

**Subject:**  
Groundwork Pennine Lancashire

**Status:**  
For Publication

**Report to:**  
Council

**Date:**  
29 August 2007

**Report of:**  
Chief Executive

**Portfolio Holder:**  
The Leader

**Key Decision:** NO (Matter for Council Approval)

Forward Plan  General Exception  Special Urgency

## 1. PURPOSE OF REPORT

- 1.1 To inform Council that Groundwork Pennine Lancashire has now been established and to agree Council representation on this organisation.

## 2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the Council's objectives and the following corporate objectives:
- Regenerating Rossendale
  - Keeping Our Borough Clean and Green

## 3. RISK ASSESSMENT IMPLICATIONS

- 3.1 Groundwork Rossendale has made a significant contribution to the borough. An organization with a wider geographical remit could result in dilution of focus on the borough. Full engagement with the new organization is required in order to mitigate this risk.

## 4. BACKGROUND AND OPTIONS

- 4.1 Groundwork Structure

The Groundwork Federation's Strategic Plan 2006-9 recognised that the world in which Groundwork operates is changing and that the Trust model that has served Groundwork over its 25 year existence was no longer appropriate. In line with the wider review Groundwork in Lancashire looked to develop a structural model for the future that aligned with the strategic direction for

Groundworks nationally without abandoning the local presence essential to maintaining the strong contact with local communities. A future structural model also needed to address changes in grant funding and the trend towards commissioned services and contracting, as well as establishing a mechanism for delivering Groundwork's services efficiently and to a recognised quality standard.

4.2 An Options Appraisal was completed in order to identify the way forward which considered the following:

Option one: do nothing

It was felt the result of option one would be a reduced level of Groundwork activity and in time, the possible loss of individual Trusts and therefore the skills and expertise that they carry.

Option two: merge East Lancashire Trusts

By merging the three East Lancashire Trusts the benefits of economies of scale and consistency would be realised allowing the new Trust to deliver more easily against the priorities of sub regional partner agencies.

This option would not allow all of the benefits of a Community Interest Companies i.e. asset lock on surpluses, social enterprise responsiveness and guarantee of surplus to be directed within the CIC area of benefit

Option three: merge East Lancashire Trusts and form a Community Interest Company (CIC).

Option three allows all the economies of scale and consistency of option two with additional benefits as follows:

- A recognised social enterprise able to assist partners to meet Corporate Social Responsibility requirements and to direct contracts to a Voluntary Community and Faith Sector partner that has the attributes of a company with guaranteed community benefits.
- A CIC has no defined geographical boundary for its delivery and can trade anywhere, its surplus must however be directed within a defined area of benefit, namely East Lancashire in the case of Newground CIC. Thus the CIC can win contracts anywhere but will direct the surplus so generated into areas of need within East Lancashire. This will enable the CIC to support deserving projects with its own generated funds under the guidance of the Trustees of the Charity who will determine how the surplus is allocated within East Lancashire.

Option Three was taken forward as the preferred option

A proposal to merge the interests of the present East Lancashire, Rossendale and Blackburn Trusts to form Groundwork Pennine Lancashire was accepted by a joint meeting of the three Boards of Directors on 7 June 2006. The individual Trust Boards subsequently passed the necessary resolutions at meetings held in October and November 2006 that the Trusts formally merge .

- 4.3 Newground Community Interest Company has become the principal delivery vehicle for Groundwork's services sub-regionally. As from 30th June 2007, ownership has been by the single charity created out of the merger of the three East Lancashire Trusts.

Any surpluses from the CIC's trading activities which are not re-invested in the CIC will be transferred to Groundwork Pennine Lancashire to facilitate the delivery of Groundwork's objectives in the community at large, but with particular emphasis on the top 20% deprived areas of East Lancashire as measured by the appropriate indices of multiple deprivation.

- 4.4 At the Council Meeting of 18 May 2007, Councillor Mrs A Cheetham was appointed as the borough council's representative to the Board of Groundwork Rossendale. The Council has been invited to appoint a Director to the new organisation – Groundwork Pennine Lancashire.

## **5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

- 5.1 The Council currently has an annual budget of £17,950 (Community Grants Budget) to pay Groundwork Rossendale. The intention is to transfer this financial support to Groundwork Pennine Lancashire.

## **6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES**

- 6.1 These are important constitutional issues.

## **7. COMMENTS OF THE HEAD OF HUMAN RESOURCES**

- 7.1 There are no human resources implication.

## **8. CONCLUSION**

- 8.1 That the appointment should be confirmed.

## **9 RECOMMENDATION(S)**

- 9.1 That the Council agrees its representation to Groundwork Pennine Lancashire.

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Background Papers:  
Appointments to Outside Bodies 2007/08