

ED2. EXECUTIVE DECISIONS BY A CABINET MEMBER OR AN OFFICER

A. Report Title: Officer Delegation Scheme - Groundwork Trust South Essex	
B. Report Author(s): Luke Love	Tel: 01375 652807 E-mail: lalove@thurrock.gov.uk
C. Decision Maker: Councillor Terry Hipsey	
D. Position held: Leader	
E. Key decision: YES	F. Delegation ref: Local Government Act 2000
G. Is the decision urgent? YES	
H. If yes, state why. The Shadow Trust has sent the company's articles of association for Thurrock to sign first. These will then be signed by the other members of the company. All members of the company have to have signed the Memorandum & Articles.	

I. DECISION (strike out whichever does not apply) :	
1. I agree the recommendations in the attached report for the reasons given in the report; OR	
2. *My decision is:	
*The reason for my decision is:	
* Continue overleaf or on an additional sheet if necessary.	
Signed: T. Hipsey	Date: 18.10.06

URGENCY

Democratic Services will arrange for the completion of the following:	
J. I confirm that in my opinion a decision on this matter is urgent and cannot reasonably be delayed:	
Signed: S. Veryard	Date: 19.10.06

To be completed by Democratic Services

Date decision received by Dem. Services: 19.10.06	Date decision published: 19.10.06
Implementation date: 19.10.06	

Relevant O & S Committee:
Environment Overview and Scrutiny Committee

Leader of the Council

GROUNDWORK TRUST SOUTH ESSEX

Report of the Horticultural Manager, Business Development

Purpose: To make arrangements for the signing of the Memorandum & Articles for GROUNDWORK Trust South Essex

Wards affected: All

Key decision: No

This report is public

1. RECOMMENDATIONS:

- 1.1 That the Council sign the Memorandum & Articles of the Groundwork Trust South Essex.**
- 1.2 Using Delegated Officer Authority, the Memorandum & Articles are signed by an authorised officer of Legal Services.**

2. BACKGROUND

- 2.1 On the 1st of February 2006, Cabinet approved in principle, a letter in support of the setting up the Groundwork South Essex Trust. A member of the authority was nominated to sit on the Board of the new Trust, which was intended to be a charitable company limited by Guarantee. At that stage, there was only a Shadow Board in existence. Cabinet also authorised the expenditure of five thousand (£5,000) per annum over the next two years and ten thousand (£10,000) per annum over subsequent years as core financial support to the new company.
- 2.2 The way the Trust Company is set up is as follows; the funding is provided by individual local authorities, by the government office and by partnerships with local organisations. These can be private companies. Vertex has agreed to put in some funding of about twenty five thousand (£25,000).

- 2.3 The basic legal set up which is being used consists of a company limited by guarantee not having share capital and an application to the charity commission for charitable status for the company. The aims of the Charitable Trust Company are to bring forward an Essex Green Grid Project.
- 2.4 The Chief Executive of the proposed Company has now been appointed and government funding of some three hundred and fifty one thousand pounds (£351,000) has been obtained from the Department of Local Communities. It is envisaged that the Trust Company will start functioning on the 31st of October. The Shadow Trust has sent the company's articles of association for Thurrock to sign first. These will then be signed by the other members of the company.

4. ISSUES AND / OR OPTIONS:

- 4.1 Further details relating to Groundwork & Groundwork Trust South Essex are detailed in Appendix A.

5. IMPACT ON CORPORATE PRIORITIES:

- 5.1 Once in situ, work undertaken in conjunction with Groundwork Trust South Essex will support the Council's aim of Creating a Cleaner, Greener Thurrock.

RELEVANT POLICIES n/a	
FINANCIAL IMPLICATIONS Thurrock's contribution to the core funding of the Trust – As outlined in previous Cabinet Report No 062609	
LEGAL IMPLICATIONS See memo from Assistant Head of Legal Services – Attached in Appendix A	
OTHER IMPLICATIONS N/a	
BACKGROUND PAPERS Previous Cabinet Report: “ENDORSEMENT FOR A GROUNDWORK TRUST FOR SOUTH ESSEX” – Report of Mike Gallagher Report No. 062609	Contact: Luke Love Telephone: 01375 652807 E-mail: lalove@thurrock.gov.uk

APPENDIX A

NOTES OF PHILIP EDGE – ASSISTANT HEAD OF LEGAL SERVICES

I think it would assist you if I summarised the detailed the provisions in the Company's articles so that you understand the nature of the operation of the Company. The company would be called Groundwork South Essex and its objects would be:

- (1) To promote the conservation, protection and improvement of the physical and natural environment in South Essex and the surrounding area.
- (2) To provide facilities in the interest of social welfare for recreation and leisure time occupation with the objective of improving conditions of those living and working within South Essex.
- (3) To advance public education on environmental matters in ways that better conserve, protect and improve these areas.

The company is also given a long list of powers in order to achieve these objects. These include:

- The power to trade and the power to pay wages and pensions for employees.
- The power to guarantee performance of contracts and the power to acquire assets and liabilities.

The income of the company is to be applied towards promotion of the objects of the company. No part shall be transferred directly or indirectly to members of the company. The liability of the members of the company is limited to the contribution of £1.00.

ARTICLES OF ASSOCIATION

Membership of The Company

The Company will be first registered with eight founder members. The founder members are Thurrock Borough Council, Southend on Sea Borough Council, Rochford District Council, Castle Point Borough Council, Basildon District Council, Essex County Essex, The Federation of Groundwork Trusts and the Thames Gateway South Essex Partnership.

The Board of the Company will comprise at least six and not more than eighteen trustees. Each of the members of the Company may nominate one or more trustees. Each member can effectively nominate one trustee and the federation of Groundwork Trusts can appoint two trustees.

APPENDIX A

(Continued)

There are also the provisions relating to the disqualification and the removal of Trustees. The business of the Company will be managed by the Trustees who may exercise all the powers of the Company. There is also a provision that the trustees have power to take out indemnity insurance. There are the normal provisions regarding accounts and reports and audit of the accounts.

The Local Authority Company Framework

This would be a Company governed by part 5 of the Local Government and Housing Act 1989. It is also a controlled Company as Local Authorities control a majority of directors at a general meeting of the Company. Any contributions to the Company will also have to be taken into account in the Council's affordability and prudential assessment. However, this is not likely to pose much of a problem here, as the contribution is only quite a small amount of money. The significance of the Company being a regulated Company is that the Local Authority would have to disclose i.e. Thurrock's interest in the Company. This does make it possible that if anything did go badly wrong with the Company, the Council could face claims even though liability is limited. Also there is the possibility that if anything did go wrong with the Company, it might be embarrassing because it would be in the public arena. There are various other provisions in connection with financial reports and accounts, which our accountant department would need to take into account. There would be public inspection of the minutes of the Company.

CONTACT DETAILS OF GROUNDWORK

JUDITH GRICE – REGIONAL DIRECTOR

GROUNDWORK EAST OF ENGLAND

THE FOREST CENTRE

STATION ROAD

MARSTON MORTAINE

BEDFORDSHIRE

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FURTHER BACK GROUND INFORMATION AVAILABLE AT:

www.groundwork.org.uk