

Trustees Annual Report

Structure, Governance and Management

Acumen Community Enterprise Development Trust Ltd. Is a Company limited by Guarantee and a registered charity. There are currently three directors/trustees who are also the members. The trustees are responsible for the management and administration of the charity and are the charity trustees for the purpose of section 97(1) of the Charities Act 1993. The trustees are also the directors for the purposes of company law.

Day-to-day management of the charity is delegated to the Chief Executive and her team of senior staff. There are no sub-committees in place. A wider management board has been in place for the last two years but this has now been disbanded following a governance review. The number of directors/trustees will be increased to between 8 and 10.

Trustee Recruitment and Appointment

The current trustees were appointed by an open election process using the network of public, private and voluntary sector organisations that are involved with the work of Acumen, principally in the East Durham area. Nominations were sought through the Aim High network and East Durham Business Forum. All trustees appointed during the period of this annual report were unopposed so were appointed without election. As Acumen is now working across a wider geographical area the recruitment process for new trustees will be through a wider advertising campaign followed by an application and interview by existing trustees and Chief Executive.

Induction and Training of Trustees

Induction procedures are now in place, which will be utilised when new trustees are appointed. The procedure includes providing new trustees with a copy of the governing document, copies of recently audited accounts and recent trustee minutes and a copy of the Commission's booklet *CC3 The Essential Trustee: what you need to know*. Role descriptions for trustees are also in place.

Details of Wider Networks

Acumen is a member of the National Council for Voluntary Organisations (NCVO), Voluntary Organisations Network North East (VONNE) and the One Voice Network County Durham. Acumen is also a member of the Development Trusts Association, and North East Chamber of Commerce

Related Parties

The Aim High network in East Durham demonstrates the partnership working often initiated by Acumen. Acumen works with over 30 partners across 55 community venues in the East Durham area. The success of the Aim High initiative is a result of effective partnership working with all learning and education establishments in the region, including local schools and colleges,

Connexions, Learning and Skills Council, Family Learning in Schools, as well as Easington District Council and Durham County Council.

Most of Acumen's work is carried out in conjunction with voluntary, private and public sector partners, including many local small voluntary sector organisations, Job Centre Plus and Sunderland North Community Business Centre. The charity is also working in partnership with other voluntary sector organisations and Government Office North East to deliver on the Regional Employability Framework.

Risk Management

The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise. This work has identified only a few minor new risks but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. Particular attention has focused on non financial risks arising from fire, health and safety of staff and clients, management of social enterprises including food safety and food hygiene. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

Objectives

The objectives are as follows:

The promotion for the public urban or rural regeneration in areas of rural regeneration in areas of social and economic deprivation (and in particular within the area of Easington and East Durham) by all or any of the following:

- A) The relief of poverty in such ways as may be thought fit
- B) The relief of unemployment in such ways as may be thought fit
- C) The advancement of education, training and retraining, particularly among unemployed people and providing unemployed people with work experience
- D) The provision of financial assistance, technical assistance or business advice in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help; i) in setting up their own business; or ii) to existing businesses
- E) The creation of training and employment opportunities by the provision of workspace, building and/or land for use on favourable terms
- F) The provision of housing for those who are in condition of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing
- G) The maintenance, improvement or provision of public amenities

- H) The preservation of building or sites of historic or architectural importance
- I) The provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances have need of such facilities
- J) The protection or conservation of the environment
- K) The provision of public health facilities and childcare
- L) The promotion of public safety and prevention of crime, and
- M) Such other means as may from time to time be determined subject to the prior consent of the Charity Commissioners for England and Wales

Activities

The aim of Acumen to achieve social and economic regeneration through learning, employment and enterprise is delivered through a model of community engagement utilising local community organisations and individuals. This increases social capital and gives individuals the confidence to move forward and progress into learning, employment or enterprise support. Acumen then delivers this support through a coaching model working mainly on a one to one basis but also with small groups, using local community venues. Individuals are supported through to achievement of a job, qualification or business start up and are then given whatever help is needed to progress into mainstream support.

Acumen also runs a number of Social Enterprises and provides support to others as required. The businesses run directly by Acumen during this year are Bloomin' Marvellous Landscapes and Nursery, The Greenleaf Café and Wheels 4 Work. Ace Services has been delivering hands on support such as telesales marketing and leaflet production to start up businesses in East Durham but is not able to become a sustainable business in its own right at present. Acumen also supports Kidsbiz (Dalton Park Children's Centre Ltd) which was rescued from closure in March 2005. The facility will be safeguarded until the new Children's Centre opens in Murton in September 2006.

