

Appendix 2

Force for Change - Role and Priorities for the Torbay Community Development Trust

developed by the Voluntary, Community and Social Enterprise
Sector

1.0 Background

The Voluntary, Community and Social Enterprise Sector (VCSE) in Torbay is currently undergoing a period of significant change. There are a large number of functions being outsourced; downsized or cut completely from the statutory agencies. Similarly charities and other voluntary sector groups are being squeezed for resources. The local voluntary and community sector body (Community and Voluntary Action (CVA) Torbay) is scheduled for closure in April 2013 leaving no infrastructure body for the area. Against this background members from the voluntary and community sector have started an activity entitled 'Force for Change' to explore the possibility of creating a Community Development Trust (CDT) for Torbay. Typical features of CDTs are:

- community based, owned and led
- engaged in the economic, environmental and social regeneration of a defined area or community
- independent but seek to work in partnership with other private, voluntary and public sector organisations
- self-sufficient or aiming for self-sufficiency, and not for private profit

What has been determined at a very early stage in the 'Force or Change' process is that the need is great, there is insufficient money to fund all of the social activities that need to be done in the Bay, and also that the previous infrastructure model is not sustainable in the long term. Through the 'Force for Change' process the sector has looked at:

- What a CDT might be set up to achieve – its vision, mission and purpose and values.
- What support the sector wants it to provide.
- Ways in which we can generate more sustainable funds to support the VCS activities in the Bay.

2.0 Vision, Mission, Purpose and Values

The following vision, mission, purpose and values have been agreed.

2.1 Vision

Voluntary and statutory organisations, and businesses work together to make Torbay a better place to live.

2.2 Mission

Torbay Community Development Trust wants Torbay to be a place where all people feel included and can become involved in growing a thriving local community.

2.3 Purpose

Four roles have been identified for the CDT:

- To increase the flow of unrestricted funding to the voluntary, community and social enterprise sector through the establishment of social enterprises and other innovative approaches that do not compete or threaten the individual member groups' interests.
- to operate a managed fund/grant giving panel that will distribute funding to groups and projects in Torbay
- to facilitate a members forum using innovative approaches
- to provide support/training/mentoring for member organisations as needed

See section 3 below.

2.4 Values

Success through Empowerment: Our actions will be based on the belief that community development is what people do for themselves and that organisations can be supported in order to foster grassroots direction and action.

Adding Value: We will not compete with or threaten the interests of member organisations but will advocate the use of existing services and signpost appropriately.

Sustainability: We will work to support sustainable solutions to local issues - meeting local needs now without compromising those of the future.

Accountability: We will be accountable to the Torbay community as a whole.

Cooperation: Neither the public, private nor voluntary and community sector can provide everything communities need. We will facilitate cooperation and collaboration within and between all three.

Light touch: We will work with the minimum of bureaucracy.

Innovation: We will seek to support, broker and/or facilitate innovative approaches and ways of working.

Equality: We are committed to an organisational and collective responsibility for creating an equal and inclusive society and to the principles of the 2010 Equality Act.

3.0 Roles of the CDT

3.1 Role 1: Support to the Sector

Suggested services to be provided:

- Facilitate collaborative working in the sector
- Volunteering support – with an evolved approach
- Supporting groups / individuals (capacity building)
- Funding support /advice
- Information dissemination (revamped website?)
- Signposting to other support services
- Business support – inc. governance, policy and procedures
- Back office functions - Legal advice services, CRB collation
- Technical support - IT Software, Web design
- Professional services - accounts, legal advice, social value advice
- Facilitate more innovative and collaborative working relationships between the VCS and statutory sector.

3.2 Role 2: Members' Forum

To create a forum that is:

- Innovative, use modern social media but also offer member groups real value and the chance of face to face networking.
- Monthly breakfasts? Networking sessions? Speed dating (networking), guest speakers? How to sessions?
- Enables members to avoid duplication and encourages joint working/rationalisation of the sector

3.3 Role 3: Managed Fund/Grant Giving

To create a grant fund that is:

- Outside of national/local government and thus be able to set its own priorities, have a 'light touch', be accessible to small local groups and be large enough to be taken seriously by bigger funders.
- Funds to come from pooling of existing smaller grant funds and from income generation.

3.4 Role 4: Increase funding

The proposal is to create a **Growth Fund** which electively invests in Social Enterprises that can deliver an actual return on investment (money!), whilst at the same time delivering a social return on investment (benefit to the community).

