

<b>Report Title:</b>	Funding Proposal – Digital Hub		
<b>Report to:</b>	Cabinet	<b>Date:</b>	13 <sup>th</sup> May 2026
<b>Report of:</b>	Economic Development Officer	<b>Cabinet Portfolio</b>	Economic Development
<b>Cabinet Lead Member</b>	Councillor Harris	<b>Wards Affected</b>	Hareholme Ward
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Integrated Impact Assessment:</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Andy Dean	<b>Telephone:</b>	01706 252401
<b>Email:</b>	<a href="mailto:andrewdean@rossendalebc.gov.uk">andrewdean@rossendalebc.gov.uk</a>		

<b>Valley Plan Priorities</b>	<b>Thriving Local Economy:</b> This involves securing new inward investment, creating a sustainable economy, matching local skills with future job opportunities, and supporting town centres as unique destinations.	<input checked="" type="checkbox"/>
	<b>High Quality Environment:</b> This includes having a "clean and green" local environment, reducing the borough's carbon footprint, improving waste and recycling rates, and delivering new homes with a good mix of housing tenures.	<input type="checkbox"/>
	<b>Healthy &amp; Proud Communities:</b> This priority focuses on improving the health and physical/mental wellbeing of residents, reducing health inequalities, ensuring access to better leisure facilities and health services, and fostering a sense of pride in the community.	<input type="checkbox"/>
	<b>Effective &amp; Efficient Council:</b> The aim is to provide good quality and responsive services, embrace new technology, be a financially sustainable council with a commercial outlook, and ensure sound governance.	<input type="checkbox"/>

## 1. PURPOSE OF THE REPORT & EXECUTIVE SUMMARY

- 1.1 In the Rosendale Borough Council Valley Plan there is an ambition to create a digital hub so that residents can benefit from a programme of skills and events whilst businesses can share their knowledge and experience with each other. This project provides a base for this collaboration and creativity to take place.
- 1.2 The ground floor of the Old Milk Depot on Bacup Road, Cloughfold has been identified as an appropriate space for trialling this approach with the digital business community that has been developing over the last 2 and a half years and currently stands at 54 members.
- 1.3 The Local Regeneration Funding (LRF) (formerly LUF) contains a collaboration element intended to support local businesses with a co-working space within The Bridge project.
- 1.4 It is proposed to allocate grant funding of £60,000 to the tenant of the Old Milk Depot, Plus24 Marketing Limited (Plus24), to create a managed space allowing it to operate as a suitable venue for a digital hub to help businesses with digital transformation, collaboration and innovation.
- 1.5 It is further proposed that Plus24 procure an experienced digital partner to assist in establishing the venue and develop further the local digital technology ecosystem which is aimed at fostering innovation, boosting digital skills and strengthening the local business landscape.

1.6 This proposal fulfils key objectives of the Rawtenstall Masterplan by strengthening economic activity, increasing footfall, supporting local businesses and residents, and making the town centre more resilient and future-ready.

## 2. RECOMMENDATIONS

2.1 That Cabinet approves a grant of up to £60,000 to Plus24 Marketing Limited for modifications, equipment and a procured partner to turn the ground floor of the Old Milk Depot in Rawtenstall into a digital hub and co-working space for the financial year 2026/27.

2.2 To delegate authority to the Head of Legal and Governance, S151 Officer and Director of Economic Development in consultation with the Lead Members for Economic Development and Resources to agree the Heads of Terms for the Grant Funding Agreement with Plus24.

## 3. BACKGROUND & REASON FOR THE DECISION

3.1 In June 2023, the Council approved the Rossendale LUF Regeneration Execution Plan which included a project that aspired to create a centre to bridge the gap between skills and employment and create a skills and employability hub that stands out from traditional educational settings. The Council commissioned Northern Reach to bring together digital businesses in Rossendale for the last 2 years, resulting in co-operation, employment and investment in the borough. This work has provided the Council with great insight as to what The Bridge project needs to entail.

3.2 Several round table discussions from the digital community is overwhelmingly in support of securing a co-working space to expand the opportunities for co-operation and face to face meetings with clients and partners. They are also clear that this space should be in or near to Rawtenstall in order to stay as close to existing infrastructure in Greater Manchester as possible. Many potential buildings for a hub have been appraised but it has been found that they either require large capital investment for modernisation or significant ongoing revenue funding to run the building or both. The time is right to pilot a scheme, understand the challenges and grow the community even further.

3.3 There are a number of challenges in Rossendale that this project will help to address. These include a lack of modern, flexible work and collaboration spaces in Rossendale as well as the obvious out-migration of skilled workers to Manchester and surrounding cities. There is also an increased demand for hybrid and remote working infrastructure along with a limited space for creative and digital sector businesses to grow

3.4 The Council's regeneration ambitions, Lancashire digital and skills strategies and Levelling Up objectives focus on innovation, productivity, and town-centre renewal. A digital hub that provides high-quality coworking and office space for local businesses and professionals will increase business activity, collaboration, and innovation within Rawtenstall. For this reason, The Bridge element of the levelling up funding was recommended to be allocated for this purpose which is complimented with the capital investment to increase skills at the ABD Centre in Bacup.

3.5 The digital marketing company, Plus24 leases the whole of the Old Milk Depot building in Rawtenstall on a self-maintained 7-year lease with 5 years left to run. This is a modern building with a large car park just off Bacup Road, close to Rawtenstall town centre. Plus24 currently

operate from the first floor and have aspirations to convert the ground floor into a co-working space. This grant will allow this to happen and will pilot the scheme over the next 12 months with the intention that its success will provide for continuity long after the grant funding agreement comes to an end and the model is self-sustained.