Achievements and Performance

This has been a year of major growth for Acumen. The level of activity has grown by over 50% and there is now a staff team of 55 people including the social enterprises. During the year Acumen has had an impact on the lives of over 2500 people in East Durham. This work has been recognised in a number of ways. Our work in Horden and Easington Colliery led to the award of the Enterprising North East England title and a place in the national final. The village of Horden entered Northumbria in Bloom for the first time since 1968 and the Bloomin' Marvellous project won a runner up award for the best voluntary project. We have been shortlisted for the Learning and Skills Council "Working in the Community" award for the Northern region. Kate Welch was presented with the East Durham Local Strategic Partnership Learning and Skills award for her significant contribution to this area of work. We have achieved coverage in both the local and national media with features in the Sunderland Echo, Peterlee Mail, Hartlepool Mail, Peterlee Star,

Northern Echo, Evening Chronicle, Journal, Sunday Sun and Informnorth. Acumen was featured as a case study for the draft Regional Economic Strategy Local Radio coverage included BBC Radio Cleveland and Newcastle and Sun FM. Kate Welch has been interviewed by BBC Look North, Tyne Tees Television, Radio 5 Live and the Learning Curve on Radio 4. She was invited to attend a reception at 10 Downing Street in recognition of her contribution to Adult Skills. Kate has also been a guest speaker at National and Regional Conferences on Skills for Life, Employment and Social Enterprise. In March 2006 Kate was appointed to the Board of the Regional Development Agency, One North East.

All of the strands of Acumen's activity have made excellent progress over the last year.

Learning

The One 2 One learning team engaged 1235 learners during the year. Achievement of learning objectives is excellent at 81% and over 60 people have gained Skills for Life qualifications. A further 250 people took part in Steps to Excellence courses to raise aspirations and achievements. All targets in our Learndirect contract have been achieved and we are on profile for all targets in the Learning and Skills Council ESF objective 3 Co-financing contract. The Aim High network has been nationally recognised as a star Testbed Learning Community and we were visited by Ivan Lewis, then DfES Minister for Adult Skills. Caroline Ferguson, Head of Learning, leads a team of highly-qualified tutors who specialise in outreach, engagement and one to one learning. She is leading work in County Durham in Skills for Life and recognising and recording progress and achievement in learning. Acumen have now gained the County Durham Learning Quality Kitemark.

Two outreach activities during the year were Healthy Challenge which used the desire to lead a healthier life as a hook into learning. Each week people meet at their local community venue and learn about exercise, healthy eating and weighing and measuring themselves. Community RaW Talent saw contestants taking part in singing lessons, stagecraft and confidence building. As a result of their participation in the competition many of the people involved have moved on and completed further qualifications with One 2 One Learning.

Enterprise

The Bizfizz project which started in 2002 has now grown into a team of five business coaches who work across East Durham funded by Neighbourhood Renewal Funds and ESF Objective 2. Over the last year they have engaged over 400 clients of whom 150 have entered self-employment. The work of the Business coaches and the model they have developed has been used as best practice in the successful County Durham Local Enterprise Initiative (LEGI) bid. The variety of new businesses that have been started is wide ranging and includes cake makers, painters and decorators, plumbers, chiropodists, fitness instructors and complementary therapists. Elliott Patterson, our original Bizfizz coach and latterly Head of Enterprise has done an excellent job of growing the Acumen Coaching model and has now moved from Acumen into the new role of LEGI programme manager. We wish him every success in his new county-wide role.

Employment

Acumen work very closely with Easington Action Team for Jobs for whom 2005/6 was the best year ever. They achieved 333% of their annual target of

job entries by assisting over 1600 people into employment. Acumen has supported this activity through the Aim High Network for referrals and additional outreach as well as directly supplying staff and other resources. We have also worked closely with Aim High Routeback, the Northern Way Incapacity Benefit pilot in Easington. Acumen were the successful bidders for a consultancy project to develop a multi-agency model to address worklessness in Wansbeck which was completed in April 2006 and will enable the District Council to draw down substantial funding to deliver the programme. Kate Welch was elected as the Voluntary Sector representative on the Regional Employability Strategic Group.

From January 2006 Acumen has been working in Haswell and Haswell Plough as part of a Coalfield Regeneration Trust programme of activities to address issues of low skills and employment in the villages. The community engagement activities led by Joanne Cook have involved over 250 people, many of whom are now working towards qualifications or employment.

In June 2006 Acumen was commissioned by the Economy Group of Easington Local Strategic Partnership to deliver the Neighbourhood Renewal Fund Service Improvement on Employability. Three new posts will be created, Head of Employment, Community Engagement Co-ordinator and Employer Liaison Co-ordinator.

Social Enterprises

Acumen currently runs five social enterprises, which are at various stages of development. In 2005, Acumen rescued a children's nursery based at Dalton Park Retail Outlet in Murton, County Durham, from closure. The nursery has since restructured and re-branded as Kids Biz and a development plan is now in place. The facility is a vital local service, which provides quality childcare to help parents return to work. It is intended to keep Kidsbiz open until the new Children's Centre opens in Murton in September 2006.

Opened in June 2005, the Green Leaf Café is set within the newly refurbished Horden Welfare Park. Since its opening, business at the café has been gradually building up and after surviving a quiet winter, the café has launched a new summer menu, bought an ice cream machine and started an outside catering service.

In November 2005, Acumen opened Wheels 4 Work, a transport business offering forklift truck training, the leasing of vans and lorries for small business start-ups and scooters to provide transport to work to help people move into employment.

Bloomin' Marvellous Landscapes arose out of our successful Bloomin' Marvellous project in 2004. The garden design and landscaping has been successful with customers as far afield as Walbottle and Gateshead. Bloomin' Marvellous has now established a nursery which has started to grow bedding and herbaceous plants to support the landscaping and the Horden in Bloom work.

Ace Services provide 'hands on' sales and marketing support to start-up businesses in the East Durham area. The support includes general advice,

finding leads for new businesses to follow up and designing and printing business cards, leaflets and posters.

Ace Services has been an additional support to many new businesses advised by the business coaches and has helped many become successful.

Financial Review

In 2004 the trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan for the charity. This plan demonstrated the need for substantial funding to build a core infrastructure for Acumen which was fulfilled by the investment of £750,000 over three years from the Northern Rock Foundation. Progress has been monitored against the strategic plan which has been reviewed annually.

The end of the year saw an excellent financial result based on strong financial management and delivery of all contracted outputs and outcomes. Costs were contained within budget and income figures were above the planned levels for charitable activities. Quality was high in the delivery of learning, enterprise and employment activities as evidenced by external inspections and awards.

Incoming resources exceeded resources expended in the year by £198,727 (2005 £227,083).

The charity's wholly owned trading subsidiary, Acumen Community Enterprise Services Limited did not trade during the year.

The principal funding sources were:

Northern Rock Foundation, £250,000 for core costs,
Neighbourhood Renewal Funds, £178,356 for the Aim High network and Aim High in Business coaching activities,
ESF Objective 2, £170,147 for Aim High in Business
Department for Work and Pensions Transport projects Fund £215,955 for Wheels 4 Work vehicle leasing and training
Horden and Easington Colliery Neighbourhood Management Pathfinder £69,684 for business start up, business support and skills training,
The Coalfields Regeneration Trust £47,313 for employability in Haswell

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

The trustees, having regard to the liquidity requirements of operating the company and to the reserves policy have operated a policy of keeping available funds in a current account and using a treasury fixed interest deposit account at those times when large sums are available for this purpose.

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to

bridge the funding gaps between spending on salaries and activities and receiving resources through delivery of contracts and grants that provide funding. In addition, short term reserves will also be needed to initiate operations over the period when new contracts are being set up. The trustees Therefore consider that the ideal level of reserves as at 30th June 2006 would be £300,000, increasing to £400,000 at June 2007.

The actual reserves at 30th June 2006 were £179,819, which is £130,281 short of our target figure of £300,000. In calculating reserves, the trustees have excluded from total funds the restricted income funds (£306,101), tangible fixed assets (£128,887). Whilst the current level of reserves may prove sufficient, it is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility over the course of the forthcoming expansion of Acumen's activities.

The trustees have therefore planned to increase reserves through the incorporation of management fees and a reasonable profit into each contract budget.

Plans for future periods

The main aim for 2006/7 is to ensure continuation of the activities of the Easington Action Team for Jobs and develop employability work across the North East region. There are two potential sources of funding, Deprived Area Funds which will be commissioned by Job Centre Plus directly and for which Acumen has made a submission to the District Manager and ESF Objective 3 Co-financing for "Community Reach Out Teams". This will be an open tendering process for delivery across Sunderland, South Tyneside and County Durham. Acumen will submit a bid in partnership with Sunderland North Community Business Centre. The current funding for the work of the Business coaches and the One 2 One Learning team ends in December 2006 so work will continue to ensure that those activities are sustainable as they are essential parts of the Acumen model of community engagement and progression.

We are continuing to develop plans for the purchase, refurbishment and conversion of Easington Colliery School into an Enterprise Centre. The prize money from the Enterprising North East England Competition will be used to fund property surveys and feasibility work on the business plan.

We have been working with Centrepont, Accent Housing and other partners to develop an affordable housing project for Easington which incorporates pre-apprenticeship construction training, work placements and the refurbishment of properties owned by Accent Housing and leased at a peppercorn rent to Acumen for affordable short hold tenancies. This is a pilot project which it is hoped will start in March 2007 and then be rolled out using mainstream funding.