

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	25 March 2020
<b>Executive Member/Reporting Officer:</b>	Cllr Oliver Ryan – Executive Member Finance and Economic Growth Jayne Traverse – Director of Growth
<b>Subject:</b>	<b>GROUNDWORK GREATER MANCHESTER MERGER</b>
<b>Report Summary:</b>	<p>The Boards of both Groundwork MSSTT and BBOR have agreed to look at and take forward a merger to establish “Groundwork Greater Manchester” with effect from 1 April 2020.</p> <p>Groundwork needs to modernise to better meet the needs of the communities they serve. To do that they need to come together as a single entity that serves Greater Manchester and change the way they operate. To change how Groundwork operates, they need to sever the historic links to districts (introduced to reflect the grant funding then provided by Local Authorities) and replace it with strong and stable governance. Board membership of the new GM organisation will therefore need to reflect the skills and knowledge that are needed.</p>
<b>Recommendations:</b>	<p>That Executive Cabinet:</p> <ol style="list-style-type: none"> <li>a) Agree and support the new governance arrangements proposed for the Groundwork merger that helps to sustain and build the third sector so that it can grow and meet more of the needs of local communities.</li> <li>b) Agree that Tameside Council and any nominated representative be authorised to execute any documentation to facilitate the merger.</li> <li>c) Agree that the Director of Growth in consultation with the Executive Member for Finance and Growth agree representation on the Groundwork GM local Authority Strategic Input Board/Partnership that will be set up to protect the Council’s interests.</li> </ol>
<b>Corporate Plan:</b>	<p>Whilst local authorities will no longer be a member organisations of the new Trust, Groundwork GM will ensure the local authority links and influence are not lost. The proposed way of working will ensure a strategic fit between projects and programmes, and each local authority’s corporate priorities and strategies, particularly in terms of regeneration, environment and community empowerment. Groundwork work across the majority of priorities identified in the authority’s corporate plan.</p>
<b>Policy Implications:</b>	<p>There are no direct policy implications for the authority. Groundwork contribute to wider delivery and the objects of the corporate plan.</p>
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>There are no direct financial implications as a result of this report.</p>

**Legal Implications:  
(Authorised by  
Borough Solicitor)**

**the** As proposed the report doesn't seek to increase the liability for the Council and the reasoning for the merger is to make more relevant to the community it serves. Thereafter the councils including Tameside will no longer be members of the Company Board but will be part of the Strategic Input Board / Partnership where any representative should be suitably qualified to represent Tameside's interests.

**Risk Management:**

There is no risk to the authority.

**Background Information:**

The background papers relating to this report can be inspected by contacting Anne Heath, Economic Development Officer, Development and Investment:



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## 1. CURRENT SITUATION

- 1.1 There are currently three Groundworks Trusts covering the Greater Manchester footprint:
- a) Groundwork BBOR: Bolton, Bury, Oldham & Rochdale
  - b) Groundwork CLM (Cheshire, Lancashire and Merseyside): Wigan
  - c) Groundwork MSSTT: Manchester, Salford, Stockport, Trafford and Tameside

## 2. THE PROPOSED CHANGE

- 2.1 Two of the three Groundwork Trusts (BBOR and MSSTT) currently operating within Greater Manchester (which cover 9 of the 10 GM local authorities) are proposing to merge to create one **Groundwork Trust for Greater Manchester** from 1 April 2020.

## 3. CURRENT BOARD MEMBERSHIP

- 3.1 The current member organisations of Groundwork BBOR and Groundwork MSSTT are the following councils and they have nominated board members i.e. charity trustees, of both organisations as follows:
- Bolton Council (Vacancy)
  - Bury Council (Cllr. Susan Southworth)
  - Oldham Council (Cllr. Howard Sykes MBE, Cllr. Ruji Surjan, Andrew Sutherland)
  - Rochdale Council (Cllr. June West, Cllr. Tom Besford, John Searle)
  - Manchester Council (2 positions, both currently vacant)
  - Salford Council (Cllr Neil Reynolds)
  - Tameside Council (2 positions, one vacant, the other filled by Anne Heath)
  - Trafford Council (Cllr Sophie Taylor)
  - Groundwork UK (Carol Hopkins, Tony Berry and 3 vacancies)
- 3.2 BBOR and MSSTT have current Boards that comprise Trustees co-opted for their skills, knowledge and strategic links and also Trustees nominated by the 'Member 'Bodies. These Trustees are district council nominees, usually appointed annually and can either be a local councillor or officer.
- 3.3 The council 'Membership' and their appointment of trustees to the Groundwork boards reflected in the funding that used to come to Groundwork from local councils, mainly by way of grant. The historic link is therefore no longer appropriate as neither Groundwork BBOR nor MSSTT receive grant funding anymore from their local authorities.

## 4. PROPOSED GOVERNANCE ARRANGEMENTS FOR GROUNDWORK GREATER MANCHESTER (FROM 1 APRIL 2020)

- Groundwork Greater Manchester will continue the existing arrangements of being a Company Limited by Guarantee with charitable status with articles of association that reflect both current organisations' objectives.
- A Shadow Board has been set up by the current Boards of Groundwork BBOR and MSSTT at their respective Board Meetings on 3 October 2019.
- The Shadow Board has 9 Board Members one is a Groundwork Federation nominated member, and the other 8 are 4 Trustees nominated from each of the existing two Groundwork Boards, and membership reflects a wide range of skills and experience and does have some direct political inputs.
- The Shadow Board will be first Trustees and members of new company and will be responsible for putting the new organisation into place and then putting into place a new recruitment policy for Trustees (to be in place within the first 6-12 months)

- The Initial term of office would be limited to April 2021 to give the Shadow Board the time to advertise for Board Members with relevant skills and representative of the diverse communities that Groundwork serve. It is important to recognise however those members of the Shadow Board and from April 2020, the Board of Groundwork Greater Manchester, will be individual Trustees not appointed by any external organisation.