- 3.6 The amount needed to operate as a modern digital coworking and skills hub space is estimated at £36,000 (including 10% contingency). Other project costs, to include the procurement of a digital partner to assist Plus24, calculate at circa £24,000 for the management, development and feasibility work associated with the hub.
- 3.7 The project involves a refurbishment and fit-out of the ground floor of the Old Milk Depot to create a modern, digitally-enabled hub that will feature hot-desking, dedicated desks, sound proof private booths, breakout rooms, workstations, lockers, podcast studio and meeting room/training area. The building benefits from an existing large car park and is situated on a main road in close proximity to Rawtenstall.
- 3.8 It is proposed that Plus24 will operate the site, manage memberships and tenancies. The Council shall require that Plus 24 procure a partner who will deliver a dedicated Tech Community Coordinator based out of the coworking space focussing on events, business growth activity, business engagement, impact monitoring to the Council, strategic support for the coworking space and wider ecosystem connections to funding and other technology businesses across Lancashire.
- 3.9 This investment will create a wide range of economic benefits including job creation, increased start-up activity and improved business survival rates, stronger digital and creative sector presence in Rossendale, attraction of remote workers who currently commute out of the district, increased footfall and spending in Rawtenstall town centre and enhanced business collaboration and innovation.
- 3.10 There are also numerous social and regeneration benefits from creating an accessible, inclusive workspace for residents such as opportunities for young people and career-changers to access digital skills, increased use and revitalisation of an existing building and strengthening of the local business community.
- 3.11 The delivery model requires the capital investment from LRF, Plus24 the operational delivery and building management with a procured partner providing the community building, marketing, event programme, strategic oversight and monitoring of outcomes. Management of the space by Plus24 eliminates the need for ongoing revenue costs whilst a flexible workspace model allows for future occupancy growth.
- 3.12 This digital hub will deliver a high-impact, cost-effective intervention that supports economic growth, innovation, and regeneration. By repurposing a modern building such as the Old Milk Depot the Council reduces the need for a large capital investment and by harnessing the operational expertise of an experienced partner ensures the hub will provide long-term benefit to businesses, residents, and the wider Rossendale economy.

#### **4. RISK**

- 4.1 This is a very low risk opportunity for the Council. The Council has already proved potential tenants through the existing work with Northern Reach. A £60,000 grant funding investment provides 12 months of low risk/high impact next steps to build Rossendale's digital sector.

- 4.2 Specific risks may include low initial occupancy. However, Plus24 will retain responsibility for the operational costs of the building and plan to mitigate their risk by using early-adopter incentives, strong marketing, business support partnerships and procuring and managing a partner with experience running a similar facility.
- 4.3 Rising capital costs will be mitigated through the use of existing building structure, and value engineering whilst scalable digital infrastructure and upgrade programme will stay on top of technology changes.
- 4.4 Risk of grant not being applied in line with the grant funding agreement, The Heads of Terms of the grant will be agreed once all due diligence has been completed and the drawdown of grant will be paid in arrears on receipt of evidence and approved by officers.
- 4.5 Plus24 will be required to sign a grant funding agreement to block the space from being used for another purpose for 12 months. This will allow the anticipated potential of the scheme to be fully assessed without unnecessary distraction. Any breaches of the terms of the agreement will attract a clawback of funding from Plus 24.

## **5. SECTION 151 OFFICER COMMENTS (FINANCE)**

- 5.1 It has been confirmed that there is sufficient funding available within the Capital Regeneration Fund to finance this project.
- 5.2 Any public funding subsidy considerations will be addressed before any grant funds are remitted.

## **6. MONITORING OFFICER COMMENTS (LEGAL)**

- 6.1 The Grant Funding Agreement will be in line with the Finance Procedure Rules and officers will monitor its terms throughout to ensure compliance. All due diligence will be completed to ensure Plus 24 are a competent and suitable organisation to receive public money.
- 6.2 The procurement of the digital partner will be at Plus 24's discretion but the partner shall be required to abide by the terms of the Grant Funding Agreement in its appointment.
- 6.3 The Outline Execution Plan report confirmed that this project would be presented to Cabinet once all detail was obtained and suitable premises identified.

## **7. INTEGRATED IMPACT ASSESSMENT IMPLICATIONS**

- 7.1 Opening a digital hub in Rossendale which supports skills, collaboration and local digital enterprise would have a range of positive impacts:
- 7.2 Boosting the local economy and skills base - See para 3.9 above
- 7.3 Enhancing social inclusion and reducing digital exclusion - The Old Milk Depot is accessible to those with disabilities. Part of the events that we plan to hold at the venue will be aimed at helping older or disadvantaged residents to access training and services. A vibrant hub will help strengthen local networks.
- 7.4 Improving well-being and community cohesion - Shared community spaces and skills training can reduce isolation and support psychological well-being.

7.5 Managing environmental impacts and sustainability considerations - Efficient use of technology, virtual collaboration, remote working that avoids commuting to Manchester can all help reduce travel emissions. As a modern building with modern infrastructure, broader sustainability goals such as local net zero strategies will benefit from encouraging disparate groups to co-work in one space rather than the emissions and utilities costs that would otherwise be needed with separate office environments.

## **8. POLICY/STRATEGY FRAMEWORK IMPLICATIONS**

8.1 Any policy implications are included in the body of the report.

## **9. LOCAL GOVERNMENT REORGANISATION IMPLICATIONS**

9.1 No implications identified

## **10. BACKGROUND PAPERS**

10.1 The Rossendale LUF Regeneration Outline Execution Plan Report  
[Rossendale LUF Regeneration Plan - Outline Execution Plan Report - Full Council 28.06.23](#)