Ultimately the fund will need to satisfy the needs of investors to the fund, the growth of the fund itself and generate sufficient surplus to meaningfully contribute to reducing deprivation. At the same time the investment vehicle will need to access or deliver the wrap around care required to deliver successful business growth in the investment recipients. This entity can access other sources of funding in order to make investments.

It is important to recognise that there is another body in the bay charged with this kind of activity. i.e. the Torbay Development Agency (TDA). It is also important that we don't set up in competition. We are therefore targeting funds that the TDA in its current form couldn't access, and investing in areas that are not a TDA priority. It may be possible to collaborate on some investments. The focus is very much then on attracting additional funds in the area that couldn't be accessed without this vehicle.

So far there is broad support for this model and there are a number of volunteers looking at how the initiative can be supported. In principle there may be support through:

- Existing public assets
- Loan from public reserves
- 3rd Party grant funding
- 3rd Party capital funds
- Investment returns

The strategy would be that available funds are invested in suitable Social Enterprises from which a return can be made either from:

- Structured loans/finance to 'appropriate' businesses
- Direct investment in **Growth Fund** owned ventures.

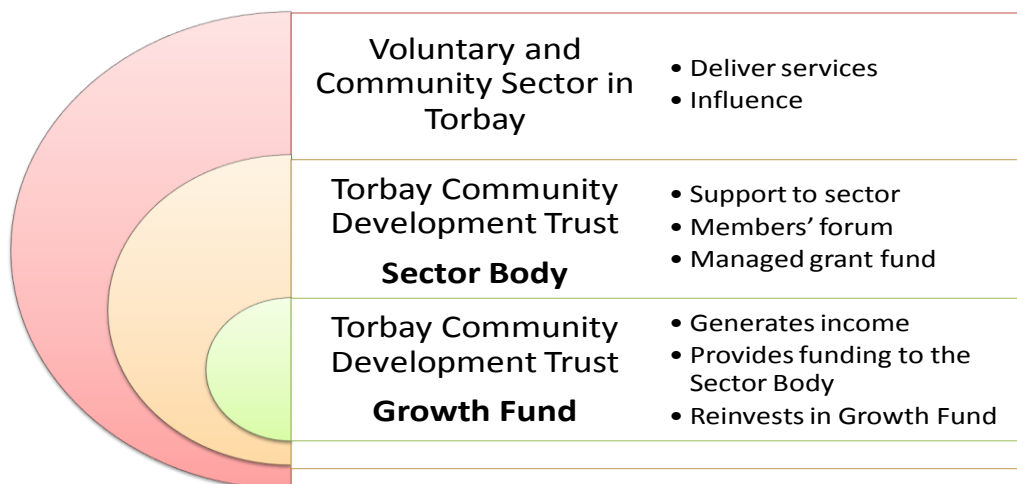
It is proposed to approach a number of bodies to see if support can be obtained for financially supporting the model, including Social Finance sources and others.

4.0 Set-up

The CDT would be owned by the voluntary sector and would have two separate entities:

A **Sector Body** responsible for working in partnership with third sector organisations, and possibly statutory agencies, supporting the delivery of services via the roles outlined above. This body would be run as a cooperative of VCS members to ensure that its resources are deployed in the interest of the whole community needs.

A **Growth Fund** responsible for generating income.



4.1 Candidates for the Growth Fund

No organisation currently exists which would meet the criterion of a Social Sector Investment Fund and would therefore need to be created. The structure of this part of the CDT would most likely be a Community Interest Company (CIC) with a fixed management team with the necessary business skills to succeed, but would be owned by the Sector Body.

The organisation would utilise existing capability where it exists for:

- Investment expertise
- Business Support
- Professional Services

Some or all of these may be available within the existing Torbay Development Agency (TDA), Council or Social Enterprise Network. Where absent will be procured.