## **5. PROPOSED ARRANGEMENTS FOR FUTURE ENGAGEMENT AND INVOLVEMENT OF LOCAL AUTHORITY PARTNERS**

- 5.1 From 1 April 2020, the Board members of Groundwork Greater Manchester will be selected on merit and skills and not on the basis of local authority representatives. Groundwork want to provide reassurance that whatever a future Groundwork Greater Manchester Trust organisation might look like, their decision-making and growth strategy will continue to be locally-led and will involve local partners, local people and businesses.
- 5.2 Supporting more residents into employment, ensuring more people can afford to heat their homes and improving the quality of more neighbourhood open spaces are objectives Groundwork share with Local Authorities across GM. Their partnerships with local authorities have been and will remain at the heart of our delivery model and are key to their success.
- 5.3 Whilst local authorities will no longer be a member organisations of the new Trust, Groundwork GM will ensure the local authority links and influence are not lost.
- 5.4 The current proposal to do that is to put into place a Groundwork GM Local Authority Strategic Input Board/Partnership. This group would meet three times per year and would provide strategic input to the annual business plan, reviewing performance and impact of the Groundwork project portfolio. This group would be a formal subcommittee of the Board. Each of the 9 districts plus GMCA would appoint a nominee to this group on an annual basis.
- 5.5 Groundwork believe that the benefits of each Local Authority appointing a nominee to this group are clear and this proposed way of working will ensure strategic fit between project and programmes, and each local authority's corporate priorities and strategies, particularly in terms of regeneration, environment and community empowerment.
- 5.6 As part of Groundworks commitment to be open and transparent they are currently consulting with individual local authorities on this proposal. Others forms of engagement are emerging which could prove a better fit moving forward. The commitment however remains that Groundwork develop and implements a best fit engagement strategy to formally consult and engage with each and all districts and GMCA.

## **6. THE CASE FOR CHANGE**

### **Changing Places, Changing Lives: One Green Step at a Time**

- 6.1 Groundwork's mission and values and the impact of the services they have provided across GM for over 30 years are well documented.
- 6.2 Big global issues like the economy and the environment have a big local impact. They are committed to helping individuals, communities and businesses find sustainable solutions to the challenges they face and making Greater Manchester one of the leading green cities in Europe. They provide training and create jobs, reduce energy and waste, re-connect people with nature and transform whole neighbourhoods.

- 6.3 For the past two to three years, Groundwork BBOR and MSSTT have started working together and aligning teams and structures and our ongoing collaboration has resulted in some business growth across both Trusts.
- 6.4 They are now proposing this merger as they believe it is the best way to enable more people and communities across Greater Manchester to access the full range of Groundwork services. The **main driver is around business growth and not about making efficiencies**. They want to be able to respond more effectively to the opportunities of Greater Manchester as a city region. GM represents one of the very few geographies that “make sense” to an organisation like Groundwork in terms of public sector commissioning and other funding opportunities.

## 7. CONSIDERATIONS AND CONSULTATIONS TO DATE

- 7.1 A detailed report, which provided the background and context to the proposed merger, was discussed by both Boards (Groundwork BBOR and MSSTT) in May/June 2019. At those meetings, the two Boards, which currently oversee the work of each of the Trusts, indicated that coming together of the two Trusts was the direction of travel they wished to take.
- 7.2 A letter, consulting on these proposals was sent out in early September 2019 to Groundwork UK and the Leaders and CEOs of the Local Authorities in GM (with the exception of Wigan Council as they are not directly impacted by the proposed merger). Member organisations were encouraged to feedback and share their views on the proposals. Responses received were supportive of the proposed merger.
- 7.3 A robust due diligence process was undertaken and a full business case was put together to enable the boards of both Groundwork BBOR and MSSTT to make a decision on the proposal at separate Board Meetings on the 3 October 2019.

## 8. PENSIONS

- 8.1 Two Greater Manchester Pension Fund Admission Agreements are currently in place for long standing employees, covering: -
- a) Oldham and Rochdale – 5 employees
  - b) Manchester – 5 employees
- 8.2 The GMPF scheme closed for new members several years ago at both Trusts. Therefore, no further employees will join Greater Manchester Pension Fund.

## 9. CONCLUSION

- 9.1 Once trustees are nominated to the Board, as a matter of charity law they are duty bound to act in the best interests of Groundwork, not of the body (i.e. council) that nominated them. Proposals are also clear (and confirmed in the proposed memorandum and articles of association) that there is a requirement for Groundwork to develop and maintain adequate consultation and engagement arrangements with local authorities (and also with GMCA) to ensure that the services delivered by Groundwork Greater Manchester maintains and strengthens its local links in order to better meet the needs of the local communities Groundwork serve.

## 10. RECOMMENDATIONS

- 10.1 As set out at the front of the report.