

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

| | | |
|----|------------------------|--|
| 1. | Meeting: | Cabinet Member for Regeneration and Environment |
| 2. | Date: | 6th September 2010 |
| 3. | Title: | Working Neighbourhoods Plan Annual Monitoring 2009/10 |
| 4. | Programme Area: | ENVIRONMENT & DEVELOPMENT SERVICES |

5. Summary

The Rotherham Working Neighbourhoods Plan (WNP) has been in place for two years. This report provides an overview of the findings from the monitoring of progress in the second year of the plan against the priorities and measures it sets out. It looks at how initiatives have performed against the plan's priorities in their second year compared to their first, as well as highlighting the performance of new initiatives where they have begun.

Since the plan was written in 2008 there has been the global recession and major public sector spending cuts are now beginning. The plan recognised that Rotherham's disadvantaged communities needed specific support to help them close the gap with wealthier Rotherham communities and with the region and UK as a whole, thus providing strategic direction to achieve this. This remains the case, but there is now the added necessity to ensure that Rotherham's disadvantaged communities do not fall even further behind.

The monitoring carried out shows that, in most cases, Rotherham's disadvantaged communities are not falling further behind and in some respects are closing the gap. The ERDF initiatives through the 'Enterprising Neighbourhoods' Project are starting to have a positive impact, but ERDF rules on output collection means the full picture in terms of impact is not yet known. This report demonstrates that there is much positive activity against all of the themes and their priorities and summarises the progress and economic health of Rotherham's disadvantaged communities to date and where possible. In most cases there has been either improvement or no decline from the previous year and for the first time no priority has been awarded a red rating due to a gap having grown from the previous year.

6. Recommendations

That the report is noted and commented on where necessary.

7. Proposals and Details

The following section outlines progress against each of the three themes of the Working Neighbourhood's Action Plan. The details below should be read in conjunction with the updated Working Neighbourhoods Action Plan.

Employment.

- Overall, apart from two of the employment measures there has been little change from last year's monitoring. No priority has been awarded a red rating, an improvement on last year.
- Against most of the priorities for the Employment theme, progress has proved more difficult because of the economic downturn, but it is positive to see that there have not been any moves backwards.
- The activities that are contributing to the employment priorities of the plan may be helping to prevent disadvantaged communities from falling further behind but face continued challenges for future years, especially if job losses in the public sector start to impact on employment figures. The public sector is a major local employer across the Borough.
- It could also be questioned whether forthcoming cuts in the public sector could have an impact on the support and efforts around helping people from deprived communities into work. This is an ever changing picture currently, but at the time of writing, it is already known that Future Jobs Fund is coming to an end by September 2011, the Local Employer Partnership scheme came to an end of 14th June 2010 and changes are to be made in Job Centre Plus Programmes, but further details are not known yet. The status quo against many employment priorities has been maintained over the last year whilst interesting developments lie ahead in 2010/11.

Clear positive progress has been made against priority 4; 'increase the number of financially included individuals'. While the Indices of Deprivation data cannot be updated yet in regards to the number of people considered 'income deprived' within the Borough, the Financial Inclusion Project is making positive in-roads into reducing the number of households with poor financial skills and not integrated with mainstream financial services providers. Page 6 of the action plan documents the ways in which the Financial Inclusion project is working to make positive progress in this area.

Last year's concerns under the employment theme were focused on employment and training opportunities for young people and the negative impact this could have on the number of young people classed as NEET (not in education, employment or training). The 2008/09 academic year saw the biggest increase in the number of apprenticeships available in Rotherham for young people in years – reaching 1500. These are the latest available figures and were released recently, so do not reflect the situation right up to the current day. The number of apprenticeships available in engineering has increased in particular. However, as they run up to July 2009 they do cover a significant period of the difficult economic climate. The number of NEETs since the previous April 2009 monitoring has remained stable and the Future Jobs Fund initiative has provided 6 month work/training placements for long-term unemployed 18-24 year olds. This area has therefore been given an amber rating, an improvement on the red rating awarded at last year's monitoring. However, it is still a key area of concern as the recession continues to adversely impact young people, while public sector funding becomes scarcer. The forthcoming year will be important again for the opportunities available to the Borough's young people and efforts continue amongst partners to ensure the situation does not worsen and is improved further.

