

# Introduction

## About the resource pack

This pack is designed to be used in conjunction with training delivered by staff of DTAS or other agencies who are familiar with the work of the development trusts movement. The resource pack will underpin the training and help to establish a successful organisational structure which is tailored to suit the needs and requirements of each group. Checklists at the end of each module will help to ensure that all the important issues related to establishing a development trust have been covered.

## Who should use it?

This resource is designed for those involved in a local group who are considering establishing a development trust.

## How is it structured?

The pack has three modules:

- **Module 1:** Introducing development trusts, checking that the group is an emerging development trust and choosing a legal structure for the trust.
- **Module 2:** Developing a Governing Document and registering the Company Limited by Guarantee in a form that will be able to obtain charitable status from Inland Revenue Charities Section.
- **Module 3:** Roles and Responsibilities of Company Directors in a Company Limited by Guarantee with Charitable Status.

Each section is structured as follows:

- **Introduction:** outlining what is in the section.
- **Aims:** making clear what will be achieved.
- **Topics to be covered**

- **Self evaluation checklist:**
- **Sources of further information and guidance** (contacts, web links and publications) are listed at the end.
- **Appendices** including:
  - **Appendix 1:** Sources of further information, useful addresses and guidance
  - **Appendix 2:** Model Memorandum and Articles of Association for a Company Limited by Guarantee with Charitable status
  - **Appendix 3:** The suggested objects for an urban/rural regeneration body (see Section 2, Issue 3)

### **Preparation for training course**

**Business Planning:** this training course assumes that the group have already undertaken some basic business planning for the organisation. The group should have a basic understanding of:

- **What** the organisation plans to do
- **Who** are the beneficiaries
- **How** does it propose to go about it

If this has not been done it is suggested that a separate session(s) is held before thinking about the structure of the organisation. DTAS can help signpost the group to people and organisations that can assist them with this basic business planning.

### **NOTE**

This is complicated territory and a resource pack of this kind can only cover the more common situations. If there are special circumstances, which apply in relation to your organisation or any particular project, which you are proposing to take forward - or if you are in any doubt for any other reason - please take advice from a solicitor, regeneration practitioner and/or an accountant with experience in this area of work. DTAS can help you find someone who may be able to help.

Also, the details of company law, and charity law/practice, are subject to ongoing change. The material in this information pack accurately reflects the position as at October 2004. DTAS are committed to providing updates in relation to new forms of legal entities that might benefit development trusts.

## **Acknowledgements**

Special thanks are due to David Wilson of Inland Revenue Charities, who reviewed this resource pack in draft form and provided a number of helpful comments. We are particularly grateful to him for assisting in this way, given the other heavy demands on his time – and his input has been extremely useful in enabling us to provide more definitive guidance on matters such as the distinction between charitable and non-charitable activities.

The model memorandum of association set out in Appendix 1 has been adapted from the model prepared by Stephen Phillips of Burness, in association with SCVO staff, for the SCVO Guide to Constitutions and Charitable Status. We are grateful to SCVO for confirming that we could make use of the model for this purpose. The SCVO Guide to Constitutions and Charitable Status includes detailed commentary and suggestions in relation to alternative/additional provisions for the memorandum and articles which may be of relevance – and those groups wanting to access that further material should contact SCVO if they wish to obtain a copy of the SCVO Guide.

This resource pack has been commissioned by DTA Scotland.

## **Development Trust Association Scotland Background information**

DTAS was established in March 2003 following a period of consultation around Scotland, led by the Association of Small Towns in Scotland (ASTIS) and Social Entrepreneurs Network Scotland (Senscot). ASTIS seek to revitalise the quality of life in small towns across Scotland, and saw the potential of development trusts as a means of furthering these objectives. Senscot, who are committed to promoting all forms of social enterprise, were able to offer practical development support during the initial phase. Further to the consultation, some seed corn funding was secured which allowed a business plan to be drawn up and applications to be submitted for an initial three-year funding package.

Formal links were established during this time with the Development Trusts Association in England and agreement was reached in terms of how the two organisations would work with each other (and with the emerging DTA Wales). An initial funding package from Communities Scotland, Coalfields Regeneration Trust and Royal Bank of Scotland

has enabled an office base to be established in Edinburgh and a staff team comprising a director, development officer and administrator.

DTA Scotland aims to have a successful development trust in every community that wants one. To achieve this DTA Scotland will address itself to four key tasks:

- To encourage mutual support among development trusts in Scotland by creating opportunities for those who either work for or manage the work of development trusts, to network with each other in order to share ideas and experiences and to learn from one another.
- To support the formation of new development trusts throughout Scotland.
- To promote and represent the interests of development trusts at all levels of local and central government and with the other UK associations, at European and international level.
- To run its own organisation efficiently and to reflect the democratic wishes and aspirations of its member organisations.

DTAS is supported by:



