

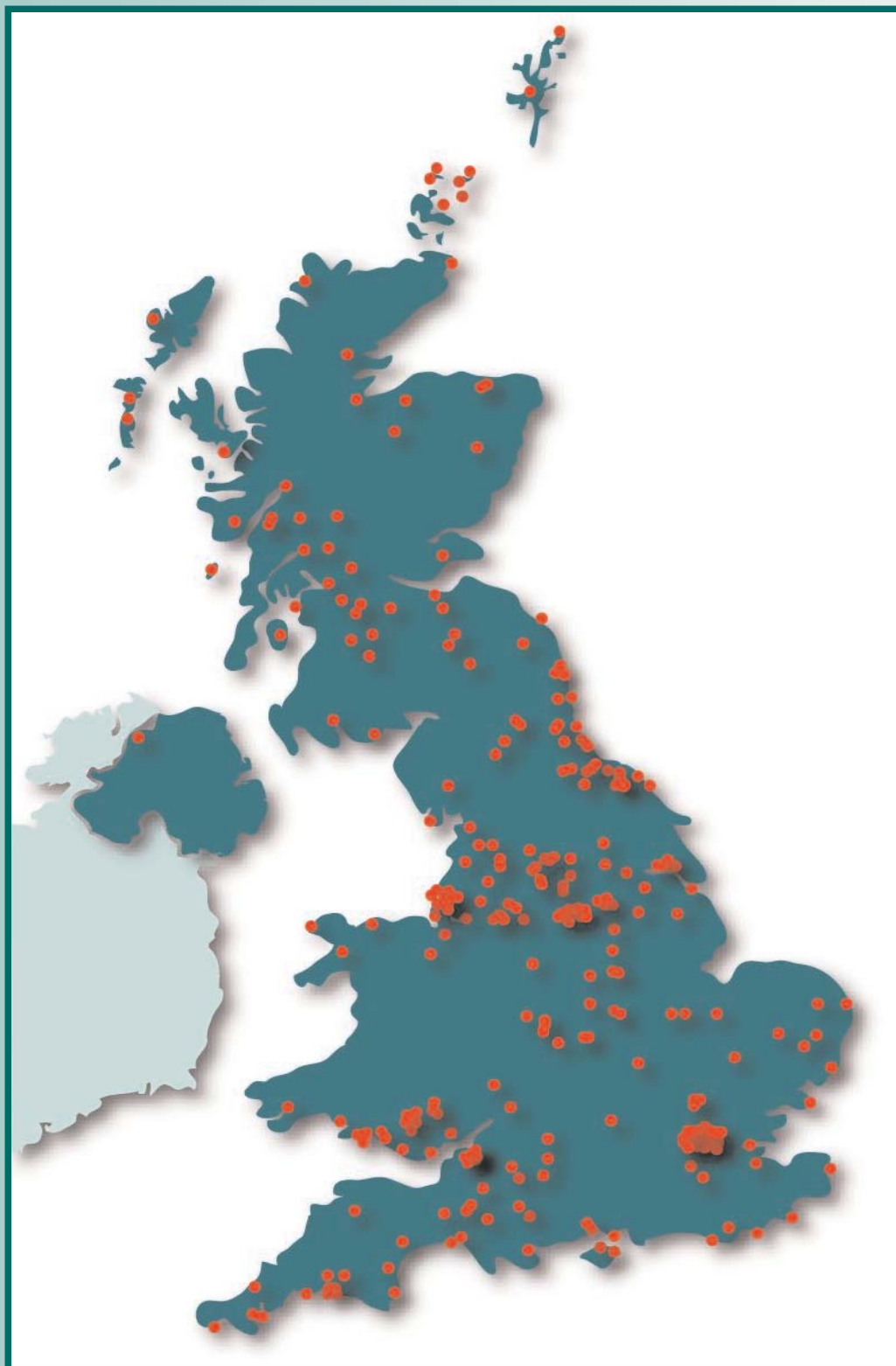
So you want to set up a development trust?

This guide will answer some of your main questions:

- What is a development trust?
- How can a development trust benefit your community?
- What steps can be taken to start a development trust?
- Where can you get help and support?



"...a development trust in every community that wants one"



What's in this guide

What is a Development Trust?	3
How can a Development Trust benefit your community?	4
What are the steps to start your own development trust? <i>First Steps</i>	5
Enterprising Communities <i>Step 1: start out</i> <i>Step 2: develop a plan</i> <i>Step 3: get organised</i> <i>Step 4: raise money</i>	6
Going for Growth <i>Step 1: take stock</i> <i>Step 2: honest look</i> <i>Step 3: strategy for growth</i>	10
About the DTA	13
Contact us	14
INSERT: Would you like some help in getting started?	

What is a development trust?

Development trusts are enterprises created by communities to enable *sustainable development* in their area. They undertake a mixture of economic, environmental, and social initiatives. As independent not-for-(private)-profit organisations, they are committed to involving and being accountable to local people.

Development trusts are part of the community enterprise movement. This means they are community based and work alongside the local voluntary sector, public authorities, and private sector. They aim to achieve their goals by making profits through trading, providing services and acquiring assets (such as buildings, and equipment). These profits are not-for-private-benefit and are used to create community wealth that has a lasting impact on the renewal and improvement of an area.

The Development Trusts Association (DTA) supports and promotes the interests of development trusts. While all development trusts may not have 'development trust' in their name they are all based on common principles. We define a development trust as an organisation that is:

TOP TIP

FROM THE DTA



- *Engaged in the economic, environmental and social regeneration of a defined area or community of identity.*
- *Independent, aiming for self-sufficiency, and not for private profit.*
- *Community based, owned and managed.*
- *Actively involved in partnerships and alliances between the community, voluntary, private and public sectors.*

For a development trust to bring about sustainable development in its community, it needs to embody ALL of these four principles. This guide suggests some practical steps to help you begin your journey towards this.

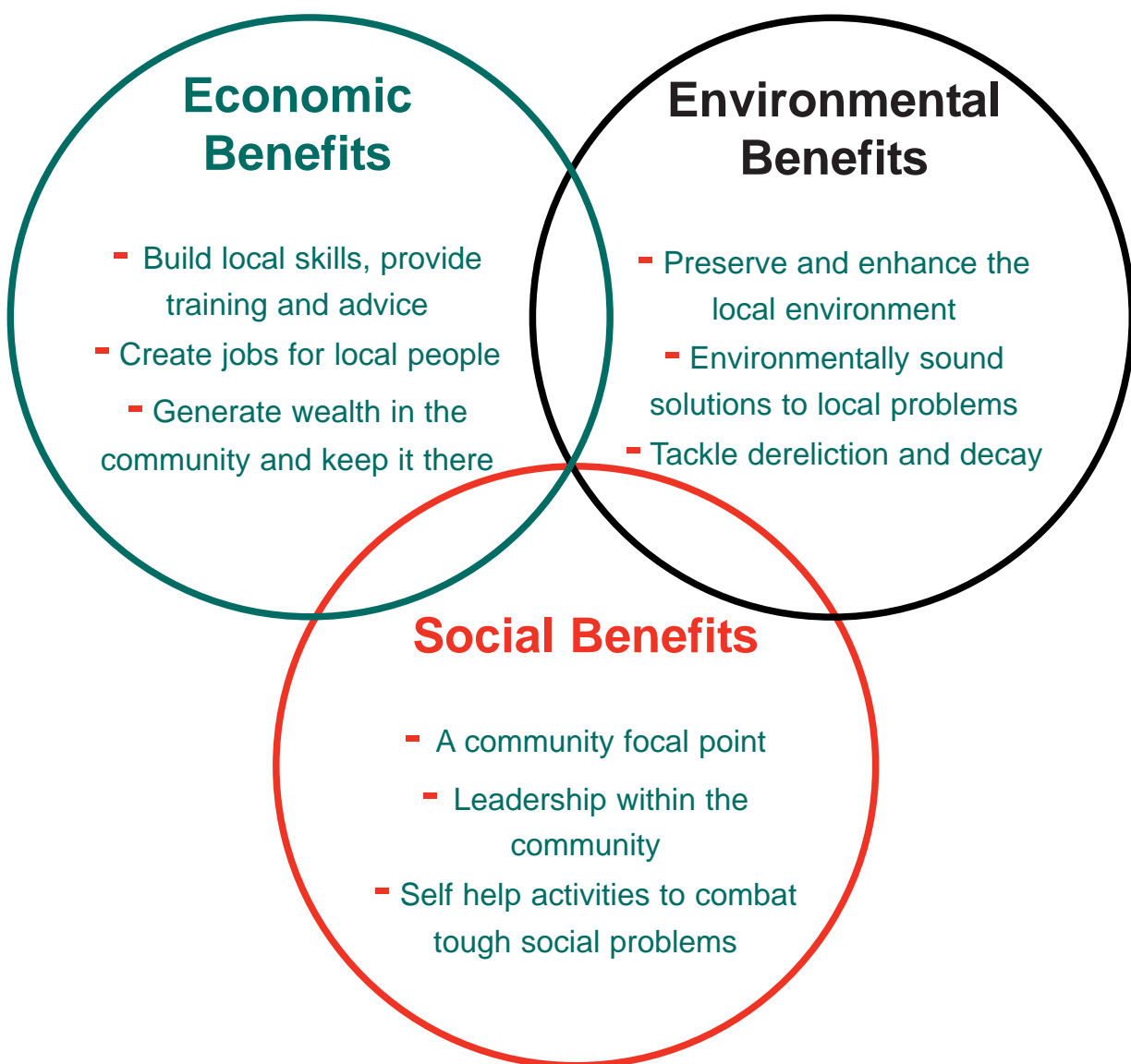
Communicate effectively

Communicate the vision of what you are trying to achieve, but be prepared to listen. Create a clear identity for your organisation and produce well designed materials to stay in touch with the community and your partners.

How can a development trust benefit your community?

Sustainable development is about long term change to improve people's quality of life, not only now but for future generations too, and doing this in ways that are ecologically sound, economically

viable, socially just and culturally appropriate. A development trust seeks to address this whole picture and for each community this will mean different things, for example:



"Developments trusts are in the business of sustainable change."

What are the steps to start your own development trust?

In starting your own development trust the aim is to create an effective independent organisation that can both serve local needs and sustain its own operations. Every community is different and consequently every approach should meet its own community's needs and opportunities.

First Steps

The steps that are outlined below are based on years of experience from over 300 DTA members across the UK. However, there is no 'right way' to set up a development trust. Nor will this guide answer all the questions you will have - contact the DTA or visit our website to find out what other resources are available. But below are some important points to think about to ensure you are working with all four principles to make a successful development trust.

Although there are many reasons why development trusts are set up we have divided this section into two parts, as in our experience, there are two frequent starting points for a development trust:

- *where people in a community come together to set up a development trust to tackle local issues and bring about change - see the 'enterprising communities' section on page 6.*