Enterprise.

This year's monitoring sees little change in the direction of progress of all the priorities under this theme.

Against two of the priorities there has been little change over the last year and the status quo is maintained, whilst against two others there has been continued positive progress in spite of the economic difficulties.

- Self-employment levels remain stable.
- The number of start ups coming from disadvantaged areas continues to look positive, despite Business Link Yorkshire not having provided complete data for 2009/10 yet. 143 of 424 newly registered business phone numbers tracked through RiDO's 'Start-up Plus' monitoring are from WNF postcodes (down from 35% last year to 34% this year, so only a slight change).
- The new ERDF funded 'Enterprising Neighbourhoods' project has now been running a year and is making a positive impact. ERDF rules dictate that business starts cannot be claimed until they have been operating 12 months and the project has only been running 12 months so far, but output collection and performance is progressing positively.
- The ERDF funded Business Community Support Officers, from Barnsley and Rotherham Chamber of Commerce, are supporting business growth and survival rates.
- Progress around developing local supply chains is slow moving.
- The 'Enterprising Neighbourhoods' project is helping many people who have been made redundant to consider self-employment and successfully start a business if it is right for them.
- Priority 1 (start up level) and priority 2 (business growth and survival) have been awarded 'no change' status as the baseline figures show no significant change. However, the activity progress update does show positive work happening which hopefully will have an impact on these figures in the medium to long term. (The 'ERDF 12 month' rule of collecting outputs means many business starts will not have been counted yet).

Priorities 3 and 4 ('increase in business starts amongst communities of interest' and 'place enterprise and economic activity at the heart of disadvantaged communities' respectively) have been given a 'positive progress' rating.

- Progress amongst young people starting enterprises is positive.
- There has been a drop in the number of tenants from BME backgrounds in the RMBC business centres, predominantly in Moorgate Crofts where many run businesses in the Business, Financial and Professional Services sector, which has been particularly hard hit in the recession. However, it is noting that a number of these businesses are still operating, but from home to save on costs.
- Rotherham Enterprise Board is taking an overview of all enterprise support and activity within the Borough and providing the strategic direction to ensure it is needed, joined up and successful, ultimately working towards creating an enterprising culture in disadvantaged communities.

Economic Investment.

All four priorities under this theme have been given a 'no change' progress rating from the previous year's monitoring. This is due to no significant decline or improvement from a year ago, although any small changes/developments have been documented in the action plan, but have not been deemed great enough to amend the overall progress rating.

Priority 1, 'communities connected to growing sectors and developments'.

- Some new floorspace has been constructed in what has been a difficult past year, but it is a smaller amount than in the past.

- The number of employers signed up to the Local Employer Partnership (LEP) increased to 579, which is very positive (though the scheme ended in June 2010 – the impact of this will be considered in the 2010/11 monitoring). JobMatch has turned into the ‘HR Business Consultants’ project and they have continued to support local companies to recruit locally.

Priority 2; ‘disadvantaged communities that are attractive to inward investors’.

- Activities around skills and jobs, such as Progress Together, LEP and HR Consultants Project continue to help to connect local people to local jobs.
- The net total floor-space on Rotherham’s employment sites rose to over 2.84 million square metres¹ in 2009. Between 2008 and 2009 it increased by 20,000 sq. m. This accounts for 32,000 sq. m of newly constructed and 12,000 sq. m of floor space adjustments (including improved data cleansing). This made 2009 the lowest year for floor space construction since 1997, which might be expected given the severe UK economic downturn which began mid-2008 and which has impacted on the demand and development of commercial properties in Rotherham.
- The recent announcements around nuclear technologies based at the AMP have the potential to attract significant inward investment and job creation. The next annual monitoring will be better placed to assess what progress is being made in this area and any potential impact on nearby disadvantaged communities and associated opportunities.

