

So you want to set up a development trust?

Tips and information

to get you started



GALE – Gairloch & Loch Ewe Action Forum

 **DEVELOPMENT
TRUSTS ASSOCIATION
SCOTLAND**

the community-led regeneration network

www.dtascot.org.uk

Development Trusts Association Scotland (DTAS) is an independent, member-led organisation which aims to promote, support and represent development trusts in Scotland.

Established in 2003, DTAS now has a network of over **300 development trust members** – community-led organisations using a combination of enterprise and creativity to improve quality of life for local people in town, urban, rural and island communities across Scotland.

DTAS provides a range of peer learning and networking opportunities through training events and its annual conference – facilitating the sharing of knowledge and expertise and encouraging mutualism and cooperation. In addition to this, DTAS provides a wide range of other membership benefits and resources (see dtascot.org.uk for the full range of services and benefits available).

As an increasingly influential and respected organisation, DTAS provides a strong voice for the network often at the highest levels. DTAS liaises closely with the Scottish Government and engages with local authorities, funders and other relevant agencies to promote member interests. Members are regularly given the opportunity to contribute to the development of policy objectives and consultation submissions which then reflect the aspirations and needs of the network.

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What is a development trust?

Development trusts are community-led organisations working across town, city, rural and island locations throughout the UK, combining community-led action with an enterprising approach.

Although they are diverse in nature, and may not have 'development trust' in their name, they are all based on common principles. They are about people coming together to address local issues creatively using self-help, partnership working and collaboration, trading for social purpose, and ownership of buildings and land. They aim to bring about social, economic and environmental renewal, creating wealth in communities and keeping it there.

For an organisation to be considered a development trust, it needs to embody all of **these four principles**.

Sometimes described as community anchor organisations, development trusts are **membership-based organisations** that are democratically accountable to their communities. They can be established as new organisations or may develop from an existing community organisation.

Development trusts are:

1. Independent, community owned and led
2. Engaged in the economic, environmental and social regeneration of a defined area
3. Committed to working in partnership arrangements that are initiated by the community and
4. Most importantly, enterprising.

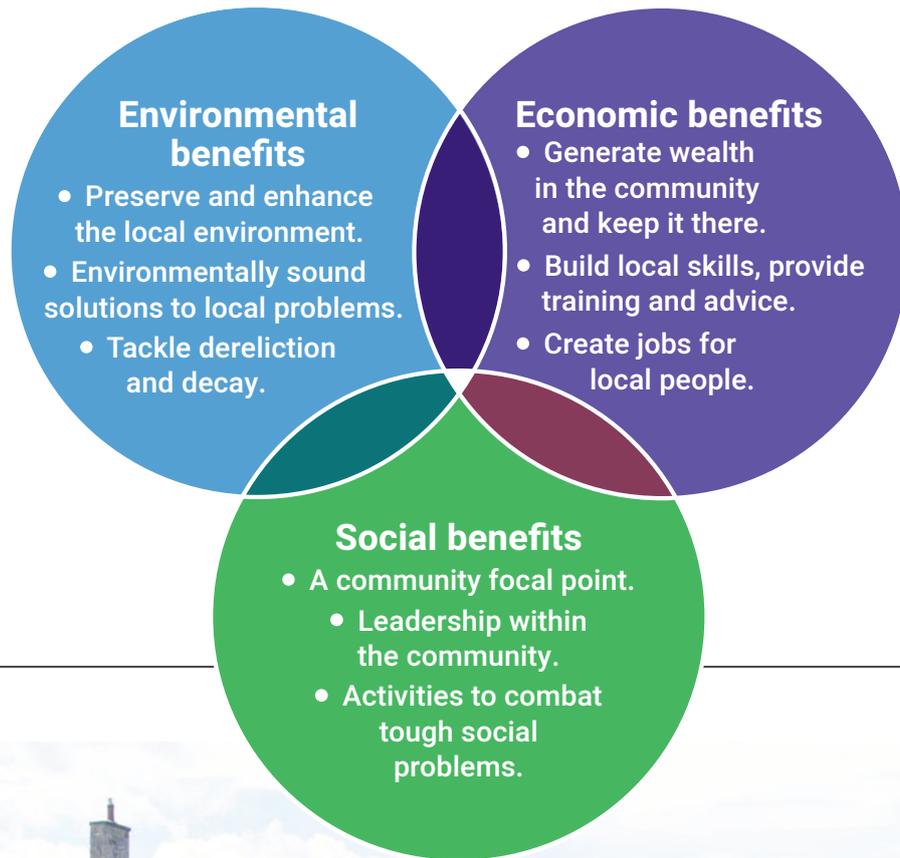
“You can see the breadth of the development trust movement in Scotland by viewing the [Members Map](#) on the DTAS website”



Northmavine Community Development Company's community garden

Development trusts seek to address the full breadth of community priorities. Sustainable development is about improving people's quality of life now and for future generations, and doing this in ways that are ecologically sound, economically viable and socially just.

A development trust aims to encompass this whole picture which will mean different things for each community, for example:



Steps to starting a development trust

Initial considerations

How to create an organisation which will achieve the social, economic and environmental regeneration of your community:

- What are we really trying to achieve – the purpose?
- Do we need a development trust to do that?
- Is there anyone else already doing this in your local area?
- How will you involve the wider community?

How to create an organisation which is sustainable:

- What factors will be critical to success?
- What skills and funds will we need to get started?
- Will we be able to keep the development trust going?



Govanhill Community 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”

This guide outlines how to start answering these questions. However, there is no ‘right way’ to set up a development trust and this guide will not provide all the answers.

For further resources, support and most importantly, successful examples, please visit the DTAS website dtascot.org.uk or get in touch with us at info@dtascot.org.uk



Govanhill Community Development Trust

Step 1: Starting out

A group of you have come together because you live in the local area. 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 have identified. Agree what skills and voices are missing and who else you should involve. Make sure you are open right from the start so that everyone knows this is something they can be a part of.

Spread the message about the group's ideas for improving 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 defining who and where your community is – remember people may not see themselves as one community.

‘ Hundreds of communities across Scotland have set up successful development trusts and learnt many lessons along the way! If you know of a development trust near you, it's a good idea to get in touch with them to make connections and benefit from their experience. DTAS can connect you with relevant established development trusts for peer-learning opportunities and visits – so get in touch with us to arrange this ’



Community day at Bridgend Farmhouse

© Jennifer Charlton Photography

Step 2: Developing a plan

Once you know more about your community's views and ideas, your group can begin to formulate a plan of the opportunities and challenges in your area and how you might address them. As a successful development trust, you will be planning activities that contribute to social, economic and environmental aims that are based on your community's needs.

Talk to other organisations, local agencies or authorities who are involved in these issues and the area – how could you work together and ensure you avoid duplication and competition?

If you have lots of ideas, prioritise them by deciding what you should do 'now', 'soon' and 'later'. Choose something small and manageable to start with to enable you to prepare for longer-term larger projects in the future. Starting with some 'quick wins' will show that you are an organisation committed to making things happen and ensure you don't overstretch yourselves as you are starting out.

‘ DTAS has a wealth of experience and knowledge in helping groups set up development trusts so make sure you get in touch with us when you would like further information or support! ’

Step 3: Getting organised

Get organised into a more formal working group to transform your plans into action. Record your actions, delegate tasks and research funding opportunities. Pull your ideas into a plan to test out if they are realistic and viable. 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 reinvest in the development 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 (see page 6 for more details of this). Agree on how the board will be selected (it should be open to anyone in the community), 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.

“Come up with fun and interesting ways to consult with and engage your community in what you are doing. Remember why you are doing this and articulate it to others – the strength of your organisation will depend on the level of support it has from local people”

“Your plans should be based on the needs of your community. Being able to demonstrate that the development trust has been set up to meet these needs will be essential for securing funds and, more importantly, for earning the support from your community so the development trust will be a success”

Step 4: Raising money

Your plan is the foundation for securing funds. Don't underestimate the value of volunteer time and gifts – make a record of them! You can apply for grants from a range of trust and government sources. However, it is important to ensure your organisation is **led by the needs of your community** and not by what funders want to fund.

Share your ideas with your local authority, other public bodies and businesses and look to develop relationships with local organisations – even if they cannot provide grant aid, they may be able to help with resources, information and support.

Consider alternative funding sources such as raising finance through a **community share offer**. Community Shares Scotland can help you to explore your options.



© Jennifer Charlton Photography

Community day at Bridgend Farmhouse

Development trust governance

Development trusts have no specific basis in law, there is no statutory body to approve them or to regulate their operation. They can take a variety of legal forms depending on local circumstances and the nature of their activities. They are quite different to Community Councils and other community-based voluntary groups or social enterprises.

Development trusts exist to proactively make things happen for the benefit of their communities and are therefore likely to become involved in activities that carry a degree of financial exposure and risk, such as trading, owning assets, entering leases or other contracts/agreements, or taking on employees. DTAS therefore recommends incorporation before any such commitments are made.

“The formalities are relatively easy to set up, and DTAS can support you along the way and offer advice on legal incorporation. The harder bit is to stimulate local interest, energy and commitment in a way which will sustain the emergent trust and help it mature – this is something you as the people embedded in your community will know how best to do!”