- *when a partnership or existing organisation wants to adopt sustainable, enterprising or community led approaches to their activity - see the 'going for growth' section on page 10.*

Remember you're in business:

Balance socially and environmentally worthwhile schemes with money-makers. Don't be a 'soft touch' just because you're not-for-private-profit. Attract a range of funders to reduce the risks if you lose one source of support.

**TOP TIP
FROM THE DTA**



Enterprising Communities

There are lots of reasons why the community may decide that a development trust is what's needed.

Some are set up as a result of a community planning exercise, others as a positive reaction to something negative happening such as the closure of a building, loss of a local service or development proposals. It may simply be as a way to enable the community to respond to needs or opportunities in the area. Some development trusts enable communities of identity, such as women or black or minority ethnic communities or people with disabilities, to come together in a local area. So where do you start?

Step 1: start out

A group of you have come together because you live in the area or are a member of your community of identity. Discuss what has brought you together. Find out what skills, energy and commitment you can give to make a difference or tackle the problem you've identified. Agree

what skills are missing and who else should you involve.

Spread the message about your concerns, the group's ideas for changing things and ask other people what they think and need. Ask them to get involved and how they think they could help. You can do this in a formal way such as through a community survey or informally by talking to people, for example, at the supermarket, the school gate or in the pub. Think too about **who** and **where** your community is - remember people may not see themselves as one community.

Step 2: develop a plan

Once you know more about your community's ideas, concerns and skills, your group can then begin to plan what to do. As a successful development trust, you will be planning activities that contribute to social, economic and environmental aims and be culturally appropriate. Remember, you are aiming to

become an independent, enterprising and self-sufficient organisation. Identify opportunities that could develop into an enterprise.

Take note of the barriers that your research may have thrown up - such as initiatives which have gone before and failed! Talk to other organisations, local agencies or authorities who are involved in these issues and the area - how could you work together?

If you have lots of ideas prioritise them and decide what you should do 'now', 'soon' and 'later'. Choose something small to start off to enable you to prepare for a longer term larger project in the future. Get in touch with the DTA to discuss how a visit to an established development trust might help you think through your ideas, give you tips for getting going and learn from their mistakes along the road to success.

Step 3: get organised

Now that you are clear about what you plan to do and how you will make it happen there will be a number of things to do. You need to get organised into a more formal working group to transform your plans into action. Record your actions and plans, delegate tasks and research

**TOP TIP
FROM THE DTA**



funding opportunities. Pull your ideas into a business plan to test out if they're realistic and viable - and make sure you stick to it. Consult with the community about your ideas, research local needs and how your ideas fit with other plans and proposals for the area. Identify assets that you have or could acquire to meet your goals, earn money and eventually produce profits to plough back into the trust.

