and the Enterprising Doncaster Board is committed to ensuring we deliver our ambitions for a vibrant, enterprising and prosperous Doncaster



Terry Bramall
Chair, Enterprising Doncaster

3 Executive Summary

A proud industrial heritage...

Doncaster has a proud industrial heritage. Throughout the industrial revolution and into the 20th Century, key industries for Doncaster included locomotive manufacture, glass and iron production and munitions during WWII. Post-war, coal extraction was by far the most important industry although this began to decline in the late 1970's and had collapsed by the late 1980s. Since then, Doncaster like other coalfield areas, has been seeking to redefine itself and diversify into other sectors. In recent years it has developed several new key strengths, which builds on its world class connectivity including a specialism in logistics, and a newly opened International Airport, which will help to maintain the momentum of economic recovery. Moreover, the borough's heritage of product development and production provides a strong legacy to build on.

The Borough has a fantastic offer in terms of quality of life, with a mix of market towns, an increasingly vibrant and dynamic Urban Centre and a mix of urban and rural settlements. The worlds oldest classic Horse Race the St Leger has its home in the Borough and new events such as the Hot House Festival continue to add to the cultural and social offer.

Doncaster's undoubted potential is now being realised. Over the last 5 years the borough has moved demonstrably from a strategy of managing decline to one that seeks to promote, accelerate and manage growth. We can do more - by building on Doncaster's strengths and working in partnership - we are well placed to once again be renowned for excellence in production, design and innovation.

Doncaster's businesses, both existing and new to the Borough will drive economic growth in the Borough. Our existing businesses are the towns' wealth creators – and in many respects the Borough's growth will be linked to how well our businesses shape and influence the economic environment. This interaction may be around skills, the type of business support we promote, how our physical regeneration can best support growth and how we raise the aspirations of our residents. Many of the Borough's businesses are our ambassadors nationally and globally – we are building a city of international significance and it is vital that they are engaged in promoting the Borough as a place to invest and do business.

An exciting future ...

Doncaster's Mayor and partners have led the development of a new long-term vision for Doncaster. It reflects the challenges and opportunities that the future presents:

"By 2025 Doncaster will be a city of international significance able to attract and retain a growing population with world-class skills in the creative and technological industries that drive the regional economy"

Doncaster has ambitions to be come a City because they are widely recognised as the drivers of economic growth and in an increasingly global economy, competition between cities and larger towns to attract businesses is intensifying. To be successful in such a competitive environment, Doncaster must ensure that it can provide businesses with the factors they need to grow, including skilled people, efficient transport networks, and access to facilities and knowledge providers to support innovation. Failure to provide these factors would result in successful local businesses relocating elsewhere, limited inward investment, relative economic decline, and a lack of prosperity for the resident population.

Recent years have seen a significant pick-up in the volume of investment in Doncaster and employment growth since 2000 has significantly outstripped regional and national averages. The delivery of major transformational projects demonstrates the progress that has been made. But Doncaster still has a significant output and employment rate gap with the UK average; there is clearly potential for Doncaster to do even better.

Like many towns and cities, Doncaster continues to suffer from pockets of severe deprivation – areas with a high incidence of poor housing, high levels of worklessness, and low levels of qualifications in the resident population. Experience elsewhere has shown that economic growth can be a powerful force in tackling deprivation but that effective public sector support to link residents of less well off communities to economic opportunity is required.

An Economic Strategy to set the direction …

This Economic Strategy has been developed in consultation with key stakeholders. The Strategy aims to further enhance economic growth in Doncaster by supporting the growth of local businesses and attracting higher value-added inward investors. Only by doing this will Doncaster close the output gap and increase the volume and quality of employment opportunities for its residents. The Strategy has also been developed to ensure that the benefits of economic growth accrue to all communities across Doncaster, especially those with a high proportion of residents who are economically disadvantaged.

The Strategy is designed to stimulate growth in high potential growth sectors where new jobs created require high skills levels and in return, provide high levels of earnings. A number of the interventions proposed are designed to enable this transition. But the Strategy does not discount other growth sectors where the balance of skills is more mixed. In particular, there is a significant opportunity to support continued employment growth in Logistics, a sector that offers a diverse set of employment opportunities, some of which are suitable for less well qualified residents. Worklessness remains a significant problem in a number of Doncaster's communities and opportunities for less well qualified workless people to enter the job market are needed.

Creating opportunities is not enough on its own. Those who have been outside the labour market for some time require tailored support to re-enter it. This may include work readiness and skills programmes. A comprehensive package of support will be available to our communities to help access support with a focus on communities where worklessness is high, with increasing job opportunities in the town centre, near to the M18 junctions, and at the airport. This will include a multi-dimensional approach to removing barriers to work (such as frequent and reliable public transport services from communities to key employment sites and enterprise support such as managed workspace). The continued focus on neighbourhood and local renewal announced through the Comprehensive Spending Review 2007 will provide support here and the new Working Neighbourhoods Fund will target resources more intensively according to neighbourhood deprivation.

The vision that underpins the Strategy is to develop a ladder of opportunity in Doncaster, so that working age people have opportunities to develop their skills and increase their earnings, young people are able to achieve high levels of qualifications and access well- paid local jobs, and people of all ages have access to the high quality services that enable a good quality of life.

Doncaster is a recognised key growth driver within the sub-region. The Economic Strategy sets out a range of interventions which the Borough will need to work with geographic partners to deliver. The Council and partners are committed to working together across the sub-region and beyond where advantage can be gained from collaboration. The Strategy will be the framework for collaboration on a whole range of issues, including that of skills, worklessness, innovation whilst ensuring that the Borough develops tailored solutions at local levels to meet the need of our residents and indigenous businesses.

Delivered in partnership …

The Economic Strategy forms a key evidence base for Doncaster's Borough Strategy and its 3yr Local Area Agreement. The delivery of this strategy is the responsibility of Doncaster's Local Strategic Partnership. The council and its partners will develop a 3 year business plan for the delivery and implementation of the economic strategy this will set out reporting, strategy and delivery arrangements. The priorities will be drawn down into a range of action plans for each strand of the strategy, with lead agencies clearly identified and working together to deliver the priorities, ensure that we align resources and jointly commission activity, and establish clear monitoring and evaluation arrangements. The evidence base will continually be refreshed and deepened and high-level political, executive leadership and sufficient officer capacity will underpin the approach to ensuring we achieve our 2025 vision.

A significant productivity gap …

If Doncaster's economy were performing at the England average (defined as output per head per annum), its total output would be £830m higher each year. Its actual output (£3.2bn) compares to a national average of £4.1bn.

The Productivity Performance Factor category is the single most significant contributor to Doncaster's productivity gap, accounting for £718 million of its total value. This sets a major challenge for Doncaster to improve its industrial sector mix as businesses in Doncaster are less productive than the England average. This is explained by a number of factors including lower levels of capital investment per employee; lower levels of innovation and associated product and process improvements, and the poorer skills base within the economy. The risk of not delivering the strategy is clear with economic projections highlighting that it will take 301 years on current trends for Doncaster to close the output gap.

The Local Development Framework Employment Forecasting Annex to this paper identifies three potential employment growth scenarios for Doncaster to 2025, which forecast employment growth of between 11,000 and 34,500 jobs to 2025. Given recent growth and the borough's potential, the Strategy proposes an ambitious but realistic increase of 34,500 jobs to 2025. The Strategy will be a key tool in shaping the Local Development Framework for the Borough by setting out our key growth sectors, areas of focus and economic ambitions up to 2025.

A Strategy to Achieve …

The strategy is designed to close the output gap by allowing the Borough to:

- Increase employment growth overall and in high productivity sectors by 10,000 (24%) from 41,000 in 2005 to 51,000 by 2025.
- Shift the economy towards higher skilled and value added jobs in all sectors.
- Increase skills at all levels (In line with the ambitious Leitch targets) including an increase in the higher-level skills base (NVQ4+) by 36,000 (108%) from 33,000 to 69,000 in 2025.
- Move 15,600 residents into employment by increasing the working age employment rate from 71% to an aspirational target,(commensurate with the Lisbon agenda) of 80% by 2025.

So where do we need to focus?

An extensive review of the evidence on city competitiveness indicates seven critical success factors, they are:

- Skilled Workforce
- Innovation in Firms and Organisations
- Economic Diversity of the Industrial Base
- Connectivity
- Quality of Life
- Availability and Cost of Business Premises
- Strategic Capacity to Mobilise and Implement Long Term Development Strategies.

The Economic Strategy is built on a review of Doncaster's capability against each critical success factor and an assessment of what Doncaster needs to do to improve its performance. A summary of the findings for each factor follows.

Skilled Workforce

A skilled workforce is one of the key factors influencing business location decisions and it is clear that a highly skilled workforce is commanding an ever increasing premium. The qualification profile of Doncaster's workforce lags behind comparator cities and the UK average. Doncaster has a relatively low proportion of its workforce qualified to first degree level or above, and a relatively high proportion below the Level 2 threshold (equivalent to five GCSE A*-C passes and viewed by Government as the minimum level needed for sustainable employment).

For young people, improvement is also needed. School GCSE results are below those achieved in comparator areas, as is post-16 participation. National vocational education reforms and Building Schools for the Future (BSF) investment should help raise participation and attainment, but to close the gap with the national average, further intervention is required. Consultations with Doncaster employers reveal that low aspirations amongst many young people in Doncaster is seen as a constraint on their educational success. A number of stakeholders believe that this is exacerbated by the lack of a comprehensive higher education offer in Doncaster and a perceived lack of higher skilled and well paid jobs.

Workforce upskilling is vital if Doncaster is to close its output gap and achieve the level of prosperity for its population that it desires. Greater opportunities for Doncaster's employees to acquire additional qualifications are needed and improved employer engagement will be vital to enable this. For key sectors within Doncaster, a better understanding of employer future skills needs is required, to help shape future provision and intervention strategies and to support careers guidance within schools.
Enhanced learning opportunities for working age people currently outside the workforce are also important, as low levels of qualifications are in many cases a significant constraint on sustainable employment. A 'skills escalator' approach is required, whereby lower skilled people in employment receive training and qualifications to move into higher skilled roles, creating opportunities for less well qualified workless people to enter employment and training.

Connectivity

Excellent connectivity supports the movement of goods, facilitates networking, and enables the efficient functioning of labour markets. Multi-modal transport connectivity is one of Doncaster's key strengths, given its excellent motorway and ports access, its position on the East Coast mainline with fast rail journey times to London (and with the opening of St Pancras International, onwards to continental Europe), and its new airport. There is potential to utilise Doncaster's transport assets further, particularly the airport, and derive increased benefits. Evidence from other towns and cities indicates that the successful development of an airport can support growth in new industrial sectors, as well as generate substantial direct employment in more traditional sectors such as aviation services.

A strategy for the development of the airport is needed, as is action to improve ground access. Concerted action by Doncaster partners is needed to ensure that Finningley and Rossington Regeneration Route scheme (FARRRs) goes ahead. Proposals such as the multi-modal Inland Port highlight that investors in the logistics sector recognise Doncaster's excellent multi-modal transport offer and greater effort is needed to market this strength to employers in other sectors (e.g. financial and business services) to increase the supply of higher skilled jobs in Doncaster and reduce commuter outflows.

Improving internal connectivity within the Borough with a focus on ensuring that access to Doncaster Town Centre, existing and new major developments is good, particularly for those most in need and that Doncaster's transport system is safe, sustainable and attractive, helping to protect and enhance local communities and the environment. Bus patronage is significantly lower in Doncaster than is some comparator cities. There is a need to improve public transport services in some outlying communities to better link local residents to job opportunities elsewhere in the borough. This is particularly true for areas with a high incidence of workless residents.

Innovation in Firms and Organisations

Globalisation and intensifying competition means that innovation – the development and implementation of new products and processes - is ever more important for business success. A high level of innovation is a feature of 'knowledge-intensive' industries and successful cities attract knowledge intensive businesses. The factors that persuade such businesses to move to one city in preference to another include proximity to knowledge providers, networking opportunities, and access to business support functions and finance providers.

Doncaster's economy is less knowledge intensive than comparator cities. Attracting more knowledge intensive companies to Doncaster will require appropriate infrastructure and a more highly skilled workforce. There is also evidence that links between regional knowledge providers and Doncaster's companies are weak and action is needed to strengthen these. It is important that Doncaster firms are tied into Further Education and Higher Education institutions and innovation support schemes.

Economic Diversity of the Industrial Base

A skilled workforce and innovative companies can support a diverse business base with strong specialist niches – a combination that makes economies less at risk from structural economic change. Doncaster has moved towards a more service based economy in recent years, although it remains biased towards public services and faces a significant challenge to increase employment in higher value added business and other service sectors. There is potential to build on recent strong employment growth in the business services, creative and digital industries, and environmental technologies sectors. To sustain this in future, against competition from other cities, a more strategic approach to addressing the needs of companies in these sectors is required.

The most successful economies have a high level of business creation and enterprise. Doncaster has a significant enterprise gap with just 35 new businesses for every 10,000 working age people in 2005, well short of the England average figure of 52. The scale of the gap suggests that new initiatives such as Success Doncaster (LEGI) will not be sufficient on their own to close this gap.

Quality of Life

Quality of life refers to a diverse set of physical and intangible factors that determine the attractiveness of an area as a place to live. This has become increasingly important, as growth industries become more reliant on attracting highly skilled mobile workers. Studies stress the primary importance of a 'buzz factor' (restaurants, cultural activities etc) whilst recognising that the quality of core local services, especially schools and hospitals remain crucial in attracting and retaining mobile employers and employees.

The benchmarking annex shows Doncaster's relative performance against a wide range of quality of life indicators. The analysis suggests that Doncaster has a number of strengths and areas where further progress is needed, as summarised in the table below.

Existing Strengths	Areas for Improvement
House price affordability: As a proposition for inward investors/locators Doncaster's relatively low average house price to wage ratio is a critical advantage. Local tax: lower council tax than most comparator cities. Public Transport: better user satisfaction ratings than many areas. Healthcare: Primary Care Trust: has a high rating. Attractive Rural Locations: Market towns and villages	Environmental quality: high CO_2 emissions per capita and need to focus on low carbon solutions to economic growth. Parks and green space: relatively low user satisfaction ratings. Cultural offer: relatively low user satisfaction ratings with museums and arts activities/venues. Schools: weak examination results relative to most comparator cities. Crime: higher rates than many comparator cities (though there have been recent noticeable improvements). Housing: Housing Affordability for Doncaster residents in the low income bracket remains a key issue. Raising income levels alongside improving the supply of Affordable Housing has to be a priority.

Doncaster performs well on functional quality of life indicators such as housing affordability (in terms of potential new investors and residents) but needs to make progress on areas that are known to be important for attracting more highly qualified workers, particularly school performance and its cultural offer. There is potential to market the existing cultural offer more powerfully and to develop new infrastructure, building on the significant imminent investment in the Civic and Cultural Quarter. There is also strong evidence that comprehensive physical regeneration of a city can revive its economic prospects and the pace of regeneration of Doncaster town centre must not be allowed to slow.

With the increasing concern of climate change - underpinning quality of life is environmental sustainability. The sustainability appraisal of the core strategy (December 2005) notes some synergies and potential tensions. The synergies include the regeneration of the town centre and neighbourhoods and minimising excessive development on the A1 corridor. The real tension is the continued growth of logistics and the airport against the targets to reduce greenhouse gas emissions. Other big challenges include the very real risk of flooding and the continued social deprivation and economic challenges within the borough. The strategy has a cross cutting theme of environmental sustainability which means that as well as the opportunities that low carbon solutions may bring there may be occasions where economic development proposals may need to be foregone where the effects prove too harmful. Environmental sustainability will be embedded in all of Doncaster's activity.

Availability and Cost of Business Premises

Studies have consistently found that the availability, cost and quality of employment land and premises are important factors in business location decisions and city competitiveness. The development of a strong business premises offer is especially important for small and medium sized urban centres, which can potentially gain from overspill effects from larger cities. Whilst the availability of suitable business premises will not on its own drive city competitiveness, where quality premises are in low supply, an area is likely to suffer from low levels of inward investment and the loss of local firms seeking to expand.

The benchmarking of Doncaster's employment land availability against comparator cities indicates that the growth of businesses in the higher valued added service sector is being constrained by a shortage of office floor space, which is reflected in relatively high rental values. Doncaster needs to build on existing initiatives to increase the supply of and demand for town centre office premises. This would support the attraction of higher skilled jobs and create demand for higher value leisure activities in the town centre (e.g. restaurants).

A review of previous research specific to Doncaster also indicates that more start-up premises should be made available in Doncaster town centre and in local communities, to support enterprise and the growth of local micro enterprises.

Strategic Capacity to Mobilise and Implement Long Term Development Strategies

All these success factors need to be underpinned by strong leadership to secure long term change. The best performing cities have strong governance arrangements and partnerships to implement transformational economic plans. This so called strategic capacity underpins the development of the other success factors, all of which are highly dependent on the development of physical assets.

The Economic Strategy will require widespread political and stakeholder support if it is to be successfully implemented. Strong partnership working arrangements are required to align funding streams and develop robust delivery mechanisms to support large-scale change. The Neighbourhood Model provides a strong starting point for delivery of the Strategy and DMBC and partners should review whether any enhancements are needed to the Model. DMBC should also take the lead in assessing the adequacy of partnership arrangements to deliver the Strategy and explore the best way of promoting Doncaster's potential as a future growth area to Government.

Implementation of the strategy and its development going forward should be set in the context of initiatives and plans in neighbouring towns and cities. A number of stakeholders see a need for DMBC to work more closely with decision-makers in neighbouring centres to explore strategies that will maximise their joint competitiveness. This will become increasingly important in future as proposals for decentralisation and devolution are implemented.

What will we do? : A proposed Intervention Strategy ...

In light of the evidence, the intervention strategy provides an ambitious but realistic set of activities building on the substantial progress that has been made in the last decade or so. The strategy seeks to realise the continued physical transformation of the borough and exploit the increasing level of developer interest. It builds on the borough strengths (transport connectivity and potential premises for instance) and focuses on the other ingredients required for economic growth (skills and engagement, enterprise and diversity, urban revival and innovation).

Interventions are grouped into nine themes, which are underpinned by a genuine desire to succeed in three cross-cutting areas:

The achievement of environmental sustainability: The economic strategy will help to reinforce the messages in Doncaster's Climate Change White Paper, Carbon Management Programme and Greenspace Strategy and promote economic policies and activities that are 'environmentally-friendly' and sustainable. The aim would be to ensure the strategy does not encourage a significant increase in greenhouse emissions and promotes low-carbon opportunities.

Exceptional quality of life and quality neighbourhoods within the borough: The Borough must seek to provide the highest quality of life and quality neighbourhoods for its residents. This will mean the highest quality education, health, housing and community safety for the residents of the Borough. Without this offer the Borough will not retain or attract the skilled residents and wealth creators that the Borough's success will rely on. The importance of this agenda in Doncaster is reflected in a specific Social Regeneration and Working Neighbourhoods theme but also fundamentally has to be recognised as a cross cutting issue if Doncaster is to continue to build prosperous communities by promoting 'working neighbourhoods' and continued renewal. The third sector has the potential to make an important contribution to the delivery of services.

Delivery capacity: Strong partnerships and effective partnership working, both within the city and with key external partners – e.g. other cities and national government, is a feature of all successful cities. Doncaster will build informal strategic alliances with partners to develop a coherent wider area strategy.

1 Stimulating Technology, Innovation and Enterprise: by promoting the key ingredients for a knowledge economy and supporting business start-up. This includes the development of a technology park, a knowledge exploitation and product development support programme including links to universities and specialist support. Doncaster will become synonymous with product development and known for its technology know-how.

2 Promoting a 21st Century Skilled and Diverse Workforce: through intensive support for the current and future workforce by building on existing assets; raising young people's aspirations; upskilling the workforce and achieving full university status. This will be supported by an overarching skills strategy offering a framework for the city strategy implementation plan; a workforce diversity strategy (the future workforce will include new migrants; older workers and people with disabilities) and a range of activities including adult learning, building schools for the future and an occupational health programme.

3 Exploiting Robin Hood's Growth and Doncaster's Exceptional Connectivity: by having a catalytic effect on economic growth through a co-ordinated airport strategy; the exploitation of increased passenger and freight traffic; the promotion of air intensive sectors and airport related activities and enhanced multi-modal access (including access to new employment opportunities). This will accommodate a mechanism for the wider regeneration of the borough through employment and opportunities for residents and young people and include an environmental mitigation programme.

4 Repositioning Doncaster - Inward Investors, Marketing and Image is about projecting a very powerful and compelling external image including an immediate focus on the town centre, improved web based and wider marketing activity and increased collaboration with city region, UK and EU partners. In addition to city region partners, engagement with stakeholders in the wider region such as Hull and Leeds will be just as important.

5 Fostering a Dynamic Urban Core: achieving transformation of the urban core and the provision of a balanced portfolio on a scale not witnessed since the post war period. This entails the realisation of current redevelopment in the city centre (CCQ; St Sepulchre Gate West and Great Street, the Waterfront) and the wider urban core (including Lakeside and Town Moor) and the creation of a ladder of accommodation from smaller flexible space (including managed workspace and incubation) to strategic sites and city centre office accommodation. Doncaster will continue to develop niche retail units, bars and restaurants and develop an ambassador or advocates programme to make the town an even more welcoming place. This will be achieved by promoting the best in urban design and architecture in a sustainable manner promoting zero carbon solutions and quality green and public space.

6 Supporting Economic Diversification and Sector Growth: with a continued intensive focus on Doncaster's niche sectors to increase the volume and quality of jobs available for residents. These comprise of expanded advanced logistics employment, airport and cargo freight opportunities and joint training initiatives with a focus on new technologies and 'eco-logistics' solutions. The Creative and Digital industries will have its own strategy, major assets and package of support and financial and business services will be attracted to the borough. Events and visitor economy will acquire a new momentum with investment in cultural assets; marketing of Doncaster and its hinterland; and a focused approach on potential new markets. This will be underpinned by a high quality customer service offer, an unprecedented St Leger series of events and new 'buzz' around the city centre.

7 Social Regeneration and Working Neighbourhoods. This theme will underpin the successful economic transformation of the borough through a series of measures to encourage strong, cohesive and working neighbourhoods. In summary translating the Economic Strategy to neighbourhood level.

8 **Economic inclusion**: Tackling Worklessness. The Sub-national review of economic development and regeneration (SNR) recommended reforms that place local government at the heart of creating prosperous communities. This theme will focus on engaging neighbourhoods in economic renewal through a concerted partnership approach to tackling worklessness in our communities – in this sense for Doncaster social inclusion is a key component of successful economic transformation.

9 **A Quality Housing Offer:** Housing has a profound impact on a cities ability to attract and retain talent, to house a growing workforce, to support the development of safer, stronger and sustainable communities and raise the aspiration of its residents. It is clear that the Borough will not achieve its 2025 vision without linking its economic growth plans with those for its Housing offer, both in the amount of new Housing, and the type of Housing the Borough's future residents will demand.

