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**A Value for Money Review
of the Welsh Governments
Core Funding Arrangements for
Social Enterprise Development**
Development Trusts Association Wales

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Contents

Executive Summary	i
1. Introduction	1
1.1 Aims and objectives	1
1.2 Work undertaken	2
1.3 Approach	3
2. Context and background	4
3. Review of DTA Wales economy, efficiency and effectiveness	6
3.1 Economy	6
3.2 Efficiency	9
3.3 Effectiveness	14
4. Conclusions on the value for money achieved	21
5. Recommendations	22
Annex 1: Interviews conducted	26
Annex 2: Welsh Government purposes of DTA Wales core funding 2008-11	27
Annex 3: Welsh Government Purposes of DTA Wales core funding grant 2011-13	32
Annex 4: DTA Wales summary of achievements 2011/12	34
Annex 5: Development Trusts Association Scotland and Locality: activities and issues	36
Figure 1. DTA Wales income composition	8
Figure 2. Surpluses generated by DTA Wales 2008 - 2012	8
Figure 3. Ratio Welsh Government core funding – surplus generated	9
Figure 4. DTA Wales support interventions discussed at Board meetings 2008 –2012 .	11
Figure 5. Relative number of UK members in comparison to population	12
Figure 6. DTA Wales reach in terms of number and nature of organisations	13

Executive Summary

The aim of the commission underpinning this report is to undertake a Value for Money review of the core funding arrangements for Social Firms Wales, Development Trusts Association Wales (DTA Wales) and the Wales Social Enterprise Coalition. The review is required to contribute to the rationale on which any future funding arrangements post 2012/13 will be based by providing the evidence to support decisions.

The review has, at the request of the Welsh Government, been approached in two stages with the review of the value for money obtained from Welsh Government support for the Wales Social Enterprise Coalition, the subject of an earlier report and the reviews of Social Firms Wales and Development Trust Association Wales the subject of later and separate reports. The review of the value for money obtained from Welsh Government support for the Development Trust Association Wales is the subject of this report.

CM International has worked closely with the Welsh Government throughout the review making as much use of the experience and knowledge already available. In addition, CM International has made full use of existing resources, research material and data and has conducted in-depth interviews with 4 DTA Wales Board members, 8 Stakeholder organisations and 3 Welsh Government officials.

To assess the value for money obtained a structured approach has been used that incorporates the concepts of economy, efficiency and effectiveness allowing a systematic and nuanced conclusion to be arrived at.

Based on the evidence gathered and analysis conducted, we conclude that in overall terms the Development Trusts Association Wales has provided the value for money that Welsh Government could have reasonably expected from its financial and other support over the period 2010 – 2012.

We would draw attention to the fact that we have not conducted a financial audit of the organisation nor have we carried out any accounting tests.

The reasoning underpinning this conclusion can be summarised briefly as follows:

1. Welsh Government' intervention is as budgeted in the Grant Award letters covering this period, i.e. a total of ca. £665,000 (£664,289) up to the end of the financial year 2011/12 (with another £172,713 budgeted for 2012/12).
2. The Welsh Government has regularly monitored the progress of expenditures against budget throughout the period since the Grant Award. However, consistent monitoring and reporting of outcomes remains a challenge in the relationship between the DTA Wales and the Welsh Government.
3. Nevertheless, the evidence reviewed suggests that there has been a strong level of achievement and progress made across most of the key areas of activity.
4. The monitoring information does not lend itself to clearly identify the direct contribution to the Department for Business, Enterprise, Technology and Science's targets around jobs and growth. However, the nature of DTA Wales activities and achievements suggests that many of them will complement and reinforce Programme for Government targets, for instance, in relation to nurturing an entrepreneurial culture, the regeneration of town centres, improving skills for employment and overcoming barriers to employment, the creation of a sustainable, low carbon economy or championing the community benefits approach on the ground working directly with social enterprises and public sector commissioners.

5. The core funding provided by the Welsh Government supplies a consistent interface with a rich fabric and established network of community economic regeneration champions. The core funding provides internal coherence for the community of interest around Development Trust principles including the asset transfer agenda in Wales and enables the exchange of experience within the network to be captured. The core funding has also acted as a catalyst to bring new ideas into the network and to stimulate the development of new approaches and activities.
6. Development Trust activities are framed in a community economic regeneration context where many Development Trusts have existed for many years and have a proven track record of sustainability and enterprise development. Development Trust activities therefore are structured around an enterprising core and thus make a valuable contribution to the enterprise agenda in Wales.
7. DTA Wales has secured a seat at the table in key policy arenas at the national and local level and has found an effective way of focusing awareness-raising activities on key policy fora and target groups. A shift in the asset transfer policy arena together with a lack of clarity regarding organisational leads for different policy agendas between, most notably, DTA Wales and the WSEC but also the Wales Co-operative Centre, has challenged this success in recent months.
8. The DTA Wales presence in South Wales is stronger and easier to maintain than in North Wales, where effective delivery depends more on members themselves.
9. DTA Wales covers the whole spectrum of functions that may typically be delivered by a social enterprise infrastructure organisation from the provision of support to providing voice and promoting strategic engagement. It has delivered these functions by being alert to and stimulating debate about new opportunities.
10. This broad spread of activities together with a trend towards consolidation in the social enterprise support sector has challenged DTA Wales's ability to sustain a clear profile. However, a strategic reorientation has been completed and the first results are visible in new areas of activity coming on stream and a considerable increase in the income generated. This now needs to be followed up by communicating a clear refreshed value proposition to the sponsoring department in the Welsh Government as well as key partners.
11. Developing a more explicit work plan together with capturing appropriate evidence about the link between DTA Wales activities, outputs and outcomes specifically in relation to economic development outcomes will be a key tool that will need to take into account that the outcomes achieved by the DTA Wales go well beyond the BETS agenda and straddle several Welsh Government departments and policy agendas.
12. A key objective has been to increase own generated income so as to reduce dependency on Welsh Government funding and was encapsulated in agreed targets following the 2011 Review. The management accounts of DTA Wales indicate that the previous trend-line towards dependency on core funding has been reversed. Core funding represented 67% of DTA Wales income in 2011/12 and the budget for 2012/13 suggests that core funding will account for only 34% of total DTA Wales income.

As part of our agreed scope of work with Welsh Government, we were asked to review the supported organisations' fit with Welsh Government policy and strategic objectives for the future and, where appropriate to make recommendations regarding further Welsh Government support for the organisations concerned.

Based on our work, we are of the view that the explicit aims and objectives of the Development Trusts Association Wales as constituted remain by and large relevant and appropriate. We recommend that:

1. We recommend that the Welsh Government should continue to provide core funding to DTA Wales but with a tapering over 2 years.

While the annual share of income from Welsh Government core funding compared to other sources of funding gained by DTA Wales has varied over the recent past, the current indications are that, at the current level of core funding, the contribution that it makes to overall DTA Wales funding will be around 1/3. This implies that the focus of the organisation cannot be dedicated to delivering solely against the agreed Welsh Government Performance targets. The performance framework agreed between Welsh Government and DTA Wales needs to reflect this position.

Further, we note that DTA Wales support for existing and emerging Development Trusts and other projects are largely responsive rather than proactive and depend to a large extent on decisions made at the level of the beneficiary organisations themselves. Consequently, anticipating the trajectory for each intervention and assessing DTA Wales performance based on these specific outcomes is not possible.

Therefore, a further revision of the DTA Wales performance framework should be instituted that will need to account for, inter alia, the range of policy areas impacted on by development trust activities and therefore the work of DTA Wales; the complexity of the pathways that DTA Wales's activities may take to achieve outputs and outcomes and, moreover, to recognise that DTA Wales performance needs to be framed in a fuller narrative that allows key performance indicators and quantitative targets to be reviewed in their wider strategic and operational context. DTA Wales should then be able to deliver on a clearer programme of work that will allow greater efficiency and transparency on management decisions regarding resource (time, expertise and money) allocations. The opportunity should also be taken to more explicitly make the connection between DTA Wales activities and achievements and different policy portfolios' targets and objectives as set out in the Programme for Government. Beyond the link to the Department of Business, Enterprise, Technology and Science's objectives and targets, DTA Wales activities are also linked to Programme for Government commitments in other policy areas, such as, for instance, with regard to in relation to tackling poverty and regeneration, public service reform following the Simpson review as reflected in the Supporting People commitments, and the focus on introducing energy efficiency measures in the Environment and Sustainability portfolio.

We recommend a number of steps to achieve this:

2. DTA Wales should gather regular data and evidence on the development and performance of the overall performance and contribution made by the Development Trust network in Wales, using an annual survey approach that could be analogous to that adopted by Locality¹ in England. This will allow the overall performance of the sector to be monitored and expressed in terms of, inter alia, funding levered into the Development Trust activities (including from enterprise and service delivery sources), the value and scale of assets under management (capital values and revenue generation), associated enterprise income generation, staff employed, volunteers engaged, partnerships in operation etc.

¹ A renamed and rebranded Development Trust Association UK

3. **Alongside its day-to-day interventions and engagements, DTA Wales should put in place a systematic and reflective process that will enable it to build a body of evidence regarding the effectiveness of different interventions.** The evidence base will not only allow DTA Wales and its partners to increase awareness of the underlying impacts that it makes but to also create an even stronger institutional memory that will enrich its peer-to-peer and learning exchanges and ensure continuity and succession of key personnel and members.
4. **DTA Wales's inputs and contributions to policy and strategy should be recognised and recorded across the range of Welsh Government policy areas and interests.** While recognising that BETS will wish to focus on enterprise-related inputs, DTA Wales should be given explicit credit for policy developments and dialogues that take place across a wider range of departments.
5. **Core funding targets agreed between Welsh Government and DTA Wales should emphasise, in particular, the support that is provided by DTA Wales to developing new Development Trusts and creating new income/enterprise activities for Development Trusts and other appropriate community regeneration vehicles across Wales.** The focus should therefore be moved from supporting established activities of the network towards supporting new enterprise and innovation activities.

Although we believe that a continuation of core funding remains the most appropriate way forward at this point in time, we also believe that targets should be set that will allow the DTA Wales Board to plan ahead more effectively and realistically to a point in time when either core funding may be a considerably smaller amount or that the core funding is transferred into project funding with limited and specific targets and outcomes.

6. **We recommend that the Welsh Government should, during the next funding period, develop with DTA Wales an agreed programme where core funding for DTA Wales activities will taper and be replaced by a more specific and limited project based funding regime.** Given the value for money currently achieved, the strong membership-based nature of the DTA Wales approach and the fact that the specific combination of infrastructure organisation services depends entirely on the DTA Wales' role and position within the practitioner network, we do not consider that there is a case for procuring services for development and support for development trusts in Wales. The sustainability of DTA Wales will be fundamental to the continuing provision of such services as part of its core mission and objectives.

To allow the DTA Wales, in partnership with the Department for Business, Enterprise, Technology and Science, to refine and strengthen the reporting and monitoring arrangements and produce a body of evidence relating to the different strands of activity and strategic initiatives as set out in recommendations 2 and 3 above, a further year of core funding up to March 2014 should be provided.

However, a second year of core funding to March 2015, should only be made available at up to 50% of the current level to enable the organisation and Welsh Government to translate its work programmes into more focused specific project funding arrangements.

Projects funded in this way may relate, for example, to specific areas such as asset transfer practices; strategic development work to identify and assess the enterprise potential of different kinds of assets; delivery of enterprise support and income generation elements within the Development Trusts; the engagement of identified target groups in asset transfer contexts; development of policy implementation tools for government and government agencies (e.g. Local Authorities, Forestry Commission).

1. Introduction

1.1 Aims and objectives

The aim of the commission underpinning this report is to undertake a Value for Money review of the core funding arrangements for Social Firms Wales, Development Trusts Association Wales and the Wales Social Enterprise Coalition.

The review is required to contribute to the rationale on which any future funding arrangements post 2012/13 will be based by providing the evidence to support decisions.

The specified objectives for the review² are to undertake:

- A robust and objective appraisal of the supported organisations' performance against an appropriately identified Value for Money definition;
- A critical analysis of the performance of the supported organisations using their achievements against their respective aims as agreed with the Welsh Government;
- A quantifiable analysis of the supported organisations to identify the levels of additionality as a consequence of their respective core funding arrangements.
- A review of the supported organisations fit with Welsh Government policy and strategic objectives for the future.

