

Subject:	Rossendale Works update and funding decision report	Status:	For publication
Report to:	Cabinet	Date:	13 th October 2021
Report of:	Director of Economic Development	Portfolio Holder:	Leader of the Council & Portfolio Holder for Economic Development
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1. RECOMMENDATIONS

- 1.1. Cabinet to approve an extension of the Rossendale Works project from April 2022 to December 2023 and agree Council match funding of £52,500 over the next two financial years, starting in 2022/23.
- 1.2. To authorise the Monitoring Officer to enter into a grant funding agreement and extension of the current delivery agreement with Active Lancashire.
- 1.3. To enter into a grant funding agreement for extra ESF 1.4 funding to enable intensive work with those furthest from the labour market.
- 1.4. Cabinet to approve the Community Renewal Fund acceptance if awarded.
- 1.5. Monitoring Officer to enter into a Community Renewal Fund grant funding agreement and the Head of Regeneration to award a lease to Rossendale Works.

2. PURPOSE OF REPORT

2.1 To provide an update on the progress made with the project and to request Rossendale Borough Council funding of £52,500 towards the continuation of the Rossendale Works Project. This would result in an additional £78,750 of external ESF 1.1 funding being drawn down for the benefit of the borough. This funding package would be used to continue to fund the Rossendale Works Project for the period April 2022 to December 2023, when the current funding expires in March 2022.

2.2 To update and authorise the creation of a Rossendale Works facility at Stubblelee and associated Community Renewal Funding.

3. Background

Cabinet Report 2020

The Cabinet report in 2020 should be read in conjunction with this report <https://www.rossendale.gov.uk/meetings/meeting/1132/cabinet> .

Strategic fit

Corporate Strategy

Rossendale Works is part of priority 1 of the Corporate Strategy, a vibrant economy.

Rossendale Works directly links with Rossendale Councils Economic Development strategy priority 5. It is listed as a target to establish the Rossendale Works employability project.

Covid recovery strategy: Rossendale Works is named as a key project to support the borough's recovery from the impact of Covid.

Links directly to Corporate Plan 2021-2025 (Our Place, Our Plan). Corporate Plan Objectives 2021/22 (Thriving Local Economy). A11 - work with schools, colleges and businesses to match future business opportunities with the right skill provision, to boost the number of apprenticeships and ensure more local people can benefit from local job opportunities. Specific objective - Secure funding for Rossendale Works and Youth project for April 2022+.

Strategic oversight - Rossendale employability and skills group

To co-ordinate the delivery of the ED strategies priority five objectives, as well as partners operating in the borough, we have with the LEP established the Rossendale Employability and Skills Group. This is chaired by the Director of Economic Development.

All three of the Rossendale Works projects sit alongside the Local Economic Partnerships escalator delivery framework which links in with other Lancashire projects. DWP work coaches allocate candidates to each project based upon their individual circumstances and location. This ensures that Rossendale Works is adding value, does not duplicate efforts and boosts Rossendale employability provision.

Project Need

Economically Inactive in Rossendale and the impact of Covid

Unemployment has risen sharply over the past few years as a result of the Covid restrictions. The whole country has seen a significant increase since March 2020 due to the Covid pandemic. In July 2021 there were 2,445 claimants - 5.5% in Rossendale compared to 1,465 claimants - 3.3% - in March 2020. This is an increase of 980 residents. These figures are similar to the national picture with Lancashire currently 5.7% and the North West 6.1%.

It is estimated that a further 1.9 million UK workers were still on furlough at June 2021. At June 2021 in Rossendale 6% (1700) of the workforce were currently furloughed. The exact impact of the end of the furlough is unknown but it is reasonable to assume that this will add to the unemployment numbers.

Table 1 - claimant count in Rossendale by age profile as at July 2021

Age	Number of claimants
16+ (all)	2,224
16 to 17	10
18 to 24	495
25 to 49	1,335
50+	610

Table 2 below shows the total claimant count for those age 16+ and those specifically aged between 18-24 for Rossendale compared against regional and national averages.