Development trusts typically take one of the following three legal structures:

- **Company limited by guarantee** (often referred to as a CLG, which may or may not have charitable status)
- **Two-tier SCIO** (Scottish Charitable Incorporated Organisation)
- **Community Benefit Societies** (the DTAS-run programme [Community Shares Scotland](#) has a wealth of information and experience on helping communities set up Community Benefit Societies)

DTAS has a **Startup Toolkit** which will provide you with the information you need to choose the right legal structure for your organisation.

**START-UP
TOOLKIT**

© Marion McKinnon Photography



Case Study

Barmulloch Community Development Company

Originally built as a post-war housing estate in the 1950s, Barmulloch in North East Glasgow had high levels of employment. Over time, industry declined and Barmulloch and the surrounding areas suffered an economic downturn. Increasing unemployment and associated social issues led to Barmulloch reaching the top 5% of the Scottish Index of Multiple Deprivation.

Finding themselves in a new greenfield estate with no social facilities, local residents formed Barmulloch Tenants and Residents Association (BTRA) and with their own hands, erected and fitted out a Tenants Hall at Quarrywood Road in 1957. This was a much loved and used facility but became unfit for use, and in 2004 the Board of BTRA decided to form Barmulloch Community Development Company (BCDC) to provide a wider range of community services. Priorities were identified through the production of a Barmulloch Community Futures document.

In 2005, BCDC became an incorporated Company and a registered charity. Continuing the strong sense of community responsibility shown by their predecessors, the new Board committed to serve the community. Through their efforts they built a new £1.7m Residents Centre to replace the Tenants Hall in 2017; they also purchased the former Wallacewell Church (now the Recreation Hall) and the former All Saints RC Church (now the Broomfield Road Centre and Hope House). Purchases were made by grant aid. BCDC was the first group in Scotland to receive the Scottish Land Fund Urban Aid Award in 2015.

“As BCDC looks to the future, the development trust believes its success is due to its enabling approach to social and economic development...”

The success of BCDC, particularly through the completion of the Barmulloch Residents Centre, has resulted in requests to act as a consultant to other charitable bodies looking to complete similar projects. This has led to a variety of partnership working opportunities. BCDC's four centres of operation provide low-cost accommodation for many local organisations and residents.

The Company offers many other community services. It was responsible for the installation of the Multi-Use Games Arena (MUGA), featured entrances and children's playpark in Robroyston Park, and organises an annual gala day, "C in the Park" and supports local schools.

As BCDC looks to the future, the development trust believes its success is due to its enabling approach to social and economic development and the inclusive brand and corporate identity they portray. BCDC continues to ensure it is rooted in the local community through consultation and has produced several Barmulloch Community Futures Documents since its inception.



Going for growth – for existing organisations or partnerships

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

Town or local authority improvement partnerships are set up to draw together agencies from the public, voluntary, community and private sectors 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, Aberdeenshire Towns Partnerships which led to the establishment of [Huntly Development Trust](#).

Other development trusts originally started as a 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.

“The first step is to take stock of where you are now and what you have achieved over the lifetime of the partnership/organisation”

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 development trust might undertake and what role it would play in relation to the other agencies and enterprises that are anticipated to operate in the area.





© Becky Saunderson Photography

Scottish Traditional Boat Festival organised by Portsoy Community Enterprise

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.

Make sure you regularly update the community on your plans so that local people know they can get involved. Spreading the word on social media and the local press and holding fun informative events will ensure people don't feel left behind. Engaging with other local groups to make sure they are aware of what is happening is important too

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 plans – 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 other 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. Be prepared to review your plans and invest in enabling the community's involvement in the development trust.

Case Study

Gairloch and Loch Ewe Action Forum (GALE)

In 1996, the local community in Wester Loch Ewe got together to agree a plan of action to tackle a range of important local issues such as unemployment, environmental issues and the lack of local services. Out of these community discussions a regeneration plan for the Wester Loch Ewe area was compiled. The community formed a steering group of local volunteers to implement the plan and help drive the work forward. This group then became constituted as a registered company and registered Scottish charity and Loch Ewe Action Forum (LEAF) was born.

The organisation started out doing small projects with help from willing volunteers. Early projects included the refurbishment of Poolewe Village Hall, the construction of Inverasdale Slipway and the construction of the first affordable housing development in Inverasdale. A successful funding bid secured funds to employ a full-time Project Officer to help drive the regeneration plan.

In subsequent years, LEAF was in demand to deliver services in neighbouring communities. So the members voted to extend the company's operating area to cover the whole Highland Council Ward of Gairloch. This area was a recognised Parish and a cohesive community and an obvious and natural step for LEAF's expansion. No longer just serving the Loch Ewe communities, it was time to change the company's name – Gairloch and Loch Ewe Action Forum, GALE was born. In fact, a whole new company was formed to reflect these changes and the old LEAF was wound up with all its assets and liabilities passed to GALE and LEAF's Board of Directors became the GALE Board of Directors.