2. Introduction

2.1 Context

Doncaster is the largest metropolitan borough in England. It is a borough 'on the up', with a rapidly transforming economy and is recognised as a key driver for the Sub Region. A growing logistics base and the continued success of the Robin Hood Doncaster Sheffield Airport are fundamental to this development. Hundreds of millions of pounds worth of new investment has been brought into the borough over the last few years and the delivery of major transformational projects demonstrates the progress Doncaster is making towards becoming a European City of significance.

Doncaster's Mayor and local Strategic Partnership have led the development of a new long-term vision for Doncaster. It reflects the challenges and opportunities that the future presents:

"By 2025 Doncaster will be a city of international significance able to attract and retain a growing population with world-class skills in the creative and technological industries that drive the regional economy"

Despite this impressive progress, Doncaster still has a significant output gap with the UK average and is also behind many urban areas in Europe which are of a similar size and have a similar industrial heritage (e.g. Warrington, Bochum, and Eindhoven). The success of these comparator towns and cities is built on a combination of factors, with the following being particularly important:

- A highly qualified workforce;
- A diverse, knowledge intensive and innovative industry base;
- Excellent connectivity with other towns and cities.

Cities are now widely recognised as the drivers of economic growth and in an increasingly global economy, competition between cities and larger towns to attract businesses is intensifying. To be successful in this highly competitive environment, Doncaster needs to ensure that it has a strong offer to businesses across a range of factors. Failure to provide such an offer would result in relative economic decline and a lack of opportunities for the resident population.

Doncaster suffers from pockets of severe deprivation – areas with a high incidence of poor housing, high levels of worklessness, and low levels of qualifications in the resident population. Experience elsewhere has shown that economic growth can be a powerful force in tackling deprivation but that effective public sector support to link residents of less well off communities to economic opportunity is required.

2.2 Historical Economic Context

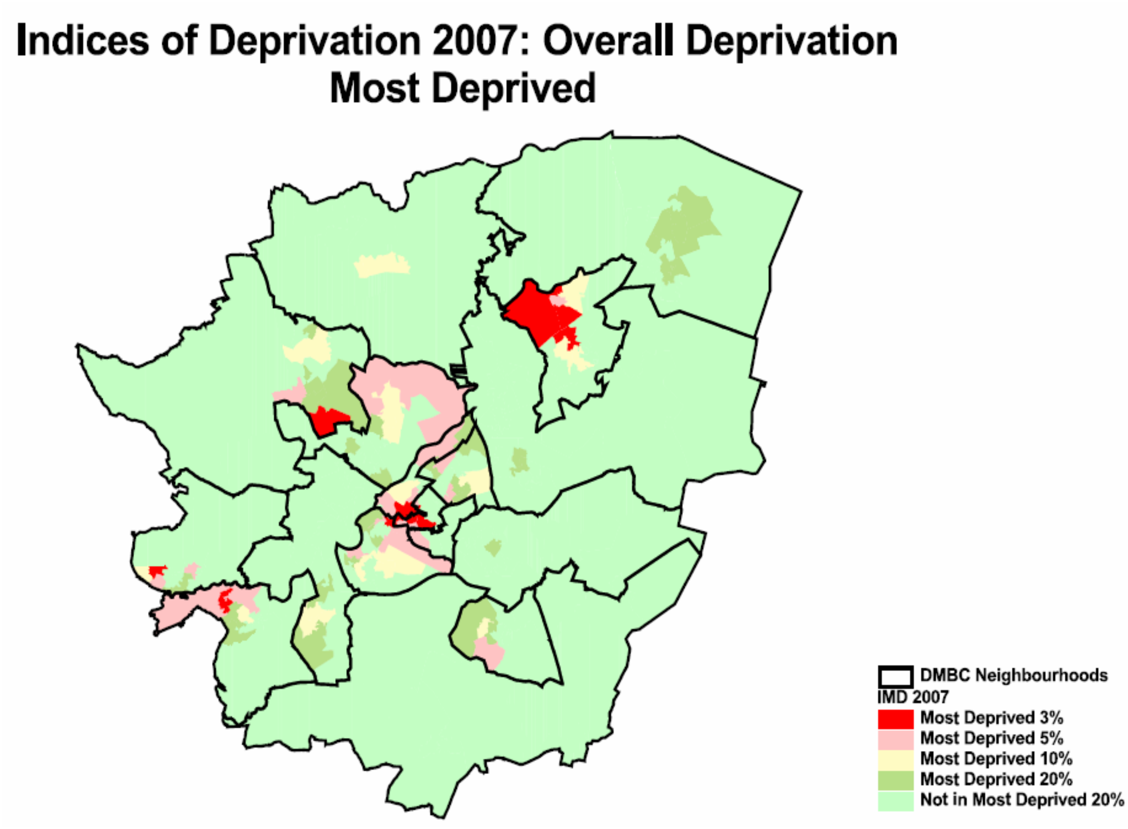
Throughout the industrial revolution and into the 20th Century, key industries for Doncaster included locomotive manufacture, glass and iron production and munitions during WWII. Post-war, coal extraction was by far the most important industry although this began to decline in the late 1970's and had collapsed by the late 1980s. Since then, Doncaster like other coalfield areas, has been seeking to redefine itself and diversify into other sectors. In recent years it has developed several new key strengths, including its specialism in logistics, and a newly opened International Airport, which will help to maintain the momentum of economic recovery. Moreover, the borough's heritage of product development and production provides a strong legacy to build on.

2.3 Purpose of the Economic Strategy

The overarching purpose of the Economic Strategy is to articulate a strategy for enhancing economic growth in Doncaster by supporting local business growth and attracting new businesses to the borough. Only by increasing the performance of indigenous businesses and attracting higher value-added inward investors will Doncaster close the output gap (see chapter 3.0 later) and increase the volume and quality of employment opportunities for its residents.

The Strategy is designed to maximise the impact of public sector support in making Doncaster an increasingly attractive destination for business location. Based on an assessment of Doncaster's strengths and weaknesses across the factors that determine urban area competitiveness, and taking into account existing initiatives, the Strategy sets out an intervention framework designed to enhance the attractiveness of Doncaster as a business location and ensure that its residents are able to benefit from the resulting job opportunities.

An important aim of the Economic Strategy is to ensure that the benefits of economic growth accrue to all communities across Doncaster, especially those with a high proportion of residents who are economically disadvantaged. The shaded areas in the figure below represent areas of relatively high disadvantage, based on the 2007 Indices of Multiple Deprivation. Ensuring that residents in these areas can access employment opportunities is essential for the future success of Doncaster's economy.



Extensive consultation with stakeholders has been undertaken in developing the Strategy and it has widespread support amongst partners. As such, it should support more effective partnership working and facilitate future discussions of options for increasing economic growth in Doncaster.

2.4 Service Delivery Infrastructure (Neighbourhoods)

All DMBC front line services are now delivered on an area basis through the Directorate of Neighbourhoods. Services to communities are now grouped as multidisciplinary teams across the three

Local Area Agreement themes, which is designed to join up once distinct services and provide a holistic approach to service planning, commissioning and delivery. These themes reflect national and local priorities. They are:

- Children Young People and Schools (CYPS)
- Safer, Stronger and Sustainable Communities (SSSC)
- Healthier Communities and Vulnerable People (HCVP)

As many of DMBC's services as possible will be delivered through Neighbourhoods, including the activity outlined within this Economic Strategy.

DMBC has established a model that places Neighbourhood Managers at the centre of local decision-making. Each of whom is responsible for one of 16 Neighbourhoods across the borough. Neighbourhood Managers have a remit to join up services at the Neighbourhood level to align services more closely to local need.

Services designed to link people more explicitly to opportunity include the following:

- Outreach in and focused on our most deprived communities – with individual support tailored to the needs of the individuals (labour market, skills, confidence building etc with commissioning agencies working together to join up services at local level)
- Tailored marketing and communications to specific client groups
- Engagement with our communities through local service delivery infrastructure – bringing a more coherent economic offer at neighbourhood level
- Working closely with voluntary and community sector at local level
- Job brokerage / job shops at local level with community referral points to ensure local people can maximise job opportunities
- Local business/employer forums to link local needs to area and borough wide service provision

DMBC will seek to continue to embed activity under the Economy and Enterprise theme into the Neighbourhood structure to help to exploit the potential within our businesses, communities and individuals by bringing an economic dimension to its approach of localised service delivery building on the opportunities provided by the Local Enterprise Growth Initiative and Doncaster's status as a City Strategy pathfinder. These initiatives add a fourth *Economy and Enterprise* element to Neighbourhood activity.

2.5 What's in this Economic Strategy?

The rest of this strategy is structured as follows:

- Chapter 3: Sets out the scale of the economic challenge facing Doncaster and the potential for employment growth.
- Chapter 4: Considers the factors that drive urban area competitiveness and how Doncaster compares to comparator cities. The implications for Doncaster in terms of what it needs to do to narrow the output gap are discussed.
- Chapter 5: Assesses Doncaster's relative strengths and weaknesses and looks at existing plans for delivering economic development.
- Chapter 6: Based on the evidence set out in chapters 4 and 5, this chapter outlines an intervention strategy to quicken the pace of economic development in Doncaster.

3 The Scale of the Challenge

3.1 What is the Doncaster Prosperity Gap?

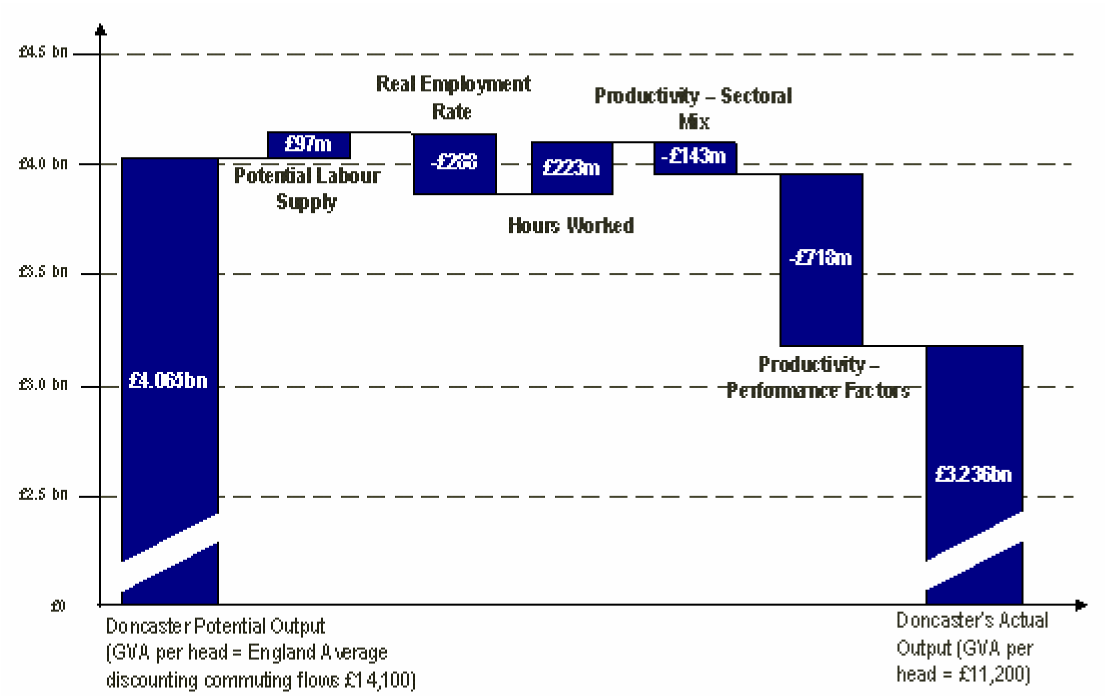
Total output per resident is below the English Average. In 2003 GVA per resident was £11,200 compared to £16,600 across England, which represented a significant gap in potential output. Commuting patterns will contribute to this output gap, as Doncaster residents that work elsewhere will be contributing to the economic output of the workplace economies. However, commuting patterns aside, the 'lost output' for high levels worklessness and un-productive workplaces represent a far greater concern for the Borough.

Even after accounting for the commuting factor, output per head in Doncaster is £2,750 below the English figure. Bringing this figure in line with the national level would generate an additional £830 million for the Doncaster economy and achieving this will significantly improve the standard of living of its residents.

The risk of not delivering the strategy is clear with economic projections highlighting that it will take 301 years on current trends for Doncaster to close the output gap.

The output gap can be attributed to a range of labour market characteristics, such as the real employment rate and productivity of the workforce, illustrated in the figure below. The following sections of this chapter demonstrate how the Doncaster labour market must adjust in order to close this gap, and identifies targets to help achieve this, including employment levels, skills distribution, and the employment in high productivity sectors.

Components of Doncaster's Prosperity Gap



Starting from the left had side of the diagram, Doncaster's potential output is £4.1bn[1]. Moving to the right, the impact of various factors on Doncaster's productivity are shown:

Component of Gap	Impact on Doncaster	
Potential Labour Supply	£97 million	A higher proportion of Doncaster's population are of working age, increasing its total output
Real Employment Rate	-£288 million	A high incidence of worklessness reduces Doncaster's actual output
Hours Worked	£223 million	On average, Doncaster employees work longer than their national counterparts
Productivity - Sectoral Mix	-£143 million	Employment in Doncaster is skewed towards lower productivity sectors
Productivity – Performance Factors	-£718 million	Described in greater detail below, this refers to the low productivity of workforce, after the sector mix has been taken into account.

The sum of these various impacts accounts for the £830m gap between potential output (£4.1bn) and actual output (£3.2bn).

The Productivity Performance Factor category is the single most significant contributor to Doncaster's productivity gap, reducing output by £718 million. This factor shows that after correcting for differences in industrial sector mix, businesses in Doncaster are less productive than the England average – the business mix is biased towards lower value-added activities across industrial sectors, and output per hour worked is lower.

As an example, consider financial and business services. Relative to other broad industrial sectors, this is a high value-added sector and Doncaster has relatively low employment in this sector. This impact is picked up by the Productivity – Sectoral Mix category. Within financial and business services, there are a wide range of business types, some higher productivity (e.g. fund management, tax consultancy), and some lower productivity (e.g. industrial cleaning, call centres). The Productivity Performance Factors category picks up the impact of Doncaster having a business mix within a given sector that is biased towards lower productivity activities.

A range of factors will contribute to this gap, notably:

- Lower level of capital investment per employee – productivity is linked to the level of investment in both human and capital inputs. For a given level of human capital, a higher rate of investment would generally be associated with higher levels of output. For example, in manufacturing processes, this may refer to the degree of automation, where as in office based employment it may refer to investment in appropriate ICT and software etc.
- Low levels of innovation and associated product and process improvements – the use of innovative processes within an industry may directly impact on an organisations productive capacity. In many cases, competitive advantage is associated with an innovative advance.
- The poorer skills base within the economy – the skills base of an economy is strongly related to productivity levels, with highly skilled individuals more able to perform higher value activities and undertake activities more efficiently.

Summary

This analysis highlights the scale of the challenge facing Doncaster. Productivity is significantly lower than the England average and tackling this is the major challenge for Doncaster. It requires improved performance across a range of areas, particularly workforce skills, levels of innovation in the business

[1] Based on output per head at the England average level and adjusted for commuting flows

base, and levels of capital investment. Doncaster needs to attract higher-value added businesses/business functions to the district and support indigenous businesses to increase value added. Success in this area would lead to a more vibrant economy and increased employment opportunities, securing further output benefits through reductions in worklessness.

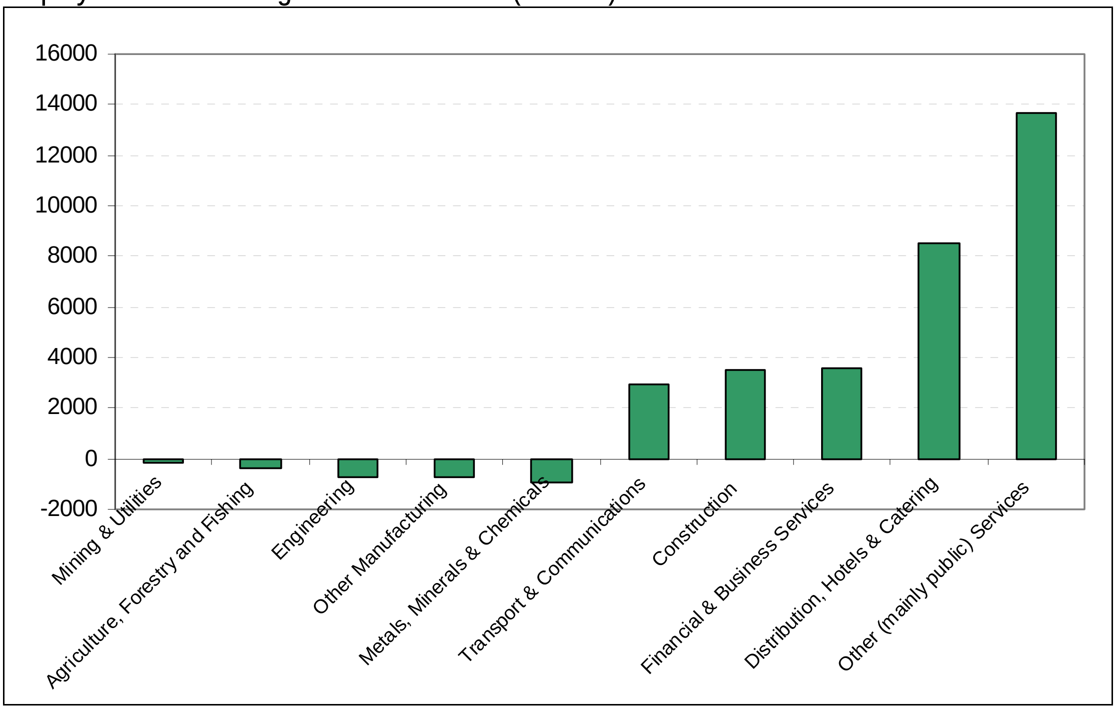
3.2 The Employment Challenge

The Employment Forecasting Annex to this paper identifies three potential employment growth scenarios for Doncaster to 2025. Employment forecasts developed separately by EKOS and Roger Tym and Partners suggest continued robust growth in employment in Doncaster is realistic (the EKOS forecasts indicate 29,000 new jobs from 2006-25, and the Roger Tym forecasts 34,500 - see annex 3). The forecasts indicate a clear potential for Doncaster to continue to grow its employment base. Doncaster faces fierce competition from other towns and cities for business location and expansion and related employment growth. To compete, Doncaster needs to ensure a smooth flow of employment land sites coming to the market, with appropriate support for key growth potential sectors such as financial and business services (i.e. town centre office space) and logistics (i.e. accessible sites adjacent to the M18). It is important that opportunities for jobs growth are grasped in an opportunistic way, to increase the employment rate in the district, reduce out commuting flows, and stimulate house building and population growth. This must however, be balanced against a need to ensure sustainable development and to recognise that land is a scarce resource with a number of potential alternative uses. For example, a logistics site could equally be suitable for a data warehouse site, and DMBC and partners need to consider at a high level the relative merits of jobs in different sectors (e.g. based on number of jobs per metre squared of land use, quality of jobs, etc) to inform inward investor targeting.

3.3 The Productivity Challenge

The figure below shows employment growth by sector under the high growth scenario (+34,500 jobs from 2005 to 2025). Job growth is particularly significant in the other (mainly public) services and Distribution, Hotels, and Catering categories.

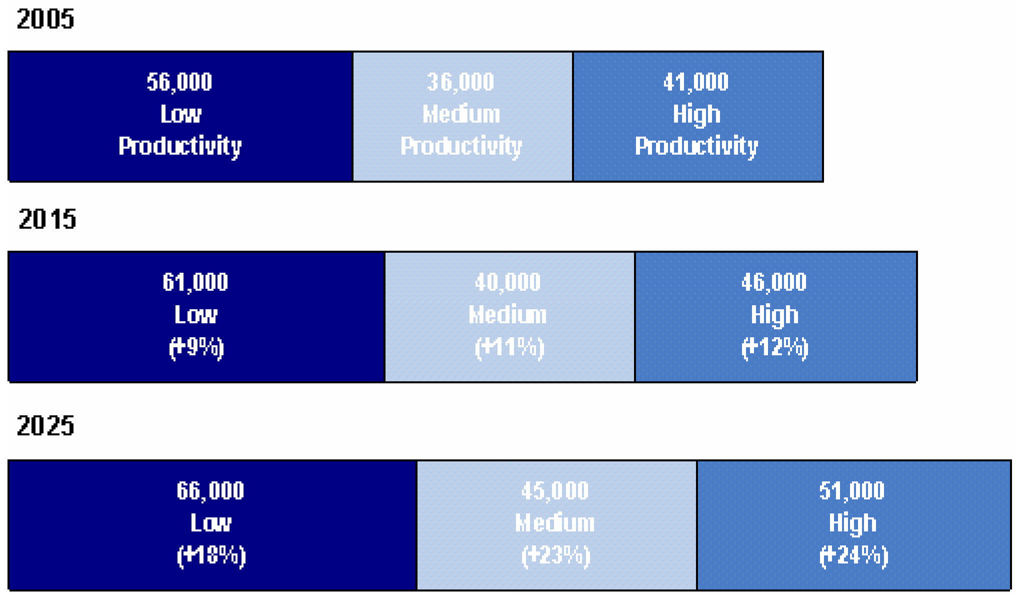
Employment Growth: High Growth Scenario (2005-25)



Source: EKOS forecast

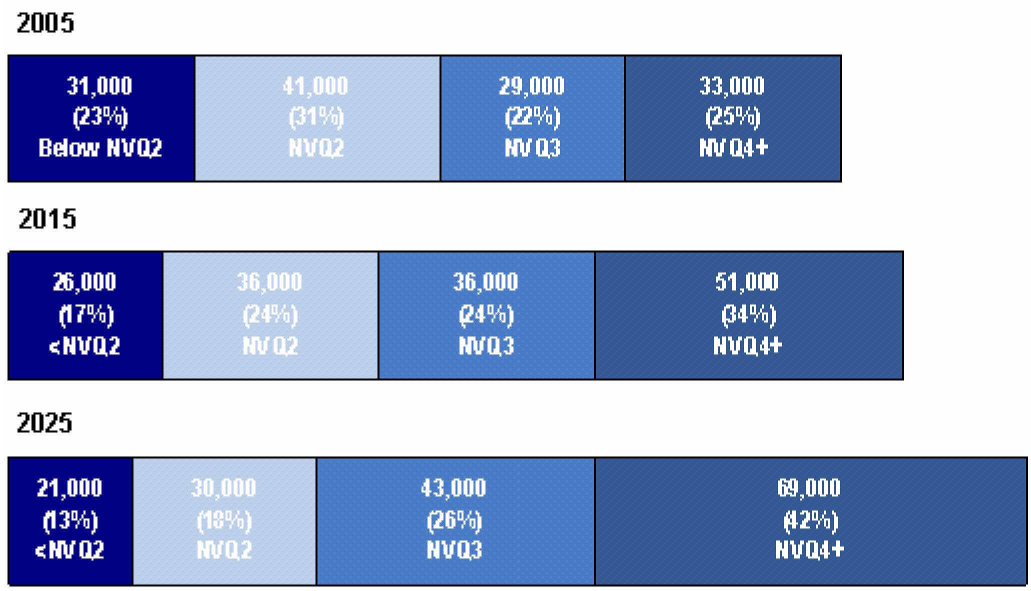
The scale of employment change forecast under the high employment graph is highlighted in the diagram below, analysed by low, medium and high productivity sector, where the allocation to low, medium and high category is based on sector productivity per employee. Employment growth in high productivity sectors at 24% is above that for medium (+23%) and low (+18%) productivity sectors, but on its own, will not be enough to move Doncaster towards England average productivity levels. For all sectors, whether low, medium or high productivity, there is a mix of lower and higher productivity occupations. For example, the Financial and Business Services sector includes higher productivity occupations such as solicitors and lower productivity occupations such as industrial cleaners. The challenge for the Doncaster economy is to create the conditions for growth in higher productivity occupations across all sectors. This is a primary aim of this Economic Strategy.