The table also illustrates the impact of the pandemic on younger people in the borough. Rossendale's July 2021 figure stands at 10.2% (compared to 6.4% in March 2020). It is the highest out of the 4 indicators shown with the North West at 8.2%, Lancashire at 7.6%, and Great Britain at 7.2%.

Table 2 - % of all claimants plus % of claimants age 18-24

	Rossendale		Lancashire		North West		Great Britain	
	Age 16+	Age 18-24	Age 16+	Age 18-24	Age 16+	Age 18-24	Age 16+	Age 18-24
Mar 20	3.3	6.4	3.7	4.9	3.7	5.1	3.1	4.2
Apr 20	5.9	10.5	6.0	7.9	6.2	8.2	5.1	6.6
May 20	6.9	12.6	7.0	9.7	7.2	10.0	6.4	8.7
Jun 20	6.6	12.4	6.8	9.8	7.0	10.1	6.2	8.9
Jul 20	6.8	12.7	6.8	10.0	7.1	10.3	6.4	9.3
Aug 20	6.7	12.2	6.8	9.7	7.1	10.2	6.5	9.3
Sep 20	6.7	12.4	6.7	9.5	7.0	10.2	6.4	9.2
Oct 20	6.4	12.2	6.5	9.3	6.8	10.0	6.2	9.0
Nov 20	6.4	11.7	6.6	9.3	6.9	9.9	6.3	8.9
Dec 20	6.5	11.6	6.6	9.3	6.9	9.7	6.2	8.8
Jan 21	6.3	11.2	6.6	9.4	6.8	9.6	6.2	8.7
Feb 21	6.6	11.9	6.8	9.7	7.1	10.0	6.5	9.0
Mar 21	6.4	11.8	6.8	9.7	7.1	10.1	6.5	9.0
Apr 21	6.4	11.5	6.6	9.3	6.9	9.8	6.3	8.8
May 21	6.0	10.8	6.2	8.7	6.5	9.1	5.9	8.1
Jun 21	5.7	10.3	5.8	7.9	6.1	8.5	5.5	7.5
Jul 21	5.5	10.2	5.7	7.6	6.1	8.2	5.5	7.2

Table 3 - % of claimants by the other specific age groups in July 2021 compared to (March 2020)

Age range	Rossendale	Lancashire	North West	Great Britain
25-49	5.9 (3.5)	6.6 (4.2)	6.9 (4.2)	6.0 (3.3)
50+	4.1 (2.4)	4.2 (2.7)	4.3 (2.7)	4.3 (2.5)

There are pockets within Rossendale where claimant rates are higher than the average for the borough (average 5.5%). Particularly in the Haslingden ward of Worsley (8.7%), the Bacup wards of Greensclough (6.8%) and Irwell (6.7%) and the Rawtenstall ward of Longholme (6.4%). (Source: Nomis)

Whilst there are some small signs of recovery from the pandemic, claimant figures are still significantly higher than pre-Covid with Rossendale having a particular challenge around the 18-24 age group.

Covid has impacted the labour supply side and in turn affected business recruitment. The business base has contracted which resulted in fewer opportunities as well as significantly more recently out of work candidates which has unfortunately reduced the prospects for more difficult to employ residents. This has affected all employability programs in Lancashire which were designed under ESF 1.4 to tackle long term unemployed and disadvantaged residents. Nationally in June 2021 there were 3.15 claimants per vacancy, compared to 2.37 in January 2019. We are now starting to see an increase in vacancies per month in Rossendale with 107 available in June 2021 compared to 70 in June 2020.