One of the first projects the newly formed GALE undertook was to take over the management of Gairloch Tourist Information Centre (TIC). Although located in the village of Gairloch, the TIC serves the whole of Gairloch and Loch Ewe area and has proved an important asset to the whole community. The TIC is housed in the GALE Centre. Funded by several partners, the £850,000 GALE Centre building was completed in 2012. It is designed and built with sustainable development and regeneration in mind, and a remit of low environmental impact. It is Scotland's first commercial Passivhaus building and is constructed from locally sourced materials.

The GALE Centre is also home to the first community owned shop in the area. The shop brought increased challenges but also a significantly increased turnover for GALE. Along with its other projects the shop has been a key catalyst to enabling GALE to become a fully self-financing, entirely community owned and managed company and social enterprise.

GALE continues to increase the scale and scope of its projects and has a growing and supportive membership who make it all happen. This income allows GALE to extend its programme of activities and projects – empowering local people. The organisation has a proven track record of success in effectively tackling local issues and is excited to keep moving forward!

“GALE continues to increase the scale and scope of its projects and has a growing and supportive membership...”

Is the development trust approach right for you?



You can use the **checklist below** to establish whether your group is, or aspires to be, a development trust. If any of your responses to the nine questions in the checklist are 'No', and you are not open to changing this in future, it may be that the organisation being proposed is not, or will not become, a development trust. Should this be the case, we recommend you seek advice from an alternative third sector support organisation such as your local [Third Sector Interface](#).

Indicator	Yes	No
1. Has a defined geographical community of benefit?	Yes	No
2. Membership is open to everyone within the community and has a commitment to develop a substantial membership?	Yes	No
3. Majority serving on the organisation's governing board is elected from the membership resident in the defined community of benefit?	Yes	No
4. Organisation is independent of personal, political, religious, outside agency, local authority, corporate or funder interests or agendas?	Yes	No
5. Objectives/ planned activities identified through community consultation, and set out in a publicly-available community development plan?	Yes	No
6. Objectives/ planned activities embrace a broad range of issues (social, economic, environmental and cultural)?	Yes	No
7. Committed to becoming financially sustainable through income generation, with any surplus generated being used solely for community/ public benefit?	Yes	No
8. Wider community kept informed of, and involved in, activities?	Yes	No
9. Proactively working in partnership with the voluntary, community, private and public sectors?	Yes	No

Pages 12 to 13:

Further sources of information

DTA Scotland contact details & additional services

Further sources of information

The following links and resources will give you additional information useful when getting started:



DTAS website & Members Map

dtascot.org.uk/dtas

(see the 'DTAS Member Network' tab)

Involving your Community

dtascommunityownership.org.uk

(see 'Resources', 'COSS Publications', then scroll down to 'Involving your Community')

Community Ownership Support Service

dtascommunityownership.org.uk

Community Shares Scotland

communitysharesscotland.org.uk

The Scottish Council for Voluntary Organisations (SCVO)

scvo.scot/support/setting-up-a-charity

Community Planning Tools

communityplanning.net

Scottish Town Centre Toolkit

towntoolkit.scot

Funding Scotland

funding.scot

Understanding Scottish Places

usp.scot

Local Place Plans

pas.org.uk/localplaceplans

Scottish Community Alliance

scottishcommunityalliance.org.uk

(see the 'Community Learning Exchange' tab for information on funded learning visits to community organisations)

Our Place Portal

ourplace.scot

Highlands and Islands Enterprise (HIE)

hie.co.uk

(for communities in the HIE region)

South of Scotland Enterprise (SOSE)

southofscotlandenterprise.com

(for communities in the SOSE region)



Scottish Government
Riaghaltas na h-Alba
gov.scot

With support from the Scottish Government

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DTA Scotland contact details & additional services

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Website: dtascot.org.uk



**DEVELOPMENT
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DTA Scotland is a Scottish Charitable Incorporated Organisation (SCIO) No.SC034231

The Community Ownership Support Service (COSS) is funded by the Scottish Government to support community based groups in Scotland to have a stake in or ownership of land or buildings:

Website: dtascommunityownership.org.uk



**COMMUNITY
OWNERSHIP
SUPPORT SERVICE**

Development Trusts Association Scotland

Community Shares Scotland is a national organisation that exists to raise awareness of the community shares model and support communities who wish to raise money this way:

Website: communitysharesscotland.org.uk



**Community
Shares
Scotland**

**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?



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