Employment Growth by High, Medium and Low Productivity Sectors



3.4 The Skills Challenge

Meeting the productivity challenge will require a significant increase in the skills base of Doncaster's labour force – providing a more highly skilled workforce is a vital building block to stimulating growth in high value-added jobs. The Leitch Review identifies the importance of a skilled labour force if the UK economy is to remain competitive internationally. The Review highlights significant skills gaps that must be closed across the country and the need for a significant increase in the number of people holding higher level qualifications at NVQ Level 4 and above. A doubling of the number of working people with NVQ Level 4 or higher qualifications would be required in Doncaster to meet the Leitch target.



3.5 The Worklessness Challenge

Closing the current employment rate gap would require moving 15,600 Doncaster residents into employment, improving the working age employment rate from the current level of 71% to 80%. The employment forecasts described above suggests that there will be increasing job opportunities available for workless people in Doncaster. However, some of these opportunities may be filled by Doncaster residents who currently work outside the borough, new residents (population growth), or in-commuters from neighbouring districts. Many workless residents are detached from the labour market and some will be amongst the 'hardest to reach'. The challenge will be to move people on incapacity benefit into employment, reduce the numbers of young people becoming workless (the NEET group), and remove barriers to employment for groups of people who have relatively low employment rates (e.g. lone parents, disabled people).

As well as having a potentially significant impact on current productivity levels, reductions in rates of worklessness should impact on future performance. There is evidence of inter-generational effects whereby children of workless people are less likely to have high aspirations and to perform well in education.

3.6 Summary

The scale of the Doncaster output gap represents a significant challenge; if the economy performed at the England average, it would increase its output by £830m, from £3.2bn to £4.1bn. Significant improvements to the qualification base of the workforce and a more diverse and innovative business base are required to close this gap. Employment forecasts indicate jobs growth across lower and higher productivity sectors and a need therefore to support the creation of more high value-added jobs across all industrial sectors. The risk of not delivering the strategy is clear with economic projections highlighting that it will take 301 years on current trends for Doncaster to close the output gap.

Other cities will not be standing still, and resources need to be channelled to interventions that will have maximum impact. The next chapter takes a more in-depth look at the factors that make a city successful, compares Doncaster's performance on each, and starts to draw inferences on the future focus of investment.

4 What Makes a City Successful and How Does Doncaster Compare

4.1 Introduction

There is a substantial base of economic and social research devoted to examining what makes cities successful and enables them to sustain relatively high levels of output per head. Alongside this, cities have increasingly become the focus of central government policy-making in the UK, primarily because of their importance in driving forward economic growth.[2] This chapter identifies the critical success factors for city competitiveness and considers how they will develop in future in light of expected social and economic change. It also assesses the performance of Doncaster against each factor by comparing its performance against a set of UK and European comparator cities. Further detail can be found in Annexes 1, 2 and 3.

4.2 Defining Competitiveness and Outlining Success Factors

'City competitiveness' has been defined as:

> *"The ability of cities to continually upgrade their business environment, skill base, and physical, social and cultural infrastructures, so as to attract and retain high-growth, innovative and profitable firms, and an educated, creative and entrepreneurial workforce, thereby enabling them to achieve a high rate of productivity, high employment rate, high wages, high GDP per capita, and low levels of income inequality and social exclusion."* [3]

An extensive review of the literature on city competitiveness indicates seven critical success factors for city competitiveness, as follows:

- Skilled Workforce
- Connectivity
- Innovation in Firms and Organisations
- Economic Diversity of the Industrial Base
- Strategic Capacity to Mobilise and Implement Long Term Development Strategies
- Quality of Life
- Availability and Cost of Business Premises.

It is an area's performance against these seven factors that largely determines its ability to grow its indigenous business base and attract new inward investors.

4.3 Comparator Cities and Overarching Economic Performance

To assess Doncaster's strengths and weaknesses on these seven factors, a number of comparator cities were selected for benchmarking purposes. These were chosen because they have similar characteristics to Doncaster, but are ahead of it in terms of economic performance. Comparator cities are grouped into three categories (low, medium, and high transition) based on their relative position to Doncaster in terms of economic output (GDP/GVA) per head; low transition comparators have GDP per head slightly above Doncaster, high transition significantly so. The cities all have similar populations to Doncaster and to a greater or lesser degree, strong transport connections (many including a regional airport), a history of manufacturing / primary industries and a more recent transition to a service economy, and geographical proximity to larger cities. These cities were chosen in preference to local comparators because Doncaster's future prosperity will depend on its ability to compete on a national

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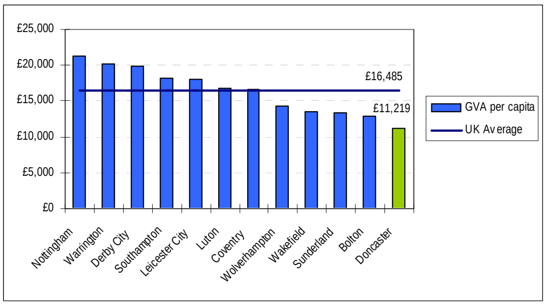
[2] See for example, "Devolving Decision Making: Meeting the Regional Economic Challenge" HMT/DTi/ODPM (March 2006)

[3] ODPM (March 2006) State of the English Cities.

and international stage. The chosen comparator cities are shown in the table below and the relative 'prosperity gap' between them and Doncaster is shown in the two charts.

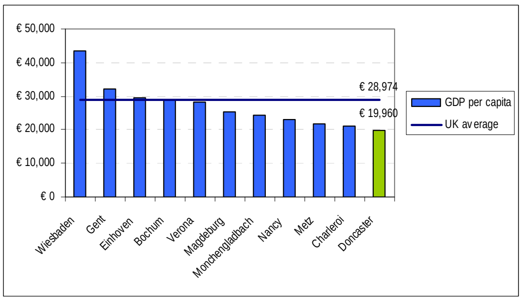
Comparator Cities	
Low Transition	Verona; Charleroi; Gent; Metz, Bolton; Sunderland; Wakefield
Medium Transition	Magdeburg; Monchengladbach; Nancy Wolverhampton; Coventry; Luton; Leicester
High Transition	Wiesbaden; Malmo; Bochum; Eindhoven Southampton; Derby; Warrington; Nottingham

GVA per capita (UK), 2003



Source: UK Competitiveness Index; ONS, 2003

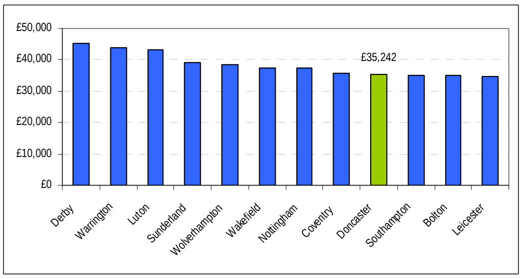
GDP per capita (EU), 2004



Source: Eurostat, 2004

GDP or GVA per capita is a measure of the wealth creation capacity of an area and is a function of: labour productivity (the value of goods and services produced by those in work); the employment rate (how many of those of working age are in employment); and population dependency (of the total population, what proportion is of working age). The figures below compare Doncaster to the UK comparator cities for these three high level drivers of economic welfare.

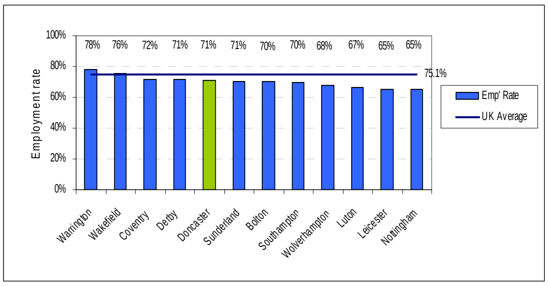
Labour Productivity (GVA per Full-Time Equivalent Employee, 2004)



Source: ONS (GVA) and NOMIS; APS, 2004

Labour productivity is the value added by those in employment and is measured as GVA per full-time equivalent (FTE) employee. In 2004, Doncaster had a GVA per FTE of £35,242, below that of the majority of comparators but slightly higher than Bolton, Leicester and Southampton. GVA per FTE employee is around £8,000 lower than high performing cities such as Derby, Warrington and Luton.

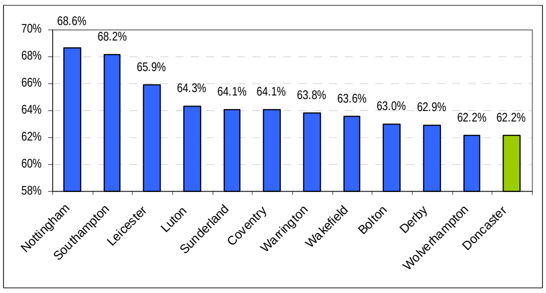
Employment Rate (%)



Source: NOMIS; LFS 4Qrtr (May)

The employment rate in Doncaster compares well against other UK comparators and is ahead of a number of other cities, although still below the UK average. Low levels of employment are concentrated spatially (in Doncaster and nationally) and within groups with certain characteristics – e.g. disabled people, males aged over 50.

Proportion of Population of Working Age, 2005



Source: NOMIS; Mid-Year Population Estimates, 2005

Doncaster lags behind comparator cities in terms of population dependency. Its high level of dependency is a constraint on economic performance and indicates a need to attract younger workers to the area.

The following sections take each critical success factor in turn, setting out the rationale for its inclusion as a key determinant of area competitiveness, discussing likely future developments, and benchmarking Doncaster's performance against comparator cities.

4.4 Why a Skilled Workforce is at an ever increasing Premium

4.4.1 The Relationship between Skills and Economic Growth

The UK has a strong economy and world-leading employment levels, but its productivity trails behind many key comparator nations. Weak performance on skills relative to competitor nations is a key contributor to this problem. Looking ahead, globalisation and technological change coupled with the rapid rise of emerging economies, particularly India and China, will place an ever greater premium on workforce skills.

Skills is a key driver of productivity in its own right – higher skilled workers can add greater value to the assets at their disposal than less skilled workers and can also impact positively on the performance of lower skilled colleagues – for example, by more effective management and knowledge sharing. It is also increasingly recognised that skills have a key role to play in supporting the development of other critical success factors, in particular, innovation and economic diversity. To cite the Leitch Review:

> *"Productivity is increasingly driven by skills. Skilled workers are better able to adapt to new technologies and market opportunities. Higher levels of skills drive innovation, facilitate investment and improve leadership and management. For innovation to be effectively implemented, businesses must be able to draw on a flexible, skilled workforce*".

As implied in the above quotation, higher qualified workers (first degree level and above) are integral to economies seeking to compete on 'knowledge' rather than cost. A highly qualified workforce is seen as enabling firms to adapt to the challenge of the dynamic global economy[4], by supporting innovation, inward investment and improved leadership and management. [5] The focus on higher level qualifications should not detract from the importance of a strong skill base at technical and basic levels and research shows that skills start to make a real difference to productivity at Level 3.[6]

Survey research shows that businesses are attracted to places with a skilled workforce and the availability of skilled labour is frequently cited by businesses as one of the key factors determining their location decisions.[7]

4.4.2 What Does the Future Hold?

In recent years, skills policy in the UK has been driven by an increasing recognition of the important role skills play in productivity[8] and the outcomes of two influential reviews: Leitch and Lambert. The Leitch Review, in particular, explicitly states that the future success of the UK economy is dependent upon a workforce that is more skilled than presently. Accordingly, it has set ambitious targets for increasing the proportion of the workforce with higher and intermediate skills levels by 2020 (see the figure later).

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[4] This is recognised by *Devolving Decision Making Report.*

[5] Leitch Review 2006

[6] See for example: (i) Cabinet Office (2001) *In Demand: Adult Skills in the 21st Century; (ii)* (ii) Sector Skills Agreements – many of which cite the limited availability of Level 3 skills as a constraint to productivity growth; (iii) research undertaken for the Leeds CRDP.

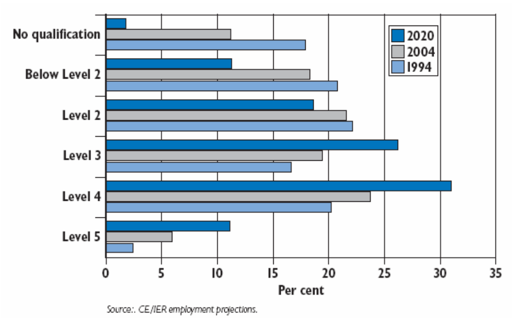
[7] For example, in the Cushman & Wakefield Healey & Baker 2005 company survey, businesses rate the availability of staff as second only in importance to access to markets in determining the relative attractiveness of locations. Similarly, in the 2005-06 OMIS Survey (Britain's Best Cities, OMIS), 'Workforce' is cited as the most important factor in location decisions (47% of companies).

[8] 21st Century Skills: Realising Our Potential (2003); Skills: Getting on in Business, Getting on in Work (2005); The Future of Higher Education (2003); 14–19 Education and Skills (2005), and Further Education: Raising Skills, Improving Life Chances (2006).

Against this context, the primary focus of skills policy is to increase the competitiveness of the UK economy by:

a. increasing the demand for skills from employers and individuals (in relation to the former, Enterprising Doncaster will play a key role in Doncaster); and
b. reforming the supply-side so that provision becomes more responsive to employer needs and learner needs (again, Enterprising Doncaster will have an important role to play here).

Employment by Qualification

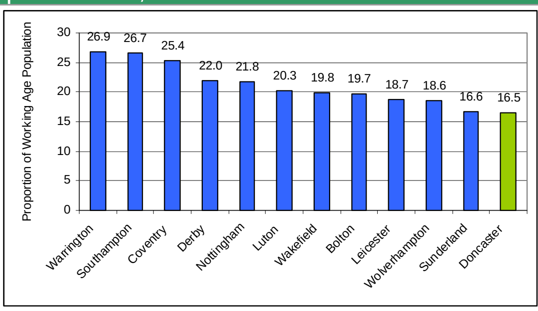


Leitch indicates that by 2020 the proportion of jobs at Level 4 and above may reach 42% of the workforce – 4.5 million more than today (equating to an additional 0.5m people in the regional workforce qualified at Level 4 +). This is likely to come about as work polarises, with the increase in the proportion of high skilled workers leading to increased demand for less-skilled workers in some service sector jobs, and technology substituting intermediate-skill jobs. In relation to high level skills specifically, this will require the UK to shift the balance of intermediate skills from Level 2 to Level 3, meaning 1.9 million additional Level 3 attainments and an increase in the number of apprentices to 500,000

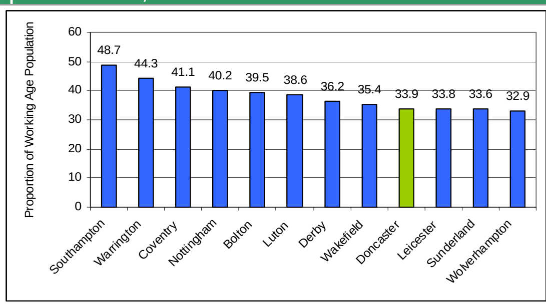
4.4.3 A Skilled Workforce: Benchmarking Doncaster's Performance

A skilled workforce is consistently cited by businesses as being one of the most important factors in business location, with the importance of higher level skills (NVQ4+ or first degree and higher) and advanced technical skills (NVQ3) being increasingly recognised. As the charts below show, Doncaster has a significant qualifications deficit for both higher level and advanced technical skills.

Proportion of working age population with NVQ4+ qualifications, 2005



Proportion of working age population with NVQ3+ qualifications, 2005



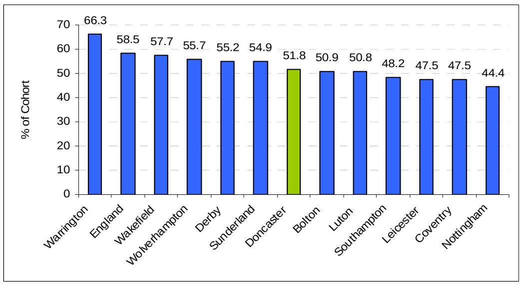
Source: NOMIS; APS

The qualifications gap at NVQ4+ (10% points behind Warrington – the top performer of the comparator cities) is stark and is a significant constraint on the attraction of high technology companies and higher skilled jobs to Doncaster. To close the gap with Warrington, Doncaster would need an additional 18,000 people to be qualified to NVQ Level 4+.

Doncaster also needs to make progress at the lower end of the qualifications spectrum – as 43% of the working age population are not qualified to NVQ Level 2. This is 9% points behind Southampton, the best performing comparator city on this measure, and Doncaster would need an additional 14,870 working age people at NVQ2 to close this gap (detail on Level 2 is provided in the Annex).

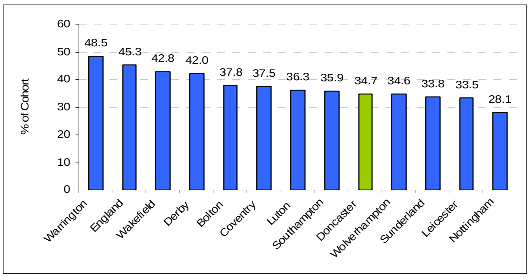
Better performance of young people is also required, as the charts below illustrate. Of particular concern is the relatively low proportion of young people in Doncaster who achieve 5 A*-C GCSE passes including Maths and English. Success in these two subjects is vital both for ensuing young people have the literacy and numeracy skills required for productive employment, and for securing progression to further and higher education.

Proportion of 16 year olds achieving 5+ A*-C grades, 2005/06



Source: DfES Statistical First Releases, 2005/06

Proportion of 16 year olds achieving 5+ A*-C grades (including English & Maths), 2005/06



Source: DfES Statistical First Releases, 2005/06

The proportion of young people who remain in post 16 education or work based learning in Doncaster is 79%, 5% points below the England average and well below the best performing comparator city (Wolverhampton at 91%). This falls to 68% at age 17, 6% points below the England average. These relatively low staying on rates contribute to weak performance at Level 2 and Level 3 at age 19; only 31% of young people in Doncaster achieve Level 3 (two A level pass equivalent) by age 19, compared to 47% in England.

4.4.4 The Implications for Doncaster

The critical success factor and benchmarking analysis indicates a number of important implications for Doncaster:

- The importance of workforce skills to business location decisions and the qualifications benchmarking indicates a clear need to provide greater opportunities for Doncaster's employees to acquire additional qualifications and improved employer engagement will be vital to enable this. Enhanced learning opportunities for working age people currently outside the workforce will also be important, as low levels of qualifications are in many cases a significant constraint on sustainable employment. A 'skills escalator' approach is required, whereby lower skilled people in employment receive training and qualifications to move into higher skilled roles, creating opportunities for less well qualified workless people to enter employment and training.
- For key sectors within Doncaster, a better understanding of employer future skills needs is required, to help shape future provision and intervention strategies and to support careers guidance within schools. Closer working with relevant Sector Skills Councils, the LSC and Yorkshire Forward is needed. Future skills programmes need to be more closely aligned to potential growth sectors.
- Post-16 participation and educational attainment are below national averages and a concerted effort is needed to close the gap on both fronts. The 14-19 reforms and Building Schools for the Future (BSF) investment should help raise participation and attainment, but to close the gap with the national average, further intervention is required. Consultations with Doncaster employers reveal that low aspirations amongst many young people in Doncaster is seen as a constraint on their educational success. A number of stakeholders believe that this is exacerbated by the lack of a comprehensive higher education offer in Doncaster and a perceived lack of higher skilled and well paid jobs.

Given the workforce qualifications gap between Doncaster and comparator cities, and the stronger performance of high-performing cities in terms of young people's participation and attainment, it is useful to consider some of the approaches comparator cities have adopted. These have been categorised according to the degree of challenge they would represent for Doncaster.

Low Transition
Workforce Upskilling. A number of cities have taken a tailored approach to supporting workforce upskilling in sectors of economic importance. Wakefield has supported the development of training provision in logistics and construction and Verona has supported the development of technical schools to train staff across a number of specific sectors and skills gaps, including logistics, agriculture, computer science, and electronics. A number of cities have developed a more diverse and flexible offer of vocational higher education.
Medium Transition
A number of cities have expanded their HE offer by **attracting campuses of established universities** based in other cities. For example, the University of Chester is expanding its Warrington Campus with the brand new North West Media Centre and its management school. Several UK cities have focused upon the **continued development of their 'new' universities**. Luton and Sunderland have both been awarded for their continued excellence. There are also recent examples of new universities being established (e.g. Malmo University founded in 1998).
High Transition
The cities of Eindhoven, Monchengladbach and Wiesbaden have all developed **specialist universities** of Applied Sciences, Eindhoven's being the largest university in the Netherlands. Some cities have focused upon the development of HE institutes that have international recognition. The Ruhr-University in Bochum is internationally renowned for brain science, microelectronics, materials science as well as laser and plasma physics.

4.5 Why Excellent Connectivity Matters

Connectivity refers to how well a city is linked to external economies by transport and telecommunications networks and the internal functioning of these networks. The importance of external connectivity results from the need for businesses to access markets and move goods, services and people quickly and efficiently. The Cushman & Wakefield Healey & Baker 2005 company survey[9] reveals access to markets as the most important factor in business location decisions (60% of businesses cited this factor as 'absolutely essential'). This reflects a number of global trends, including increasing globalisation of business and the need to access export markets, and the trend to just in time delivery of goods and services. Internal connectivity is important as it facilitates the effective localised movement of people, goods and information.

4.5.1 Transport, Telecommunications and Economic Growth

The recent Eddington Review calculated the economic benefits of a "high-performing transport system". It estimated that "*a 5 per cent reduction in travel time for all business and freight travel on the roads could generate around £2.5 billion of cost savings – some 0.2 per cent of GDP*". This estimate is a national saving, but its magnitude highlights the importance for local economies of staying ahead of competitor areas in terms of transport system efficiency. The Review warns that productivity and competitiveness are likely to be undermined in economies where transport systems face constraints. This highlights the importance of tackling transport network congestion at the local and regional level.

International connectivity (air and high-speed rail) is becoming increasingly important as exports increase and markets become global in nature. Airports have a role in attracting businesses to an area, with an airport being a factor in location decisions if it is within a one hour drive time[10]. This suggests that ground access (particularly road) is vital in enabling the potential advantages of an airport to be fully realised. A recent Department of Transport study notes that airport investment has a disproportionate impact on certain business sectors, many of which exhibit high levels of value-added – e.g. high level business services and high-tech industries. The York Aviation report lists the following sectors as being key drivers of business-related aviation demand (passenger and freight): banking and finance; air transport; insurance and pension funds; other business services; transport services; postal services;

9 Cushman & Wakefield Healey & Baker, European Cities Monitor 2005

10 Take-off at the airport: maximising the economic impact of Robin Hood Doncaster Sheffield airport and linking opportunities to local communities and businesses (draft report), York Aviation (March 2007)

wholesale distribution; recreational services; printing and publishing; and motor vehicle distribution and repair.