LEP Changes to ESIF Funding

Lancashire Local Economic Partnership has instructed that the remaining two years of the ESF program will now be under measure ESF1.1 which is aimed at those that are short term unemployed. As such, all employability projects including Rossendale Works will need to adapt for the period 2022-2024; for Rossendale Works, this is an easy transition as the project was originally set up to benefit both long and short term unemployed. However, in

order to maintain continuity of provision to the hard to reach group, Active Lancashire has agreed to match fund RBC salary costs already core funded, on a time proportionate basis, to bring in additional ESF 1.4 funding. This would be in addition to the ESF 1.1 funding and be used specifically to target harder to reach residents. This relatively small, and at no cost to RBC, addition to Rossendale Works will enhance the project. These figures are still to be confirmed but will be added to the existing SLA and grant funding agreement when known.

Employers' Need

The Office for National Statistics estimates the number of UK vacancies at any given time. During the period April-June 2020 it was estimated that there were 340,000 UK vacancies. This is the lowest estimate since records began, at the height of the pandemic. During the period May-July 2021 there were an estimated 953,000 UK vacancies – the highest on record. Some businesses, particularly larger ones, are now seeing vacancy levels above their pre-pandemic peak for the first time. Critical will be the readiness of the job market to take advantage of these vacancies. It will be key to ensure that investment is made in upskilling to ensure the workforce can meet the requirements of employers (Source: Office for National Statistics.)

Rossendale Works – Success and Model

Rossendale Works is considered by many to be one of the leading employability programs in the region and can be considered good practice. Its record pre-Covid was one of the highest performing projects in comparison to other ESF 1.4 More Positive Together projects. It has recently been duplicated with a similar scheme by Pendle Council. It ensures that disadvantaged residents are given additional added value support in their employment journey to share the benefits of local employment growth; raising household income levels and wellbeing, as well as increasing the local supply of suitable labour to Rossendale's businesses. The project is a partnership between Rossendale Borough Council, the Department of Work and Pensions (DWP) and Active Lancashire. It has successfully secured match funding from a variety of sources since its establishment in 2017. It has three main strands –

- Rossendale Works
- Rossendale Youth Works
- Rossendale Youth Hub

Rossendale Works

The initiative has been running since April 2018 and has proved a great success. This project assists almost ready and ready for work candidates to complete low level training and activities that improve life skills and confidence. After a programme of assistance between 10 and 20 weeks, candidates are then offered an up to 4 week placement with a local employer that is seeking to employ local people if they perform well. The Economic Development and Property Team through contacts, marketing and events promote the project and work with the Active Lancashire staff based in the team to identify expanding businesses. Rossendale Works have strong existing relationships with local growing businesses who regularly work with the project by providing placement opportunities. Staff within Economic Development continue to expand the number of businesses that are engaging with the project.

Since April 2020 the project has been funded by an annual £30,000 RBC contribution from the employment and transport reserve plus an additional £48,000 1.4 ESF funding through the More Positive Together programme managed by Active Lancashire. This is on a 40:60 ratio. This employs a dedicated project manager and a full time equivalent of a project

support officers as well as a training and activities budget.

Table 4 below shows how many may have participated in the scheme and the key output which is currently 80 people into employment.

Table 4 - Rossendale Works – Participants and people into work since project start (April 2018 to August 2021)

Output	Achieved
Number of participants	315
Number into employment	80

Rossendale Youth Works

In September 2020 the DWP approached RBC and offered £50,000 to 100% fund a 12 month project with a specific focus on 18-25 year olds with barriers to employment. This project is known as Rossendale Youth Works and runs until October 2021. It works in a similar way to the main Rossendale Works project but has a more intensive focus with a dedicated project officer based in the Economic Development and Property team. Activities and training is tailored to the specific age group. Candidates are referred to the scheme by the DWP. This project runs alongside Rossendale Works and they complement and add value to each other.

Rossendale Youth Works funding is due to finish at the end of October 2021 however on-going discussions are taking place with the DWP for a proposal to refresh the funding for the project under the original terms of the scheme. The DWP are currently designing a new application process and as soon as that is finished we will be completing a new application.

Table 5 shows how many people have been assisted by the initiative and this has resulted in 24 people moving into employment.