You will need a legal form and a governance structure to enable you to undertake activities and ensure that your development trust is community owned and managed. Get advice from a specialist who understands community enterprise - the DTA can suggest who might help you. Agree how the Board will be selected, tell the community about your plans and work so far and make arrangements to create an initial Board. Put in place administrative systems and tight financial controls.

Take a balanced approach

Think big, but don't overstretch yourself. Plan carefully, but operate flexibly. Be optimistic, but assume the worst. Value the process of making things happen, as well as what you produce.

Step 4: raise money

Your business plan is the foundation for securing funds to get going. Don't underestimate the value of volunteer time and gifts - make a record of them! If it's an enterprise idea maybe you can start trading straight away using little or no funds. Development trusts have raised money from a range of sources: gift and loans from the community, by issuing shares and using community loan finance. Many also apply for grants from a range of trust and government sources. Try to ensure your organisation is led by the needs of your community and not by what the funders want to fund.

Get the support of your local authority, other public bodies and businesses. Even if they cannot provide grant aid, they may be able to help with the acquisition of assets. Some development trusts have acquired property through the transfer of the ownership of redundant and underused publicly or privately owned assets to the community. Remember your goal is to be independent, enterprising and as self-sufficient as possible.



An enterprising community: Craghead Development Trust, County Durham

It all started in 1996 when a group of residents in an old mining village in the rural north east got together to do something about the village hut. By 2000 they had opened a brand new building worth three quarters of a million. How did they do it?

According to John Cullerton, who now works for the development trust, there was a small core of local people who took the lead and got things going. Other villagers saw their success and started to get involved, making it genuinely community driven. Back in 1996 there were around 70 members of the village hall, there are now over 800!

Since opening the new hall, things have gone from strength to strength and the trust runs many community businesses, including a nursery and the local post office.

When Sure Start wanted to fund and set up a local nursery the plan was to

contract it out to the private sector. The local community said "hang on - why can't we run this as a community business?" The successful nursery now makes a healthy profit which they plough back into the development trust.

When asked what advice he would give to other people thinking about setting up a development trust, John said, "Get in touch with the DTA and get them to come and explain it to the community. It takes a while to get your head around the idea and you have to suck it and see if it's right for your community, it might not be." It was right for Craghead; the wealth of community businesses bring economic, social and environmental improvements to the village and show what can be done when a few determined residents get together to change things in their community.

Burnside Resource Centre



Going for Growth

Many partnerships or existing organisations get to a stage when they decide they want to adopt more sustainable, enterprising or community led approaches to their activities and that becoming a development trust will help them do this.

Partnerships are set up to draw together agencies, different sectors and the community to tackle complex issues in a local area. Lots of development trusts have been set up as a result of such partnership activity, for example Neighbourhood Renewal, New Deal for Communities and other regeneration initiatives - in both urban and rural areas.

In addition partnerships and other bodies responsible for planning new communities - which may not even exist yet - are increasingly looking to the development trust model as the infrastructure for sustainable and vibrant local communities.

Many development trusts originally set out as a community, residents' or tenants' association or other form of community organisation. By becoming a development trust they have been able to build on these foundations to extend and develop their activities and impact.

So what should any partnership or existing organisation consider?

Step 1: take stock

The first step is to take stock of where you are now and what you have achieved over the lifetime of the partnership/organisation. Why does your partnership want a future? Where is your organisation going? How do you change the lives of people in the community for the better? What benefits, opportunities and barriers are there for the continuation or development of your work? Evaluate your current standing in the local community and their involvement in what you do.

If yours is a new partnership consider the tasks a community-led enterprise might undertake and what role it would play in relation to the other agencies and enterprises that are anticipated to operate in the area. How will you involve the community? How could investment in a community enterprise provide added value or sustainability?

Step 2: honest look

Look at the four principles at the beginning of this guide. How do these apply to your current position? How do they compare to your plans for the future? What is the attitude of your organisation's members or the partnership's partners to this approach? What steps will you need to take to develop or increase community ownership? You should also consider the opportunities to develop new or extend current income streams from trading and contracts.

Your existing partnership may have an opportunity to leave a 'legacy' - this could be used to acquire assets. The DTA's Health Check is an ideal tool to help you through this process.

Step 3: strategy for growth

Based on the outcomes of the previous two steps, identify what actions are needed and the changes you will have to make to your organisation or partnership. Ensure these actions and changes are realistic and achievable. Identify what you will lose as well as what you will gain and ensure you are prepared for both.