As well as being a critical success factor in its own right, transport has an important enabling role to a number of the other factors. In particular, good transport links facilitate knowledge sharing and innovation and provide access to a larger number and wider range of skilled workers. Transport is also linked to the business premises success factor – good transport needs to be aligned with the availability of business premises – for example, warehouse sites need good motorway access, major office developments need good public transport links.

The growth of e-commerce means that businesses regard telecommunications networks as a key element of a city's infrastructure. Three factors can influence a company's decision to locate to an area: availability of high bandwidth services, including fibre 'to the door'; the price of services; and the availability of modern office space with effective design for internal data networking.

4.5.2 What Does the Future Hold?

The Government's White Paper, *The Future of Transport* (July 2004), sets out a transport strategy to 2030 around three themes: sustained investment, more effective transport management and better forward planning. It aims to provide a transport network that can meet the challenges of a growing economy and increasing demand for travel, without adverse social or environmental impacts. At a regional level, the Government is committed to using airport growth to meet its wider objectives of creating sustainable communities and improving the economic performance of the regions outside London[11]. Airports are seen to be "particularly important for the development of regional and local economies".

A lack of local/regional control over transport spending and investment decisions has long been seen as a constraint on economic growth in the UK. Centralised control over transport spending will be reduced in future to some extent. In the draft Local Transport Bill the Government has set out proposals to give local authorities greater powers to tackle road congestion and improve public transport. To improve bus services, the Bill contains proposals to increase local authority powers over bus regulation, allowing them to work with the bus industry to secure better services in a way which reflects local circumstances and need. The Bill also sets out proposals to give local authorities greater powers to introduce road pricing to tackle local road congestion. Following the Eddington Transport Review, the Government is also considering how to improve the allocation of funding for transport so that it is better targeted at tackling constraints on economic growth.

4.5.3 Connectivity: Benchmarking Doncaster's Performance

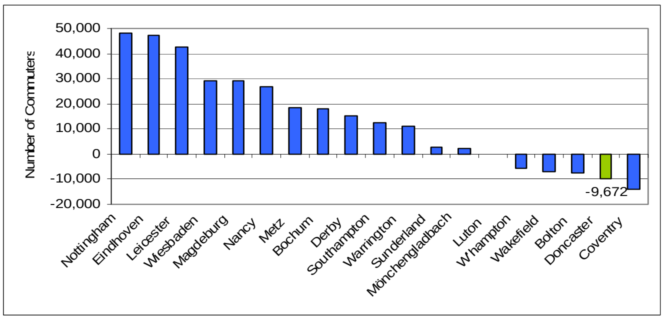
Multi-modal transport connectivity is one of Doncaster's key strengths, given its excellent motorway and ports access, its position on the East Coast mainline with fast rail journey times to London (and with the opening of St Pancras International, onwards to continental Europe), and its new airport. There is scope for further development at the airport and the current lack of scheduled flights limits the impact of the airport on attraction of inward investors.

Compared to some comparator cities, Doncaster has a relatively low usage of public road transport, with only 11% of workers using a bus as their primary means of transport to work, compared to 21% in Nottingham and 16% in Sunderland. Satisfaction with public transport in Doncaster is relatively high and there would appear to be scope to increase usage. Consultation with Doncaster stakeholders and employers indicates concerns around poor bus service provision for some outlying communities and a negative impact on access to employment opportunities.

[11] The White Paper, the Future of Aviation was published in 2003 and provides a framework for the development of airports in the UK over the next 30 years.

Strong external transport connectivity can be a 'double-edged sword', enabling workers to access opportunities in neighbouring towns and cities. The figure below highlights the relative weakness of the Doncaster labour market and the high commuter outflow.

Net Inflow of Commuters, 2003



Source: Eurostat & Census 2001; Origin Destination Data

Most comparator cities are net importers of commuters. Doncaster has a net outflow of almost 10,000 people per annum. Of particular concern is that the number of individuals in managerial and professional occupations that commute out of Doncaster to work is significantly larger than the number travelling in. It is one of four UK comparator areas with a negative figure in relation to this indicator and second worst only to Bolton, which has a significant pull from the Manchester labour market.

4.5.4 The Implications for Doncaster

The implications of the review of connectivity in Doncaster are as follows:

- There is a need to improve public transport services in some outlying communities to better link local residents to job opportunities elsewhere in the borough. This is particularly true for areas with a high incidence of workless residents.
- There is potential to leverage Doncaster's transport assets further and derive increased benefits. A strategy for the development of the airport is needed and the potential for direct international rail services originating in Doncaster should also be investigated.
- Ground access to the airport will be an important determinant of its success. Concerted action by Doncaster partners is needed to ensure that FARRRs goes ahead. At some point in the future, work will also be needed to establish whether there is an economic case for a rail link from the town centre to the airport.
- Proposals such as the Inland Port highlight that investors in the logistics sector recognise Doncaster's excellent multi-modal transport offer. Greater effort is needed to market this strength to employers in other sectors (e.g. financial and business services) to increase the supply of higher skilled jobs in Doncaster and reduce commuter outflows.

Examples of interventions employed in comparator cities to improve connectivity are shown below.

Low Transition
Expanding airport passenger services has been a key pillar of economic growth strategies in a range of cities (e.g. Coventry, Southampton, Leicester and Verona). **Expansion of high speed rail services** has also had an important role to play in many cities such as Charleroi. .
Medium Transition
The **development of trade and port centres** has been a focus for improved economic success in cities such as Verona through the Cross Roads for Trade, and Gent, through its European Inland Port. Wakefield has developed international trade links through the onside European rail freight terminal at Wakefield Europort
High Transition
Effective rail links to airports is seen as key to the success of cities such as Luton where airport expansion has taken advantage of increasing capacity constraints at London airports and Luton's rail link to central London. **New high speed rail infrastructure** between major and satellite cities have been a focus for development in France, with for example, a new TGV link to Paris from Nancy (90 minutes).

4.6 Harnessing Technology and Innovation are Hallmarks of Successful Cities

The third factor that comprises a successful, competitive city is innovation.

4.6.1 Why Innovation is Important to Economic Growth

The economic success of European cities is increasingly linked to the innovation capacity of businesses located there.[12] This is because globalisation and the emergence of economies with lower labour costs (e.g. China and India) mean that European companies need to adopt higher value-added strategies; they can no longer compete on price alone. A high level of innovation is a feature of 'knowledge-intensive' industries and successful cities are able to attract knowledge intensive businesses. The factors that persuade such businesses to move to one city in preference to another include:

- proximity to relevant knowledge providers (e.g. universities, research institutes);
- effective networks that link knowledge providers and businesses/organisations;
- the presence of other business networks, such as trade associations and local business organisations;
- access to good quality business support functions, such as specialised consulting, market research, public relations, and venture capital firms.[13]

4.6.2 What Does the Future Hold?

Knowledge intensity is increasingly a feature of businesses across all sectors of industry. The Government's Office of Science and Innovation has identified[14] several broad science and technology clusters that will have important implications over the decade ahead to 2017 across a broad range of industries. These include the following of relevance to Doncaster:

Technology	Key Features / Possible Applications in Doncaster
Information handling and knowledge management	▪ Underpinned by Information and Communication Technologies (ICT). ▪ Able to transform complex data into information to develop knowledge to be explored, refined and used to influence learning and make decisions. ▪ *Development of DKE and Digital Industries.*
Sensors and tracking	▪ Allowing the detection, identification and monitoring of aspects of the physical world (natural hazards, weather systems) and/or changes in plants/animals/human activity, and; the movement of goods and people. ▪ *The possible monitoring, modelling and, potentially, management of advanced logistics.*
Networking interactions	▪ Interaction and convergence of physical, human and virtual environments e.g. higher bandwidth, greater processing power, larger datasets etc. ▪ *Making the most of Doncaster's connections.*
Security	▪ Underpinning understanding of crime and security in an increasingly complex world and include detection, identification and surveillance. ▪ *Possible link to airport security.*
Advanced materials and robotics	▪ Smart materials & increased automation reducing energy, resources and costs and improving performance and responsiveness. ▪ *Development of new products and process in AMM sector.* ▪ *Use of robotics in the food and drink sector.*
Energy	▪ Including technologies linked to meeting energy needs (supply, storage, transmission and distribution) and mitigating its environmental impacts. ▪ *Possible link to sustainable energy distribution.*

To facilitate strength in these specialisms requires appropriately skilled workers. One of the major strands of the Science and Innovation Investment Framework (2004 – 2014) notes the importance of having: "the right people with the right skills to build a strong science base""[15]. This requires a good supply of scientists, engineers, technologists and mathematicians The STEM Programme report

[12] For example, the European Commission has estimated that over 40% of the variation in per capita regional income can be explained by differences in innovation performance.
[13] HMT/DTI/ODPM
[14] http://www.foresight.gov.uk/HORIZON_SCANNING_CENTRE/Reports/S-TClusters/Clusters.html
[15] The Science, Technology, Engineering and Mathematics (STEM) Programme Report, Forward

emphasises that the future success of the British economy will, in part, depend upon the ability to capture the imagination of young people who will enter into these occupations.

The Cox review[16] stresses the increasing importance of creativity, design and innovation to business performance and the UK economy – "sustained success in business – regardless of sector – increasingly depends on the ability to innovate: to exploit new ideas and new opportunities ahead of the competition." The review is concerned with the "untapped potential of the large number of solidly managed but low-growth businesses that could be transformed with a skilful injection of creativity… risk aversion has to be overcome" with a more creative and enterprising approach.

4.6.3 Innovation: Benchmarking Doncaster's Performance

Currently, Doncaster lags behind comparator areas in terms of the knowledge intensity of its business base; on the Work Foundation's definition of knowledge intensive businesses, 25% of Doncaster's businesses are knowledge intensive, below all the UK comparator areas and significantly below higher performing areas such as Warrington, where 37% of businesses are knowledge-intensive (England = 35%). The increase in knowledge intensive businesses in Doncaster from 2000-05 was above average, suggesting further progress on moving towards a knowledge economy is a realistic goal.

Local authority level indicators of innovation activity are difficult to obtain. Comparative data around networking is also relatively limited although data available through the CBI Regional Trends business survey suggests that the proportion of businesses belonging to special industrial networks in Doncaster is relatively high (46% in Doncaster compared to 35% for Yorkshire & Humber – March 2005). Conversely, only a small proportion of businesses have R&D links with universities (4.2% in Doncaster compared to 9.5% for Yorkshire & Humber – March 2006). This suggests an appetite for innovation in the Doncaster economy but weak links to universities as a potential constraint.

4.6.4 Implications for Doncaster

The review of innovation and knowledge industries suggests a number of implications for Doncaster:

- Doncaster has a relative lack of large technology-based enterprises and efforts to attract inward investors should be targeted at companies that would raise the knowledge intensity of the economy and create opportunities for development of local companies.
- Links between regional knowledge providers and Doncaster's companies are weak and action is needed to strengthen them.
- Development of the knowledge economy will also require a sufficient supply of scientists, engineers and technologists. Engagement by Doncaster schools with the national STEM agenda is an important potential enabler here. More generally, knowledge intensive businesses require a ready supply of highly qualified workers and the qualifications deficit of the Doncaster workforce represents a constraint on attraction of high value-added knowledge businesses.

Approaches adopted elsewhere to encourage a transition to a more innovative and knowledge intensive economy are shown below.

Low Transition
Support infrastructure. Science and technology park development is becoming an increasingly common feature of economic growth strategies in UK and EU cites. Innovative solutions to redevelopment of industrial sites have been developed in a number of cities such as Bochum where a Technology and Start-up centre was opened up in the buildings of a former coalmine in 1998. Innovation support infrastructure need not be based on science-based industries as innovation increasingly becomes a pre-requisite for success in more traditional industrial sectors. For example, Coventry has recently pioneered a £15 million technology and training centre for advanced construction. **Targeting high-tech inward investors** is an approach that has been used successfully by a number of cities, particularly Warrington.
Medium Transition
Niche sector science-based strategies. A number of UK cities have built successful science-based strategies to

[16] Cox Review of Creativity in Business: Building on the UK's Strengths, December 2005

stimulate innovation. Nottingham is currently positioning itself as 'BioCity Nottingham' through development of one of the largest new healthcare and bioscience innovation and incubation centres in Europe. Improved partnership working and networking. City Partnerships such as the Leuven-Eindhoven-Aachen Triangle aims to promote international and inter-regional partnerships towards knowledge and innovation.
High Transition
Research hubs. Development of research hubs to create capacity for new business growth. Gent and Charleroi, for example, have 300 research centres and 5 university science parks within their region, forming a major innovation hub. Some cities have established specialist knowledge centres focused on enabling innovation in certain sectors. Eindhoven has a number of these centres covering a range of innovative sectors such as the Design Academy. The Metz Centre for Innovation and Research is an umbrella institution harbouring several research sectors such as materials science ad industrial engineering.

4.7 Economic Diversity and Super Niches[17] can Improve Economic Performance

Diversity and specialisation together comprise the fourth factor contributing towards a successful, competitive city. The optimal balance between the two will vary from one economy to another and policy makers seeking to support the local industrial base need to take into account local circumstances, strengths, and opportunities.

4.7.1 Diversity, Specialisation and Economic Growth

There has been a long standing debate concerning the relative contribution of diversity and specialisation to the economic performance of cities. The conventional wisdom[18] states that the best combination for economic success is a diverse industrial base, but with specialist strengths within sectors. Successful cities combine a broad range of service sectors with industrial and commercial specialisms. A diverse business base allows a city to capture the benefits of specialist sub-sectors and reduces the impact of external shocks and structural change.

The ability of an area to develop new specialist niches is likely to be highly dependent on its innovation infrastructure and, as the experience of Germany shows, strong links between industry and knowledge providers.[19] There is also a link with skills, given strong evidence that higher skilled workforces are more adaptable and therefore more flexible and resilient in the face of structural economic change[20]. Better qualified people are also more likely to start their own businesses and a strong enterprise culture is an important factor in supporting a diverse economy.

4.7.2 What Does the Future Hold?

There are a number of global trends that suggest structural economic change will be as much a feature of future economies as it has been in the last three decades. These include the continued growth of the emerging economies, the need to foster environmental sustainability and limit climate change, new telecommunications based applications, changing consumer tastes and spending patterns, and rapid technological change. It is increasingly recognised that many new technologies have applications across a range of industries (e.g. nanotechnology, robotics) and this presents challenges to industry and knowledge providers to make appropriate links in order to stay ahead of international competitors. Economies are more likely to be successful in developing a diverse economic base which includes super-niches if they have a skilled and adaptable workforce, an enterprise culture, and a strong innovation support infrastructure which assists companies to access appropriate knowledge.

Past experience has shown that early mover advantages can be sustained over time as clusters of firms develop in a specific area. In the fast moving global economy, taking advantage of early mover opportunities will become increasingly important. For example, the recent HMT Sub-National Review notes that "*regions with sectors that are early adopters of new environmental technologies, such as greater resource efficiency and low-carbon innovation may also gain from comparative advantage*." The Review also stresses the need for more diverse, flexible and responsive local economies to effectively

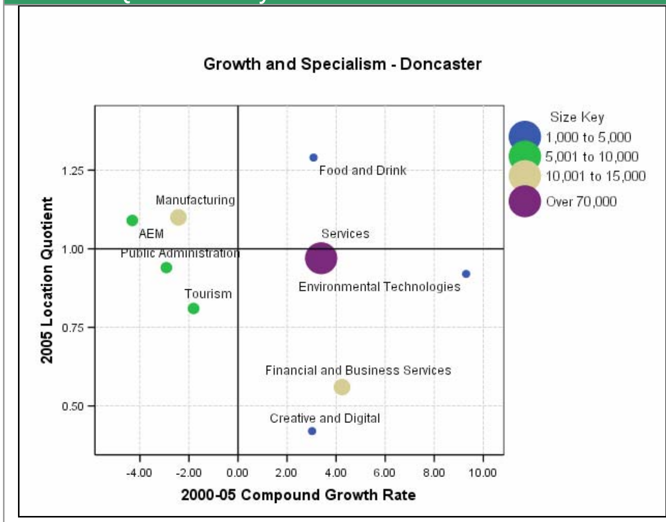
[17] By these we mean economic sub-sectors or industrial specialisms.
[18] See for example, State of the English Cities Report (2006) Office of the Deputy Prime Minister
[19] Competitive European Cities: Where do the Core Cities Stand?, ODPM, 2004
[20] The Rise of the Skilled City, Glaeser and Saiz, NBER Working Paper No. W10191

tackle disadvantage: "*The economic trends of globalisation and technological change will make it increasingly important that places can respond quickly and flexibly to economic change if they are to increase prosperity and tackle effectively concentrations of disadvantage. There will be an increasing premium on enterprise, innovation and skills*".

4.7.3 Economic Diversity: Benchmarking Doncaster's Performance

Doncaster has moved towards a more service based economy in recent years, although it remains biased towards public services. The employment structure of Doncaster relative to England indicates that primary public services are over-represented (29.9% FTE employment versus 24.6%) and business services are significantly under-represented (12.3% versus 22.6%). Doncaster faces a significant challenge to increase employment in higher value added business and other service sectors. The figure below indicates that Doncaster has seen sustained growth in business services, creative and digital industries, and environmental technologies employment over the period 2000-05; all sectors that are expected to grow nationally for a sustained period.

Location Quotient Analysis[21]



Source: ABI

Over the past five years, FTE employment in Doncaster has increased by 11,546 or 12%. Notably, this is considerably higher than the England average growth rate of 4%. The largest increase in employment has been in the primary public services sector, which now accommodates an additional 5,397 FTE workers (+23%). Relative to England, there have also been large increases in: business services (+31%); retail services (+15%); and transport (+35%).

Doncaster's business density – the number of businesses per 10,000 working age population – is well below that of the best performing comparator areas (349 businesses per 10,000 of working age population in 2005 compared to 445 for Warrington). Doncaster needs to create more businesses indigenously and attract more inward investment. In 2005, there were 575 new business registrations in Doncaster or 35 new businesses for every 10,000 working age people. Doncaster's performance on this indicator is poor compared to some of the UK comparator cities, such as Leicester, which achieved the highest number of new businesses per 10,000 working age people in 2005, and compared to the England average of 52 new businesses per 10,000. For Doncaster to meet the England average and close this 'enterprise gap', it would need to create an additional 17 businesses per 10,000 working age population each year, roughly equivalent to an additional 280 businesses per annum.

4.7.4 The Implications for Doncaster

- As noted above, Doncaster has seen recent employment growth in a number of high-growth potential sectors, in particular, financial and business services, creative and digital industries,

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[21] The vertical axis shows the location quotient, whereby a figure higher than one indicates that a sector's contribution to total employment in Doncaster is proportionately high relative to England, and a figure less than one is proportionately low. The horizontal axis shows the growth or decline in employment in Doncaster from 2000-2005.The size of the circles represents the size of the (sub) sectors.

and environmental technologies. To sustain this in future, against competition from other cities, a more strategic approach to addressing the needs of companies in these sectors is required. As well as traditional business support, this should also consider issues around business premises availability and quality of place – key factors in attracting mobile high-growth businesses.

- Doncaster also has some traditional sectors where employment is high, for example logistics and manufacturing. For logistics, a clear view on the scale of development that is best for Doncaster is needed, given the likelihood of increasing demand for logistics related sites in the borough (as competitive advantage shifts from the West Midlands). In manufacturing, companies may require support to maintain competitive advantage in the face of rapid technological change and where job losses are incurred, publicly funded assistance for retraining and job search should be made available, to avoid increased worklessness.
- Doncaster lags behind many comparator cities in terms of enterprise and business formation. The scale of the gap suggests that new initiatives such as Success Doncaster (LEGI) will not be sufficient on their own to close this gap.

The table below summarises some of the ways in which comparator cities have sought to support a diverse economy.

Low Transition
Supporting enterprising business has been a focus for economic development in a number of cities such as Derby, Southampton, Eindhoven and Wiesbaden. Many of these cities have set up innovative projects and centres that support business growth and new start-ups such as the iD centre in Derby. **More powerful and targeted marketing to inward investors**. Some cities (e.g. Warrington) have devised powerful marketing strategies to promote the city to major multi-national companies in a bid to attract corporate headquarters or major functions to the area. Bochum has sought to leverage its traditional strengths in the production of manufacturing and retail products into the aviation and transport technology area. Several UK comparators have recently commissioned 'place shaping' strategies to inform their message (e.g. Bolton and Sunderland).
Medium Transition
Focused support strategies. Wakefield has positioned itself as a city with a strong transport and logistics sector, with planned developments for improvement of the skills base in this sector to develop specialist niches. Many cities have creative industries strategies and/or agencies (e.g. the Creative Wolverhampton initiative).
High Transition
High profile infrastructure development orientated towards attraction of specific sectors has proved successful in diversifying the economic base of cities such as Malmo with Medicon Valley where 60% of the Scandinavian Pharmaceutical industry is based.

4.8 Strategic Capacity to Implement Long-Term Economic Transformation

The literature on city competitiveness is clear that the best performing cities have strong governance arrangements and partnerships to implement transformational economic plans. The strategic capacity of cities to implement coherent development strategies underpins the development of the other success factors, all of which are highly dependent on the development of physical assets (transport schemes, business parks, visitor attractions, education facilities etc) which requires effective partnership working over long periods of time.

4.8.1 The Components of Strategic Capacity

There are several dimensions that underpin effective strategic capacity to achieve economic transformation. The best performing cities are those that have clear goals and a strategy to achieve them, which is owned by all strategic partners and driven forward through strong governance arrangements. Many high performing cities have established some form of special delivery vehicle to implement area strategies and plans. The most successful cities are building strategic alliances with neighbouring centres to maximise the comparative strengths of a given economic hinterland. Finally, the implementation of development strategies requires city leaders to obtain the support of central Government and to forge an effective relationship with the centre – this is especially true in the UK where transport and other infrastructure investment decisions remain relatively centralised.

4.8.2 What Does the Future Hold

A number of higher productivity European countries such as Germany have significantly more decentralised decision-making arrangements for local economic development than the UK. The recent sub-national review is based on the premise that further decentralisation and devolution is required in the UK to enable places to respond more effectively to local challenges and priorities. The proposed reforms are in four key areas:

- Empower all local authorities to promote economic development and neighbourhood renewal. This will be based on changes to LA powers and reform of funding streams. It includes a proposal to move funding for most 14-19 year olds education and training to local authorities.
- Support local authorities to work together at the sub-regional level. This includes: strengthening of sub-regional management of transport, with potential for increased long-term certainty of funding; development of proposals for Multi-Area agreements; and strengthening of sub-regional arrangements for implementing economic policies.
- Strengthen the regional level. This is largely based around an increase in powers and accountability of the RDAs.
- Reform central government's relations with regions and localities. This is based on enhanced departmental accountability for regional performance.