Table 5 – Rossendale Youth Works – Participants and people into work since project start (November 2020 to August 2021)

Output	Achieved
Number of participants having been referred to the scheme by the DWP	80
Number into employment	24

Rossendale Youth Hub

A key part of the Rossendale Youth Works project was the creation of a youth hub at Futures Park. Young people referred to Rossendale Youth Works project would attend the Youth Hub for further support and assistance. Initially this was simply the use of a training room to deliver sessions and the use of interview rooms. However, DWP suggested a more intensive partnership and two x DWP work coaches are now based at the Youth Hub which is based in the One Stop Shop, where youth employability type activities are delivered.

Whilst the Youth Hub has worked well, partners agreed that it could benefit from re-locating to a more suitable location. It is felt that the One Stop Shop is a formal environment and may not be best suited to engaging young people with barriers to employment.

As a result RBC have submitted a funding bid, through partners Active Lancashire, to the Community Renewal Fund. This bid is for c£30,000 and would enable the relocation to a more suitable location. RBC owns Stubblelee Hall in Stubblelee Park and this has been

identified as the preferred location for the Youth Hub. The Community Renewal Fund (CRF) is a pre-cursor to help places prepare for the UK shared prosperity fund which replaces the European Structural and Investment Funds that are coming to an end. The fund aims to help support people and communities most in need across the UK. The UK CRF will support projects which deliver by March 2022, that have been developed based upon local and community needs and where they can act as pilots for the UK Shared Prosperity Fund which is to be introduced in 2022.

Stubbylee Hall currently houses the Citizens Advice Bureau and opposite is Newground – a social enterprise delivering community services including training and employment initiatives. The wider park also includes Stubbylee Community Greenhouses, providing rehabilitation for people who have physical or mental ill health, or long term unemployment issues. The provision of the Rossendale Works employment projects at Stubbylee would complement these community focused initiatives and allow users access to a wide range of services and support. The proposal accords with the work of the Communities Team and Valley Heritage looking at the long term sustainability of the hall and the wider masterplan for the park

Kickstart

Nationally and locally the government has responded to the Covid crisis by launching new initiatives such as Kickstart. Rossendale Council is a registered gateway provider for Kickstart which provides wage subsidy and training support to employers who offer 6 month placements. Kickstart is due to finish in June 2022 with the latest starters on the scheme by the end of October 2021. Other funding to help address the impact of the increase in unemployment has also been announced with new national projects such as UK Prosperity prospectus and UK Community Renewal fund. RBC has directly assisted in securing 6 month long employment placements for 13 young people.

External funding opportunities and changes

Other funding to help address the unemployment impact has also been announced with new national projects such as UK Prosperity prospectus and the short-term Community Renewal Fund. Further opportunities could also be announced to secure long term funding but this will require an element of RBC match funding, typically £30,000 per annum, to take the project beyond December 2023.

Forward Plan

The recommended forward plan is:

Rossendale Works – 2022-2024 through the Active Lancashire More Positive Together project continue the Rossendale Works Project under measure 1.1. This will require £30,000 RBC match funding 2022-2023 and £22,500 match funding 2023-24 (April 2022 to December 2023) = £52,500 over 21 months.

Rossendale Works Funding April 2022- December 2023 (21 months).

RBC Match funding 2022/2023.....	£30,000
RBC Match funding 2023/2024.....	£22,500
ESF 1.1.....	£78,750
Total project cost.....	£131,250

Break down of costs

X1 full time dedicated officer and fte x1 support officer...	£93,750
Active Lancashire contract management fee of	£7,875
Evaluation & compliance fee	£787 (1%)

Training and activities.....	£28,838
Total project cost.....	£131,250

It is anticipated the outputs will be the same as they currently are for the current year but this will be negotiated with Active Lancashire in the coming weeks.

Active Lancashire will provide ESF funding of £78,750 which is drawn down through the RBC match funding.

Rossendale Youth Works – this is seen as a short term boost to provision for 18-25-year-old residents and is fully dependent upon DWP renewing funding September 2021 onwards. Other funding will be sought where possible but with no RBC match.