Priority 3; inter-trading and supply chain development in disadvantaged communities.

- The Chamber ERDF supply chain is making slow progress in gaining a decision from Yorkshire Forward
- The Business Community Support Officers are now collecting outputs.

Priority 4; ‘raising young people’s awareness of local economic opportunities’.

- There is a continued significant amount of work happening to achieve this.
- However, the problem of limited training/employment opportunities for young people continues.

To summarise for each of the three themes:

Employment

- No significant widening of existing gaps between disadvantaged communities and the rest of the Borough in the majority of priorities. This is encouraging given the current economic difficulties. This may be due to the targeted activities mentioned in the action plan.
- Positive progress in terms of financial inclusion (priority 4), which it is hoped will continue into the third year of the plan.
- Whilst priority 5 in terms of NEETs & qualifications was awarded a red rating last time, it has been upgraded to amber this year due to some progress with qualifications, the NEETs numbers remaining stable and not worsening and significant improvements in the 2008/09 academic year in terms of the number of apprenticeships available to young people.

Enterprise

- An overall positive picture in spite of economic difficulties. Business starts up rates in disadvantaged communities are holding up and are improving amongst young people.

¹ Net floorspace accounts for floorspace constructed and floorspace demolished.

- The number of BME businesses in RMBC business centres has fallen, but this may be due to a number of them being in the Business, Professional and Financial services sector, which has been particularly hard hit by the recession.
- The ERDF funded 'Enterprising Neighbourhoods' project is having a positive impact on business starts and survival in disadvantaged communities. It is anticipated that next years monitoring will be able to better gauge its impact due to more outputs having been collected under the ERDF rules.
- The Enterprise Board is now driving forward the enterprise agenda for disadvantaged communities and working to create an enterprising culture in all of the Borough's communities.

Economic Investment:

- Least change in this theme, partly because more activity has been focused on the other two areas.
- All four priorities have been awarded a no change rating, but this is the most difficult of all the themes to measure due to the infrequent release of certain relevant pieces of data
- The ERDF funded Business Community Support Officers' activity are working to positively impact on business growth and survival rates. In the past year they have delivered encouraging outputs.
- The recession is making inward investment more difficult to achieve, which includes linking it to disadvantaged communities. 2010/11 will also see changes in employment initiatives which link the unemployed disadvantaged communities to employers and inward investors, such as the Local Employer Partnership coming to an end. This could have a negative impact on disadvantaged communities being linked to economic opportunities and the impact will be assessed at the next annual monitoring.

8. Finance

The Achieving Board had been retaining the balance of the transitional WNF for use as match funding against proposed ERDF projects. However, it was agreed that all of this money be used to help make up the shortfall on those projects that incurred a funding cut due to the withdrawal of the 2nd year allocation of the Local Area Agreement reward grant. These projects were developed in response to the Rotherham Partnership's decision to focus on the town centre and employment.

9. Risks and Uncertainties

Due to the national deficit, there are currently big pressures on public finances and a review of available monies is currently being undertaken. This could have an impact on some initiatives that contribute to the priorities within this plan, but at the moment it is too early to be specific on where and how.

Due to the infrequency of some data being issued the full impact of the economic downturn is not entirely clear against some priorities.

10. Policy and Performance Agenda Implications

This WNP monitoring report will be used to inform the development of future ERDF bids and Working Neighbourhoods funded activity. The highlighting of areas of continued underachievement, or where there is currently insufficient project activity against priorities, will inform future project development.

11. Background Papers and Consultation

The Working Neighbourhoods Action Plan with the recent monitoring is attached.

The Working Neighbourhoods Plan 2008-2011 is available upon request.

Consultation has taken place with representatives of current and relevant initiatives where possible.

Contact Name :

Joanna Favill, Senior Economic Strategy Officer, RiDO

Tel: 823848

E-mail: joanna.favill@rotherham.gov.uk