4.8.3 Implications for Doncaster

The economic strategy will require widespread political and stakeholder support if it is to be successfully implemented. Successful implementation will require strong partnership working arrangements to align funding streams and develop robust delivery mechanisms to support large-scale change. At an early stage, DMBC should consider whether changes are required to internal structures to deliver the agreed economic strategy – for example, assess whether a specific economic delivery vehicle should be established to lead on economic transformation and, if so, what form this should assume. DMBC should also take the lead in assessing the adequacy of partnership arrangements to deliver the strategy and explore the best way of promoting Doncaster's potential as a future growth area to central government. Implementation of the strategy and its development going forward should be set in the context of initiatives and plan in neighbouring towns and cities. A number of stakeholders see a need for DMBC to work more closely with decision-makers in neighbouring centres to explore strategies that will maximise their joint competitiveness. This will become increasingly important in future as proposals for decentralisation and devolution are implemented.

4.9 Quality of Life, Urban Renaissance and Cultural Diversity as a catalyst for Revival

Competitive cities are successful in attracting investors and businesses and, equally so, are places where people want to work, live and visit. In short, they offer a 'high quality of life' and this comprises the sixth component of successful urban centre.

4.9.1 Economic Importance of Quality of Life Factors

Quality of life and cultural diversity refer to a diverse set of physical and intangible factors that determine the attractiveness of an area as a place to live. This has become increasingly important, as growth industries become more reliant on attracting highly skilled mobile workers.

All urban areas in the UK face a range of challenges in improving quality of place, as set out below. [22]

Quality of Life Challenges

- Climate change and the environment: Failure to keep up with the challenge of climate change threatens enduring environmental degradation.
- Loss of experienced skilled workers. Middle class families are moving out of towns and cities in

[22] Towards a Strong Urban Renaissance, An independent report by members of the Urban Task Force chaired by Lord Rogers of Riverside, Urban Task Force, November 2006

search of better schools, less congestion and a safer environment.

- Inequality persists and house prices are at high levels relative to income. Massive inequalities persist in cities and competition for space pushes up prices for housing, making access for lower income households much harder. This is amplified by too low a supply of social housing.
- Growing housing demand is a big challenge. How to build compact, well-designed, sustainable neighbourhoods, which make best use of Brownfield sites, are well served by public transport, hospitals, schools and other amenities, and do not weaken existing urban areas?
- Transport funding mechanisms are a constraint on effective planning. Opportunities to create sustainable, environmentally friendly communities are being missed because transport provision and funding is still too dislocated from the overall planning process.
- The quality of urban development in the UK tends to lag behind many other countries. Few well-designed integrated urban projects stand out as international exemplars of sustainable communities.
- Public sector regeneration delivery mechanisms are inefficient. The large number of overlapping, but differently funded and monitored regeneration bodies has reduced the effectiveness of public sector led regeneration schemes.

There has been much recent debate about the relative importance of different quality of life factors. Authors such as Richard Florida[23] have stressed the primary importance of a city having a 'buzz factor' if it is to attract knowledge workers. In contrast, a recent survey finds that that people base their location decisions more on the quality of core local services, especially schools and hospitals[24].

It is well recognised that physical attributes of a city have an important impact on perceptions of its relative attractiveness as a place to live, and there is strong evidence that comprehensive physical regeneration of a city can act as a catalyst for the rejuvenation of its economic fortunes[25]. Barcelona is a key example of this with the city revitalised and moving up the European city rankings. [26]

4.9.2 What Does the Future Hold?

A large number of factors impact on quality of life. This section focuses on some of the key future drivers, in particular: income inequalities; housing; education and skills; and the environment.

Income inequality is a significant constraint on quality of life in an area. The sub-national review notes that pockets of deprivation may reflect the concentration of affordable or poor quality housing in those neighbourhoods, with the 'sorting effect' of the housing market resulting in the less well-off living in poorer areas. Recent Government reports and announcements have clearly set out the significant future challenge regarding housing and the need for increased housing supply. The Housing Green Paper (2007) sets out how the Government is seeking to achieve three million new homes by 2020. Key proposals within the paper include generating 'more homes', delivering more social housing, building homes more quickly, enabling more affordable homes, and introducing 'Greener' homes.

The sub-national review also notes that globalisation and technological change will contribute to underlying pressures on relative incomes by increasing the premiums attached to skills. In developed economies, skills premiums will rise, and pressure on the incomes of the low-skilled will continue. This may combine with the sorting effect of the residential housing market to reinforce concentrations of deprivation at the local or neighbourhood level. As well as improvements to housing, improving the skills of those with low levels of qualification will be an important enabler of improvements to quality of life.

The Stern Review sets out clearly the challenges relating to environmental change and it is clear that this will remain a key issue going forward and that more pressure will be put on businesses and households to reduce their carbon footprints.

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23 See for example http://www.creativeclass.org/

24 Ideopolis: Knowledge City Regions, Work Foundation (p40)

25 Ideopolis: Knowledge City Regions, Work Foundation

26 Competitive European Cities: Where do the Core Cities Stand?, ODPM, 2004

4.9.3 Quality of Life: Benchmarking Doncaster

The benchmarking annex shows Doncaster's relative performance against a wide range of quality of life indicators. The analysis suggests that Doncaster has a number of strengths and areas where further progress is needed, as summarised in the table below.

Existing Strengths	Areas for Improvement
House price affordability: As a proposition for inward investors/locators Doncaster's relatively low average house price to wage ratio is a critical advantage. Local tax: lower council tax than most comparator cities. Public Transport: better user satisfaction ratings than many areas. Healthcare: Primary Care Trust: has a high rating. Attractive Rural Locations: Market towns and villages	Environmental quality: high CO2 emissions per capita and need to focus on low carbon solutions to economic growth. Parks and green space: relatively low user satisfaction ratings. Cultural offer: relatively low user satisfaction ratings with museums and arts activities/venues. Schools: weak examination results relative to most comparator cities. Crime: higher rates than many comparator cities (though there have been recent noticeable improvements). Housing: Housing Affordability for Doncaster residents in the low income bracket remains a key issue. Raising income levels alongside improving the supply of Affordable Housing has to be a priority.

4.9.4. Implications for Doncaster

Doncaster performs well on functional quality of life indicators such as local transport and housing affordability but needs to make progress on areas that are known to be important for attracting more highly qualified workers. These include school performance and its cultural offer – both important elements of quality of life over which local decision-makers have considerable influence.

A review of transition scenarios (see below) indicates the potential to market the existing cultural offer more powerfully and to develop new infrastructure, building on the significant imminent investment in the Creative and Cultural Quarter.

The increased focus on housing growth by Government presents an opportunity for Doncaster to state a case for investment in new homes in the borough and associated investment in new infrastructure to ensure job creation.

The table below gives examples of strategies that comparator cities have adopted to improve the quality of life of residents.

Low Transition
Affordable housing. The provision of a good housing offer is seen as key to retaining residents and meeting their housing aspirations for a good quality of life, and is a focus of activity in Sunderland, Wakefield and Wolverhampton.
Medium Transition
Infrastructure development. The development of new cultural attractions is increasingly being incorporated into new regeneration initiatives in a number of cities such as the Barbara Hepworth Gallery at the mixed use Wakefield Waterfront development. Sports facility development has been a major focus in many cities. **Urban 'buzz' factor.** The quality of bar and restaurant leisure provision is seen as key to attracting and retaining people within a city. Bochum centre has developed a popular bar and restaurant district.
High Transition
A number of cities place a very high emphasis upon the **protection and enhancement of public realm** and open space and regard it as a strong indicator of a good quality of life. Magdeburg has 40 of the most popular parks and gardens found in the region. Nancy in France has a public square that is listed on UNESCO's World Heritage List.

Metz has one of the larges pedestrian precincts in France.
High profile national and international sports facilities have been developed in Bochum and other cities.

4.10 Land, Property and Business Premises – A Significant Component in Revival

The offer of good quality land and business premises is the final key component of a successful urban centre and this is explored in more detail below.

4.10.1 The Economic Need for Quality Land and Premises

Studies have consistently found that the availability, cost and quality of employment land and premises are important factors in business location decisions and city competitiveness. The development of a strong business premises offer is especially important for small and medium sized cities, which can potentially gain from overspill effects from larger cities.

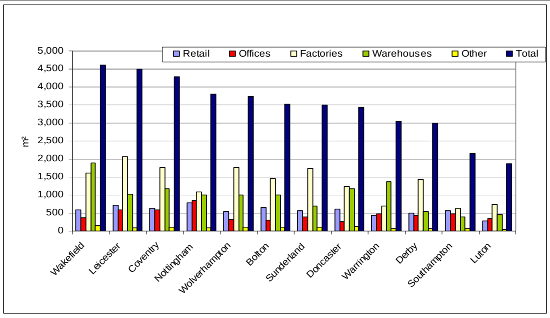
The availability of suitable business premises will not on its own drive city competitiveness – but where quality premises are in low supply, then an area is likely to suffer from low levels of inward investment and the loss of indigenous firms looking to grow their business.

The type and location of premises required will vary by sector, size of company and their stage within the business development cycle. There is a need for city planning bodies to develop effective employment land strategies and an appropriate and balanced land and property portfolio[27].

4.10.2 Quality Land and Premises: Benchmarking Doncaster

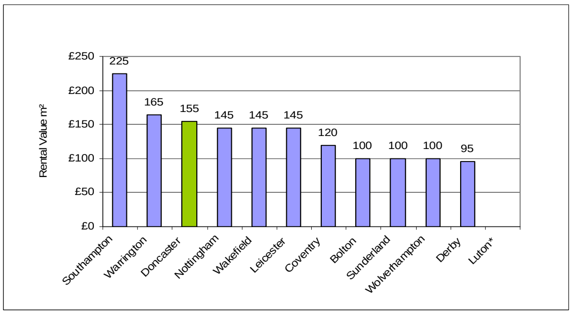
The benchmarking of Doncaster's employment land availability against comparator cities indicates that the growth of businesses in the higher valued added service sector is being constrained by a shortage of office floor space, which is reflected in relatively high rental values.

Business Floor space (m^2) by Type, 2006



Source: Neighbourhood Statistics

Office Rent (£m^2) Type 1, 1st January 2007



Source: Valuation Office Agency

A review of previous research specific to Doncaster also indicates that more start-up premises should be made available in Doncaster town centre and in local communities.

4.10.4 Implications for Doncaster

Doncaster needs to build on existing initiatives to increase the supply of and demand for town centre office premises. This would support the attraction of higher skilled jobs and create demand for higher value leisure activities in the town centre (e.g. restaurants). There is also evidence of a need for more start-up space in Doncaster and further analysis of potential demand and the most appropriate locations is needed. Analysis of experience elsewhere suggests a number of potential transition scenarios.

Low Transition

Focusing employment land development on existing sector strengths has been the stance taken by a number of cities. The distribution sector has been the focus for new development in cities such as Wakefield and Leicester.

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[27] Ideopolis: Knowledge City Regions, Work Foundation

The provision of **flexible business space for start–up** and expanding businesses is becoming increasingly important in facilitating economic development in a number of cities such as Derby and Bochum. Bochum has a start-up centre providing studio and workshop units in former coal mine buildings.
Medium Transition
Some cities have **invested heavily in city centre office development** in a bid to attract professional service companies. Nottingham for example, is focusing on the growth of its city centre office premises base and has already attracted a number of financial institutions including Fortis, Bank of England, Experian, and Capital One. Leicester is currently progressing a New Business Quarter adjacent to the train station that will provide over 300,000sqft of high quality office space and apartments in a mixed use development. The **assembly of strategic development sites** for the development of business premises is a key enabler of city economic growth and is currently being facilitated across a number of comparator cities. Often this kind of development is focused in areas with excellent transport links. Warrington boasts one of Europe's largest strategic development sites at Omega Park, a multi-billion pound investment on Brownfield land.
High Transition
Development of business premises in partnership with Universities has been a key driver for development of science parks in a number of cities such as Nottingham, Coventry and the University of Southampton Science Park located just off the M3.

4.11 Cross-Cutting Themes

This section considers social inclusion and climate change. These are cross-cutting themes in the sense that they need to be taken into account in formulating the intervention strategy.

4.11.1 Social Inclusion

Doncaster's economic revival would be incomplete if it did not benefit and include the most vulnerable and poorest members in its area. Supporting groups at the risk of being marginalised from mainstream society is an ongoing policy issue, both national and within the EU. Key to this is addressing the issue of worklessness which tends to be highly concentrated in relatively deprived communities. Doncaster has high levels of worklessness, with around 18,000 people claiming Incapacity Benefit, and of these, about 6,000 capable of working. An additional 5,000 people are unemployed, indicating over 10,000 people who could be working but are not.

Performance in addressing worklessness has been mixed across the UK. In the most deprived areas, between 2001 and 2005, the evaluation of the National Strategy for neighbourhood renewal reveals that two fifths of the local authority districts covered by the Strategy have seen a narrowing of the gap in local neighbourhood worklessness rates, but a similar proportion experienced a widening gap[28]. Looking at worklessness rates in a selection of Yorkshire & Humber districts between 1996 and 2006 also reveals significant variations in performance. Doncaster's employment rate has improved significantly, although it is well behind Wakefield, which has seen an employment rate increase of almost 10% points.

[28] Sub-national review

Employment Rate (%)

	2006 %	1996 %	Change % pts
Barnsley	68.8	65.5	3.3
Bradford	69.2	68.4	0.8
Calderdale	75.4	77.8	-2.4
Doncaster	70.7	65.0	5.7
Kingston upon Hull	65.8	61.9	3.9
Kirklees	74.9	72.6	2.3
Leeds	77.5	74.0	3.5
Rotherham	71.6	66.0	5.6
Sheffield	68.3	65.5	2.8
Wakefield	76.3	66.7	9.6
York	78.9	75.4	3.5
Y&H	**73.7**	**70.4**	**3.3**

Source: LFS, APS

Looking forward, Doncaster should be able to make further progress on worklessness, given investment under the new EU Competitiveness Programme and its position as a City Strategy pathfinder. However, the challenge is now greater than in the past, as to make further significant inroads into worklessness will require movement of an increasingly 'hard to reach' group (e.g. long term incapacity benefit recipients) into employment. The forthcoming City Strategy will set out Doncaster's approach to addressing this.

4.11.1 Climate Change

The Stern Review[29]*:* concludes that the scientific evidence for climate change is 'overwhelming' and that it is a serious global threat requiring an 'urgent' global response. It argues that moving to a low-carbon economy brings significant economic opportunities. The value of low carbon technologies is estimated to be at least $500bn by 2050. It recommends policy action on carbon pricing, technology policy to stimulate low-carbon and high efficiency products, and finally, removal of barriers to energy efficiency. Climate change places an increased emphasis on businesses to promote sustainable practices, including energy efficiency and corporate social responsibility, increasing the market for ethical products and support for low carbon initiatives.

4.12 Conclusions and the Implications of not Taking Action

Doncaster has major assets in its excellent multi-modal connectivity and a potential supply of development land that suggests a sustainable increase in the pace of economic growth is a realistic objective. These assets are currently under-utilised, partly as a result of constraints and challenges in other areas. In particular, the qualification profile of Doncaster's workforce compares unfavourably to comparator cities and represents a constraint on attracting higher value added businesses and associated higher paid employment opportunities. This is reflected in a business base that is relatively low in its knowledge intensity and in low levels of enterprise.

Overcoming these constraints is paramount. Doncaster needs to focus on upskilling its workforce and ensuring that residents currently out of work gain the qualifications and skills they need to enter the workforce. This will help local companies to grow their businesses and increase their levels of innovation, and should stimulate greater levels of enterprise and business diversity. It would also support the attraction of higher value added businesses to Doncaster and increase demand for town centre office space. These changes will not happen on their own and public sector support to overcome barriers to upskilling, innovation and enterprise is required, including support for employers in training workers, provision of managed workspace, and stimulation of links between businesses and knowledge

[29] The Economics of Climate Change, published in 2006

providers. As Chapter 3 highlighted, future growth of the economy is dependent upon higher qualified and skilled employees and unless Doncaster can make significant progress on these elements its economy will continue to lag behind the national average, and risks falling further behind. While the provision of an appropriately skilled workforce can be addressed through in-commuting, there is a danger than many local people, particularly young people, will be confined to lower paid jobs, unless attainment and skills levels improve significantly.

The creation of higher-value added jobs is of paramount importance. It should lead to a lasting dynamic which sees the growth of higher-end leisure services in the town centre and the creation of an environment which is more attractive to highly skilled mobile workers. There is a need to focus on the quality of employment growth as well as the quantity to avoid the predominance of low paid employment. This would stimulate further investment in town centre office developments, higher value housing and increased demand for services, including higher education. The increasingly vibrant economy and growing availability of well paid jobs should lead to a step-change in the aspirations of young people in Doncaster and greater investment to obtain qualifications. More opportunities for those currently out of work will also be created and action is needed to ensure that local residents who are out of work have access to opportunities to develop the necessary skills.

What is also clear from the evidence review is the need for Doncaster to articulate a clear vision of its role within its economic hinterland and to work with neighbouring towns and cities to maximise the added-value of public sector interventions and the economic opportunity of Robin Hood Airport. The level of social and economic exclusion in Doncaster is partly caused by, and compounds, low education attainment and low aspirations, and failure to tackle severe concentrations of deprivation will lead to a large number of residents unable to access the opportunities arising from new investment and economic growth.

5 Current Plans and Assessment of Need

5.1 Planned Interventions and Assessment of Need

This section considers ongoing and planned interventions in Doncaster and based on the evidence review summarised in Chapter 4, considers at a high level what further developments are required to further increase the pace of economic revival in Doncaster. Chapter 6 presents a detailed intervention strategy.

5.2 Connectivity

The major planned interventions in Doncaster relate to the development of the road network and public transport improvements:

- Road schemes. There are a number of major road schemes planned in the district including the White Rose Way widening, M18 widening, and the Finningley and Rossington Regeneration Route Scheme (FARRRS - linking the M18 and the airport). There are a number of issues regarding phasing that need to be resolved before these schemes can progress and they are also dependent on central Government support. A direct road connection from the M18 is an important component to the longer term development of the airport and the adjacent development sites.
- Doncaster Access Strategy sets out a range of plans to improve connectivity within the Borough with a focus on ensuring that Doncaster Town Centre is an attractive, vital and accessible location, that Doncaster has a transport system that provides improved access to existing and new major developments, particularly for those most in need and that Doncaster's transport system is safe, sustainable and attractive, helping to protect and enhance local communities and the environment. The Quality Bus Corridor to the airport is under construction and will include a park and ride facility at either end. There are also plans to amend town centre car park charges to encourage use by people working in Doncaster town centre and ease access for day time shoppers. Enhancements to bus services are also planned (Quality Bus Contracts), including better services that link local communities to their local rail stations, and an improved shuttle service between Doncaster rail station and the airport.

As highlighted in Chapter 4, Doncaster’s principal strength is its multi-modal transport connectivity. The challenge it faces is to maximise the benefit if obtains from these assets by working in partnerships and lobbying national Government to secure key strategic investments, particularly the FARRRs scheme, which remains at the planning stage. In relation to connectivity, it is a focus on securing investment for existing proposals which is needed in the short to medium-term, rather than development of new proposals.

The Quality Bus Corridor will improve airport access from Doncaster mainline railway station by reducing bus and taxi journey times. The economic case for a rail link to the airport should also be investigated at the earliest opportunity, given the long timescales for planning and building such a link if it is found to be viable.

5.3 Skills

Doncaster has some excellent education assets and the new college building (Hub) provides a focal point for Doncaster’s learners. The Directions Finningley Aviation Academy is also a strong asset and the partnerships driving the skills agenda are increasingly becoming well established. There are a number of initiatives in the pipeline to further strengthen the education infrastructure and improve access, participation and attainment, including the following:

- Post-16 Training Infrastructure and Provision. Further development of the Directions Finningley Aviation Academy is planned and partners will work together to build a world class facility.
- Better School Buildings. Building Schools for the Future proposals (2009) will significantly enhance educational provision and there is potential to expand after school activities for young people. The improved facilities will also offer considerable opportunities for expanding the adult learning offer in local communities – where it is most needed.
- Partnership Development. The new Enterprising Doncaster Board should lead to enhanced skills provision for workless people.
- Increased institutional collaboration (schools and colleges) is likely as the new 14-19 diplomas are rolled out.
- Success Doncaster (LEGI) initiatives. Embedding enterprise in the schools curriculum, enterprise modules for students, and CPD are planned under the Discover New Skills strand. (See later for details of the Success Doncaster programme)

However, as set out in Chapter 4, the scale of the challenge facing Doncaster on skills development is significant. Over time, as highlighted in chapter 2, the importance of skills will increase and an increasingly high qualified workforce will be required. It will not be enough just to focus on young people; – most of the future workforce is already in work and workforce upskilling is required, with implications for further and higher education provision. Given the importance of a skilled workforce in business success and location, raising the aspiration of its residents and companies to invest time and money on acquiring higher levels of qualifications is a major priority for the borough. To achieve such a step-change requires the development of a clear skills strategy designed to build on the existing interventions described above and which leverages the excellent infrastructure and partnership arrangements already in place.

5.4 Innovation

A more highly qualified workforce should facilitate greater innovation within the business base, but direct support to stimulate innovation is also vitally important. Doncaster has some managed workspace (e.g. DBIC), a large FE college and access to a number of top tier universities (e.g. York, Leeds, Sheffield, Hull), but it suffers from not having its own university and a low base of knowledge intensive businesses.

Initiatives in the pipeline include the following:

- New Infrastructure. The existing Doncaster Business Innovation Centre (DBIC) was built in 2001 to provide incubation space for high growth, high technology start-up businesses. The second phase of DBIC is a mix of workspace and offices and will be targeted as grow-on space for developing companies.
- Success Doncaster (LEGI) proposals including a virtual small business network.
- Clean coal. An important potential development is the proposal by Powerfuel plc to develop a 900MW clean coal power plant at Hatfield Colliery.

These initiatives all have merit but when combined with existing innovation infrastructure and support, do not add up to a powerful offer to business. Local employers and stakeholders believe that Doncaster needs a stronger innovation offer to business and that an innovation strategy needs to be developed in consultation with key partners such as the college. Doncaster needs a more explicit technology offer to create the conditions for the development and exploitation of new technologies. Supporting a more diverse economy and the development of high value-added niche sectors is key to encouraging better links with knowledge providers, enabling an expanded higher education offer in the town and a potential route to eventually establishing its own university (possibly a business focused model that embeds enterprise and innovation), and supporting the development of improved infrastructure (e.g. technology parks).

5.5 Economic Diversity

Closely linked to the need for a more highly skilled workforce and a more innovative business base is the issue of economic diversity. As explained in Chapter 4, there is a strong body of evidence that shows the most successful economies to be those with a diverse business base, but combined with key specialist sector strengths. Economies with a higher proportion of knowledge intensive businesses and a strong enterprise culture are also more successful.