4. **FINANCE**

The Employment and Transport (E&T) Reserve has been used to earmark match funding to support the Rossendale Works scheme to date. This funding ceases as at March 2022. On current plans, the E&T reserve is fully exhausted by March 2022. The Council will therefore need to consider the extension of this scheme in the context of the MTFS, efficiency requirements and strategic use of reserves to balance its budget going forwards. Subject to closure of the Council’s accounts for 2020/21 and any adjustments to non-ringfenced sums held in reserves, the planned use of reserves, as at February 21, (Transitional Budgetary Support Reserve and General Fund Balance) over the MTFS period is £1.2m, to fund the forecast budget ‘gap’. The request is for a £30,000 RBC in 2022-2023 and £22,500 in 2023/24 totalling £52,500. Funding this project from the Transitional Budgetary Support Reserve will increase the efficiency target over the life of the MTFS by an equivalent amount i.e. £52,500 and require additional efficiency savings to be identified.

5. **RISK**

Loss of match funding

Match funding has been secured by a partner organisation with a grant funding agreement in place for 2022-24. Active Lancashire have funding for the duration of the funding request. The risk that this will be lost is minimal. If this was withdrawn then the project would immediately seek alternative match funding and be reviewed.

Partnership arrangement breaks down

The partnership with Active Lancashire is strong and has been operational with a service level agreement from April 2018. It is unlikely that this relationship will break down and the contract is managed through regular project group meetings where joint decisions are made.

Lack of engagement from businesses

Businesses need to come forward with placement opportunities. They are made aware of the project through one to one meetings, forums, websites and social media. The project has proved to be popular with local SMEs in the previous years of operation and has a strong reputation, as such this risk is low.

Lack of engagement from individuals

The Rossendale Works Officer is based in the DWP Rawtenstall office one day a week and directly links with the job coaches who pass on referrals. Outreach activities take place across the borough and holds events borough wide. This project has proved popular with residents over the previous years and the risk of lack of engagement is low.

Failure to deliver target outputs and under performance of the Community Renewal Fund and draw down process

We are still waiting for confirmation of funding and this was expected several months ago; the timescale is fixed at March 2022 and this will now result in a very tight delivery timescale. This funding also has a performance drawdown clause which raises the risk of RBC not receiving the agreed grant if outputs are not achieved. These two risks are mitigated by having a proven delivery model and a clear schedule of works for delivery of the Stubblelee project.

6. LEGAL

Save for the requirement for the necessary legal agreements and potential lease/licence arrangements to be agreed and signed, there are no legal implications arising from the body of this report.

7. POLICY AND EQUALITIES IMPLICATIONS

The policy implications are outlined within the body of the report. The original EIA has been reviewed and there are no new emerging issues. Outputs relate to protected characteristics including females, young people, disabilities and BAME which has a positive impact on protected characteristic groups.

8 CONCLUSION

Rosendale Works is one of our leading Economic Development projects being delivered by the Council in partnership with Active Lancashire. This report will ensure its continuation until December 2023.

Background Papers	
Document	Place of Inspection
Lancashire Skills and Employment Hub – Lancashire Enterprise Partnership	Evidence Base - Lancashire Skills and Employment Hub (lancashireskillshub.co.uk)
Nomis Official labour market statistics	Nomis - Official Labour Market Statistics (nomisweb.co.uk)
Office for National Statistics	Vacancies and jobs in the UK - Office for National Statistics (ons.gov.uk)
Community Renewal Fund	Community Renewal Fund - Lancashire County Council UK Community Renewal Fund: prospectus 2021-22 - GOV.UK (www.gov.uk)
BBC News Online	https://www.bbc.co.uk/news/explainers-52135342
Rosendale Borough Council – Council Report – 8 th September 2021	Agendas, reports and minutes Rosendale Borough Council
Cabinet report February 2020	C2 https://www.rossendale.gov.uk/meetings/meeting/1132/cabinet
Cabinet November 2017	https://www.rossendale.gov.uk/meetings/meeting/1057/cabinet2019-20