The review has, at the request of the Welsh Government, been approached in two stages; firstly, the review of the value for money obtained from Welsh Government support for the Wales Social Enterprise Coalition has been undertaken with a report deadline of 31st August 2012; and, secondly, the value for money reviews of both Social Firms Wales and the Development Trust Association Wales, the former to be completed by 30th September 2012 and the latter by 12th October 2012³.

In addition, although not explicitly required within the project specification, it has been assumed, and confirmed at an Inception meeting with Welsh Government officials, that recommendations are sought regarding further Welsh Government support for the organisations concerned.

This report provides the analysis, conclusions and recommendations associated solely with the Development Trusts Association Wales. Since a previous Value for Money review of the DTA Wales was undertaken at the end of 2010, this review focuses on the two financial years 2010/11 and 2011/12 with reference to developments for the current financial year as appropriate.

² Specification for the Value for Money Review of the Welsh Governments Core Funding Arrangements for Social Enterprise Development , Welsh Government BETS, July 2012

³ Due to illness of the DTA Wales Director during the main part of the review and his return towards the end of September/beginning of October 2012.

1.2 Work undertaken

As set out in the specification for this commission, CM International has worked closely with the Client throughout the review making as much use of the experience and knowledge already available. In addition, to ensure that duplication of effort is avoided, CM International has made full use of existing resources, research material and data.

CM international's approach to this commission has been to use a three stage work package (WP) methodology:

1. Scoping, documentary review & methodology development

Consisting of full document collation and review supplemented by a small number of 'scoping' interviews with Welsh government project managers and officials. Documents reviewed have included DTA Wales monitoring reports to Welsh government; Board Minutes; publications and reports produced by DTA Wales.

In addition, at this stage, interview lists, analysis templates and structured interview schedules were prepared, tested and implemented with target organisations; board members and stakeholders

2. Value for money research

DTA Wales data and DTA Wales monitoring reports and Board papers were reviewed and analysed against organisation and funding objectives and activities.

4 Board members of DTA Wales were interviewed during August and September 2012.

In addition, representatives of 8 other stakeholder organisations, including Social Firms Wales and the Welsh Social Enterprise Coalition were interviewed. Finally, Chief Executive Officers from two relevant comparator organisations in England and Scotland were interviewed.

A full list of all interviews conducted can be found at Annex 1 to this report.

3. Value for money analysis

All interviews, data analysis and the documentary reviews have been further analysed and interpreted in reaching conclusions regarding the value for money achieved.

In particular, a structured approach to assess value for money has been used that incorporates the concept of 3Es – economy; efficiency and effectiveness – thus allowing a systematic and nuanced conclusion to be arrived at.

1.3 Approach

Achieving value for money and clear outcomes and impacts from public expenditures is a basic tenet of public administration. To enable this to be verified, Welsh Government regularly reviews its funding commitments including, in this context, to organisations in the third sector.

Value for money is defined in Treasury guidance⁴ as:

‘the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user’s requirement. In other words, getting the best possible outcome from any given level of input’.

This definition needs to be applied and interpreted recognising that value for money arises from both quantitative indicators and from qualitative policy gains.

Over and above the outcomes of their specific functions, therefore, the three organisations that are the subject of this review play a role in contributing to Welsh Government policy and strategic objectives for the future.

Core funding for the three organisations that are the subject of this review were originally made in the context of the Social Enterprise Action Plan (SEAP) that commits the Welsh Government to working with partners to:

*‘create an environment that encourages new social enterprises and to establish integrated support that will help create thriving social enterprises in Wales’.*⁵

More recently, this has been superseded by the specific Department of Business, Enterprise, Technology and Science (BETS) objectives as derived from the Programme for Government. The extent to which the three organisations contribute to that Welsh Government commitment is therefore a key value for money indicator.

Within a context where a number of organisations exist that offer support to social enterprises and organisations aspiring to develop social enterprise activities, social enterprise support in Wales is sometimes seen as a ‘crowded space’. Organisations in this ‘space’ include the Coalfields Regeneration Trust, the WCVA and the Wales Co-operative Centre, as well as the three organisations that are the subject of this review. Each organisation has a different emphasis and ‘target audience’ although all seek to engage with the Welsh Government and other agencies and stakeholders within the overall field of social enterprise and third sector work.

Value for money will therefore need to be assessed in terms of the overall contribution the organisations have made to the Welsh Government’s aims and objectives by successfully aligning their support for enterprise and business development, best practice exchange and awareness raising with a distinctive and authoritative role in supporting mutual learning between individual members and informing and influencing relevant Welsh Government policies.

⁴ Improving financial relationships with the third sector: Guidance to funders and purchasers, HM Treasury (May 2006)

⁵ Welsh Assembly Government (2009), The Social Enterprise Action Plan for Wales 2009

2. Context and background

The DTA Wales is a membership-led organisation with its membership made up of Development Trusts from throughout Wales as well as a number of emerging Development Trusts and associate members with a general interest in the activities of the organisation. The organisation adopts a peer-to-peer approach of nurturing and exchanging knowledge and experience related to the broad area of leveraging community asset development and community enterprise approaches to regenerate Welsh communities.

Unlike social enterprise models that are reflected in a particular legal structure (e.g. cooperatives) or particular target group (e.g. Social Firm); the essence of the Development Trust approach is expressed in a set of principles that underpin communities' ability for self determination and embedding assets in communities. As the DTA Wales chairman puts it '*Commercial enterprise is a key input to a Development Trust but it's not just about enterprise – it's the constituency that matters and the aim of nurturing resilient, inclusive communities.*'

Of the three organisations, the core funding arrangements between the DTA Wales and the Welsh Government go back the longest – '*it is a historical arrangement*' as one Welsh Government interviewee put it. The DTA Wales objectives have thus evolved over time in line with the organisational development of the DTA Wales itself, its constituency of members and its environment as shaped by Welsh Government policy development and implementation.

The arrangement between the DTA Wales and the Welsh Government has the general aim of promoting community involvement in enterprise and responsibility for regeneration. More specifically, the Welsh Government support is aimed at further developing existing Development Trusts in Wales and raising awareness and stimulating the creation of new Development Trusts.

DTA Wales has been supported by Welsh Government to make knowledge and experience about the role and functioning of the Development Trust model more widely available in Wales. The core objectives set out in the most recent Welsh Government's Award of Grant Funding have been⁶:

- 1. To raise awareness of development trusts in Wales through media coverage*
- 2. Support the development of three new development trusts*
- 3. Deliver two workshops to support the development of development trusts and to report an improved understanding of development trusts amongst the public sector*
- 4. DTA Wales will use its experience and expertise in the field of development trusts to add value to the related work of the Welsh Assembly Government, WLGA and third sector in Wales. It will do so by (a) participating in, and contributing to, the provision of policy advice at a strategic level and (b), where it feels it proper to do so, supporting the Welsh Assembly Government to achieve its policy objectives that relate to development trusts*

⁶ Award of Grant Funding letter – Schedule 1 - Development Trusts Association Wales (DTA Wales) Core Funding 2012-13: Outcomes and Performance indicators

5. *DTA Wales will lever in additional funding for work to promote and develop existing development trust in Wales*

Under each of these main objectives, the Welsh Government further agreed with DTA Wales a number of sub-objectives intended as operational objectives⁷.

These objectives were introduced for the financial year 2011/12 and represent a consolidation of the previous list of Key Targets, Aims, Actions & Performance Indicators as had been in use for the period 2008 – 2011. This is in line with the recommendations from the 2011 review of the organisation.

The Welsh Government committed to support core funding of DTA Wales to a total of £700,000 over the first three full years as follows:

2008/09	£165,000
2009/10	£167,658
2010/11	£172,713

Subsequent grant awards have been made for the most recent and current financial years concluding in March 2013

2011/12	£172,713
2012/13	£172,713

In the wider context of Communities First and an increasing emphasis on linking community development to enterprise initiatives together with Social Enterprise increasingly being recognised as a force that contributes to economic development, the funding arrangement was moved into the Department of Business, Enterprise, Technology and Science (BETS) in 2011.

It is important to note that the DTA Wales's objectives and mode of operation and delivery straddles different Welsh Government departments. The Development Trust model hinges on enterprising approaches to community economic regeneration, but adopts a much broader long-term perspective that is focused on capacity-building. The DTA Wales role therefore cuts across a number of deliverables that Development Trusts, and organisations that adopt a Development Trust philosophy, produce in, for and with communities.

Moreover, the success of the DTA Wales model depends on individual member organisations leveraging peer-to-peer support and learning and by drawing on their organisational independence to play a very active role in shaping DTA Wales activities. The core DTA Wales function is, therefore, to act as an expert, enabler and multiplier of Development Trusts' activities, interactions and mutual learning. Its focus rests on supporting the development and scaling-up of new and emerging activities, providing key elements of expertise and the creation of an active link into the range of relevant policy agendas.

Such a role, as expert, enabler and multiplier rather than direct support provider, inevitably creates issues regarding measurement of impact and attribution of outcomes. This is explicitly recognised in the objectives and performance targets agreed with Welsh Government which emphasise the DTA Wales's role in championing the Development Trust model rather than delivering specific outcomes relating to the different policy portfolios.

⁷ The detailed 'Purposes Schedule' is included at Annex 2.

3. Review of DTA Wales economy, efficiency and effectiveness

To clarify the terms used in this review:

- **Economy** asks questions regarding the actual cost of activities including, how much has the intervention cost; how was this decided on; have the funds been used for the stated activities and, what additional funds have been levered in?
- **Efficiency** considers whether activities were delivered in line with expectations including, were the funded activities delivered in line with the plan; what additional activities were delivered; was the cost of delivery as expected and, how has efficiency been measured and monitored?
- **Effectiveness** focuses attention on outcomes such as, have the funded activities achieved the expected results or outcomes; what additional outcomes have been achieved, if any; and, how has effectiveness been maximised?

3.1 Economy

Economy asks questions regarding the actual cost of activities including, how much has the intervention cost; how was this decided on; have the funds been used for the stated activities and, what additional funds have been levered in?

CM International has reviewed the management accounts produced by the DTA Wales auditor. CM International has not however carried out auditing or accounting tests based on this information and has not discussed the financial information with any of the staff or executive of DTA Wales.

From a Welsh Government perspective its intervention has cost as budgeted, i.e. between £165,000 and £175,000 for each financial year since 2008/09 and a forecast similar amount in 2012/2013. In fact, the accounts record a slight under-spend for two out of the four financial years giving a total grant expenditure of just under £665,000 over the period of the most recent Award agreements.

We have confirmed that these were the amounts included in the Award agreement.

It is also clear that Welsh Government has regularly monitored the progress of expenditures against budget throughout the period under review.

Overall, an analysis of the monitoring information together with the Board meeting minutes suggests that the DTA Wales has maintained a strong focus on using the core funding provided by the Welsh Government towards the agreed aims and objectives.

The Board meeting minutes also suggest that DTA Wales financial management has been consistently strong. According to these records, quarterly finance reports were regularly approved without queries.

The largest part of the Welsh Government core funding has supported salaries, administration and office costs with the main exceptions being direct costs involved in producing promotional materials such as the DVDs and holding events such as the DTA Wales seminars and the conference. We believe that this is in line with the generic core funding rationale, namely, to support the basic functioning of an organisation with a view to enabling it to build up organisational assets and lever those to achieve its objectives. We also regard the expenses incurred to be broadly in line with expectation with no deviations or excess expenditure noted.

The available monitoring information certainly confirms that staff time was dedicated to acting as the central coordinating and enabling function to make community enterprise and asset development expertise available to a wide range of interested parties. The stakeholder and DTA Wales Member interviews also suggest that the DTA Wales has been successful in leveraging in considerable in-kind contributions from its members (e.g. venues for events, expertise for emerging Development Trusts and other organisations exploring the Development Trust model, case study materials).

There is also evidence that, as well as adjusting its staffing for specific project-funded activities, the DTA Wales has managed and continually adjusted its staff base to ensure that it can deliver on the Welsh Government core funding commitment.

This suggests that the core funding has allowed DTA Wales to achieve leverage on an ongoing basis to enable a wider range of activities to be carried out. All these activities have however been aimed at developing the overall value proposition of DTA Wales for its core target group of existing and emerging Development Trusts and communities throughout Wales with an interest in exploring different aspects of the Development Trust model.