There are a number of new initiatives in Doncaster designed to stimulate increased diversity, including the following:

- Success Doncaster (LEGI). The Local Enterprise Growth Initiative - 'Discover New Talent' - represents a considerable investment in stimulating enterprise in more disadvantaged communities (£18m over the first 3 years of a planned 10 year programme).
- Support for the Creative and Digital Industries, including the recent RSY study focusing on CDI niches (ICT, Design, Media & New Media, Print & Packaging) which have significant potential for CDI growth and for wider cross-sector impact. The study notes that these niches involve hybrid capabilities which cut across established industrial classifications – these include Design; Cross-platform; Mobile; ICT Services and Healthcare Informatics.
- Support for office based services. DMBC has a new initiative for a pro-active inward investment campaign for office based services. This is linked to the St Sepulchre Gate West proposal.

The focus on sectors with high growth potential is particularly welcome and there would appear to be scope for significant employment growth in sectors such as business services and the creative industries. But Doncaster is not the only urban centre looking to attract businesses in these sectors and to be competitive, it will need to develop strategies for each growth sector.

As shown in Chapter 4, Doncaster lags well behind many comparator cities in terms of enterprise and business formation and the scale of the gap suggests that new initiatives such as Success Doncaster (LEGI) will not be sufficient on their own to close this gap. Proposals to engender a sustainable change in culture within Doncaster are needed, be it through enterprise education in schools, development of enterprise skills for adults, support for social enterprise etc.

5.6 Quality of Life

Doncaster has an improving quality of life offer based on development of the town centre, its proximity to the countryside and the coast, some attractive outlying villages, and relative housing affordability. Doncaster town centre has improved significantly over the past decade and now boasts an attractive shopping destination and a state-of-the-art bus interchange on the same site. In the next few years Doncaster town centre will undergo further significant physical regeneration, a culmination of the 2003 Urban Renaissance Masterplan and building on landmark developments such as the Frenchgate centre. The most significant project is the Civic and Cultural quarter, which will transform the Waterdale area of the town centre and provide various high quality leisure destinations for Doncaster residents and visitors, most notably a major new performance venue. Major developments are summarised briefly below (the economic strategy will help to inform the form and content of these developments):

- Town centre regeneration including the anticipated £300m Civic and Cultural Quarter (CCQ) project (note subject to formal approval at the time of writing). This is one of the largest and most important regeneration projects in the town centre and will transform the Waterdale area of Doncaster. With work due to begin in 2008, the site area provides excellent development potential with approximately 23 hectares in the heart of the town centre, and is predominately under-used, brownfield land. Proposed facilities include a new performance venue, leisure facilities, new civic buildings including a swimming pool and new library, and town centre homes. The new performance venue will house a main auditorium, a second flexible theatre-space, dance and drama studios, rehearsal / teaching spaces, a live music bar, cafe/bar and foyer.

- Doncaster Waterfront. The Waterfront development was identified in the 2003 Urban Renaissance Masterplan as being a key building block in stimulating investor confidence in Doncaster. At 46 hectares, it is one of the largest remaining city centre brownfield waterfront sites in the UK. The project is supported by Yorkshire Forward, Objective One, Doncaster Economic Partnership, British Waterways, Doncaster College and the Learning and Skills Council. Already the site of the new college building (the hub), the long term vision for this site is to create a very high quality, mixed use development that includes residential, commercial and leisure accommodation.
- Town Moor Racecourse Re-development. The £35 million redevelopment of Town Moor is now complete. Town Moor is home of the St Leger, the oldest classic race in the country, and is one of Doncaster's best known assets. The refurbishment will see the addition of 4* hotel accommodation (completion Spring 2009) and a 5000 square metre exhibition and conference centre – this facility can drive business, events and the visitor economy.
- Great Streets. This project will create a great urban street along Trafford Way and Church Way, lined with great buildings that front onto the street, providing a safe and attractive pedestrian environment that pays respect to prominent buildings such as St George's Church, whilst still carrying reasonably high levels of traffic and public transport activity. The Great Street project is intended to be a positive catalyst for economic development through a comprehensive remodelling of the St George's roundabout into a new gyratory that will incorporate a direct north-south pedestrian route linking the shopping centre with the new Waterfront and Hub.

The challenge for Doncaster is to develop a higher-end leisure offer and to create a 'buzz factor' in the town centre. This will require an increase in town centre based higher-paid employment and an enhanced office space offer to attract financial and business services and other high value added industries to the town centre. The Great Street/St Sepulchre Gate West proposal would go some way to addressing this and as noted above, DMBC has a new initiative for a pro-active inward investment campaign for office based services. Overall it is important that the right mix of leisure, residential and retail is included and that the wider population can benefit and be engaged.

In addition the Council and its partners are committed to regenerating the housing stock in the Borough and are engaged in a range of programmes to deliver Housing Renewal. The planned housing interventions during 2008/11 include a Housing Association Development Programme, continued engagement in the Housing Market Renewal Pathfinder, Green Corridor, alongside specific projects like Six Streets in Hyde Park, Doncaster. Doncaster will respond the housing growth and renewal agenda, and ensure that strategic housing priorities compliment economic, transport, and planning priorities.

5.7 Business Premises

Evidence reviewed in Chapter 4 and consultation with businesses and public sector stakeholders indicates two major issues for Doncaster regarding business premises availability: low supply of and demand for town centre office premises; and a need for more start-up space in the town centre and local communities.

The most significant developments in the pipeline are summarised below:

- Out of Town Development. For example, further expansion of existing sites including Lakeside, West Moor Park, RedHouse Interchange, and sites adjacent to the airport.
- Proposed Town Centre Mixed Use Development, including office space: Developments include Waterfront, CCQ, and St Sepulchre Gate West.

- **Inland Port.** The proposed Inland Port at Rossington is a significant proposal which if completed could provide in excess of 4,000 direct jobs in the long-term.

Given the apparent scope for significant growth in employment in sectors such as business services and creative industries, it is paramount that appropriate business space is developed to facilitate growth of indigenous businesses and attract inward investment.

5.8 Summary of Strengths, Assets, Constraints and Challenges

Based on the discussion above, the figure below summarises Doncaster's strengths and major assets, constraints on the development of its capability, and challenges for developing its capability going forward. The intervention framework describe din the next chapter is designed to build on strengths which are currently under exploited and remove constraints to growth.

Strengths and Assets	Constraints and Challenges
Connectivity Strong overall transport offer across modes, including some key strategic assets: airport, rail link to London, state-of- the art bus station, motorway and ports access.	*Connectivity* Not currently making the most of assets: scope for improved external marketing of connectivity strengths; greater co-ordination regarding airport development (including attraction of scheduled services); phasing issues around road scheme developments.
Skills Excellent college infrastructure (Hub and High Melton campus). Directions Finningley aviation training facility. DEC partnership.	*Skills* Low aspirations of young people and a lack of understanding of local employment opportunities. Manifested in weak GCSE 5 A*-C, particularly Maths/English and high NEET. Low skilled workforce, lack of public funding for re-training, and pull of the Leeds labour market.
Innovation Proximity of universities (Sheffield, Leeds, Nottingham, Lincoln, Hull etc) Broadband infrastructure. Good transport connectivity. College (inc. DBIC and DKE).	*Innovation* Limited local HE offer. Lack of technology/science parks and research facilities. Low levels of innovation in business base (inc. e-adoption). Weak links between the business and knowledge bases.
Economic Diversity Some strong employment sectors: Logistics, Construction, Public Services; Food and Drink. Potential growth sectors: Aviation, Creative and Digital Industries; Financial and Business Services.	*Economic Diversity* In traditional sectors, need to diversify into higher value-added – potential in logistics but need for supply-chain expertise. Weak enterprise culture. Lack of town centre office space and start-up space a constraint on growth in financial services and CDI respectively.
Quality of Life Relative housing affordability. Some attractive outlying villages. Countryside/coastal access. Improving town centre, with an excellent shopping offer. Leisure offer (Dome, racecourse, stadium).	*Quality of Life* Shortage of executive housing. Significant pockets of deprivation. Lack of a unique selling point and 'neutral' image. Town centre lacks a higher-end restaurant offer and 'buzz factor'. School performance is weak.
Business Premises Out of town office offer (e.g. Lakeside) Relative low cost. Reasonable land availability.	*Business Premises* Limited town centre office offer. Limited science/technology parks. Limited managed workspace in town centre and local communities. 'Aviation related' constraint on airport development. Some emerging constraints on large-scale logistics sites.

6 Intervention Strategy

6.1 Intervention Strategy

The intervention strategy provides the framework for economic intervention to help Doncaster achieve its vision to 2025. It builds on the substantial progress that has been made over the last decade or so and sets out an ambitious but realistic series of activities.

Looking at the critical success factors, the borough's exceptional communications and good supply of strategic sites is not matched by all of the ingredients needed for transformational economic growth and diversification of the economy. These include the higher level skills of the workforce, the number of workless, the enterprise gap, the quality of the urban core and the knowledge intensity of its companies.

6.2 Core and Cross-Cutting Themes – Overview

The research undertaken suggests a number of areas where Doncaster needs to accelerate development to achieve its aim of closing the output gap and increasing the prosperity of its population. Interventions to support higher levels of growth have been grouped into nine themes as follows:

- Theme 1: Stimulating Technology and Innovation and Accelerating Growth through Start-up and Enterprise
- Theme 2: Promoting a 21st Century Skilled and Diverse Workforce
- Theme 3: Exploiting Robin Hood's Growth and Doncaster's Exceptional Connectivity
- Theme 4: Repositioning Doncaster - Inward Investors, Marketing and Image
- Theme 5: Fostering a Dynamic Urban Core (Town Centre Regeneration)
- Theme 6: Supporting Economic Diversification and Sector Growth
    - Logistics
    - Construction
    - Creative and Digital Industries
    - Financial and Business Services
    - Events and the Visitor Economy
- Theme 7: Supporting Social Regeneration and Working Neighbourhoods
- Theme 8: Economic Inclusion: Tackling Worklessness
- Theme 9: Quality Housing Offer

There are also three cross-cutting themes that apply across each of the above and will need to be given full consideration in any proposed core theme interventions:

- The achievement of environmental sustainability: The economic strategy will help reinforce the messages in Doncaster's Climate Change White Paper, Carbon Management programme and Greenspace Strategy and promote economic policies and activities that are 'environmentally-friendly' and sustainable. The aim will be to ensure the strategy does not encourage a significant increase in greenhouse emissions and promotes low-carbon opportunities. There will be a particular emphasis on the role of business in promoting sustainable practices. The strategy and interventions outlined within it shall be subject to a detailed Sustainability Appraisal designed to inform the delivery of interventions proposed and actioned as a result of the Strategy.

- Exceptional quality of life and quality neighbourhoods within the borough: A key message of the Urban Task Force was that urban neighbourhoods should be vital, safe and beautiful places to live and CLG (see Comprehensive Spending Review Period 2007) has a continued emphasis on sustainable communities. The importance of this agenda in Doncaster is reflected in a specific Social Regeneration and Working Neighbourhoods theme but also fundamentally has to be recognised as a cross cutting issue if Doncaster is to continue to build prosperous communities by promoting 'working neighbourhoods' and continued renewal. The third sector can play an important contribution to the delivery of services.

- Delivery capacity: Strong partnerships and effective partnership working, both within the city and with key external partners – e.g. other cities and national government, is a feature of all successful cities. Doncaster will build informal strategic alliances with partners to develop a coherent wider area strategy. This will be underpinned by strong civic leadership and a coherent delivery mechanism or stewardship arrangements to achieve effective economic transformation.

These cross-cutting themes also have specific interventions relating to them.

6.3 Theme 1: Stimulating Technology and Innovation and Accelerating Growth through Start-up and Enterprise

Objective: This theme will promote the key ingredients for technology and knowledge development including infrastructure, knowledge exploitation and product development. Chapter 3 indicates that the Productivity Performance Factor category is the single most significant contributor to Doncaster's productivity gap, reducing output by £750 million. This theme will also improve the performance of the economy through enterprise support and business acceleration. A key factor here is low levels of innovation and associated product and process improvements. It is anticipated that the Local Enterprise Growth Initiative in Doncaster will create 800 new jobs by 2010.

Rationale for Inclusion

The evidence reviews reveal the knowledge economy and innovation as vital components of a successful modern economy. Benchmarking indicates that Doncaster needs to make more of its knowledge assets. The proportion of employment in knowledge based industries is below that for comparator areas and survey evidence shows relatively weak links between businesses and regional knowledge-providers. This is reflected in relatively low levels of innovation in the business base. There are a number of constraints on the development of a knowledge driven economy in Doncaster, including not having a university, and a lack of technology/science parks and research facilities. There is also a limited supply of start-up space in the town centre and local communities. Several comparator cities have placed business innovation as a key component of their economic growth strategies.

A successful and thriving economy is typified by a diverse and dynamic business base, with a range of new and growing sectors that can help grow the business base and replace employment opportunities in more traditional sectors that may be in decline. Doncaster has a lower business density than more successful economies and its sector mix is too reliant on low value added sectors. Doncaster has a low enterprise culture, typical of South Yorkshire and many areas formerly dependent on traditional and stable industries that provided a large proportion of employment for many years. To some extent, the relatively low level of workforce qualification attainment in Doncaster represents a constraint on enterprise. In addition, start-up businesses require support through the early stages and Doncaster faces some constraints in terms of the availability of managed workspace and serviced accommodation both in the town centre and in communities. The borough has the potential to promote an A1 technology corridor stretching from Cambridge to York.

What action will we take in Doncaster?

The Borough will prioritise the development of a comprehensive innovation and technology action plan which will enable Doncaster's businesses to continue to compete and grow. This tailored offer will be developed with the support of businesses in the Borough. The offer for businesses in Doncaster will include:

1. Technology Infrastructure Development and Innovation Hubs. Through the development of a technology park, and the expansion of start-up/incubation space and new facilities. These facilities will promote the development of sustainable technologies (clean energy, sustainable logistics and environmental technologies) and provide workspace/incubation and supply chain support for existing Doncaster firms and potential inward investors. This would require an anchor tenant on the lines of the Advanced Manufacturing Park. It will incorporate and encourage sustainable features such as carbon neutral fuel.
2. The creation of a Doncaster Knowledge Transfer Exploitation and Commercialisation Programme to help deliver the Lisbon Agenda, Regional Innovation Strategy and new EU Operational Programmes. This will include:
    a. Enhanced links to universities within travelling distance (Hull, Leeds, York, Sheffield for instance) and a stronger partnership between businesses and the local Further/Higher Education offer in Doncaster through the establishment of business/university networks (including a series of memoranda of understanding), and

events. Securing a tailored Enterprise and Innovation specific education presence will be an important part of this programme.

b. The Borough will support Doncaster businesses to access the innovation facilities available across the region, including the Advanced Manufacturing Park in Rotherham, facilities in Hull and the AIDC Centre of Excellence in Halifax.
c. The Borough should seek to develop links with regional and national logistics centres such as the University of Hull Logistics Institute with the ambition to develop a complementary Advanced Logistics Institute/Innovation Hub with leading players breaking new ground and exploiting emerging technologies – this will help the sector move to more added value activity.
d. Technology and innovation specialists to promote stimulate demand in existing and new sectors to complement the emerging business support infrastructure. They will assist companies in recognising the value of innovation, communicate available support and promote innovation with young people.
e. A new Doncaster Technology Fund to promote product development and R and D for local companies in niche sectors (this could be through linking with the Yorkshire Forward R and D voucher scheme).
f. Doncaster will seek to embed the creative process into its innovation approach, recognising that creativity around design, marketing and product development is intrinsically linked to new ideas, new products and new businesses for the Borough.

3. Product Development Support Programme. Ensuring that local assets are used to stimulate technology transfer within local companies including the emerging creative and digital sector and niche sectors. The development of technology facilities to support businesses in Doncaster to develop, test, and bring to the market innovative products and showcasing /prototyping new ideas. This will include asset alignment – ensuring existing provision (such as the DKE) supports growth sectors and the existing industrial base.

Employer engagement at all levels is a key priority for the Borough. The Business Community will need to be directly involved in the development of tailored support for an increased level of enterprise in Doncaster. This will include further engagement with the indigenous business sector to identify packages of support to remove the barriers to growth.

4. The development of a broad platform of enterprise and start-up support building upon the Success Doncaster programme will include:
   a. A programme to seek out trade and inward investment/business start-up opportunities through the exploration of overseas markets served by the growing airport.
   b. A refreshed focus on graduate enterprise in Doncaster is also required – including continued work with SMEs to convince them of the benefits of taking on graduates and work with graduates on local opportunities.
   c. Doncaster will seek a strong and coordinated relationship with the new mainstream support mechanism – operating under the Business Link banner – including the specialist support for target groups and key sectors. Doncaster will meet with the new business link provider and start to articulate its business support needs in a statement of business support priorities. These will include:
      i. Promoting and marketing the business support services in Doncaster
      ii. ICT and e-Business support
      iii. Developing individually tailored business support programmes
      iv. Business Leadership - Providing mentors, coaching and support for high growth companies to promote best practise and innovation and promote leadership and management
      v. A high growth business support programme

vi. The programme to seek out trade and inward investment/business start-up opportunities through the exploration of overseas markets served by the growing airport.
vii. Supporting supply chain initiatives – including marketing communications around sectors improve penetration of SMEs
viii. Promotion and practical advice on meeting and exceeding environmental standards including advice on waste minimisation/disposal, energy consumption and sustainable procurement practises.

5. Success Doncaster (Local Enterprise Growth Initiative 'Discover New Talent') programme. This represents a considerable investment in stimulating enterprise in more disadvantaged communities.

   Interventions include:

   a. Increasing public-private sector working and private sector involvement in Doncaster[30] and enterprise support in the disadvantaged communities
   b. Business Buddies - to encourage growth of existing businesses by delivering a tailor made package of support. The target beneficiaries include "hard to reach" businesses who have been untouched by mainstream business support.
   c. Start Ups - anyone wishing to go into self-employment or start-up a business within Doncaster is eligible for support from this project. The Business Start Up and Mentor programme has been developed to complement and add value to existing business support. The Start Up programme is being delivering across 5 themes; Arts, Creative and Digital Industries (CDI), General, Youth and/or over 50 years, Social Enterprise and BME.
   d. Can Do - the aim of the Can Do Enterprise project is to assist individuals into start up through the provision of advice and financial support that will allow them to break their reliance on welfare benefits. 'Can Do' targets Incapacity Benefit claimants, ex-offenders and lone parents who view self-employment as a possible route out of welfare dependency.
   e. Community Based Enterprise Advisors (CBEA) - the CBEA programme aims to build an enterprise culture in the Borough by promoting enterprise and providing practical advice in our communities. This locally based outreach will target individuals, households, schools and community groups based in Doncaster's most deprived communities.
   f. Arts and Creative – an 'access to enterprise' programme using creative and digital content to engage with targeted communities in the Borough. The core of this project is to utilise the arts and creative sector as an outreach tool to engage and develop the talent of our resident population on their own terms, at their own pace.
   g. Enterprise 4 Learning (E4L) - the E4L project aims to;
      - increase the capability of Doncaster schools to include practical enterprise support activities as part of the school curriculum
      - increase the capacity of teaching staff to deliver enterprise support programmes
      - provide practical support to pupils in seeking opportunities to develop and test enterprise ideas.
   h. Enterprise Continuing Professional Development (CPD) - Enterprise CPD aims to deliver continuing professional development to a target market of key staff within the public sector in order to heighten their entrepreneurial awareness. This will stimulate a less risk averse and more innovative environment that will embrace change and new ways of working.

[30] The D100 group under Theme 1 "Discover New Partnerships".

i. Enterprise College - Doncaster College have been commissioned to deliver this project which has three key objectives;
    1. Doncaster College will offer Enterprise Modules to learners at the College
    2. Establish a Centre of Vocational Excellence in Enterprise for Doncaster Business School
    3. Deliver community based enterprise tasters in our target communities.

j. Doncaster 100 (D100) - D100 is a business leadership programme run by businesses for businesses. It is a coming together of our key employers, large and small, willing to commit to the borough's economic and enterprise development. This private sector led programme will enable Doncaster's business community to make an enduring contribution to the Borough's future by pledging their time and resources; sharing their wealth of experience and business know how with others. D100's key strength is that it will bring businesses together to make greater collective impact than any individual business could achieve individually.

Cross Cutting Initiative

The development of infrastructure to use bio mass technology to produce energy as part of DMBC's zero waste strategy and encouragement of firms to implement low carbon technologies within their estates and take corporate responsibility for the reduction of carbon emissions.

6.4 Theme 2: Promoting a 21st Century Skilled and Diverse Workforce

Objective: Doncaster will seek a culture change in its approach to learning. A key emphasis will be to engage with employers to improve the skills of the workforce and with young people to help drive the economic transformation through attracting new businesses to the borough and supporting the growth of indigenous businesses through higher skills levels – it requires an ambitious shift from intermediate to higher level skills and a focus on participation and achievement amongst an increasingly diverse group. Leitch's ambitious aspirational targets in chapter 3.0 highlight the skills challenge as an additional 36,000 higher level skills jobs between 2005 and 2025 (increasing from 33,000 to 69,000).

Rationale for Inclusion

Workforce skills is increasingly recognised by Governments worldwide as one of (if not the most) important factor for securing future economic success and a key 'attractor' for new and existing businesses. The volume and quality of HE provision (including campus developments, new universities and expanded provision) and proportion of higher level skills within a workforce[31], were for many comparator UK and EU cities, an increasingly significant component of economic prosperity. In the UK, the Leitch review of skills makes a powerful case for increased investment in skills by Government, employers, and individuals. More intensive international competition means that UK companies increasingly need to retain competitive advantage and innovation requires higher skilled workers. Leitch estimates that by 2020, the proportion of jobs at Level 4 (first degree) or above will reach 42% of the workforce. In Doncaster, current figures show a significant deficit of high skilled individuals in the workforce - with only 17% of those in work being qualified to this level – 10% points below the most successful comparator economies such as Warrington. Relative to comparator areas, Doncaster has a low proportion of its workforce qualified to first degree level or above, and a relatively high proportion below the Level 2 threshold (equivalent to five GCSE A*-C passes and viewed by Government as the minimum level needed for sustainable employment). School GCSE results are also below those achieved in comparator areas and there is a particular issue around relatively low achievement of GCSE passes in Maths and English, with a subsequent knock-on affect in terms of progression to 'A' level or equivalent study.

[31] The Critical Success Factors Paper (Annex One) identified specialist universities, learning quarters, business education collaborations and workforce development and employer engagement initiatives.