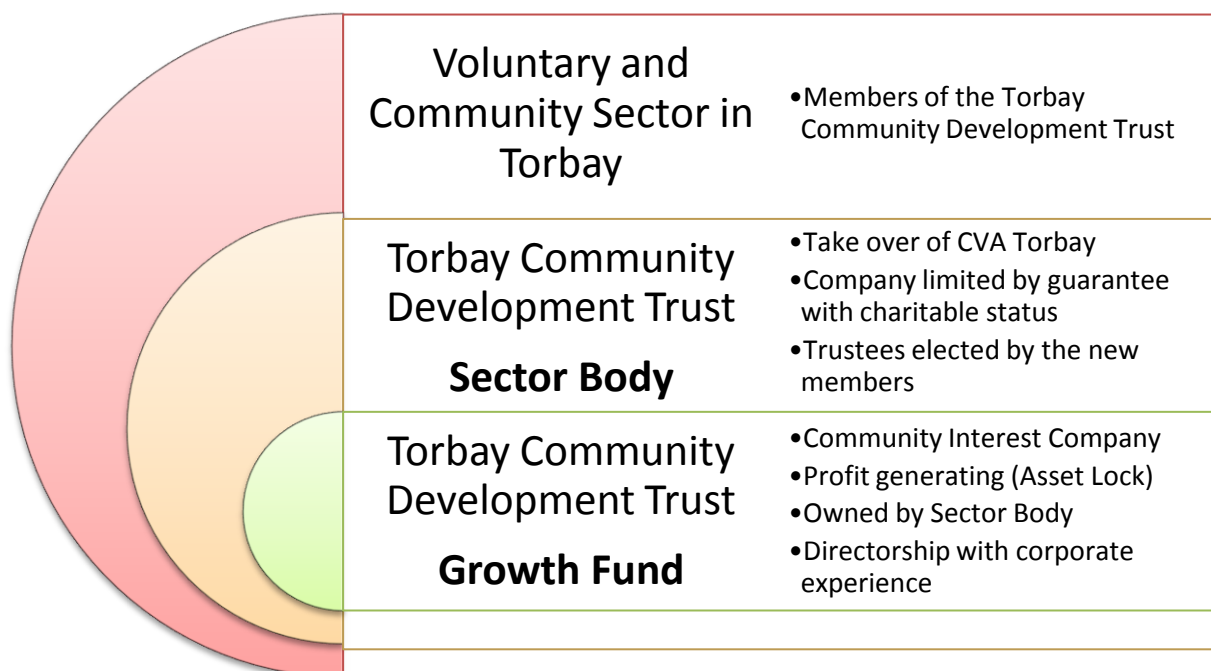
4.2 Establishment of the Sector Body

There were two options put before the VCSE sector – setting up a new charitable company or using the legal shell of Community and Voluntary Action (CVA) Torbay.

At the first public ‘Force for Change’ event (November 2012) there was serious scepticism about the process that might result in saving the CVA. However the new body would almost certainly have the same structure and constitution as the existing organisation, and it therefore seems wasteful to close it down and create a new organisation of the same type.

The Trustees of CVA have indicated their willingness for any remaining assets of the organisation to be transferred to the CDT and this could be further facilitated if the CDT sector body were to take over the legal shell of CVA, rename it, expand the membership and elect a new group of Trustees under a process created and agreed by the VCSE sector.

At the second public Force for Change meeting (March 2013) it was agreed to use the shell of CVA Torbay to set up the Sector Body. An Extraordinary General Meeting of CVA members is scheduled for 27th May 2013 to bring about this change.



5.0 Next steps and Priorities for 2013-14

The Sector Body will be established by June 2013. Initial capacity and staffing levels will be determined by the amount of resources Torbay Council will invest to match the £100,000 cash contribution from CVA Torbay. These funding streams will provide

core funding to the sector body for the first 2.5 years, supplemented by grants secured externally where possible. During year 2013-14 the Growth Fund will be established. It is anticipated it will take 2 years to yield an income for the sector body.

There will be a scaling up of services as the income from the Growth Fund increases.

The following priorities have been identified for the first year of activity:

- Establish Growth Fund
- Set up Membership Forum
- Develop a joined up strategy for Community Development in Torbay to inform the work of the CDT and VCSE sector
- Seek large scale funding opportunities to increase the amount of external funding coming into the bay (including working in partnership with Torbay Council on the up-coming Big Lottery Fulfilling Lives: Aging Better opportunity to support older people living in isolation)
- Build capacity of the sector to adopt Asset Based Community Development (ABCD) approaches
- Support an expansion of volunteering in the Bay (exploring time-banking and other innovative approaches)
- Develop CDT member support packages

The Board of Trustees will set priorities for future years of the CDT based on the roles identified by the sector in section 3 above.

Force for Change Team, April 2013