Indeed, the surplus generated from DTA Wales operations (see discussion below) has been appropriately used to recruit a Head of Enterprise and thus integrate a business development function into DTA Wales operations. This represents a strategic investment of the additional returns that have been enabled by the Welsh Government core grant award. For example, the creation of the Energy Buying Group is already creating tangible cost savings for DTA Wales members and others and may be regarded as a first result of this function.

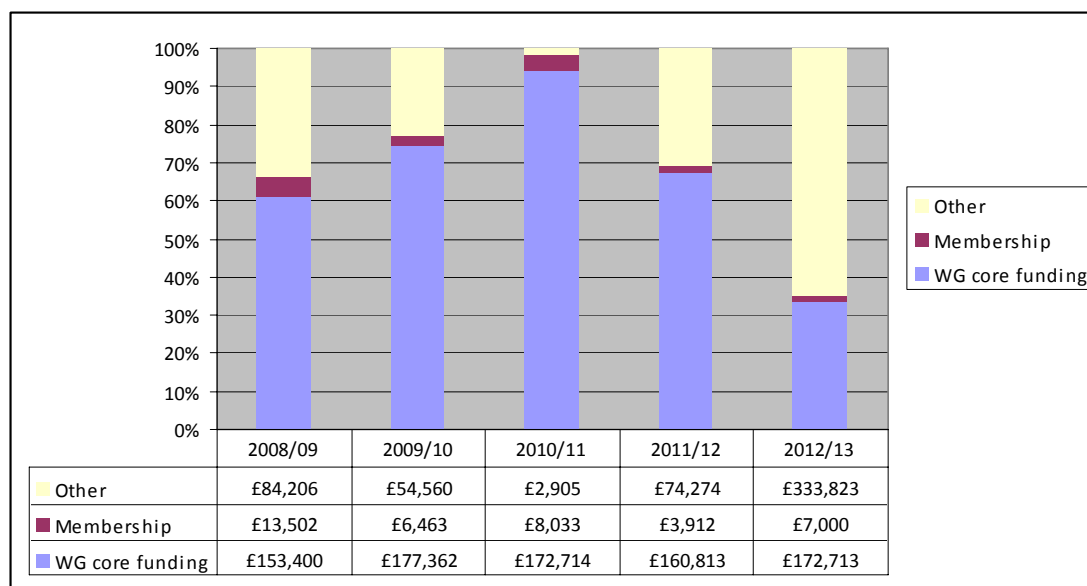
Income generation has been regularly discussed at Board level. It has clearly been a focus of attention throughout the period of Board meetings reviewed (since March 2008). There is clear evidence of a sustained concerted effort being made to lever DTA Wales assets and generate additional income.

This can be seen, for instance, in early discussions regarding securing ongoing funding for the Regen School activity, with several bids to organisations including the Coalfields Regeneration Trust, however, not being successful. Further evidence here relates to work on a partnership Convergence project jointly developed with the Wales Co-operative Centre that, late in the day, was taken forward by the Wales Co-operative Centre alone. The DTA Wales has, however, subsequently secured a delivery contract under this Convergence project worth a total of £56,000 over two years (2010/11 and 2011/12).

Indeed, analysing trends in DTA Wales income generation over the last four financial years and taking the budgeted position for 2012/13 into account, the Wales Co-operative Centre contract can be seen as reversing the earlier trend of the Welsh Government core funding contributing an increasing proportion of DTA Wales income. For 2010/11 the Welsh Government core funding represented 94% of DTA Wales total income and was thus considerably higher than in 2008/09 (61%) and 2009/10 (74%). However, for 2011/12 Welsh Government core funding accounted for 67% of DTA Wales income and the budget for 2012/13 suggests that, in the current year to March 2013, it will account for only 34% of total DTA Wales income.

This is illustrated in the figure below.

Figure 1. DTA Wales income composition

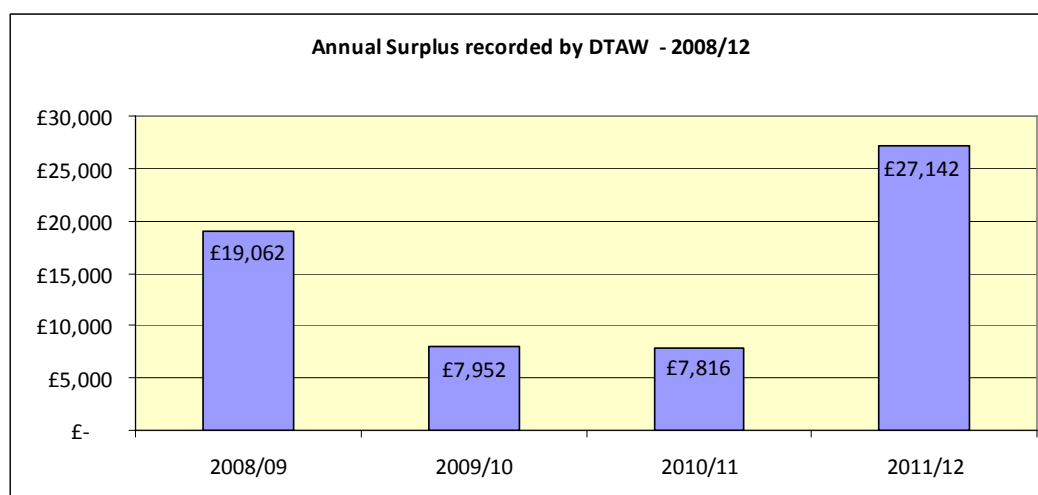


Securing Big Lottery funding for the RENEW project represents a key success in that respect, with a budgeted contribution of £323,623 to DTA Wales income for the year 2012/13. While this has been budgeted on a cost recovery basis and will not generate any profits for the DTA Wales, it makes a considerable contribution to the visibility of the DTA Wales as an organisation and Development Trusts as a model as well as extending the DTA Wales network into a large number of communities. For example, under RENEW, the DTA Wales will 'sign up' 200 community groups from across Wales, the majority of whom will not be existing DTA Wales members.

Activities under this project will not necessarily be directly enterprise-based but RENEW will provide support for some community activities that will develop into enterprises and will therefore have a powerful indirect impact on enterprise stimulation and establishment. In addition, RENEW is seen as responding to DTA Wales members' needs to develop a stronger sustainable development capacity and offer. The activities supported by this funding therefore speak directly to the core funding objectives and targets.

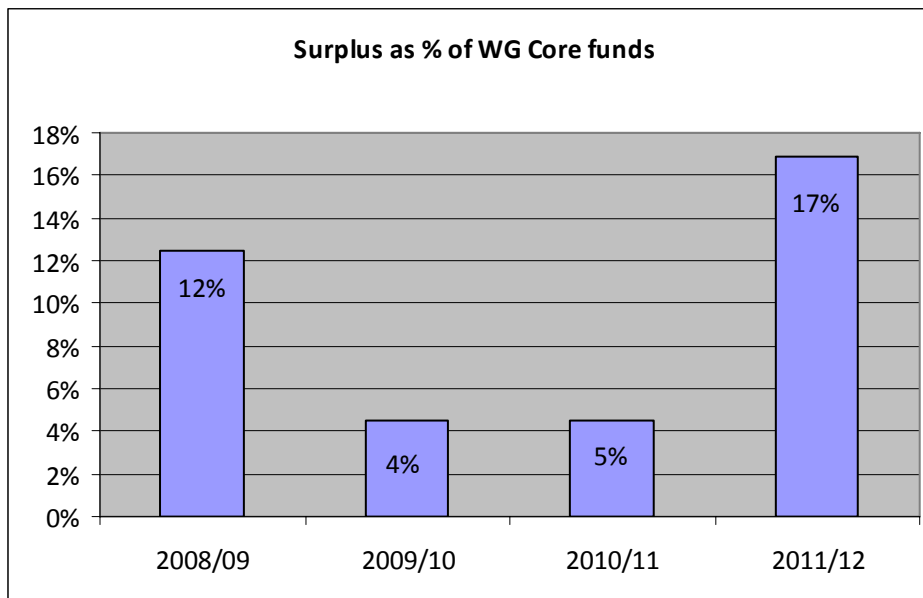
Finally, as illustrated in the figure below, DTA Wales has consistently generated a surplus of between just £8,000 and over £27,000 over the last four financial years.

Figure 2. Surpluses generated by DTA Wales 2008 - 2012



Considering this surplus position in terms of the ratio to core funding, in the most recent full financial year of 2011/12, the surplus equated to 17% of the core funding provided, as illustrated in the figure below.

Figure 3. Ratio Welsh Government core funding – surplus generated



3.2 Efficiency

Efficiency considers whether activities were delivered in line with expectations including, were the funded activities delivered in line with the plan; what additional activities were delivered; was the cost of delivery as expected and, how has efficiency been measured and monitored?

An important caveat to make here is that not all activities can be measured or reported as quantitative indicators. Like the other two organisations reviewed within this commission, the DTA Wales agreed a set of objectives and associated performance indicators and targets with the Welsh Government as set out in the schedule that formed part of the core funding award letters – see Annexes 2 and 3. These form the basis for all reporting and performance interactions with the Welsh Government.

In spite of this, there has been some difficulty in tracking DTA Wales progress towards achieving the targets agreed. It appears that, in making the regular monitoring reports, there was not always a ‘read-across’ from the information provided in the monitoring reports to the agreed performance targets and spend. We understand that this was a matter that was discussed at Monitoring meetings with Welsh Government as well as at Board level.

Partly in response to the findings of the 2011 review, a set of revised performance targets was introduced. This rationalised the performance framework that had been used for the period 2008-2011 which consisted of four headline aims with 38 Key Actions and 45 Key Performance Indicators. The previous 2011 review found that ‘*some of the targets/key performance indicators [... were] not as clearly defined as they could be*’ and that ‘*the drafting of some key performance indicators [...] made it difficult to assess what overall*

*progress has been achieved. This is compounded by the fact that the DTA Wales's progress reports do not show cumulative performance information*⁸.

The revised set of performance targets have gone some way in recognising that the nature of the DTA Wales operational model and its activities mean that, firstly, its success cannot be measured directly by conventional economic development indicators. This is because it acts as enabler and central resource and its relationship to achievements on the ground is an indirect one. With individual Development Trusts making up the active membership of DTA Wales and driving its strategic development, but remaining entirely independent of the organisation, attributing any gains directly to DTA Wales is difficult.

Secondly, the considerable time lag and likely conversion rate between an initial meeting with an interested organisation and the actual completion of an asset transfer project or formation of a new Development Trust make it difficult to measure DTA Wales's success on the basis of new Development Trusts created or the achievements of the ultimate projects.

As noted, the difficulty of monitoring activities and using quantitative targets has been a recurring theme in the monitoring meetings and exchanges with the Welsh Government. Issues associated with reporting were also queried by Board members and an agreement reached to embed clearer targets and time frames in the Director's reports.

As a result of this shared emphasis on reporting, the 2011/12 monitoring reports illustrate the progress made in tracking individual activities in relation to performance targets and indicators. Nevertheless, a consistent read-across between clearly defined outcomes and their measurement remains challenging. The performance framework still does not provide a clear pathway from DTA Wales activities to outputs and outcomes and progress reporting remains incomplete. Part of the issue here is that, because of the very long time frame for the achievement of targets (e.g. the creation of new Development Trusts) the default position is to report progress with reference to relevant activities undertaken rather than the achievement of the specific outcome target as such.

A further revision of the DTA Wales performance framework will need to account for the complex pathways from activities to outputs and outcomes and recognise that quantitative targets need to be framed in a fuller (Theory of Change) narrative that allows key performance indicators to be discussed in their wider strategic and operational context. Apart from strengthening the monitoring relationship, this would also create a platform for more meaningful discussions regarding the fit between DTA Wales's activities and Welsh Government requirements.

It is also vital for the DTA Wales to be able to integrate the Welsh Government performance targets with its own aims and objectives and the modus operandi of the organisation. The targets agreed need to align to avoid mission drift and over dependency on Welsh Government. This is particularly important for an organisation such as DTA Wales that covers the spectrum of functions that may typically be delivered by a social enterprise infrastructure organisation – ranging from the provision of support to providing a 'voice' and promoting strategic engagement.

Notwithstanding this, it is desirable for the DTA Wales to monitor the overall development of the Development Trust network that could, in analogy to the practice adopted by Locality⁹ in England, for instance, be expressed in terms of £s levered into the network, assets under management, income generation, staff employed and volunteers engaged etc.

⁸ Welsh Assembly Government (2011), A Review of Welsh Assembly Government Funded Support for Social Enterprise Development

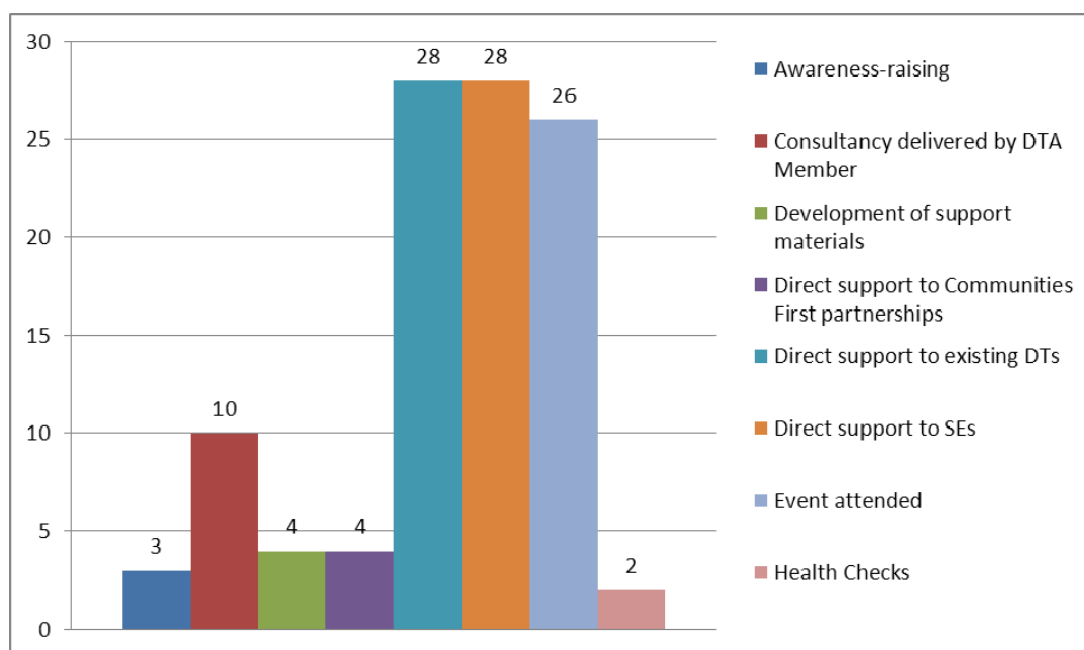
⁹ A renamed and rebranded Development Trust Association UK

To further assess whether funded activities were delivered in line with the plan, a review of the available documentation was undertaken. The earlier performance framework was still in use for monitoring and reporting purposes up until the end of the financial year 2010/11. The issues identified in the previous value for money review therefore remained for that period, which compromises a full assessment of specific target achievement.

The DTA Wales Monitoring Summary 2011/12 (included in Annex 4) does, however, provide a very useful snapshot of activity and achievements during this period and suggests that, by and large, targets have been achieved. While the monitoring information does not lend itself to consistently track the specific indicators as set out in the Award Letter, a triangulation of the results from a review of the monitoring information, the Board meeting minutes and stakeholder interviews suggests that DTA Wales activities do relate to and deliver on the targets and performance indicators agreed with the Welsh Government.

Even recognising the issues associated with the use of quantitative performance indicators, from a Value for Money perspective it is desirable to consider some form of quantitative analysis. We have therefore reviewed the Board meeting minutes¹⁰ to provide a snapshot of the scale of different activities. The following figure sets out the number of activities under each category discussed at Board meetings since March 2008¹¹.

Figure 4. DTA Wales support interventions discussed at Board meetings 2008 –2012



This analysis suggests that the Welsh Government core funding has supported a considerable volume and diversity of direct DTA Wales interventions in support of existing Development Trusts, awareness-raising and support for aspiring Development Trusts and organisations with an interest in adopting the Development Trust principles.

¹⁰ This analysis was undertaken on the basis of the Board meeting minutes rather than the monitoring reports, because they refer more consistently to specific interventions rather than seeking to aggregate activities and achievements against targets and performance indicators. This enables a clearer analysis of actual activities delivered.

¹¹ The Board minutes only capture the oral presentation of the Director’s report. As a result this analysis is likely to underestimate the actual interventions made.

We believe that the level of consultancy delivered by DTA Members shown in this figure is likely to underestimate the actual scale of activity. The stakeholder and DTA Wales member interviews suggest that a considerable amount of informal exchange, advice and mentoring occurs ‘under the radar’ of formal reporting mechanisms.

A further quantitative measure of DTA Wales activity that has been of particular interest from a Welsh Government perspective is the number of DTA Wales members (although since the adoption of a revised set of performance targets and indicators starting with the financial year 2011/12, it no longer forms part of the formal quantitative monitoring requirements).

The following figure presents a comparative analysis of the DTA Wales membership.

Figure 5. Relative number of UK members in comparison to population

	Members		Population Quotient (PQ)	(+/-) in comparison to PQ
	No	% of total UK membership		
England	423	63.5%	84.0%	-20.5%
Scotland	190	28.5%	8.3%	20.2%
NI	8	1.2%	2.8%	-1.6%
Wales	45	6.8%	4.9%	1.9%
	666	100%	100%	

This analysis suggests that comparing the number of DTA Wales members to the total number of UK members, the DTA Wales performs well with 6.8% of members compared to a population quotient for Wales of 4.9%.

In comparison to the English DTA - with an underperformance of 20.5% in terms of the absolute number of members and Northern Ireland with an underperformance of 1.6% - Wales performs well. Only Scotland, with an over performance of 20.2% in these terms, has a considerably higher member density on the basis of population size than Wales.

While these are relatively crude measures that do not take population density or the size of individual Development Trusts into account or the specific local conditions, they do suggest that with 45 full or emerging members and an average of two Development Trusts per Local Authority area¹² the DTA Wales does appear to have worked efficiently to grow and sustain an appropriate number of members.

Similarly, the number of policy-related interventions has also been mapped on the basis of the Board meeting minutes. This suggests that over the course of the three financial years 2009 - 2012, the DTA Wales has on at least 22 occasions¹³ made a tangible contribution to specific policy initiatives and has contributed to national policy work on at least 18 occasions.

The distribution of effort between different activities further suggests an implicit prioritisation of resources; considerable time and resource has been dedicated to the DTA Wales contribution to developing the Community Asset Transfer Fund whereas more exploratory activities such as an analysis of the economic benefits of ‘meanwhile assets’ in Wales have taken up less time.

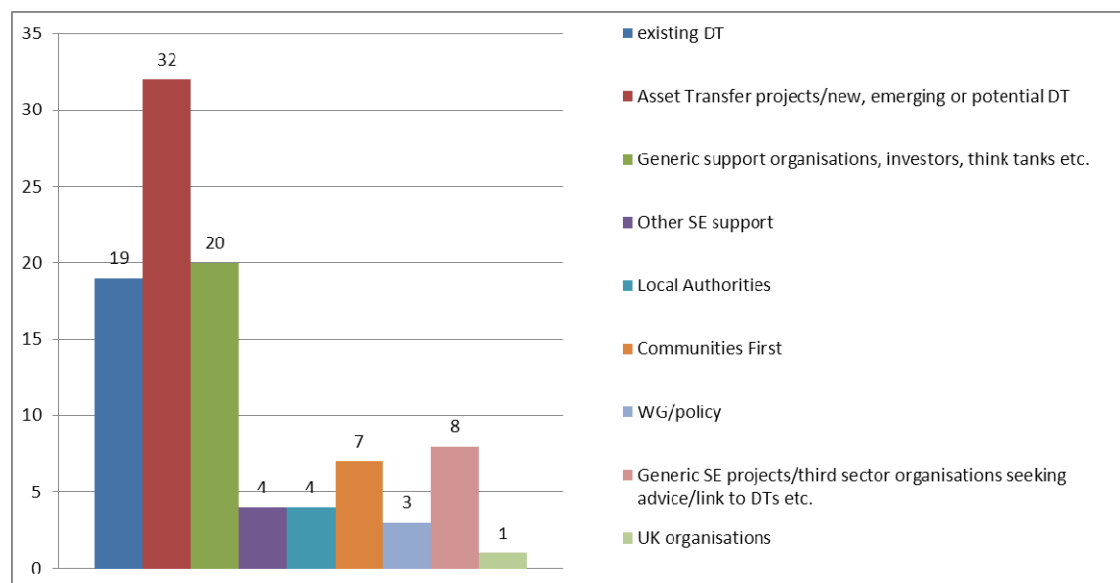
¹² To which 18 associate members need to be added.

¹³ The actual number can again be expected to be higher, because this figure only captures those interventions that were explicitly recorded as having been discussed at the Board meetings.

A further dimension of the DTA Wales efficiency in using available resources can be seen in its reach in terms of working with different kinds of organisations. The following table illustrates that supporting organisations on the ground has taken up by far the largest part of DTA Wales resources. This is in line with the performance targets that focus predominantly on strengthening existing Development Trusts and using their experience and demonstration effect to promote the creation of new Development Trusts and support asset transfer and community enterprise-based approaches more widely.

As can be seen, contacts with 32 out of a total of 98 individual organisations that the DATW has worked with during the period under review, related to asset transfer projects and emerging or potential Development Trusts.

Figure 6. DTA Wales reach in terms of number and nature of organisations



Reviewing the number of contacts DTA Wales had with these individual organisations reveals that some appear only once for individual meetings that would speak to awareness-raising interactions while others have had long-standing and intense contacts with the DTA Wales. Key examples here include several organisations that have subsequently been set up according to Development Trust principles and have become DTA Wales members (e.g. Transition Llambod, Tenby Development Trust or Glyn Wylfa).

Similarly, contact has been maintained consistently with several Housing Associations and Community Housing Cymru, which again suggests that an implicit rationing of DTA Wales time and resource was undertaken on the basis of the expected effectiveness of individual contacts. Bron Afon Community Housing has since the initial contacts fully embraced the Development Trust philosophy and registered as a full DTA Wales member.

Over and above this quantitative analysis, there is also evidence that consistent efforts were made to lever the knowledge assets built up using the core funding to secure the greatest outcomes and impacts possible.

From the early engagement around the delivery of the Regen School programme to the more recent delivery of events in the context of the Big Lottery/BBC Village SOS scheme under contract from Locality and the Plunkett Foundation or activities around community energy and own asset development, the Board meeting minutes suggest that the DTA Wales Board and management have consistently focused attention on increasing the scale of activities ultimately supported by the core funding provided by the Welsh Government.

This analysis further confirms that the DTA Wales has consistently delivered activities in line with the aims and objectives as adopted for the organisation by the Board and as agreed with the Welsh Government.

There is also no doubt that in terms of the volume of activities delivered, the DTA Wales has punched above its weight as determined by the core funding alone. The stakeholder interviews suggest that the unique DTA Wales expertise regarding community asset transfer has always been easy to access, regular attendance at conferences, learning events and high level meetings has been used to continually enrich this knowledge base, own events, contributions to other relevant events and dedicated learning programmes and opportunities have been enabled by leveraging in additional funding and an awareness of the strategic environment has been maintained throughout.

However, this work has not always been framed by a coherent work programme. DTA Wales support for existing and emerging Development Trusts and other projects and initiatives around community asset transfer and asset-based development are by their very nature responsive rather than proactive and depend to a large extent on decisions made at the level of the beneficiary organisations themselves. Mapping out a clear trajectory for each and every intervention and making judgments on efficient resource use on the basis of detailed expectations regarding specific outcomes is therefore not possible. Nevertheless, it would be desirable for the DTA Wales to work to a more clearly formulated programme of work and to enrich and refine decisions regarding an efficient resource allocation by building up a body of evidence regarding the effectiveness of different interventions. Such an approach would also create a clearer basis for discussions about how DTA Wales resources can and should be used to respond to very specific Welsh Government priority needs or requests.

3.3 Effectiveness

Effectiveness focuses attention on outcomes such as, have the funded activities achieved the expected results or outcomes; what additional outcomes have been achieved, if any; and, how has effectiveness been maximised?

The responses to questions of effectiveness can overlap with those around efficiency. However, here we have taken into account the perceptions and responses that we received from our qualitative research obtained from the structured interviews with stakeholders and Board members of DTA Wales as well the case studies and initial interviews with Welsh Government officers.

Considering the effectiveness of DTA Wales activities also offers an opportunity to consider the overarching aims and objectives of both the DTWA itself and the Welsh Government.

Monitoring and performance management associated with the DTA Wales core funding arrangements appears to have been clouded somewhat by the transition into BETS that coincided with the adoption of the Programme for Government and an associated shift in expectations combined with difficulties in communicating clearly how the activities pursued actually contribute to making a difference to communities on the ground.

It should be noted that value for money in the first instance must be assessed on the basis of the achievement of agreed targets. The discussion so far suggests that the DTA Wales has made reasonably efficient use of the amounts agreed to deliver a defined set of targets related to awareness-raising, the creation of new Development Trusts, the delivery of workshops, contributions to policy and the generation of additional income.

Beyond this, however, to assess value for money in the round, it is important to be clear about what constitutes effectiveness for an organisation like the DTA Wales and indeed the associated Development Trusts themselves.

- Development Trusts represent a specific approach to regeneration that adopts a long-term perspective in order to fundamentally change the fortunes of communities. Success for Development Trusts is to develop an asset base at the heart of communities that offer a platform for enhanced service delivery in communities and stimulates and facilitates a process of further enterprising projects.
- The DTA Wales's role is to create an active link between practitioners' experience on the ground and the surrounding environment by making support and advice available and by helping to shape a supportive policy environment for the work of Development Trusts.

The DTA Wales thus acts as a 'pipeline' to feed experience – good and bad – across as well as up from the grassroots level into policy environments at Local Authority and Welsh Government level and feed external knowledge and strategic direction down to Development Trusts and their communities.

In terms of the effectiveness of DTA Wales **support to** contribute to the success of **existing Development Trusts**, the DTA Wales appears to have been very effective in leveraging its role as expert, enabler and multiplier.

In view of the time scales involved, providing evidence for this must consider developments over several years. The cooperation with Cylch in recruiting and delivering the Regen School programme to the North Wales cohort provides an example of such success. In this instance, the Regen School concept - introduced into Wales by the DTA Wales Director – of taking a group of community enterprise leaders through an intense 6-month period of workshops and mentoring has arguably been instrumental in stimulating activity around a textiles reuse hub in North Wales; all of the organisations involved went through the Regen School process.

Interviews with several Development Trusts suggest that the DTA Wales plays a very active role in continually supporting existing Development Trusts with highly specific expertise that is easily accessible and usable. In addition to such direct support, the DTA Wales coordination and animation is clearly a key element in sustaining regular peer-to-peer exchanges between Development Trusts throughout Wales and thus ensuring the flow of good practice and debate. One Board member suggested that a very different approach is needed to support existing Development Trusts to new ones; *'Later in the life cycle of the Development Trusts, they need more strategic support and guidance when the sharing of good practice and requests for senior level support from DTA Wales Board members or other Development Trust leaders comes into play via DTA Wales.'*

The Cardiff case study certainly suggests that on the back of working with the local Development Trust, the DTA Wales has been able to nurture a trusted relationship with the Local Authority, has made a substantial contribution to developing a new asset transfer policy and has had a seat at the table in considering different asset transfer opportunities, the institutional landscape surrounding such opportunities and any challenges involved.

The evidence suggests that this combination has been instrumental in existing Development Trusts successfully tapping into CAT funding, or ensuring successful completion of asset transfer projects. Moreover, recent DTA Wales business development activities have not only generated DTA Wales income and moved on the debate in terms of exploring new activities around new kinds of assets such as community energy, woodlands and the broad

area of sustainability as an opportunity for community empowerment. They also create very tangible member benefits such as the considerable cost savings secured for the associated Development Trusts through one of the key development, the Energy Buying Group. They strengthen the DTA Wales offer to its members and directly support their financial sustainability.

This approach of working with existing Development Trusts on very practical issues is in line with the perspective of one social enterprise stakeholder with a high level involvement in taking the WSEC forward who was very clear that the sector should not follow the mainstream business development model, because the need is to develop the individuals and their businesses; *'There are too many training courses. The focus should be more on individual development.'*

The DTA Wales role as a multiplier comes into effect with regard to providing support to new and potential Development Trusts and is particularly evident in the role adopted by many established Development Trusts, many of whom are DTA Wales Board members. Often having benefited from intensive direct support and advice from the DTA Wales themselves (and according to several interviewees still tapping into this resource on a regular basis), these organisations (and the key individuals behind them) very actively support further asset transfer projects and potential new Development Trusts in their area.

The two case study interviews undertaken for this review illustrate the form this takes. A former DTA Wales Board member¹⁴ who, as a Local Authority secondee led on the creation of the Dee Valley Partnership, now has a key role in bridging the gap between the Local Authority and community projects with asset transfer aspirations. The respective Local Authority now *'has a strong commitment to the asset transfer agenda'* and his team substantially moved a current asset transfer project forward that has now secured CAT funding. The connection with the DATW has therefore created additional enterprise capacity that is rooted in the local area.

The second case study interview, in Cardiff, illustrates how the respective Board Member and asset transfer practitioner is not only actively called upon by the Local Authority to explore and help develop potential asset transfer opportunities with existing or new community enterprises where buildings become available, but can also effectively be seen as a kind of 'gate-keeper' of realistically assessing the viability of potential projects.

Both case study interviewees report still being very actively supported by the DTA Wales core resource and a strong presence of the DTA Wales Director at crucial stages of live projects. They also report an extensive contribution to the development and use of the suite of tools developed and disseminated by the DTA Wales (i.e. the Health Check, the series of case studies, reports of specific aspects of asset transfer) that are seen to be invaluable.

An issue that arises with regard to DTA Wales support for individual Development Trusts relates to how effectiveness may be directly affected by the lack of a more robust process of allocating resources to ensure the greatest possible impact of DTA Wales activities. With limited resources, a degree of rationing support would be required, that does not always seem to be in evidence. One Board member suggested that there may be *'a tendency to provide too much help to individual Development Trusts when in fact the DTA Wales would need to let them get on with things more and earlier especially those who are badly struggling'*.

¹⁴ Who has recently returned to the Local Authority and as a result stepped down from the DTA Wales Board.

However, this quote also points to a degree of tension between Welsh Government expectations for the DTA Wales to very actively get involved in ensuring the viability of Development Trusts when the DTA Wales operational model and commercial disciplines would appear to suggest that this may not be the most appropriate course of action to achieve the longer term aims and objectives around community regeneration. There thus is an inherent tension between a role as service provider and that of an enabler of strategic involvement and development. The former would require a very substantial and extended practical support engagement while the latter would need to focus more on championing good practice, making niche expertise available and stimulating learning and debate.

The support provided to new or potential Development Trusts is closely linked to the question of DTA Wales's effectiveness in **creating new Development Trusts**, one of the original targets in the 2008 – 2011 performance framework as well as the revised version. As this is seen by the Welsh Government as the most visible sign of DTA Wales success, there has been some debate as to whether more could be achieved by the DTA Wales.

The 2011/12 monitoring information provides considerable detail about interactions with specific community organisations that are aspiring to become a Development Trust. Several of these have since joined the DTA Wales and have acquired the status of 'emerging Development Trust'. One of the Board members interviewed suggested that *'the increase in members to some 45 - up by 50% in the last few years – is testament to the practical advice and mentoring that DTA Wales is able to give particularly in their early days to start up and new Development Trust's'*

However, it would be desirable for the monitoring and performance management information to more clearly reflect the pathway from specific activities to outcomes. While the extent to which these Development Trusts are ultimately commercially viable is beyond the reach of the DTA Wales, communicating more clearly how such activities might contribute to key concerns (e.g. job creation or investment levered in, but also community engagement or improvements in the services available locally) would strengthen the mutual understanding of how the DTA Wales contributes to Welsh Government policy objectives. Without this, the wide range of meetings held with a very diverse group of organisations and sometimes limited to just one meeting might be read to suggest that resources could be used more effectively by focussing more.

DTA Wales Board members suggest that the actual number of Development Trusts created may not provide a very accurate measure of DTA Wales success. To begin with the creation of Development Trusts like any other economic activity has been affected by the recession. DTA Wales can also only work with existing community and organisational structures on the ground. These have to some extent been influenced by the Communities First status of many of the communities most suited to support a Development Trust. There are cases in which an existing Development Trust has been able to play a key role in the Communities First partnership and embed a strong enterprise mentality within it from the start. In other communities, however, there has arguably been a degree of competition over 'community activist resources' that have made it less likely for a Development Trust to emerge. Moreover, assessing the gains achieved by existing Development Trusts and their host communities might be a more meaningful measure of success. However, there is evidence of considerable DTA Wales effectiveness in leveraging existing Development Trust infrastructures to contribute to regeneration as described above.

One Board member described the role of the Welsh Government core funding in supporting and growing the network of Development Trusts as providing the resources to support

members in putting the assets in place that can then be levered to enhance the achievements of individual Development Trusts, deliver additional work around promoting the Development Trust concept, stimulating the creation of additional trusts and helping shape policy. *'It creates a framework for people to put something in and get something out.'*

Making good use of such demonstration projects as a resource depends to a large extent on the underpinning **awareness-raising activities** and need to combine efforts to ensure the general visibility of the DTA Wales and the associated Development Trusts as an organisation with proactive targeted promotional activities.

The interviews with other social enterprise support stakeholders suggest that the DTA Wales is very clearly recognised as the authoritative voice on community asset transfer and development and its visibility in that respect is high. Even though not much formal analysis has been undertaken of the effectiveness of the range of specific dissemination tools (i.e. case studies, reports, video case studies), one Board member thought that *'the fact that the DTA is currently working with 6 communities as emerging development trusts that are likely to have been inspired by this information might give an indication of the reach and impact of this work.'*

The DTA Wales wider value proposition, however, appears to have become slightly less clear to the stakeholder community. In the context of a shifting policy environment and dynamic social enterprise agenda, the precise role and value of Development Trusts needs to be continually restated and reformulated. There is a perception that, potentially due to its limited size, the DTA Wales is led too much by the practitioners. As one social enterprise stakeholder put it, *'the DTA has developed some interesting approaches, but it has been the practitioner organisations which have taken the good practice elements forward, for example in mentoring. The organisation has less impact and influence than its counterparts in the regions. There is an issue about articulating the organisation to the outside world'*.

Interviewees also suggested that the DTA Wales has a stronger foot-print in South Wales than in North Wales. This may suggest that the strategy of focusing much of the awareness-raising approach on maintaining a presence at relevant events (the DTA Wales Director regularly attends a wide range of seminars and conferences with a link to the community asset transfer agenda) and in key policy and operational fora (e.g. CAT panel, CIF panel) is not strong enough in reaching a wider constituency of potential asset transfer projects and organisations with a potential interest in the Development Trust model.

An alternative reading of this is that the DTA Wales has concentrated awareness-raising efforts on a smaller target group that is of particular relevance in relation to actual asset transfer projects and the further development of asset transfer practice, thus closely intertwining the promotional and policy effort. Indeed, one Board member suggested that a core strength of the DTA Wales in terms of providing voice for social enterprise in Wales consists in the very fact that it is *'very niche, clear and blinkered'*.

As outlined above, there is evidence of a good coverage of **policy** fora at different levels ranging from nurturing relationships with individual organisations (e.g. Forestry Authority) and contributing to policy development at Local Authority Level (e.g. Cardiff County Council, Wrexham Council) to securing a seat at the table for key policy and implementation projects (e.g. CAT, asset transfer protocol, WSEC, Convergence, Community Energy Wales Network). Feedback on such interventions at the interface of policy and practice consistently suggests very strong expertise and availability.

While this approach has no direct connection to policy development at the level of the Welsh Government itself, one Board Member suggests that DTA Wales status as recipient of core funding is an important prerequisite to strengthen the policy dimension of such interactions as *'only if the Welsh Government is funding the DTA Wales, is it perceived as being worth listening to on the part of Local Authorities, Health Boards etc.'*

The evidence gathered for this review points to strong DTA Wales effectiveness in using this approach. For years, the DTA Wales has advocated and promoted community asset transfer as a way for public sector agencies to achieve a diverse set of objectives straddling departments in an integrated way. It is clear that the organisation has played a crucial role in making the Community Asset Transfer programme happen – a vital step in enabling community asset transfer projects in Wales and mainstreaming the approach.

The DTA Wales footprint with regard to Welsh Government policy development and implementation, however, appears to have weakened somewhat recently. There are a number of natural overlaps between DTA Wales activities and Welsh Government policy objectives. Development Trusts will, for instance, not typically specialise in the broad industry sectors covered by the Welsh Government priority sectors, but the DTA Wales focus on community renewable energy chimes with the Welsh Government sectors. A DTA Wales conference on Renewable Energy for Social Enterprise organised in partnership with the Development Trust network Scotland, for instance, creates a direct link between Welsh Government priorities and key opportunities identified for the strategic development of Development Trusts in Wales and the DTA Wales offer and activities. This conference was also instrumental in creating the Community Energy Wales Network.

However, several stakeholders suggested that to some extent the DTA Wales had more recently become a victim of its own success in that *'community asset transfer had now become well engrained'* and that *'use of these approaches within community regeneration may be seen as a bit old-fashioned'*. Indeed, the fact that *'they haven't been as high profile as previously'* may to a large extent be due the fact that some of the larger developments have been successfully achieved and attention has shifted to the local level and the identification of new opportunities. One Board member saw the Community Asset Transfer programme as *'a vindication of 10 years of the Director's work'*.

It will be important for the Welsh Government to make sure that the return on investment from the core funding is secured. The fact, for instance, that the DTA Wales was not commissioned to deliver support for CAT programme applicants, only to then deliver much of this support out of core funded and peer-to-peer resources appears to be a missed opportunity in that respect. The CAT evaluation found that *'most third sector stakeholders thought that the potential role of the DTA had not been built into the delivery of the CAT programme sufficiently to make the most of the depth of experience and knowledge that could be available to projects funded through CAT and the programme as a whole'*. Ensuring maximum use of this expertise will require a much more joined up approach across Welsh Government departments.

There is a clear member perception of the DTA Wales core function *'as integral to reporting back on asset transfer and development work, championing the DTA Wales membership and getting a fair representation in government and policy making.'* Indeed, it is clear that without the DTA Wales's core funded activities, the Welsh Government would lose an important tool in support of the asset transfer agenda that is associated with communities taking charge. Without the regular meetings and the framework for peer-to-peer support, the Welsh Government would be reliant on the current DTA Wales members individually who are themselves under pressure.

Beyond prioritising resources for a small number of key policy initiatives (e.g. CAT), from an effectiveness perspective, it is also important for an organisation like the DTA Wales to be alert to new opportunities and have the ability to translate these into tangible activities for the benefit of Development Trusts and organisations adopting similar principles. From this point of view, the spread of activities and target organisations engaged with suggests that the DTA Wales has been alert to new opportunities. This may be illustrated by several meetings with the Forest Authority, a very active exploration of the sustainable development policy agenda and its active role in facilitating the creation of the Community Energy Wales Network.

Against the backdrop of strong competition and potential duplication between different social enterprise support organisations in Wales, this must be seen as a key strength that can be expected to contribute to the effectiveness of the DTA Wales going forward.

Indeed, these development activities were partly initiated as a result of an exercise to refresh the strategic direction for the DTA Wales undertaken at Board level.

Initial discussions took place over the course of the financial year 2009/10 leading to an emerging focus on community energy and sustainability more generally. While recognising that the strategic environment for the DTA Wales has been challenging with a trend towards consolidation of the social enterprise support sector as a result of European funding requirements¹⁵, implementing a new strategic direction appears to have taken a long time and seems to have lacked focus at times. As one Board member put it, *'overall DTA strategy is developed through an iterative informal process of exchange between the DTA Director and members. This is potentially too loose and depends too much on the Director and the Chair of the DTA'* even though another Board member reported *'feeling well used and well informed in strategic matters as well as in discussions around important issues and projects.'*

There is now an opportunity to translate the refreshed strategic focus into more generic approaches (e.g. a recent focus on community wind farms) capable of reinvigorating awareness-raising, promotional and policy interactions. Communicating the value of energy schemes as an economic opportunity and contribution to a wider policy agenda to capture the value generated from natural resources in Wales at the local level, for instance, would create a much more explicit link to a broader economic development perspective.

With the strategic reorientation now complete, it will also be important for the DTA Wales to re-establish active links with the relevant policy agendas at the Welsh Government level. This will need to involve renewed engagement around clarifying the precise performance expectations from BETS as well as finding a way of creating appropriate links with other Welsh Government departments with a key stake in the DTA Wales agenda.

¹⁵ The WCVA and the Wales Co-operative Centre have emerged as key players in structuring and administering the kind of large scale strategic project required to secure Convergence funding.

4. Conclusions on the value for money achieved

Based on the evidence and analysis set out in section 3 above, we conclude that in overall terms the Development Trust Association Wales has provided a good level of value for money that Welsh Government could have reasonably expected from its financial and other support over the period 2010 to 2012.

We would again draw attention to the fact that we have not conducted a financial audit of the organisation nor have we carried out any accounting tests. Our focus has been in assessing value for money based on the UK Treasury guidance that advises an assessment of *'the whole life cost and quality to meet the user's requirements'*

Our reasoning can be summarised as follows:

1. Welsh Government's intervention is as budgeted in the Grant Award letters covering this period, i.e. a total of ca. £665,000 (£664,289) up to the end of the financial year 2011/12 (with another £172,713 budgeted for 2012/12).
2. The Welsh Government has regularly monitored the progress of expenditures against budget throughout the period since the Grant Award. However, consistent monitoring and reporting of outcomes remains a challenge in the relationship between the DTA Wales and the Welsh Government.
3. Nevertheless, the evidence reviewed suggests that there has been a strong level of achievement and progress made across most of the key areas of activity.
4. The monitoring information does not lend itself to clearly identify the direct contribution to the Department for Business, Enterprise, Technology and Science's targets around jobs and growth. However, the nature of DTA Wales activities and achievements suggests that many of them will complement and reinforce Programme for Government targets, for instance, in relation to nurturing an entrepreneurial culture, the regeneration of town centres, improving skills for employment and overcoming barriers to employment, the creation of a sustainable, low carbon economy or championing the community benefits approach on the ground working directly with social enterprises and public sector commissioners.
5. The core funding provided by the Welsh Government supplies a consistent interface with a rich fabric and established network of community economic regeneration champions. The core funding provides internal coherence for the community of interest around Development Trust principles including the asset transfer agenda in Wales and enables the exchange of experience within the network to be captured. The core funding has also acted as a catalyst to bring new ideas into the network and to stimulate the development of new approaches and activities.
6. Development Trust activities are framed in a community economic regeneration context where many Development Trusts have existed for many years and have a proven track record of sustainability and enterprise development. Development Trust activities therefore are structured around an enterprising core and thus make a valuable contribution to the enterprise agenda in Wales.
7. DTA Wales has secured a seat at the table in key policy arenas at the national and local level and has found an effective way of focusing awareness-raising activities on key policy fora and target groups. A shift in the asset transfer policy arena together with a lack of clarity regarding organisational leads for different policy agendas between, most notably, DTA Wales and the WSEC but also the Wales Co-operative Centre, has challenged this success in recent months.

8. The DTA Wales presence in South Wales is stronger and easier to maintain than in North Wales, where effective delivery depends more on members themselves.
9. DTA Wales covers the whole spectrum of functions that may typically be delivered by a social enterprise infrastructure organisation from the provision of support to providing voice and promoting strategic engagement. It has delivered these functions by being alert to and stimulating debate about new opportunities.
10. This broad spread of activities together with a trend towards consolidation in the social enterprise support sector has challenged DTA Wales's ability to sustain a clear profile. However, a strategic reorientation has been completed and the first results are visible in new areas of activity coming on stream and a considerable increase in the income generated. This now needs to be followed up by communicating a clear refreshed value proposition to the sponsoring department in the Welsh Government as well as key partners.
11. Developing a more explicit work plan together with capturing appropriate evidence about the link between DTA Wales activities, outputs and outcomes specifically in relation to economic development outcomes will be a key tool that will need to take into account that the outcomes achieved by the DTA Wales go well beyond the BETS agenda and straddle several Welsh Government departments and policy agendas.
12. A key objective has been to increase own generated income so as to reduce dependency on Welsh Government funding and was encapsulated in agreed targets following the 2011 Review. The management accounts of DTA Wales indicate that the previous trend-line towards dependency on core funding has been reversed. Core funding represented 67% of DTA Wales income in 2011/12 and the budget for 2012/13 suggests that core funding will account for only 34% of total DTA Wales income.

For these main reasons therefore, overall, we conclude that the Development Trusts Association Wales has provided the value for money that Welsh Government could have reasonably expected.

5. Recommendations

As part of our agreed scope of work with Welsh Government, we are asked to review the supported organisations' fit with Welsh Government policy and strategic objectives for the future and, where appropriate to make recommendations regarding further Welsh Government support for the organisations concerned.

As public service reform has gathered pace in recent years and greater expectations are placed on community and social enterprise organisations to participate across a wide public service and economic regeneration agenda in Wales, embedding innovative ways of delivering services and managing assets has become part of the mainstream. Therefore, while the role of asset transfer and asset management by communities in regeneration and public service delivery projects is likely to expand further, it is also the case that linking community development to social enterprise is increasingly recognised as a powerful force that can contribute to delivering across a wide range of policy areas.

In this strategic context, although asset transfer may be said to be mainstreamed, for communities and social enterprises, developing ideas into practical delivery of transfer and management remains a difficult, daunting prospect that has the potential to go wrong without a strong foundation of experience and understanding to support the enterprise. It is

in this area that we conclude that communities will continue to need the 'safety net' provided via DTA Wales.

DTA Wales offers the added value of facilitating and enabling access to expertise through networking and contact between like-minded and experienced practitioners. Here the insistence on basing the DTA Wales model on individual member organisations leveraging peer-to-peer support and learning and asking members to play an active role in shaping DTA Wales activities is essential.

Compared against the other two social infrastructure support organisations reviewed at this time, DTA Wales is the only one that has been able to secure and maintain an active engagement with and from its membership base.

However, in the context of a dynamic policy environment and increasing focus on the contribution of social enterprise, the value proposition offered by DTA Wales and the precise contribution made by Development Trusts within the social enterprise agenda appears to have become less clear to the stakeholder community. This, we conclude, needs to be continually restated and reformulate

In this respect, the recent strategic review of activities conducted by the Board of DTA Wales has given rise to a number of innovative approaches to the work of Development Trusts and to the role of DTA Wales, such as the recent focus on community wind farms and community group purchasing of energy, that are capable of reinvigorating awareness of the development trust model within enterprise and regeneration, support greater income generation and deliver practical policy interactions and advice.

On this basis we conclude that the work of DTA Wales remains highly relevant to the policy and strategy objectives of Welsh Government.

1. We recommend that the Welsh Government should continue to provide core funding to DTA Wales but with a tapering over 2 years.

While the annual share of income from Welsh Government core funding compared to other sources of funding gained by DTA Wales has varied over the recent past, the current indications are that, at the current level of core funding, the contribution that it makes to overall DTA Wales funding will be around 1/3. This implies that the focus of the organisation cannot be dedicated to delivering solely against the agreed Welsh Government Performance targets. The performance framework agreed between Welsh Government and DTA Wales needs to reflect this position.

Further, we note that DTA Wales support for existing and emerging Development Trusts and other projects are largely responsive rather than proactive and depend to a large extent on decisions made at the level of the beneficiary organisations themselves. Consequently, anticipating the trajectory for each intervention and assessing DTA Wales performance based on these specific outcomes is not possible.

Therefore, a further revision of the DTA Wales performance framework should be instituted that will need to account for, inter alia, the range of policy areas impacted on by development trust activities and therefore the work of DTA Wales; the complexity of the pathways that DTA Wales's activities may take to achieve outputs and outcomes and, moreover, to recognise that DTA Wales performance needs to be framed in a fuller narrative that allows key performance indicators and quantitative targets to be reviewed in their wider strategic and operational context. DTA Wales should then be able to deliver on a clearer programme of work that will allow greater efficiency and transparency on management decisions regarding resource (time, expertise and money) allocations. The opportunity should also be taken to more explicitly make the

connection between DTA Wales activities and achievements and different policy portfolios' targets and objectives as set out in the Programme for Government. Beyond the link to the Department of Business, Enterprise, Technology and Science's objectives and targets, DTA Wales activities are also linked to Programme for Government commitments in other policy areas, such as, for instance, with regard to in relation to tackling poverty and regeneration, public service reform following the Simpson review as reflected in the Supporting People commitments, and the focus on introducing energy efficiency measures in the Environment and Sustainability portfolio.

We recommend a number of steps to achieve this:

2. **DTA Wales should gather regular data and evidence on the development and performance of the overall performance and contribution made by the Development Trust network in Wales, using an annual survey approach that could be analogous to that adopted by Locality¹⁶ in England.** This will allow the overall performance of the sector to be monitored and expressed in terms of, inter alia, funding levered into the Development Trust activities (including from enterprise and service delivery sources), the value and scale of assets under management (capital values and revenue generation), associated enterprise income generation, staff employed, volunteers engaged, partnerships in operation etc.
3. **Alongside its day-to-day interventions and engagements, DTA Wales should put in place a systematic and reflective process that will enable it to build a body of evidence regarding the effectiveness of different interventions.** The evidence base will not only allow DTA Wales and its partners to increase awareness of the underlying impacts that it makes but to also create an even stronger institutional memory that will enrich its peer-to-peer and learning exchanges and ensure continuity and succession of key personnel and members.
4. **DTA Wales's inputs and contributions to policy and strategy should be recognised and recorded across the range of Welsh Government policy areas and interests.** While recognising that BETS will wish to focus on enterprise-related inputs, DTA Wales should be given explicit credit for policy developments and dialogues that take place across a wider range of departments.
5. **Core funding targets agreed between Welsh Government and DTA Wales should emphasise, in particular, the support that is provided by DTA Wales to developing new Development Trusts and creating new income/enterprise activities for Development Trusts and other appropriate community regeneration vehicles across Wales.** The focus should therefore be moved from supporting established activities of the network towards supporting new enterprise and innovation activities.

Although we believe that a continuation of core funding remains the most appropriate way forward at this point in time, we also believe that targets should be set that will allow the DTA Wales Board to plan ahead more effectively and realistically to a point in time when either core funding may be a considerably smaller amount or that the core funding is transferred into project funding with limited and specific targets and outcomes.
6. **We recommend that the Welsh Government should, during the next funding period, develop with DTA Wales an agreed programme where core funding for DTA Wales activities will taper and be replaced by a more specific and limited project based**

¹⁶ A renamed and rebranded Development Trust Association UK

funding regime. Given the value for money currently achieved, the strong membership-based nature of the DTA Wales approach and the fact that the specific combination of infrastructure organisation services depends entirely on the DTA Wales' role and position within the practitioner network, we do not consider that there is a case for procuring services for development and support for development trusts in Wales. The sustainability of DTA Wales will be fundamental to the continuing provision of such services as part of its core mission and objectives.

To allow the DTA Wales, in partnership with the Department for Business, Enterprise, Technology and Science, to refine and strengthen the reporting and monitoring arrangements and produce a body of evidence relating to the different strands of activity and strategic initiatives as set out in recommendations 2 and 3 above, a further year of core funding up to March 2014 should be provided.

However, a second year of core funding to March 2015, should only be made available at up to 50% of the current level to enable the organisation and Welsh Government to translate its work programmes into more focused specific project funding arrangements.

Projects funded in this way may relate, for example, to specific areas such as asset transfer practices; strategic development work to identify and assess the enterprise potential of different kinds of assets; delivery of enterprise support and income generation elements within the Development Trusts; the engagement of identified target groups in asset transfer contexts; development of policy implementation tools for government and government agencies (e.g. Local Authorities, Forestry Commission).

Annex 1: Interviews conducted

Welsh Government officials

- Duncan Hamer
- Karyn Pittick
- Iain Willox

DTA Wales Board members

- Elwyn James, Arts Factory & DTA Wales Chair
- Martin Price, Chair SFW & DTA Wales Board member
- Ian Issaac, New Sandfields Afan Sustainable Regeneration & DTA Wales Board member
- Barry Shiers, Vision 21

Other stakeholders

- Derek Walker, Director, Wales Cooperative Centre
- Mark White, Charity Bank
- Jane Lee, WLGA
- Geoff Jones, WCVA
- San Leonard, CEO, Social Firms Wales
- Menna Jones, Antur Waunfawr
- Paul Tincello, Wrexham County Council
- Lis Burnett, University of Glamorgan

UK comparator organisations

- Hugh Rolo, Locality
- Ian Cooke, Director Development Trusts Association Scotland

Annex 2: Welsh Government purposes of DTA Wales core funding 2008-11

Schedule 1

Development Trusts Association Wales Key Targets, Aims, Actions & Performance Indicators for 2008-2011

Assist with the creation and establishment of new and emerging Development Trusts in Wales

DTA Wales Aim 2008-2011	Key Actions	Targets/Performance indicators 2008-2011
Growing Development Trusts network in Wales	<ul style="list-style-type: none"> Promote development trust model to communities and organisations interested in this approach to community regeneration and social enterprise. Assist with the creation and development of new and emerging development trusts through DTA Start Up Guide and Healthcheck. 	<ul style="list-style-type: none"> 9 new full & emerging members each year and 5 new associate members/partners 10 new and emerging organisations per year provided with DTA start up advice services and DTA Development Manual and Healthcheck.
	<ul style="list-style-type: none"> Assist new and emerging development trusts through exchange of knowledge of what works and peer learning. 	<ul style="list-style-type: none"> Organise 3 best practice exchange and study visits for new and emerging trusts per year.
	<ul style="list-style-type: none"> Promote development trusts through presentations to practitioners, partners and public sector. Promote development trusts as 'Community Anchor' vehicle for delivering Communities Next Programme and outcomes, including social enterprise and asset development. 	<ul style="list-style-type: none"> Promote development trust concept in Wales to 12 organisations, including: community practitioners, Communities First areas, public sector, housing and other key partners.

Developing the DTA Wales Practitioner Learning Network and enabling existing Development Trusts to grow and to operate well

DTA Wales Aim 2008-2011	Key Actions	Targets/Performance indicators 2008-2011
To facilitate the DTA Wales Practitioner Learning Network and to grow existing	<p>Practitioner Learning Network</p> <ul style="list-style-type: none"> Organise and provide Network events for development trusts in Wales and Bi-annual Conference. Organise peer learning visits and exchanges for development 	<ul style="list-style-type: none"> Organise 3 DTA Wales network events per year in different regions of Wales. Organise 1 National (Wales –wide) DTA Wales Conference every other year.

development trusts	<p>trusts to transfer knowledge and skills.</p> <ul style="list-style-type: none"> • Develop and manage interactive forum, on-line network resources and digital case studies via DTA Wales website. • Extend DTA Network learning to other community organisations and enterprises through Regen School Wales. 	<ul style="list-style-type: none"> • Organise 6 best practice exchange and peer learning visits per year for existing development trusts, including 2 Asset Development visits. • Further develop DTA website for on-line practitioner learning networking, Development Trust Forum, resources and case studies. • Develop and promote DTA digital case studies for DTA and website. • Promote development and training opportunities through Regen School Wales to development trusts and other social enterprises (12 organisations per year).
	<p>Asset Development & Transfer</p> <ul style="list-style-type: none"> • Based on DTA experience and track record, to promote opportunities for taking forward community owned asset development and transfer in Wales. • Highlight good practice and develop case studies in asset development from DTA Network. • Organise practically based 'How to do it' DTA seminars for social and community enterprises. • Develop 'Advancing Assets' seminar programme in Wales to raise awareness in public sector in partnership with Welsh Assembly and WLGA. 	<ul style="list-style-type: none"> • Produce case studies of good practice in asset development across development trust network (see below). • Organise 2 asset development exchange visits across Wales and UK per year (see above). • Organise 2 DTA Wales 'Viability not Liability' seminars per year. • Organise 1 DTA Wales 'Advancing Assets' seminar for local authorities per year.
	<p>Organisational & Operational Development.</p> <ul style="list-style-type: none"> • Undertake survey of members' development needs • Enable growth and development of established development trusts through DTA seminars and training and toolkits. • Facilitate Larger Development Trusts Forum to share good practice, develop new opportunities and support new and emerging development trusts. • Support development of development trust spatial cluster groups. • Identify good practice within DTA network and develop case studies. 	<ul style="list-style-type: none"> • Promote DTA training materials to trusts and tools available, including DTA Enterprise Accelerator, DTA Healthcheck and DTA Asset Development guides and Procurement briefings. • Develop larger Development Trusts Forum in Wales to identify development opportunities, sharing best practice and undertake joint ventures. • Develop and support 2 Spatial development trusts network clusters per year. • Produce 10 new case studies per year of best practice within DTA network and disseminate via website and publications (including 2 Asset Development and 2 Procurement).
	<p>Procurement</p> <ul style="list-style-type: none"> • Facilitate and participate in work with organisations such as Value Wales and WLGA and other third sector organisations. 	<ul style="list-style-type: none"> • Work with Value Wales, WLGA and third sector to inform and develop Procurement Policy in Practice • Produce case studies and encourage peer learning.

	<ul style="list-style-type: none"> Produce Procurement Case Studies from successful tendering, contract management and procurement practice within DTA Network. 	
	<p>New Investment New investment opportunities</p> <ul style="list-style-type: none"> Promote investment and loan funding to development trust and social enterprise networks in Wales. Promote and support Coalfields Regeneration Trust Social Enterprise Fund. 	<ul style="list-style-type: none"> Promote grant and investment opportunities for CYLCH Capacity Building Fund development trusts and social enterprises. Promote a portfolio of existing and new opportunities relating to loan and patient capital funds in Wales (Finance Wales, Communities Investment Fund, Community and Co-operative Finance) to development trusts and other social enterprises.
	<p>Asset Development Fund</p> <ul style="list-style-type: none"> Work with Welsh Assembly and other funding partners to develop opportunities for investment asset development in Wales. 	<ul style="list-style-type: none"> Develop proposals for new specific Asset Development Fund for Wales in partnership with Welsh Assembly Government and the Coalfields Regeneration Trust and others.
	<p>Convergence and Competitiveness Programmes</p> <ul style="list-style-type: none"> Support development trusts and the DTA Wales Network clusters to develop innovative and strategic programmes as part of the Convergence and Competitiveness Programme 2008-11. 	<ul style="list-style-type: none"> Establish Convergence on-line interactive forum and development resource on DTA Wales website. Support development trust network to develop national, spatial or thematic Convergence proposals.

Promoting Good Practice & Capturing the Value and Impact of Development Trusts

DTA Wales Aim 2008-2011	Key Actions	Targets/Performance indicators 2008-2011
Promotion of good practice and capturing the value and impact of development trusts network	<p>Promoting and capturing good practice</p> <ul style="list-style-type: none"> Capture and evidence growth and key achievements and development needs of development trusts through an Annual Membership Survey. Promote good practice and knowledge through DTA Conference. Promote development trusts and their achievements to key partners and the media. 	<ul style="list-style-type: none"> Undertake Annual Development Trust Network Survey and provide information to Welsh Assembly Social Enterprise databases. Promote good practice at bi-annual national DTA Wales Conference through presentations, workshops, etc. Promote achievements of development trusts to media through press releases, on line digital media and case studies and publications.
	<p>Promote Quality and Impact Tools for development trusts</p> <ul style="list-style-type: none"> Further develop DTA Wales' facilitated Social Accounting training to develop network and practitioner skills, increase 	<ul style="list-style-type: none"> Develop SAN Wales in partnership with CYLCH and other social enterprise partners. Promote and deliver awareness of Social Audit and Accounting in

	<p>roll out of social accounting and increase the number of approved social accounting trainers and audit panel chairs in Wales.</p> <ul style="list-style-type: none"> • Support development trusts to undertake Social Accounting. • Deliver DTA Healthchecks. • Promote awareness of Social Accounting and other Quality & Impact Tools to development trusts and other social enterprises in Wales. 	<p>Wales.</p> <ul style="list-style-type: none"> • Support 4 development trusts to commence social accounting per year. • Promote other Quality and Impact Tools (eg Social Return on Investment and LM3 online tool) to development trusts in Wales through on-line resources via DTA Wales website and 1 seminar per year.
	<p>Social Enterprise Networks</p> <ul style="list-style-type: none"> • Participate in Social Enterprise Policy development and cross-sectoral partnerships by taking an active role in the development and promotion of Welsh SEC. • Participate in National or Spatial Social Enterprise Networks to develop policy, support development and promote good practice for social enterprise in Wales. 	<ul style="list-style-type: none"> • To assist the Welsh Assembly Government in the development of policy and promotion of the sector through presentations and reports as required. • DTA Wales representative to attend all WSEC steering group meetings. • Attend Third Dimension Ministerial Liaison Meetings and Committee Meetings, as appropriate. • Attend 3 meetings per year with Social Enterprise Networks.
	<p>Communities Next Programme in Wales</p> <ul style="list-style-type: none"> • Promote development trust network and support emerging development trusts in Communities First areas. 	<ul style="list-style-type: none"> • Promote development trusts (as 'Community Anchors' and social enterprises) and asset development to community organisations and enterprises in Communities First areas, as model for Communities Next Programme. • Support new or emerging development trusts in Communities First areas.
	<p>Sustainable Development</p> <ul style="list-style-type: none"> • Identify and produce development trust case studies of Sustainable Development good practice. 	<ul style="list-style-type: none"> • Produce 1 case study per year of sustainable development impacts of Development Trusts.
	<p>Promote development trusts and social enterprise in rural areas</p> <ul style="list-style-type: none"> • Work with development trusts in rural areas to promote their achievements and good practice and develop new opportunities. 	<ul style="list-style-type: none"> • Promote achievements and provide support for new and existing Development Trusts and networks in rural areas with key partners – Rural Development Networks (former Leader Groups) etc.

Support Growth Sectors & Clusters within the Development Trust & Social Enterprise Networks

DTA Wales Aim 2008-2011	Key Actions	Targets/Performance indicators 2008-2011
Promoting and facilitating growth sectors and clusters within Development Trust and Social Enterprise Networks in Wales	<ul style="list-style-type: none"> Identify good practice and potential growth sector activities clusters and enterprises. 	<ul style="list-style-type: none"> Promote and grow network of Development Trusts in Wales as social enterprise growth sector group. Identify other potential key growth sectors and good practice within Development Trust network & other partners. Facilitate clusters within Development Trust network.
	<ul style="list-style-type: none"> Facilitate 1 growth sector Group per year to support the Social Enterprise Action Plan 2009 (including Asset Development, Housing and construction, skills, etc). 	<ul style="list-style-type: none"> Participate in existing networks (as above) Facilitate 1 growth sector group per year and produce report and recommendations for WAG to support the Social Enterprise Action Plan 2009.

Source: DTA Wales performance monitoring framework 2008-2011

Annex 3: Welsh Government Purposes of DTA Wales core funding grant 2011-13

Development Trusts Association Wales Key Targets, Aims, Actions & Performance Indicators for 2011-12

Schedule 1 - Development Trusts Association Wales (DTA Wales) Core Funding 2011-12: Outcomes and Performance indicators

1. To raise awareness of development trusts in Wales through media coverage.

This will be achieved by:

- Preparing a programme of work which will engage press and other media.
- Organising a national DTA Wales conference.
- Co-ordinating the press work of development trusts where appropriate.
- The development of case studies of development trusts in ERP priority sectors.

Measured by:

A stakeholder survey and logging press coverage.

2. Support the development of three new development trusts.

This will be achieved by:

- Following a structured development trust support process e.g. through the Development Trusts Association start-up guide.
- Liaising with local authorities and other organisations to identify opportunities for the creation and support of new development trust.

Measured by:

Formation of three new commercially viable development trusts.

3. Deliver two workshops to support the development of development trusts and to report an improved understanding of development trusts amongst the public sector.

This will be achieved by:

- Organising one workshop on managing community buildings.
- Organising one workshop on 'viability not liability'.

Measured by:

A stakeholder survey and participation numbers.

4. DTA Wales will use its experience and expertise in the field of development trusts to add value to the related work of the Welsh Assembly Government, WLGA and third sector in Wales. It will do so by (a) participating in, and contributing to, the provision of policy advice at a strategic level and (b), where it feels it proper to do so, supporting the Welsh Assembly Government to achieve its policy objectives that relate to development trusts.

This will be achieved by:

- Attendance at Ministerial meetings and advisory groups.
- Advice on delivering manifesto commitments.
- Meetings with officials.

- Participation in meetings and networks, such as WSEC and with relevant stakeholders in Wales and outside.
- Quarterly meetings with other WAG funded social enterprise support organisations.

Measured by:

Recording actions from meetings and seeking feedback from stakeholders.

5. DTA Wales will lever in additional funding for work to promote and develop existing development trust in Wales

This will be achieved by:

- Increasing the DTA Wales membership.
- Applications to funding organisations and work to develop new sources of income.

Measured by:

An increase in DTA Wales income for this purpose.

Annex 4: DTA Wales summary of achievements 2011/12

Schedule 1 - Development Trusts Association Wales (DTA Wales) Core Funding 2011-12: Outcomes and Performance indicators Achieved Summary

- 1. To raise awareness of development trusts in Wales through media coverage.**
 - 4 Seminars and events held to raise awareness of development trusts and promote good practice.
 - Attendance and exhibiting at other events including Social Enterprise Conference, CHC Conference, WSEC Trade Fair.
 - 4 Case studies produced relating to ERP priority areas.
 - Press and media coverage monitored
 - Good practice promoted via website ,bulletins and new Asset Development Portal
- 2. Support the development of three new development trusts.**
 - New Trusts have been established in Plas Cybi (Holyhead), which potentially could be part of larger Communities First cluster 1 FT Jobs current Glyn Wylfa (Wrexham) 7 FT Forecast jobs , 15 current volunteers, Carmarthenshire Heritage Regeneration Trust (Llanelli House) 8 FT forecast jobs , Caerphilly Miners Hospital (Caerphilly) 2 Ft and 10 volunteers and Ely (ACE Cardiff) 12 FT forecast + 20 FT volunteers
 - Support for Emerging Trusts for Tenby (potential flagship social enterprise) 10 + Forecast, Lampeter Trust (Asset Transfer of Victoria Hall secured) 2 FT ,3 Forecast
 - New trust enquiries from Newport Lysaght Centre, Newport Share Centre, Trinity College Carmarthen Social Enterprise Hub, Llanrumney House Cardiff, Lynfi Valley Bridgend and Navigation Colliery Trust, Caerphilly Partners have included United Welsh Housing and Wrexham County Council.
- 3. Deliver two workshops to support the development of development trusts and to report an improved understanding of development trusts amongst the public sector.**
 - One Seminar on managing community buildings at Galeri Caernarfon attended by 45 people
 - One Conference on Renewable Energy for Social Enterprise In Ebbw Vale Institute in partnership with the Development Trust network in Scotland, was attended by 120 people
 - Two Village SOS Seminars in Caernarfon in North 65 people and Talgarth in South Wales 70 people promoting community enterprise in rural areas and funding and support available
- 4. DTA Wales will use its experience and expertise in the field of development trusts to add value to the related work of the Welsh Assembly Government, WLGA and third sector in Wales. It will do so by (a) participating in, and contributing to, the provision of policy advice at a strategic level and (b), where it feels it proper to do so, supporting the Welsh Assembly Government to achieve its policy objectives that relate to development trusts.**
 - Attendance at 5 Ministerial Meetings and associated Planning Meetings for Ministers for BETS, Local Government and Communities and Education and Skills.
 - Input to Paper on Social Enterprise, Third Sector contribution to BETS objectives and presented further Paper on Economic Benefits of 'Meanwhile Use of empty high street shops' for BETS Ministerial Meeting.
 - Input to Policy development and Member of WSEC Board ,founding director of Community Energy Wales, Panel Member of Big Lottery and Welsh Government CAT Programme

- Attended Welsh Government National Assets working group and gave advice on new Assets Guidance. Further meeting with Richard Baker re TSPC Community Assets work group and potential for asset transfer development as vehicle for community and social enterprises.
- Meeting with Sioned Rees re ERP Priorities and social enterprise.
- Meeting with Welsh Government officials and advice on development trusts and biodiversity networks and timebanking and Welsh speaking entrepreneurs for Karyn Pittick.
- Support and advice to Cardiff Council on development of Community Asset Transfer Policy and guidance, the first LA to adopt in Wales.
- Development of new Community Assets Web Portal
- Attendance at Social Enterprise, Community Energy, Community Housing Cymru, Urban Communities Conferences
- Meeting with 3 Housing associations re potential for energy buying and fuel poverty.
- Previous input to Welsh Government enquiry on the role of social enterprise in Wales and development of Economic Renewal Programme.
- Production of DTA Wales Manifesto.

5. DTA Wales will lever in additional funding for work to promote and develop existing development trust in Wales

- There has been a significant increase in the Percentage of other income to Welsh Government Core Funding from 5% 'other income' in 2010/11 to 32% 'other income' increase in 2011/12 with a leverage increase of 43% from 2010/11 to 2011/12. The forecast for 2012/13 'other income' is a further significant increase to 67% 'other income' with a leverage increase of 156%.
- Delivery of Wales Co-operative Centre Special initiatives Social enterprise support for assets for social enterprise contract.
- Delivery of Village SOS Seminars for BIG with Plunkett Foundation and Locality.
- Establishment of Energy Buying Club for Members and other social enterprises to reduce costs and save energy.
- DTA Wales led practitioner consortia Application to BIG Fund for Sustainable Steps Programme for 2012- 2014 for £ 600,000 was approved. The first dormant accounts funding to be allocated in Wales.
- Application to Wales Economic Growth Fund for Ethical Energy Supply Company submitted but not successful.
- Support for existing Trusts relating to Asset Development, Strategic development, Governance, energy reduction including Ebbw Vale institute, Gorseinon trust, New Sandfields' Trust, Galeri Caernarfon.

Annex 5: Development Trusts Association Scotland and Locality: activities and issues

DTA Scotland (Ian Cooke Director)

Established in 2003 and has 178 and 44 associate members. The membership has a rural focus, because of the origins of the association, though efforts are being made to increase urban membership. The objective is to have a development trust in each community that wants one.

DTAS has 5 staff.

The core funders for DTAS are the Scottish Government (Third Sector Division) and the Big Lottery, through its Dynamic and Inclusive Communities (DINC) programme, which has now ended.

The core offer is around:

- Advice
- Information
- Direct support to members (especially on asset purchase and development)
- Policy work

DTAS is part of the Scottish Community Alliance, a broader bringing together of intermediaries supporting social enterprises and community development organisations.

It also has a consultancy arm, The Pool, which offers services primarily to those wishing to develop trusts and community based economic activity. Some of these services are offered by DTAS members, thus increasing their own income.

DTAS offers its members a voice to government in relation to promoting community ownership. For example, it currently runs the Community Ownership Support Service as part of the Community Empowerment Action Plan for the Scottish Government.

In addition DTAS offers specific support and advice to its members, including bespoke training and business development support (though this is limited due to resource constraints). This can be quite detailed and intensive when establishing a new trust is involved. It has also negotiated a number of practical benefits for trusts, including the bulk purchase of energy.

Locality

Locality was formed by the merger of the DTA in England and BASSAC (association of settlements) in 2011.

It has 423 members and 145 associate members, along with 47 staff, who are divided between central services and regional support. The members employ around 5,500 people, involve over 20,000 volunteers and have an income of £325 million in England. Membership is growing by 14% a year.

Locality offers its members a voice to government, for example in terms of the Localism Bill and the related agenda (Community right to challenge), through its relationship with DCLG. In this area it also works with strategic partners such as SE UK.

The core offer to members is around:

- Information
- Advice
- Toolkits on business support/start up
- Community enterprise support
- HR support
- 1-2-1 tailored support on finance and bid writing
- Bulk energy purchase
- Access to The Pool – a consultancy support (partly made up of Locality members).

Locality offers, where possible, bespoke support to members through expert advisors.

In terms of themes, Locality is focussing on:

- Community Ownership;
- Community Shares (and has recently set up a joint unit with Co-ops UK);
- Community Assets (through its Asset Transfer Unit)

Locality collaborates with DTAS, DTAW and the newly formed DTA NI at a strategic (CEO) level and in terms of exchanging information and best practice.