Put together or update your business plan setting out your proposals, their feasibility and how you will finance and implement them. What investment can you bring to the area? Are there opportunities e.g. through the planning system that you can exploit to acquire or develop land and assets? Can you negotiate with public or private bodies to transfer the ownership of underused or derelict land and property to the development trust?

Keep the community informed about what you are doing and provide opportunities for them to input and become more involved. When working with a new community be prepared to review your plans and invest in enabling the community's involvement in the development trust.

Growing a partnership: Tidworth Development Trust, Wiltshire

Tidworth is a Wiltshire garrison town housing around 7,000 soldiers and their families alongside 3,000 civilians. Tidworth Development Trust grew out of two initiatives coming to an end. It now employs 15 staff and runs numerous community schemes. How did they do it?

In 1999 the successful Tidworth Regeneration Partnership saw an opportunity to develop when their Single Regeneration Budget (SRB) funding came to an end. This coincided with the announcement from another organisation that had been providing training and employment advice, saying they could no longer manage the service. A steering group of local people and agencies was set up to look at what kind of organisation could benefit the area and take on board both the SRB partnership's community development work and the employment project.

They decided on a development trust. In the nine months leading to the formation of the trust in 2000, the steering group became a shadow board and began making decisions as if they were running the new organisation. Some people left as they realised the implication of their new responsibilities. They now have a Board of Directors made up of eight individual members, one junior member (between the ages of 14-18) and one group member, all elected

by the members - who come from the community. There are also six representatives from key local bodies who are also directors. Tidworth's involvement of a young person on its board is just one way they have ensured the community it serves actively manages the trust.



According to Steve Lawton, who works for the trust, the main difficulty in the beginning was getting people to really understand what a development trust was. He said, "one of the most successful parts of the transition process was getting in touch with the DTA, who arranged for the steering group to get mentoring and training from an established development trust."

When asked what advice he would give to a partnership thinking of becoming a development trust, he said, "to remember that a partnership is likely to be driven by government and local authorities so is perceived to be politically driven. This must not be the case with a development trust, which must be formed by and engage with its community."

About the DTA

People who have experience running development trusts founded the Development Trusts Association in 1993. Our mission is "to achieve a successful development trust in every community that wants one." We do this by:

1. Supporting the creation of new development trusts
2. Helping existing development trusts to operate well
3. Persuading others to support development trusts
4. Running the association effectively

We help new development trusts get going, and once they are underway we help them grow from strength to strength, not least by encouraging them to learn from each other. And we work with partners to get government and others to understand and support our movement.

- We are the community based regeneration network
- We champion community enterprise
- We create wealth in communities and keep it there

Our values

We believe in encouraging and supporting local people to take responsibility for the renewal of their own communities

We stand for accountability to local people, as well as collective action and partnership

We recognise the diversity that exists within communities and regard this as a source of strength

We value sustainable regeneration, which addresses the economic, environmental and social needs of a community, and which involves the creation of wealth for communities by communities

Contact us

DTA National Office - Tel: 0845 458 8336 Fax: 0845 458 8337
Email: info@dta.org.uk Web: www.dta.org.uk

DTA Scotland - 54 Manor Place Edinburgh EH3 7EH
Tel: 0131 220 2456 Fax: 0131 220 3777 Email: info@dtascot.org.uk
Web: www.dtascot.org.uk

DTA Wales - 35b Albert Road Penarth Glamorgan CF64 1BY
Tel: 029 2019 0260/0259 Fax: 029 2019 0258 Email: info@dtawales.org.uk

Please get in touch if you would like the text for this leaflet in a larger font.

© DTA 2005. This information booklet may be freely and wholly distributed with this attribution for educational use. It may not be used for commercial purposes by third parties.



This start up guide is the first fruit of the DTA Early Growth Project, made possible by funding from Kellogg's, a long standing and valued DTA Associate Member and supporter. The Development Trusts Association is working with our Community Alliance partners (bassac, Community Matters and the Scarman Trust), to strengthen the community sector, and we are grateful for Home Office support.

***"'Fabulous Beasts' - with passion, energy, commitment and drive,
development trusts often succeed in areas that others fail to reach!"***

Development Trusts are:

- Community owned and led
- Cultivating enterprise
- Building assets
- Securing community prosperity

The DTA:

- Shares skills and experience
- Attracts investment

Price £5.00, free to DTA members
Published August 2005



Web: www.dta.org.uk, Tel: 0845 458 8336, Email: info@dta.org.uk