When benchmarked against comparators, it is clear that Doncaster's workforce skills offer needs to be developed if indigenous businesses are to flourish and inward investment is to increase. It is also clear that employment opportunities for young people are a major priority. This will require a range of steps to be taken, including:

1. Skills Strategy: The Borough will develop with key partners including Employers and the Business Community, DMBC, the Learning and Skills Council, Jobcentre Plus, and Further Education providers a co-ordinated skills strategy that encompasses the continuum from schools to adult learning and workforce development with a focus on key areas of priority (for instance dictated by the Leitch Review). This will also act as a framework for cross cutting themes below.
2. The Borough will continue to refresh its evidence base for employers skills needs through the regular commissioning of a business-led skills survey to ensure that regular and up to date information is available.
3. A Raising Aspirations (Young People) Programme. Including fostering better links between young people and business, particularly in high profile emerging sectors (e.g. creative and digital) and utilising key local assets such as the racecourse, the stadium, and the airport. The Doncaster Apprenticeship Programme should also be developed. Young people will be introduced to technology at an earlier age linking schools with manufacturing companies more explicitly (for instance via DEC's 14-19 strategy or the Building Schools for the Future interventions).
4. Workforce Upskilling Programme. This could include a commitment from major employers (including the council and PCT) in Doncaster to upskill in-house staff (for instance from Level 2 to 3 and 4); leadership and management training for high growth potential companies; and an expansion of HE provision, linked to local economy needs.
5. Expanding the Higher Education offer and volume of Higher Education in Doncaster: Higher level skills are becoming increasingly important and an expanded and more business focused HE offer would help to provide the skills and qualifications that Doncaster employers will require in the future. Innovation and creativity should form an appropriate part of this mix.
6. Over time the Borough will seek to develop a significant university presence which will build on the existing Doncaster University Centre. Doncaster will need to articulate through an understanding of its economic base how this University presence can support Doncaster's economy to grow. Key to this will be the provision of a skilled workforce for Doncaster employers, generation of innovation and incubation support and a business focused enterprising culture embedded across the learning spectrum.
7. Asset Alignment – The Borough will ensure that existing training and education assets and partnerships are attuned to the needs and priorities of the Economic strategy. The various Doncaster College assets, the Building Schools for the Future Programme, the Directions Finningley training facility at the airport, and any future proposed structures will need to be tied explicitly to the overall agenda outlined within the Economic Strategy with a focus on meeting employer needs and driving the University aspiration forward.

Cross Cutting

There a number of complementary strategies, programmes and planned interventions that are needed to support the skills and workforce development agenda and address some of the productivity concerns raised earlier[32]. Specific targeted work for tackling the skills issues for the Borough's workless residents is included in theme 8: Economic Inclusion: Tackling Worklessness.

- A workforce diversity/economic inclusion strategy will be developed to encourage key target groups into employment – people with disabilities, migrant workers, those at risk of

[32] The poorer skills base within the economy is a key part of the Productivity Performance Factor category - the single most significant contributor to Doncaster's productivity gap, reducing output by £750 million.

redundancy who need retraining and older workers. Enhancing the skills and availability of jobs for new migrants (and refuges and asylum seekers where feasible) will require specialist advice, employment and training support.

- The engagement of **adults in deprived communities in learning** will occur through the Production of Neighbourhood Learning Plans to inform need; community outreach or family learning programmes; IAG for emerging communities; engagement with ICT and the use of media to connect and inform communities.
- The **quality of education and training provision and schools** are a pre-requisite for new employers/ inward investors. Looking forward, there is a wide range of planned interventions, that will help achieve this, including those driven by national policy, such as:
  - The introduction of the 14-19 Diplomas
  - School infrastructure improvements under the Building Schools for the Future programme - can be a catalyst for regeneration and include other activities such as leisure, extended hours, and cultural opportunities.
  - Local initiatives under Success Doncaster (LEGI)
  - The expansion of provision at the Directions Finningley aviation sector training facility.

6.5 Theme 3: Exploiting Robin Hood's Growth and Doncaster's Exceptional Connectivity

Objective: The airport is **Doncaster's single strategic most important asset** and this theme identifies a range of interventions to support the airports development ensuring a catalytic impact on economic growth in Doncaster, and the region. **It is anticipated that the airport could generate in the region of 7000 jobs in the long term (to 2025).** This could increase to as many as 11,000 jobs across the region were the development of the airport to achieve its full potential with the development of adjacent sites and its position secured as a major international multi-modal interchange..

Rationale for Inclusion

Transport connectivity has long been recognised as a vital enabler of economic success, given its role as an enabler of networking (and therefore innovation) and in providing access to a pool of skilled labour. With the increasing importance of international trade and global competition, international networking and sourcing of components from around the globe are becoming increasingly important business drivers in many sectors. Evidence from other towns and cities indicates that the successful development of an airport can support growth in new industrial sectors, as well as generate substantial direct employment in more traditional sectors such as aviation services. This theme is intended to address the constraints that infrastructure places on economic growth. **Robin Hood Doncaster Sheffield Airport is a key growth driver for the Sheffield City Region and the North's Economy.** Improving transport connectivity is a major investment priority for the Northern Way - **international airports will be an integral part of this objective to close the £30bn output gap between that of the North and South.** The Airport is supported by key stakeholders across the region including Yorkshire Forward, the Hull and Humber Ports and the Sheffield City Region. UK and international cities are using airports to drive regional growth through commercial activity and freight (Southampton and Leicester) and to capture business visitors (Luton and Verona for instance).

What Action will we take in Doncaster?

The airport will be a key driver for improving the Skills base of the region, improving the inward investment attraction of the Region and boosting competitiveness at regional level nationally and for the UK's economy internationally. There are several strands to this theme including strategy development, the exploitation of increased traffic, the promotion of direct and indirect employment and training opportunities and sectors and improved multi-modal access:

1. The **development of a co-ordinated strategy** (between the airport operator, DMBC, and other key stakeholders) for the successful exploitation of the airport's economic potential. This

should include the development of a comprehensive portfolio of adjacent land for aviation and cargo facilities, employment opportunities and facilities/support services including conference facilities and start-up space and business support. The borough will articulate its priorities for the airport.

2. The economic exploitation of increased passenger/freight traffic, will include:

   a. Capitalising on visitors to the region and increasing the value of the visitor economy through business and leisure visits. There would appear to be greater potential for business visits although joint marketing initiatives with York should be considered as a way of increasing leisure traffic.
   b. Working with stakeholders to develop a more comprehensive route network and schedules with major carriers (e.g. into European hub airports - especially Schipol and Frankfurt) which appeal to business air travel.
   c. Attracting major freight carriers and boosting freight volumes and associated activity.
   d. Improving links with other ports[33]/logistics hubs, including for example the Hull and Humber ports "Global Gateway" and developing stronger links with national centre such as Harwich and across Europe.

3. The development of Sub-Regional growth sectors (CDI, Advanced Manufacturing and Logistics)[34] and air intensive sectors – those sectors requiring quick and ready airport access (especially business and financial services and research and development industries (Leeds and York) and freight services from the Advanced Manufacturing and Materials (Sheffield) and logistics (Doncaster) sectors).

4. The development of the airport as a hub for employment and training opportunities in aviation and airport related companies, including on site and off site[35] ground services (e.g. security, luggage handling, catering etc), equipment manufacture/distribution, and aircraft maintenance. The development of the aircraft maintenance training offer would increase the attractiveness of Doncaster as a base for engineering and maintenance.

5. Enhanced multi-modal access (road, rail and bus) to the airport. The most significant planned intervention is the FARRRS road and the A638 Quality Bus Corridor which is under construction which will link the Town Centre Interchange and airport and enable a more reliable bus shuttle service to operate on this route. The business case for the link road in terms of local and regional jobs will be clearly established. The economic case for a rail link to the airport should be considered as the airport grows to support improved passenger access and commuter access as the business offer develops around the Airport site.

6. Internal Connectivity to support economic growth The Borough's approach to transport connectivity will be taken forward in a sustainable and planned way, providing an enhanced quality of life for all the residents and high quality environment for visitors to Doncaster. Continuing to improve the internal connectivity within the Borough will be a priority, particularly ensuring that those communities within the Borough that face considerable connectivity challenges in accessing employment, retail, leisure and cultural facilities are supported through our approach to transport connectivity. The Borough will deliver on its planned Major Projects including:

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[33] The Northern Way has published a review of the growth prospects of the northern ports (which have grown their UK market share from 28% to 34% in a decade) demonstrating the value to the UK of these assets and informing the Governments Ports Policy Review.

[34] These are covered in more detail later.

[35] Such as workers in nearby hotels and in car hire operations.

- A638 QBC: This bus priority scheme, includes 2 park and ride sites and will run along the A638 from Woodlands to Rossington. It will provide improved public transport facilities along this route and improvements to the quality, reliability and journey times of buses.
- Finningley and Rossington Regeneration Route Scheme (FARRRS): This will provide direct access between the motorway network and airport as well as improving accessibility and assisting in the regeneration of Rossington.
- A6182 White Rose Way: This scheme will increase capacity between the M18 junction 3 and Ladybank roundabout.
- In addition we will work with our key partners to bring forward other strategic transport projects such as the Highways Agency (HA) to improve capacity on the M18 and A1(M) trunk road network.

The Borough will ensure that there is strategic approach to Car Parking provision, the development of Park and Ride facilities, the approach to local Bus and Rail services (including exploring the opportunities available through Quality Bus Contracts) and Quality Bus Corridors.

Cross Cutting Themes

This theme will be complemented by a series environmental mitigation and social inclusion measures

- The Borough should seek to develop and support the Airports Environmental Management Strategy with innovative solutions to key challenges resulting from airport growth (surface access; noise and night flights; air pollution; climate change; landscape and visual impact and the economic benefits of airport growth). These might include innovative landscape schemes, buildings with zero carbon emissions and complementary activity (investment in adjacent wet lands / nature conservation areas for instance). Current activity includes the "First Call" Carbon Sequestration Scheme run in association with the South Yorkshire Community Forest.
- Using the airport as a catalyst for regeneration through education, training and employment opportunities from deprived communities. The benchmarking work shows a need for bus patronage.
- Initiatives to eliminate barriers to work caused by poor public transport and promote access from deprived neighbourhoods to key economic sites. Although with specific regard to the access to the Airport there is a good, and developing, network of services which should continue to be encouraged and supported.
- The development of a modern language school and a centre of engineering expertise would complement the airport development and provide future opportunities for young people.

6.6 Theme 4: Repositioning Doncaster - Inward Investors, Marketing and Image

Objective: This theme will allow Doncaster to project a very strong and compelling external image.

Rationale for Inclusion

Competition between areas to attract and retain growth businesses is intensive and increasingly crosses national boundaries. Towns and cities are increasingly recognising the need to develop a strong sense of place and for powerful external marketing of this image. Most larger cities now have semi-autonomous investment agencies and smaller cities and towns are increasingly recognising the case for 'place shaping' initiatives. Sunderland, Southampton and Bolton have all recently conducted 'place shaping' reviews to inform more effective marketing to potential inward investors, building on their unique strengths and assets. Doncaster has a strong offer to businesses based on a number of strengths including its excellent connectivity, quality of life factors including a rapidly improving town centre and shopping offer and wider access to countryside and coastal areas, relative housing affordability, and land availability. It is important that the town develops its cultural offer and the environmental cross cutting theme will play a key role in attracting investors.

A review of potential future interventions under this theme suggests potential for strengthening and deepening the economic dimensions of the 'Discover the Spirit' brand and enhancing co-ordination:

1. The development of a **better and more compelling offer/support to** 'court' UK and overseas **inward investors** and stakeholders to get a foothold in the borough and take advantage of its competitive strengths[36]. This will require projecting a strong external image – including sector champions, case management, pro-active marketing, and targeted marketing material. This will need to be undertaken within the context of Renaissance South Yorkshire's successor (http://www.surprising-sy.com/) the council's marketing team who will advise on consistency and if necessary creativity.

2. The development of a stronger external image with an **immediate focus on town centre sites and premises** complementing an initiative (currently well underway) for a pro-active inward investment campaign for office based services (around opportunities at St Sepulchre Gate West). This can be incorporated into existing activity. This is important give the scale of office opportunities envisaged in coming years.

3. In the longer term the council could consider **a high quality well designed new economic development portal** based on the model of warringtonuk (http://www.warringtonuk.com/pressoffice/) and the 3d portal (http://www.doncaster-3d.co.uk/index.htm) which is able to communicate in a compelling fashion "Why Doncaster?" within the Discover the Spirit Brand. This should include sophisticated property search facilities and economic opportunities - key sectors, investment locations, press articles and high quality support for business start-up, expansion, relocation and recruitment. This will refresh the current Investing in Doncaster part of the DMBC website and add value to the 3d portal. This does not mean reinventing Doncaster's approach to marketing but ensuring the economic dimensions are well up to date, co-ordinated and well presented.

4. A continued investor **marketing effort**, in the main focused on Doncaster, South Yorkshire and the Wider Region (these locations account for over ¾ of all current known enquiries). Discrete proactive campaigns will need to be targeted elsewhere (in the UK and abroad) in priority sectors e.g. Logistics, CDI and (second tier) business and professional services. Again this will complement activity at regional and sub-regional level and will provide refreshed content for DMBC and partners marketing activities.

5. Increased **collaboration and engagement** with city-region, regional and UK and EU comparator cities. Informal collaboration and dialogue across its hinterland and the wider North will help Doncaster realise its vision and deepen connections beyond the borough boundaries.

These measures will help underpin the success of the economic strategy.

6.7 Theme 5: Fostering a Dynamic Urban Core

Objective: Achieving transformation of the urban core and the provision of a balanced property portfolio on a scale not witnessed since the post-war years. This is a pre-requisite for Doncaster's continued economic growth over the next two decades or so. **The strategy envisages 29,200 jobs being**

[36] Taking advantage of the global market for manufactured goods by Doncaster's assets – land, logistics and the airport.

created in a high growth scenario by 2025 – a revived city centre and district wide property offer will be a key component of success here.

Rationale for Inclusion Urban regeneration will be a powerful catalyst for economic change in our comparator cities, instilling a renewed sense of purpose and optimism in indigenous populations and presenting a more vibrant image to the outside world. There are many examples throughout Europe of urban renewal forming a central pillar of economic growth strategies, including major renowned cities such as Barcelona, as well more modest EU 'post-industrial' comparators such as Bochum and Monchengladbach. A vibrant centre with a strong cultural and leisure offer supports a strong external image and the attraction of high-skilled knowledge workers to an area. Retaining people and attracting visitors will have a knock on effect for the wider region. The Doncaster town centre environment has improved significantly over the past few years and the town now boasts a new community stadium, a redeveloped racecourse, a modern shopping centre (Frenchgate) and a state-of-the-art bus interchange. Relative to many comparator cities however, Doncaster is some way behind in terms of its town centre development. Constraints include limited town centre office space and living accommodation, which results in few people remaining in the town centre in the evening and a limited market for leisure services such as bars and restaurants. Reviving Doncaster's town centre will help to lift the rest of the borough and its outlying settlements.

This theme includes some major physical and other investments to improve the urban core and property offer:

1. There is a need to realise current development in the town centre and beyond.
    a. There are 3 major proposed catalytic projects which underpin the revival of the city centre, stimulate investor confidence and which form an essential component of continued renaissance and transformation of the borough (as well as a catalyst for renewed office interest in the borough):

The proposed £300m Civic and Cultural Quarter, is a landmark scheme in the heart of Doncaster, which includes a new performance venue, hotel, and restaurants and there are also plans for development of residential accommodation. The scheme will also represent a major boost to Doncaster by creating more than 1500 permanent jobs, attracting 50,000 visitors a year to the performance venue and generating a further £18m for the Borough's economy.
The Great Street / St Sepulchre Gate West proposal will create opportunities linked directly to the financial and business services sector and will ensure the expansion of town centre office space which may be attractive for second-tier financial services companies in higher cost centres. The Great Street proposal involves redesign of Church Way and Trafford Way to create a modern and environmentally sustainable street which is pedestrian friendly whilst still carrying reasonably high levels of traffic and public transport activity.
The Waterfront mixed use development includes residential, commercial and leisure accommodation - one of the largest remaining city centre brownfield waterfront sites in the UK - maximises the potential of its canal side location. Home to the £70m Doncaster Education City (DEC) gateway scheme (2006) it has award-winning public realm and sets the standard for the future design and development of the Waterfront. This development should provide a focus for learning and digital industries.

2. The wider Urban Core also includes some signature projects which will require continued attention:

Doncaster Lakeside is a prestigious mixed-use development site. Already occupied by over 500 apartments and homes, and businesses including BT, EWS (English, Welsh and Scottish Railways), Direct Line Group and Beresfords Solicitors. Other features include a well established

leisure park including: the Dome - one of Europe's largest leisure centres, multiplex cinema, bowling alley, restaurants and supermarket. Over the next few years is important that the site continues to gain critical mass - several sites will be brought to the market, including 8 hectares for lake-front residential development, 4.5 hectares for commercial uses, and 7.7 hectares of industrial land.
The **Lakeside Sports Complex** opened in December 2006. This £32 million project brings together sport and community facilities into a single high quality venue at Doncaster Lakeside with state-of-the-art amenities. The development of associated leisure opportunities should be considered in the immediate surroundings and the continued opportunities offered for corporate hospitality, education and business functions.
Town Moor, home of the St Leger, is one of Doncaster's best known assets. Town Moor serves both the national and international market, acting as a focal point for not only the racing community but the exhibition, conference and hospitality businesses too. The redevelopment of Town Moor is significant for both Doncaster and the region as a whole. The enhancement of exhibition and conference facilities, 4* business class hotel and luxury apartments forms an important part of the town's revival.

3. Doncaster will have a **comprehensive portfolio of land and property** which will dovetail its inward investment and marketing proposition. This will include:

    a. The presentation and development of a **ladder of accommodation** for expansion, relocation and start-up for local entrepreneurs/communities and businesses (e.g. in the city centre and at the airport), investor developers and inward investors. This will appeal to range of investors from sole proprietors to multi-national companies seeking HQs.

    b. The development of **smaller office space, flexible and managed workspace /incubation** especially in the city centre is a priority. The top end large scale office accommodation offer will also need to be enhanced in the city centre.

    c. The continued **realisation of strategic sites** (at the airport, White Rose Way, Lakeside Great Streets, FirstPoint, Redhouse and adjacent to the M18 in particular) **and a differentiated property** offer for its target sectors. M18 widening will need to be considered as part of the transport solution for these sites (along with more sustainable solutions such as bus access).

    d. The provision of **grow-on space for start-up businesses**, more sector-specific start-up support in higher growth sectors (workspace and specialist services) as well as structured support to enable young businesses more generally to survive and grow (intensive/structured support such a mentors), and access to services (such as finance and advice).

4. A continued variety of **niche retail, bars and restaurants** will help to sustain city centre vitality and encourage more trade and activity in the urban centre and provide a more diverse social and cultural offer. This will include complementary activities such as farmers markets. There is a link here to the CDI theme and the final theme around social regeneration.

5. An **ambassador or advocates programme** would to help make the town an even more welcoming place and further raise its profile externally. Town Centre Marketing efforts should seek to draw in town centre partners (retailers etc).

These interventions are designed to reinforce the social objectives in Theme 7.

Cross Cutting Theme

In parallel to this investment there several strands of activity to enhance the quality, sustainability and 'inclusiveness' of the interventions:

- Promoting the very best standards in urban design, planning and architecture in pursuit of an urban renaissance of Doncaster's built environment and landscape will help to underpin the work of the town team. This will include practical measures to promote design excellence.
- Sustainability: The above physical works will be undertaken within the parameters of Doncaster's Carbon Management Programme – with practical measures and demonstrator project to reduce carbon emissions and energy consumption.
- Outstanding public realm and green space. All development in the urban core will be taken forward to the highest standards possible and will look to incorporate public green space.

6.8 Theme 6: Supporting Economic Diversification and Sector Growth

Objective: The Borough will support its strong sectors to grow and become increasingly high value whilst retaining a continued intense focus on Doncaster's niche sectors which will help to increase the volume and quality of jobs available for residents. Niche sectors provide a modest but important contribution to the 'employment challenge'. More significantly niche sectors can help improve Doncaster's prosperity gap in two areas – the sectoral mix and productivity performance (see Chapter 3.0). Growth within the sectors identified in the section below will provide a range of employment opportunities across different entry levels supporting efforts to both up skill the Doncaster economy and also provide employment opportunities for those disengaged with the labour market.

<u>Advanced Logistics</u>

Rationale for Inclusion
Logistics is already a major sector in Doncaster and many of the world's leading logistics providers (e.g. DHL, Wincanton) have a presence in the district. The logistics sector is growing quickly reflecting increased levels of outsourcing by retail companies, new channels to market (particularly the Web) and increased product variety. This is driving demand for strategic regional and national logistics centres. Doncaster's strength in this industry is based on its excellent multi-modal transport connectivity /accessibility (with links to the M1 and M62, several strategic sites in the M18 corridor, the East Coast Container Ports, and the East Coast Mainline) and the availability of local labour. This has resulted in demand for large floor spaces in Doncaster (which is home to a diverse range of logistical investment including B&Q, Asda, Next, Miller Bros, Wincanton, Powerthorpe, DHL and Ikea). Doncaster is not seeking a 'dash for growth' in the sector but instead wishes to be known as a premier location of increasingly sophisticated advanced logistics and supply chain management operations.

What action will we take in Doncaster?

The Economic Forecasts suggest that logistics employment could increase from some 4,850 (2005) to 6,199 in 2025. The challenge is to ensure that the quality of jobs improves alongside this increase and that it is underpinned by a clear strategy for growth. This theme comprises of four strands of activity:

1. The main constraint on future growth in advanced logistics is shortages in land supply and concerns over sustainability – particularly around increased road traffic and capacity constraints on the M18. A clear strategy for future growth in advanced logistics is required. Particularly sophisticated operations will be encouraged (amongst new and existing operators) including the development/creation of office based/management functions, computerised modelling, leading edge technologies and employer commitments to intensive training and workforce upskilling. Action to link local communities to logistics employment sites will be required as well as some proactive targeted marketing aimed at those offing the right mix of employment opportunities for Doncaster.

2. There are opportunities to **expand improve the logistics employment** in Doncaster across skills levels through continued targeted inward investment and catalytic projects. For instance the Inland Port proposal at Rossington has the potential for up to 4,000 new direct jobs plus an additional multiplier effect, there is the possibility of more rail freight, and the airport has capacity for air freight development. These need to be considered in light of neighbouring facilities/developments in Barnsley, the A1 corridor (Wakefield), the M1 corridor (for instance the East Midlands[37]) and Humberside.

3. The continued development of **airport opportunities and cargo freight**. The airport has a cargo handling centre, over 60 major freight forwarders within one-hour travel time, and it is one of the few airports with the airfield infrastructure and surface access capability to handle bulk freight aircraft.

4. The engagement of major logistics players located in Doncaster to develop **shared research and flexible training provision**, with joint funding (e.g. University of Tennessee Executive Programme In Logistics, the Chesterfield Logistics CoVE[38]).

Cross Cutting Intervention

There are two higher level cross cutting measures:

- The main constraint on future growth is shortages in land supply and concerns over sustainability. In terms of future interventions, the economic strategy will look towards value added initiatives like links with **universities and development of new technologies** affecting the sector. Through carefully planned intervention it may be possible to make links to environmental technology and sustainable freight solutions.
- A pilot **eco-logistics** programme looking at electric/hybrid/hydrogen options to mitigate against the environmental impact of logistics will be explored. Business support will also include advice on solar energy, recycling, energy consumption measures (energy efficient lighting, water consumption measures) and building technologies – green and brown roofs (to encourage bio-diversity and help insulation), and water collection etc.
- The opportunity for the Borough to research Carbon Sequestration opportunities should be explored, e.g. Doncaster Moors.

<u>Creative and Digital Industries</u>

Rationale for Inclusion

Sustained employment growth in the creative and digital industries in Doncaster over the past 5 years and expectations of future growth make this an important potential growth sector for Doncaster. In 2004, there were 2,500 jobs in creative and digital businesses in Doncaster, an increase of 500 jobs since 2000. As well as direct employment benefits, growth in this sector can have additional benefits in terms of town centre and community vibrancy – developing the CDI company base should be a vital component of the development of a Dynamic Urban Core and a more entrepreneurial culture.

The importance of the sector is recognised internationally and competition between areas to attract inward investment is intense. Doncaster has a number of well established companies in the CDI sector and digital business assets such as the Digital Knowledge Exchange and broadband infrastructure, as well as a lively creative scene, including the Hot House Festival and the internationally acclaimed

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[37] For example located in north Derbyshire Markham Vale is a 200-acre business/industrial park, offering direct access to the M1 motorway via a dedicated new junction, 29A.

[38] Chesterfield College leads the Wheels, Skills Excellence in Logistics CoVE, which is a partnership of four training providers to develop and share excellence in the delivery of innovative courses and learning opportunities with a focus on increasing Level 3 provision within the logistics and supply chain sector; and the provision of recruitment, training and development support for employers and individuals.

Doncaster Youth Jazz Orchestra. Doncaster needs to build on these assets to develop a reputation as a creative crossroads and build stronger local CDI networks.

Doncaster College, working with the University of Hull, has successfully developed and recruited to a range of highly specialised provision from Foundation Degree to Masters in such as games technologies, digital design and performance. The DKE LETS (Leading Edge Technology Solutions) project has achieved an unusual level of national and international reputation in the fields of visualisation and virtual reality. These capabilities are well aligned to the local growth in design and to the sub-regional strengths in advanced manufacturing. Doncaster has potential projects suited to different types of technology businesses in the new DKE build, the next phase of DBIC and the Airport business park.

The onward potential of Doncaster may be restricted by the failure to develop the CDI proposition and notably the property element:

- Doncaster alone lacks the centrally located premises that have been successful in Sheffield and are proving so in both Barnsley & Rotherham; these were developed on the assumption in a growth climate that 'the people will come', so long as the supporting factors are in place
- Whilst Sheffield businesses report low interest in relocation to Doncaster, the converse is also significant
- Doncaster has its own natural catchment area for attracting new businesses, which may be extended by the influence of the airport and rail links
- DBIC is reported to be consistently full and draws business from wider sectors than CDI alone, such that a Phase 2 development could be justified on a number of market models
- Town centres may benefit from overspill and overheating of urban centres and other hotspots; Leeds overspill to Barnsley and Wakefield will only be replicated in a Doncaster context if the proposition is in place
- An 'A1 Technology Corridor' which links Doncaster to Cambridge and to York has potential with Doncaster's air, rail and road links; it is noted that the high cost Cambridge technology cluster is less than 90 minutes from Finningley
- The town centre Doncaster College build provides opportunity to review the college property portfolio to maximise links to high growth business leading to achievement of University College and then full University status based on a 21st century knowledge economy model; a DKE would be closely linked to these objectives.

What action will we take in Doncaster?

1. Yorkshire Forward has signalled its support for the CDI sector in Doncaster but acknowledges that the district needs its own creative and digital strategy to drive investment. Doncaster will identify the key CDI niches it wishes to pursue – including creative micro enterprise in the town centre, digital media industries (marketing and production companies), design companies and e-learning and a host of other businesses[39]. The recent CDI study by Renaissance South Yorkshire helps to clarify Doncaster's niche strengths: It recommends that RSY should work with DMBC and YF to recognise that a CDI-centric business premises build in Doncaster is an essential missing piece in local and sub-regional CDI jigsaw. This will appeal to a wider range of applied technology organisations (for example, in many areas of design). Focus should be given to:

    - Provide the physical focal point for the wider CDI presence in town centre planning
    - Cover the premises ladder from progression from incubation, including hot desks, to grow-on
    - Embed key organisations, candidate anchor tenants in this case, e.g.

[39] Ranging from freelance artists (including music, fashion and studios), designers and craft workers through to major national marketing, design, staging, lighting and media businesses.

- o DKE LETS – viewed as a small company with a big idea that may stimulate but not dominate
  - o The potential Digital Region Research Centre - a close to market technology organisation which will generate visitors and which has strong synergies with DKE LETS
- Exemplify the highest level of **'ICT Active'** accreditation to benefit tenants and to be leveraged in the Doncaster 'leading edge technologies' CDI proposition

2. **Enhanced (Digital) Networks.** A CDI strategy needs to be formulated with the need to ensure that Doncaster companies have sufficient bandwidth for the home and business markets.

3. This sector requires a **comprehensive package of support** including (see CDI sector study):
   a. The development of networks in the sector;
   b. The promotion of CDI business start-ups (with links into the Success Doncaster programme);
   c. Indigenous tailored business support;
   d. The provision of specialist incubation and managed workspace;
   e. Skills programmes and capturing the capture the skills and energy of students on the college's creative and media courses;
   f. Improved promotion of Doncaster as a centre for creative and digital companies and targeting of inward investors that would significantly enhance Doncaster's CDI offer. .

4. The continued development of **regional/city region CDI assets** such as the Digital Knowledge Exchange as mentioned earlier (stimulating innovation and R and D through imaging, visualisation and communication technologies), the new library, and the new performance venue will help to accelerate the sector's growth.

<u>Financial and Business Services</u>

Rationale for Inclusion
A key growth sector nationally and internationally, reflecting a number of trends, including increased merger and acquisition activity, both within and outside national boundaries. Financial and business services employment is relatively small-scale in Doncaster but has been expanding in recent years (see Annex 1) and nationally, sustained growth in the sector is predicted. There would appear to be scope for increasing the pace of growth in financial and business services employment in Doncaster, given increasing office rental values elsewhere. In addition to employment benefits, often at higher skills levels, increased employment in business services would have a positive impact on town centre vibrancy. There are a number of town centre developments in Doncaster that include plans for further office space, including the Civic and Cultural Quarter and the Waterfront. In addition, the St Sepulchre Gate West Area has been identified as an Area Action Plan as part of the Doncaster Local Development Framework. Its position adjacent to the rail station makes it a prime site for office space development.

What action will we take in Doncaster?

The Borough needs to develop a clearer understanding of how market leaders within the Financial and Business Services can be attracted to invest in Doncaster as well as developing an understanding of what the key drivers for growth are for those businesses within this sector in Doncaster already. These are likely to be focused around being able to recruit skilled employees locally and retaining high value employees within the Borough.

The actions for this sector are threefold:

1. The development of an advanced service economy through a comprehensive offer to financial and business services companies (based around its strong transport connectivity and the much improved amenities within the centre of Doncaster).
2. Potential future developments include a co-ordinated approach to supply-led office space development, with DMBC potentially playing a key role given their own plans for relocation within the town centre. Opportunities arising from the decentralisation of public services will continue to be considered.
3. The key constraints on growth are the current low workforce skills levels compared to comparator areas and a limited town centre office offer at present. Tailoring some of the mainstream skills related programmes to the needs of the financial and business services sector is also an important priority, with a potential focus on graduate retention/attraction.
4. The Business Community and partners will work together to develop strong networks for collaboration amongst the existing businesses within this sector. These networks will be closely linked to the Borough's efforts to tailor skills, premises and the 'city' offer crucial to this sectors growth.

Events and the Visitor Economy

Rational for Inclusion

Events (conferences and exhibitions) present modest employment growth opportunities, reflecting an increasing need for business networking as markets widen in scope. Doncaster has a core group of assets that suggest there is potential to increase employment in the events sector and in business and the visitor economy. A strong approach to the events and visitor economy will enable the Borough to promote itself more effectively and fulfil its potential . Experience from elsewhere indicates a clear need to co-ordinate activity and ensure joined up thinking between a diverse range of stakeholders. For visitors, the town has the racecourse, the stadium, one of the biggest markets in the country, a number of heritage sites (e.g. Conisborough Castle), the Potterick Carr wetlands, and easy access to York, one of the UK's most visited cities. Easy access to York also presents an opportunity to market events in Doncaster to international visitors. The further development of the Northern Racing College estate offers a significant opportunity to boost the Equine Cluster and present a positive image of the Borough at an international level whilst boosting the visitor economy and regenerating Doncaster. There are clear links to the potential events offer, with opportunities to retain business delegates in Doncaster for leisure visits before or after conferences/exhibitions.

What action will we take in Doncaster?

It is important that a balance is struck between the general visitor marketing and significantly enhancing the overall external image of Doncaster and investment in the product (cultural assets). This will require:

1. The development and enhancement of its cultural assets /product development. The new performance venue which forms part of the Creative and Cultural Quarter will be a key asset for Doncaster in the future. Doncaster will explore the possibility of another showcase cultural asset such as an exhibition space for contemporary art or a visitor attraction based on its historical legacy (horse racing or technology/product development for instance).

2. In the coming years the council and its stakeholders will look long and hard at working together on how the city is marketed – this may require additional private sector expertise, marketing of assets within the wider city region and greater alignment of visitor infrastructure. One component of this will be a targeted campaign on the Doncaster offer engaging town centre and other stakeholders in a joined up approach. This could include developing a product around Doncaster's quarters and highlighting the potential of eco tourism (through the high quality of its Peat Bogs and Moorland).

3. The South Yorkshire Service Accommodation needs study suggests an increase in supply of graded lodges and hotels will be carefully balanced against the conservation and enhancement of independent sector or smaller, privately owned hotels, inns, B&Bs and guesthouses. Making existing accommodation assets work and improving occupancy will be a priority – there will be a need to market new facilities too which are due to come on line. The council will work with operators and YorkshireSouth to develop a **'visitor action plans'** for the following market segments:
    a. Using existing facilities for business and conferences (with growing capacity for hosting conferences and exhibitions including the community stadium, Directions Finningley, new facilities at the racecourse and improved Eurostar connections) and potential to capture air passengers via the RHADS and other through traffic (via Eurostar for instance).
    b. Inbound coach groups
    c. Short Breaks (1-4 nights)
    d. Social reasons, local 'events' (festivals, shows, sporting events) or banqueting.

4. The on-going development of the town will be matched by **high quality customer service** through a recognised qualifications programme for those in the visitor economy/events industry (ideally provided locally).

5. The continued development and co-ordination of events around the **St Leger** is an opportunity for a week of high quality sport, entertainment and culture in and around Doncaster on an unprecedented scale to bring together visitors. The festival will include dedicated events at concert venues, the stadium and sporting venue, markets, street festivals/parades, museums, school and other venues throughout Doncaster and include consider fireworks and lighting strategies on the scale of major European festivals. The new racecourse development can provide a focus for business, events and the visitor economy.

6. Further **events** (as part of the events will be planned for within the town centre to help develop a 'buzz' factor including activities to enhance and improve the night time economy) and seizing **2012 Olympic and Glasgow 2014 games' opportunities**. Doncaster has a number of assets including Hatfield Waterpark, hockey facilities and the Northern Racing College estate proposals – just an hour and half from London with improved Eurostar links and hotels which is starting to develop 'an offer'. The Borough should seek to support the development of these opportunities and should continue to seek dialogue with partners to develop these opportunities.

7. The development **of an Equine cluster** could significantly drive economic growth in the Borough building on the reputation of Doncaster's racecourse and assets such as the Northern Racing College. As home to one of the five "classics" equine industries can play an important role in the town's revival. The development of Doncaster Bloodstock Sales and associated stables and the racing schools give Doncaster a competitive edge on other race courses and this opportunity should be supported where possible by partners.

8. The Borough has within its geographic boundaries a range of natural assets which could provide the focus for a concerted green tourism offer. The ability of 'green' tourism to attract visitors to the Borough, to act as a strong inward investment offer and as a stimulus for local environmentally sustainable businesses could help form a range of niche specialisms. The ability of the Borough to link its educational experiences to these assets as well as its marketing and in-bound tourism offer makes the development of this niche (but potentially rapid growing) sector a key element of Doncaster's approach to supporting the Events and Visitor Economy.

In addition to niches there are other important sectors the economic strategy will consider in future years. For instance Construction will play a key role in the revival of borough as many opportunities will be created through physical 'signature' projects.

6.9 Theme 7: Social Regeneration and Working Neighbourhoods

Objective: This theme will underpin the successful economic transformation of the borough through a series of measures to encourage strong, cohesive, sustainable and working neighbourhoods, and a higher quality of life for Doncaster residents. An important aspect of this is the impact of the quality of services available to local people such as schools/education and health alongside providing the right homes for our current, and future, residents.

Rationale for Inclusion

The ability of the Borough to improve engagement with its residents is crucial. The Borough must continue to pursue policies to develop high quality neighbourhoods and communities. Towns and cities engaging in regeneration have, to a large extent, failed to narrow the gap between income, health and educational inequalities. By embedding an approach to regeneration which encompasses Housing, Crime, Education, the Environment and Employment at Neighbourhood level the Borough will be able to ensure all of its communities benefit from economic growth and improved opportunity. The Comprehensive Spending Review 2007 backs this approach by stressing a commitment to increasing access to decent and affordable housing, building strong and cohesive communities and building safe and secure neighbourhoods. Doncaster has seen some recent successes in crime reduction, such as Maximum Impact on Crime campaign and the Safer Doncaster Partnership is taking a lead on this issue. An analysis of IMD for Doncaster shows that health and education are particularly important issues and a focus on increasing the skills and health of residents is likely to have a significant impact on their wellbeing.

What action will we take in Doncaster?

There are a number of areas to focus on:

1. **The Borough will embed Economy and Enterprise planning within the Neighbourhood Management** model recognising that it is only by providing tailored solutions, developed with partners and organisations in the Borough's communities, that will ensure Doncaster's communities benefit from the increased economic opportunity. This approach is likely to include:

    a. **Support for Community Enterprise**, community partnerships, social networks and the third sector in the delivery of public services and engagement of marginalised groups. Where possible activities should link into other strategies – for example, encouraging socially excluded people to develop their creative skills and seek opportunities for community based CDI start-ups.

    b. **Locally Tailored Measures to combat labour market exclusion for Hard to Reach groups** – Targeted employment support measured aimed at disadvantaged groups including people with disabilities, offenders, lone parents, migrants and children and families. This will require a multi-agency approach to ensure that communities get access to employment opportunities covering for instance transport, health, and advice and guidance.

    c. **Adding value to Building Schools for the Future** (BSF). The high quality schools buildings that BSF will provide should be utilised effectively for social regeneration – for example, by offering opportunities for family learning.

d. **Community Safety and Regeneration measures.** Crime prevention and reduction initiatives where there are clear economic gains. Neighbourhood policing to promote safe and secure neighbourhoods.

e. **Measures to promote a healthy workforce.** This could include an **occupational health programme** for Doncaster SMEs and **promoting a healthy lifestyle amongst young people**. Strengthening co-ordination and increasing healthy interventions to engage with adults from socially excluded groups and those suffering workplace problems aimed at removing barriers to work (through engagement in community /social enterprise; lifestyle and condition management coaching and health support activities).

6.10 Theme 8 – Economic Inclusion: Tackling worklessness

Objective: Whilst the Borough is targeting growth in higher skilled and higher value added growth the economic forecasts highlight that there will continue to be employment growth in sectors with a range of entry level employment opportunities. It is important that the Borough continues to provide employment opportunities across a diverse range of employment sectors and ensures that local residents who face a range of barriers are supported in enabling them to access employment.

Rationale for Inclusion

Economic Inclusion is a key issue for Doncaster. Worklessness is a key element of Doncaster's Productivity Performance gap. The Borough has seen significant job growth but Doncaster's headline employment rate has remained stable with between 120,000 and 125,000 residents in employment. It is clear that Doncaster residents, particularly those who are receiving benefits are accessing the new opportunities the Borough is generating. Many of these benefit claimants reside in the most socially and economically deprived parts of the Borough. For Doncaster to generate sustainable and vibrant communities, to increase income levels, raise aspirations and engage its residents in the increased opportunities then the Borough must make a concerted effort to tackle its worklessness issue.

What Action will we take in Doncaster?

There are several key strands to Doncaster effectively tackling its worklessness problem. There needs to be a concerted effort on behalf of key partners such as Jobcentre Plus, the Council, the Learning and Skills Council, training organisations and crucially Doncaster's employers to develop a demand-led, consistently high quality, neighbourhood based and client focused approach to removing the Barriers to Employment that many Doncaster residents face. This programme will be intrinsically linked to our approach to skills and enterprise at a local level. This will require:

1. A **robust and coordinated approach to engagement** of the Borough's workless residents through its Neighbourhoods. A concerted and focused marketing of available services, organisations and resources needs to be developed and the Borough will seek to promote Enterprise Champions to highlight the value of employment, be a signpost to services and opportunity and promote at a local level the Borough's approach to tackling worklessness. Agencies will seek to develop relationships with non-traditional engagement routes, including GP's Surgeries, providers of Health and Social Care services and the Council's Neighbourhood teams.

2. **The Borough will prioritise a clear and robust approach to assessment** of need built upon single assessment standards and the development of a Quality Assurance Framework. Crucial to this will be the development of a shared toolkit of resources available to everyone who contributes to employability in Doncaster. This is an essential precursor to engaging more people and providing a common offer to all residents.

3. The Borough will embed **Key Workers** within its Neighbourhoods. Key workers will provide access to local level information and support for a caseload of workless individuals providing, or signposting, those individuals to tailored support in their journey towards employment – and critically, the Key Worker will stay with the client from inception to a point three months after they enter work.

4. Employers in Doncaster need a **clear and consistent 'offer' of assistance** from the agencies engaged in tackling worklessness in the Borough who work in a co-ordinated and coherent manner. By developing strong relationships with the Borough's employers and developing an understanding of the skills needs and barriers that employers face in recruiting local staff the Borough will better be able to tackle its worklessness issue. The Enterprising Doncaster Board will be a key driver of this approach to Employer Engagement.

The approach to tackling worklessness will be fully integrated with Doncaster's approach to developing an enterprising culture in our Neighbourhoods.

6.11 Theme 9: Quality Housing for Doncaster

Rationale for Inclusion

Housing and Economic Growth are intrinsically linked. Housing has a profound impact on a city's ability to attract and retain talent, to house a growing workforce, to support the development of safer, stronger and sustainable communities and raise the aspiration of its residents. It is clear that the Borough will not achieve its 2025 vision without linking its economic growth plans with those for its Housing offer, both in the amount of new Housing, and the type of Housing the Borough's future residents will demand. The Economic Strategy sets out an ambitious growth agenda which is matched by the significant household growth projections for Doncaster over the period to 2016, and beyond.[40] The way in which our approach to Housing reflects these growth projections will act as a key driver for further growth, or as a potential constraint on Doncaster's growth. The current evidence base highlights that the availability of Affordable Housing remains a key issue for the Borough's current and future residents and a key constraint on the Borough's economic growth potential and the ability of its residents to benefit from the growth. Significant efforts to tackle this issue must be made. Balancing growth with Environmental Sustainability is a key element of the Economic Strategy, the role Housing plays in this agenda is fundamental in terms of both carbon emissions from housing and the levels of emissions from residents commuting from homes to employment, retail, leisure and cultural sites. As such, this Housing theme is a significant policy driver and a fundamental element of Doncaster's Economic Strategy.

The key Housing policy priorities for Doncaster:

1. The Borough will seek to capitalise on the economic growth projections by providing a strategic **housing growth** and planning framework which reflects where economic growth is predicted, by supporting the development of new homes for existing residents whilst planning to meet the future demand for a higher skilled workforce.

2. The Borough will seek to deliver the current **Affordable Housing requirement of** 26% of all new homes as additional affordable homes up to 2012 and ensure that future population and growth projections are reflected in the Affordable Housing requirement. The Borough will develop a new five year affordable housing delivery plan which makes the best use of Doncaster Council's surplus HRA land and assets, Section 106 planning gain, and private and public sector mainstream funding. The affordable housing plan will be creative in supporting Housing Associations, Private developers and other external partners to deliver this growth requirement. The Borough will also seek to ensure that the private rented sector contributes more effectively to meeting housing need, particularly via better use of empty private sector

[40] Doncaster Local Housing Assessment, NLP, May 2007

properties and the use of innovative joint commissioning arrangements with other strategic investment partners.

3. New developments will complement and promote the sustainability of existing housing markets, for example it will be essential that a strategic approach to the Housing Growth and Affordable Housing agenda is maintained so that new housing is delivered in a sustainable way by building on existing settlements, and linking this with the Housing Market Renewal underway in many of the Borough's neighbourhoods already. This approach will maximise olicy and resource synergy through increased alignment of significant housing investment with investment in new schools, transport and other neighbourhood level infrastructure.

4. Sustainability and the Climate Change agenda will be a key policy driver for the Borough in its approach to Housing and supports its ambition to be an Eco-Town. Housing policy will make a significant contribution to the sustainability agenda through:

    a. Its spatial distribution of housing investment, e.g. development where possible near to employment sites and linked to sustainable transport solutions, e.g. Green Travel Plans and Quality Bus Corridors
    b. Distributing housing growth in line with the Borough's settlement hierarchy – ensuring a number of highly sustainable sites rather than one settlement which would impact on the viability of existing settlements
    c. Embedding these principals into its Affordable Housing programme
    d. Through the promotion of the highest standards of sustainability planning practices, including embedding of best practice derived from Doncaster's proposed Carbon Challenge Scheme at Brodsworth Colliery throughout the delivery of housing growth and renewal initiatives across the Borough.

    By incorporating the sustainability approach across its settlements the Borough will become synonymous with environmental sustainability and continue the symbiotic growth and renewal of Doncaster's neighbourhoods.

5. The Borough will consider the housing needs of vulnerable groups – with clear links made to Doncaster's Supporting People Strategy in order to ensure that all socially excluded and vulnerable groups have access to good quality affordable housing.

Cross cutting issues

As stated above the embedding of environmentally sustainable practices will be a key element of Doncaster's approach to Housing Growth and Renewal. In addition, our approach to tackling inclusion and access to good quality affordable for vulnerable people will be a key strand of our housing strategy.

We will also align approaches to tackle worklessness, stimulate enterprise and develop exceptional quality of life in our Neighbourhoods as outlined within this Economic Strategy with our Housing Strategy so that via our multi-million pound Housing Investment Programme – we can maximise the social and economic benefits for local people.

6.12 - Delivery

The economic strategy sits within the Doncaster Local Strategic Partnership. The economic transformation of the economy will be drawn down into a wide range of strategies and documents that will be fully embedded within the Local Area Agreement (LAA). The council and its partners will be developing a 3 year business plan for the delivery and implementation of the economic strategy this will set out reporting, strategy and delivery arrangements. This will be closely tied into the LAA process. The Council and partners will need to ensure that it has sufficient resource available to deliver the programme. This will require packages of work around each strand with lead agencies clearly identified, extensive co-ordination and monitoring and evaluation. The evidence base will need refreshing and deepening and the strategy will need to delivered consistently and coherently underpinned by high level political and executive leadership and sufficient officer capacity.

Information can be made available in other languages, or other formats such as Braille or Audio Tape, on request. Please ask a member of our staff for more information, or if you need any other help or advice. They can arrange to speak to you in your own language if you need them to.

Doncaster
Metropolitan Borough Council

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